



**Addendum 2 to the Memorandum of Agreement (MOA)**

**Between**

**Khyber Pakhtunkhwa Rural Economic Transformation Project (KP-RETP)**

**And**

**Khyber Pakhtunkhwa Technical Education and Vocational Training Authority (KP-TEVTA)**

**PURPOSE**

This Addendum, made on 16<sup>th</sup> April, 2025 at Peshawar, serves to amend the 1<sup>st</sup> Addendum to Memorandum of Agreement (MOA) signed on 5<sup>th</sup> December, 2024 between KP-RETP and KP-TEVTA. This Addendum 2 formalizes the inclusion of additional services pursuant to sub-component 2.2 (Start-up capital for self-employment) and sub-component 2.3 (Job Market Integration/induction) to 42,000 and 25,000 graduates respectively with a focus on ultra-poor and poor households with limited access to land with a specific focus on Female (50%) and Male (50%) participation, through financial grant and job placement services, collectively enhancing employability and economic self-sufficiency in Khyber Pakhtunkhwa.

**1. Job Market Assessment**

The Job Market Assessment envisaged to be conducted by KP-TEVTA under the MOA dated 10 July 2024 is not required to be conducted by KP-TEVTA and all related clauses are hereby deleted.

**2. Vocational & Entrepreneurship Skills Training (Sub-Component 2.1)**

The Vocational & Entrepreneurship Skills Trainings envisaged to be conducted by KP-TEVTA under the Addendum dated 5 December 2024 is no longer required to be conducted by KP-TEVTA and all related clauses are hereby deleted.

**3. Grant Amount for Start-up Capital (Sub-Component 2.2)**

KP-RETP will provide funding as IFAD share to KP-TEVTA at the rate of PKR 73,000/- per beneficiary for a maximum number of 21,000 beneficiaries.

KP-TEVTA will arrange funding from GoKP at the rate of PKR 73,000 per beneficiary for the remaining 21,000 beneficiaries as the Government Share.

KP-RETP will be providing funding to KP-TEVTA on a six-month basis in advance as per the payment schedule provided in this Addendum. On the successful achievement of six-monthly targets, KP-RETP will provide funding to KP-TEVTA for the next six-months as per the targets.

The disbursed amount in PKR shall be utilized by the beneficiary to:

- Establish a new enterprise, or expand an existing business or
- Procure tools necessary for delivering services to the associated community in accordance with the prescribed guidelines.



Investing in rural people



#### 4. Stipend / Internship Amount for Job Market Integration/Induction (Sub-Component 2.3)

KP-RETP will provide funding as IFAD share to KP-TEVTA at the rate of PKR 15,000/- per beneficiary per month for a maximum period of one year per beneficiary for 18,250 beneficiaries.

KP-TEVTA will arrange funding from GoKP at the rate of PKR 15,000/- per beneficiary per month for a maximum period of one year per beneficiary for 6,750 beneficiaries.

KP-RETP will be providing funding to KP-TEVTA on a six-month basis in advance as per the payment schedule provided in this Addendum 2. On the successful achievement of six-months targets, KP-RETP will provide funding to KP-TEVTA for the next six months as per targets.

#### 5. Upgradation of Existing Institutions into Centers of Excellence

KP-TEVTA will prepare and submit to KP-RETP detailed proposals for the upgradation of existing Institutions into Centers of Excellence (CoEs). The proposals would include BOQs, technical specifications, staffing requirements, budget, and other details. The proposal would also classify costs between Capital Costs (one-time) and Operating Costs for three years. KP-RETP will review the proposals and provide its approval.

KP-RETP will be providing advance funding to KP-TEVTA equal to 80% of the approved Capital Costs. Upon successful completion of Capital works & improvements, KP-RETP will provide funding to KP-TEVTA for the remaining amount of the Capital Costs as per actual costs, subject to the maximum of approved budget for Capital Cost.

KP-RETP will provide advance funding to KP-TEVTA equivalent to six-monthly budget of the approved Operating Costs. Upon the successful completion of six-monthly targets (to be mutually agreed upon) and verification of expenses, KP-RETP will provide advance funding to KP-TEVTA for the next six months based on Actual Expenditure, subject to the maximum of approved budget for Operating Costs. KP-RETP funding of the Operating Costs will be limited to Female trainers and related costs.

#### 6. Estimated Monthly Physical Targets for the year 2025

Ensuring 50% participation of Female and Male across the two sub-components. The targets are disaggregated on a monthly and quarterly basis for effective Monitoring and Evaluation purposes.

Sub Component	2 <sup>nd</sup> Quarter, 2025			3 <sup>rd</sup> Quarter, 2025			4 <sup>th</sup> Quarter, 2025			Total
	April	May	June	July	August	Sep	Oct	Nov	Dec	
Start-up Capital	2,000	4,000	4,000	3,000	3,000	3,000	3,000	3,000	3,000	28,000
Jab Placement	1,000	2,000	2,000	2,000	2,000	2,000	3,000	3,000	2,000	19,000

### 7. Payment Schedule

Payment Schedule		
Sub-Component	Description	Amount in PKR
A-Start-up Capital	50% release of funds for 10,500 Grantees upon signing of this addendum	766,500,000
	50% release of fund on completion of disbursement to 10,500 Grantees	766,500,000
<b>Sub Total</b>		<b>1,533,000,000</b>
B- Job Placement	50% release of fund for 9,125 No. of internees upon signing of this addendum	1,642,500,000
	50% release of fund on completion of the internship of 9,125 internees	1,642,500,000
<b>Sub Total</b>		<b>3,285,000,000</b>
<b>Total A+B</b>		<b>4,818,000,000</b>

### 8. Record Retention Policy

All project-related records, documentation, and audit evidence shall be retained by KP-TEVTA for a minimum of ten (10) years following project completion, in accordance with donor and audit requirements. This shall supersede any contradictory provisions mentioned elsewhere in the Agreement.


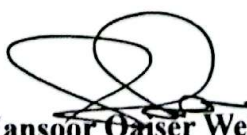
### 9. Access to Records for Audit

KP-TEVTA shall provide full access to all relevant records, reports, and documentation to auditors appointed by KP-RETP and IFAD, upon request. This provision shall apply throughout the project period and for the record retention duration stipulated above.

This ensures transparency, traceability, and full compliance with IFAD and the Government of Khyber Pakhtunkhwa (GoKP) financial guidelines.

All other terms and conditions outlined in the original MoA and its previous addendum shall remain unchanged and in full effect.

### ADDRESSES AND SIGNATURE:

On behalf of KP-RETP	On behalf of KP-TEVTA
Name & Designation	Name & Designation
 <b>Project Director</b> Khyber Pakhtunkhwa Rural Economic Transformation Project (KP-RETP) Peshawar  <b>(Arif Ullah Awan)</b> <b>Project Director</b> <b>KP-RETP</b>	  <b>(Mansoor Qaiser Weha)</b> <b>Managing Director</b> <b>KP-TEVTA</b>

TECHNICAL EDUCATION & VOCATIONAL  
 TRAINING AUTHORITY  
 KHYBER PAKHTUNKHWA