



**Addendum to the Memorandum of Agreement (MOA)  
Between  
KP Rural Economic Transformation Project (KP-RETP)  
And  
KP Technical Educational and Vocational Training Authority (KP-TEVTA)**

This Addendum, made on 5<sup>th</sup> December, 2024 at Peshawar, serves to amend the original Memorandum of Agreement (MOA) between KP Rural Economic Transformation Project (KP-RETP) and KP Technical Educational and Vocational Training Authority (KP-TEVTA), signed on 10<sup>th</sup> July, 2024. This Addendum formalizes the inclusion of additional services aimed, pursuant to Vocational and entrepreneurship skills training component whereby KP-TEVTA is responsible to impart skills trainings to 60,000 persons with a focus on ultra-poor and poor households with limited access to land with a specific focus on women (50%) and youth (50%), at supporting self-employment and job placement for KP-TEVTA graduates through financial grants and job placement services, collectively enhancing employability and economic self-sufficiency in Khyber Pakhtunkhwa.

**1. Enhanced Purpose of the Agreement**

The purpose of this Addendum is to strengthen KP-TEVTA's operational capacity in implementing initiatives under the KP-RETP. Specifically, the Addendum introduces:

- **Start-up capital for self-employment:** Providing direct financial grants to recent KP-TEVTA graduates to encourage entrepreneurship and economic self-reliance.
- **Job market integration/induction:** Establishing robust career counseling and job placement mechanisms to facilitate the integration of graduates into the job market.
- **Establishment/Strengthening of Skill Hubs/Centre of Excellence (CoE):** 03 Skill Hubs/Centre of Excellence will be established/strengthened, one each one Industry, Hospitality and Agribusiness)

These services, based on the proposal submitted by KP-TEVTA (**Annex-1**), are designed to align with KP-RETP's objective of fostering sustainable livelihoods and reducing poverty through capacity building, skill enhancement, and financial support, thus addressing unemployment and underemployment among youth in Khyber Pakhtunkhwa.

**2. Expanded Scope of Work**

**2.1 Start-up capital for self-employment**

Under this Addendum, KP-TEVTA shall administer a self-employment grant program to empower recent graduates and includes the following activities:

**2.1.1 Disbursement of Start-up Capital for Self-employment:**



- KP-RETP will finance start-up grants for up to 42,000 KP-TEVTA graduates, with each grant amounting to USD 300, intended to support graduates in establishing or expanding businesses across industries such as agriculture, crafts, and services.
- The grant disbursement will prioritize youth from ultra-poor and poor households, falling within Poverty Score Card (PSC) 0-40, with an emphasis on female recipients (50% target representation).
- Selected candidates will undergo a six-day preparatory course on topics including CV writing, Business communication skills, entrepreneurship, Business Development Plan / proposal of self-employment for each applicant which should be assessed for viability as part of the selection process.

### 2.1.2 Eligibility Criteria for Grants:

- Permanent residency in Khyber Pakhtunkhwa.
- Holds certificate of successful completion of training course by KP-TEVTA
- Completion of a diploma or certificate from a KP-TEVTA/TVET institute.
- Inclusion in the BISP poverty score (0-40)
- Demonstrated good moral character.
- 50% Women and 50% Youth

### 2.1.3 Implementation and Monitoring of Grants:

- KP-RETP and KP-TEVTA shall jointly oversee the application process, ensuring thorough evaluation and eligibility screening to confirm that applicants align with the specified criteria.
- The Grants Approval/Rejection Committee shall comprise of:

1. Director, Academics/Operations, KP-TEVTA	Chairman
2. Director/Deputy Director, Monitoring, KP-TEVTA	Member
3. Deputy Director, P&D, KP-TEVTA	Member
4. Deputy Director, Finance, KP-TEVTA	Member
5. Manager Employment & Job Placement, KP-RETP	Member
6. Institutional Development Officer, KP-RETP	Member
- Post-disbursement, recipients will be monitored to ensure funds are used as intended, with KP-RETP conducting periodic site visits and evaluations to assess the impact of the grants on economic self-reliance and poverty reduction.



## 2.2 Job Market Integration / Induction

The Vocational Counseling and Job Placement (VC&JP) services, will enhance employability by:

### 2.2.1 Industry Partnerships for Job Placement:

- KP-TEVTA will leverage its established partnerships with local and international businesses to secure internship and job placement opportunities for graduates.
- Priority will be given to graduates from economically disadvantaged backgrounds, falling in PSC 0-40, with a specific target of 50% female participants in placements.
- Each graduate will have the possibility to do 2 internships of 6 months each.
- The recruiting public/private sector institution and enterprise will be allowed to keep the same internee for a second period of 6 months only if it provides a formal offer of employment to the student.
- Graduates placed in internships under VC&JP will receive a monthly stipend of PKR 20,000, with PKR 15,000 covered by KP-RETP and PKR 5,000 by the participating institution.
- Selected candidates will undergo a six-day preparatory course on topics including CV writing, communication skills, job search techniques, and entrepreneurship.
- Post-placement, KP-TEVTA will track each graduate's progress for up to one year, ensuring effective integration into the workforce.

### 2.3 UPGRADATION OF EXISTING INSTITUTIONS INTO CENTER OF EXCELLANCE (CEO)

The proposal aims to upgrade an existing 03 targeted institutes into Centers of Excellence (CoE) which meet local demand, particularly sound and result driven outcomes, as namely:

S.No	Target Location	Sector
1	Government Technical and Vocation Center for Boys at D.I. Khan	Agribusiness
2	Government Technical and Vocation Center for Boys at Yar Hussain-Swabi	Industrial
3	Government Technical and Vocation Center for Boys at Mingora-Swat	Hospitality



- These institutes required significant upgrades in infrastructure, Machinery / Equipment, outdated courses and limited industry collaboration. There is a need for courses and curriculum modernization and faculty up scaling.
- Pre-requisites for detailed costing of various elements of upgradation are being prepared and will be shared in due course.

