



## POST GRANT DISTRIBUTION MONITORING AND IMPACT ASSESSMENT SURVEY OF STARTUP CAPITAL



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

## List of Acronyms

**KP-RETP** – Khyber Pakhtunkhwa Rural Economic Transformation Project

**KP-TEVTA** – Khyber Pakhtunkhwa Technical and Vocational Training Authority

**IFAD** – International Fund for Agricultural Development

**EU** – European Union

**P&DD**– Planning and Development Department

**GoKP** – Government of Khyber Pakhtunkhwa

**GRM** – Grievance Redress Mechanism

**M&E** – Monitoring and Evaluation

**NGO** – Non-Governmental Organization

**SME** – Small and Medium Enterprise

**TVET** – Technical and Vocational Education and Training

**DIT** – Diploma in Information Technology

**CIT** – Certificate in Information Technology

**DAE** – Diploma of Associate Engineering

**IT** – Information Technology

**BP**- Business Planning

**PKR** – Pakistani Rupee

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## 1. Background

Skill development and employment promotion component of the Khyber Pakhtunkhwa Rural Economic Transformation Project (KP-RETP), is designed to promote sustainable livelihoods through skills development and entrepreneurship support. In partnership with the Khyber Pakhtunkhwa Technical and Vocational Training Authority (KP-TEVTA), the initiative provides startup grants to youth who have successfully completed technical and vocational trainings. The primary objective of this intervention is to facilitate the transition of trained individuals from unemployment or low-income activities into self-employment by equipping them with both technical skills and financial capital. By October 2025, 3300 of beneficiaries across Khyber Pakhtunkhwa had received startup grants under this initiative.

To evaluate the effectiveness, transparency, and socio-economic outcomes of the program, a post-grant impact monitoring survey covering 299 beneficiaries was conducted. The findings provide valuable insights into program performance, impact, and areas requiring improvement.

## 2. Overall Performance Snapshot

The program demonstrates strong overall performance, particularly in grant utilization, employment generation, and beneficiary satisfaction. A substantial majority of beneficiaries effectively utilized the grant funds for productive purposes, indicating that the intervention is both relevant and impactful.

There has been a significant shift from unemployment to self-employment, reflecting the program's success in fostering entrepreneurship. Beneficiary satisfaction is notably high, and there is widespread confidence in the fairness and transparency of the selection and disbursement processes.

## 3. Key Achievements

The initiative has achieved high levels of grant utilization, with most beneficiaries investing in tools, equipment, and business setup. It has significantly reduced unemployment and increased self-employment, demonstrating strong alignment between skills training and market opportunities.

In addition to economic outcomes, the program has generated strong social and psychosocial impacts. Beneficiaries reported improved confidence, increased mobility, and enhanced participation in household decision-making. High satisfaction levels and trust in program processes further strengthen the credibility of the intervention.

## 4. Key Challenges

Despite these successes, critical gaps exist in monitoring and accountability systems at the partner level. Physical verification of beneficiaries and their businesses prior to grant was limited, and awareness of grievance redress mechanisms is very low.

The adequacy of the grant amount remains a major concern among beneficiaries, many of whom report that the funding is insufficient to establish or sustain a viable business.

## 5. Objectives of the Survey

The assessment was conducted to validate the receipt and utilization of startup grants, measure socio-economic impact in terms of employment and income, evaluate transparency in program processes, and gather beneficiary feedback for improvement.

## 6. Survey Methodology

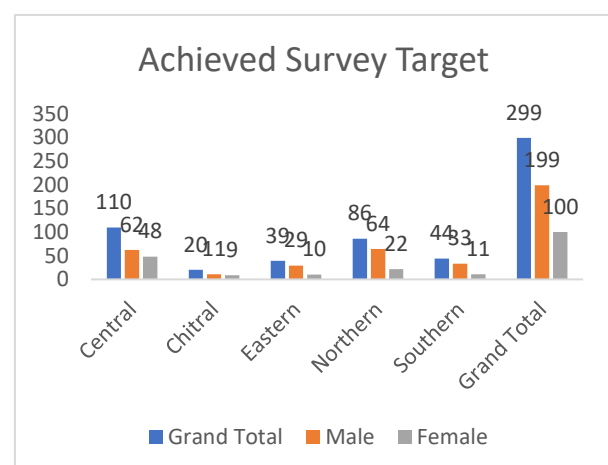
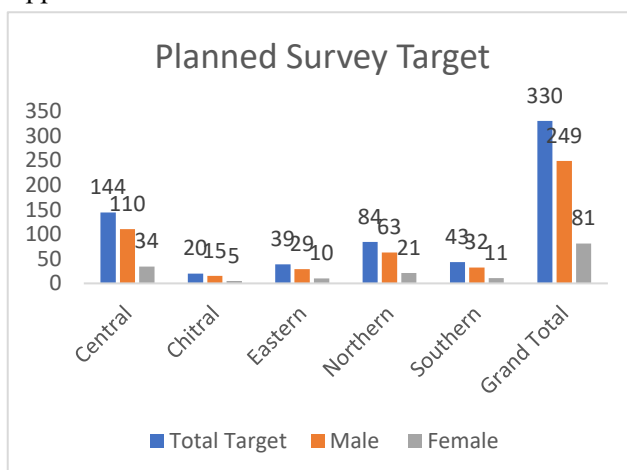
A structured survey using a standard questionnaire and sampling mechanism was conducted across a total dataset of 3,300 individuals, with a 95% confidence interval and a margin of error of 5.11%. From this, a representative sample of 336 beneficiaries was selected across all clusters to ensure coverage of key indicators such as grant utilization, employment status, income changes, and beneficiary satisfaction. Data collection combined direct beneficiary responses with follow-up validation to identify trends, measure impact, and highlight implementation gaps.