### 3. Physical Target

S.No.	Activity	Total Target (Numbers)	Target till Nobember-2025
1.	Vocational and entrepreneurship skills training	60,000	40,000
2.	Start-up capital for self-employment	42,000	28,000
3.	Job market integration/induction	25,000	19,000
4.	Establishment/Strengthening of Skill Hubs/Centre of Excellence (CoE)	03	03

03

### 4. Establishment of a Dedicated Coordination Unit

To effectively implement the new initiatives, KP-TEVTA will establish a dedicated **Coordination Unit** responsible for:

#### 4.1 Program Liaison:

- Serving as the main point of contact for KP-RETP and coordinating all grant and job placement activities.

#### 4.2 Operational Management:

- Managing data collection, reporting, and performance tracking for all project components, including monthly and quarterly reporting schedules.

#### 4.3 Coordination of Outreach and Training Activities:

- Organizing workshops, training sessions, and job fairs to promote the grant and job placement programs, ensuring broad engagement and awareness among targeted youth segments.



## 5. Financial and Budgetary Arrangements

- The KP-RETP will transfer funds required to be disbursed against one year physical targets as per para-3 to KP-TEVTA for the desired activities and to support the expanded services.
- For administrative and operational cost, KP-RETP will be responsible to meet the requirements as per para 5.1.

### 5.1 Administrative and Operational Overheads

This is a performance-based MoA and TEVTA will receive overheads at a fixed rate against each activity, as under;

S.No.	Activity	Total Target (Numbers)	Target till November-2025	Overhead Charges
1.	Vocational and entrepreneurship skills training	60,000	40,000	@ PKR 11,600 per training
2.	Start-up capital for self-employment	42,000	28,000	@ PKR 500 per Grant distribution
3.	Job market integration/induction	25,000	19,000	@ PKR 1,880 per placement
4.	Establishment/Strengthening of Skill Hubs/Centre of Excellence (CoE)	03	03	As per actual cost estimates

## 6. Monitoring, Evaluation, and Reporting Mechanisms

To ensure transparency, accountability, and effectiveness, the following mechanisms are hereby established:

### 6.1 Monitoring and Evaluation (M&E)

#### 6.1.1 Start-up capital:

- KP-TEVTA, in collaboration with KP-RETP, will conduct quarterly evaluations on the utilization of grants by recipients, focusing on metrics such as business growth, income generation, and community impact.
- On-site visits and financial audits will be conducted to verify grant usage, and any discrepancies will be documented and addressed in consultation with KP-RETP.



- KP-TEVTA will guide and support the grantees through the process of “handholding” within its existing framework, leveraging its expertise and networks in technical and vocational training.

#### **6.1.2 VC&JP Services:**

- KP-TEVTA will report on placement rates, graduate performance, and feedback from participating industries.
- A joint M&E team from KP-TEVTA and KP-RETP will conduct periodic field visits to verify the efficacy of VC&JP activities and assess the alignment of training with market demands.

### **Reporting Requirements**

#### **6.1.3 Monthly Progress Reports:**

- KP-TEVTA shall provide KP-RETP with monthly reports detailing grant disbursement, job placements, utilization of funds, and any challenges encountered.

#### **6.1.4 Quarterly Performance Evaluation Reports:**

- Detailed quarterly reports shall be submitted to KP-RETP, including statistical data on grant impacts, job placement metrics, industry feedback, and recommendations for program adjustments.

#### **6.1.5 Annual Impact Report:**

- KP-TEVTA will submit an annual impact report at the end of each project cycle, summarizing the outcomes of both the grant and VC&JP programs, including socio-economic impacts and program sustainability.

### **6. Duration of Addendum**

This Addendum shall be effective for a period of one (1) year from the date of signing, with an option for renewal upon mutual agreement of both parties, subject to an evaluation of the program's performance and impact.

### **7. Modifications**

For the implementation of activities, TEVTA shall follow the provisions of the approved PIM which may change from time to time.



## 8. Additional Provisions

### 1. Governing Laws:

- This Addendum shall be governed by and construed in accordance with the laws of Pakistan, in alignment with the IFAD's Financing Agreement.

### 2. Dispute Resolution:

- Any dispute arising under this Addendum shall be resolved in accordance with the dispute resolution mechanism stipulated in the original MOA, with an option for escalation to a joint oversight committee for final resolution.

### 3. Non-Alteration of Original Terms:

- All terms and conditions in the original MOA remain unchanged unless specifically modified by this Addendum. In the event of a conflict, the provisions of this Addendum shall prevail regarding the enhanced services.

### 4. Termination of Addendum:

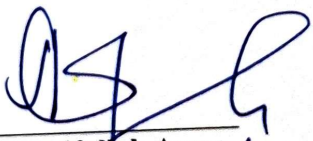
- Either party may terminate this Addendum with 15 days' written notice, contingent upon the completion of any ongoing activities and the submission of final reports by KP-TEVTA.


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## Signatures

For and on behalf of the Client:

For and on behalf of the Service Provider:

  
Mr. Arifullah Awan  
Project Director  
KP-RETP, Peshawar  
Date: 05<sup>th</sup> December, 2024

  
Mr. Malik Mansoor Qaisar  
Managing Director  
KP-TEVTA  
Date: 05<sup>th</sup> December, 2024