### 6.1. Demographics & Coverage (Gender wise Respondents Distribution by Cluster)

A total of 330 interviews were planned, representing 10% of the overall dataset of 3,300. These were proportionally allocated across all five clusters based on the number of grantees in each.

In the central cluster, 110 interviews were completed against a target of 144 due to the unavailability or non-responsiveness of some grantees. The southern cluster exceeded its target by one interview, while the northern cluster conducted two additional interviews. The remaining clusters met their respective targets, resulting in a total of 299 completed interviews.

Gender considerations were incorporated during the allocation of interviews to ensure an inclusive approach.



## 7. Data Analysis

### 7.1. Grantees Qualifications & Year of Completion

One of the questions in questionnaire was about the technical qualification of the grantees. Analysis of the responses to this question reflected in below table indicates that 39.4 % of the sample grantees have qualification in field of IT (DIT & CIT).

Qualification	Grantee	Percentage
DIT	108	36.1%
Trade Certificate	54	18.1%
DAE	37	12.4%
CIT	10	3.3%
Dress Making	8	2.7%
Electrical Technology	5	1.7%
Beautician	5	1.7%
Others	56	18.7%
<b>Total</b>	<b>299</b>	<b>100%</b>

### 7.2. Segregation Of Grantees by Year of Completion

According to the selection criteria set by project the candidates who have who have attained the requisite qualification from 2023 and onward are eligible for startup grants, however, the above table shows that one of the selected grantees had completed his diploma in 2021 and hence did not meet the eligibility requirement. Moreover, 04 grantees were not aware about year of completion.

Year	Grantee	Percentage
2023	127	42.5%
2024	132	44.1%
2025	34	11.4%
2021	1	0.3%
Don't know	4	1.3%

## 8. Business Planning & Types

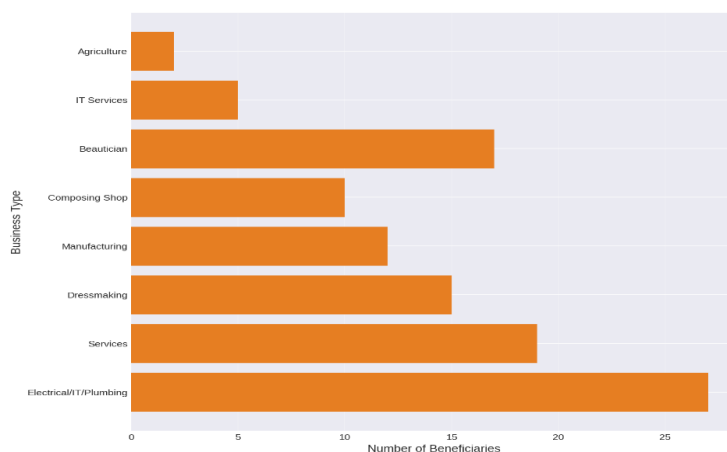
### 8.1 Business Plan Submitted by Grantees

According to the selection criteria, each candidate was required to submit a business proposal, and selection was to follow a feasibility review. However, as observed in the data table, eight out of 299 candidates were selected for the grant despite not submitting any business plan. This constitutes a clear violation of a fundamental element of the selection criteria.

Status	Grantee	Percentage
Yes	291	97.3%
No	8	2.7%

### 8.2 Business Types proposed

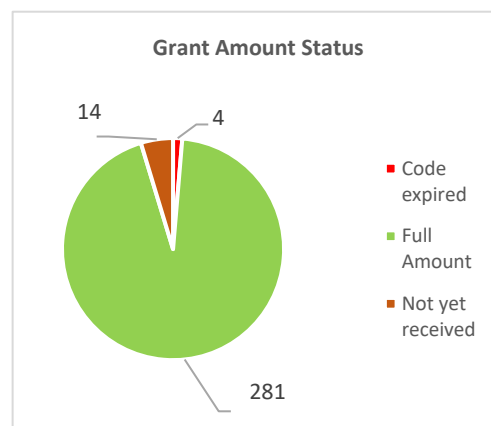
The majority of business proposals submitted by the grantees were market-oriented. Among these, a significant proportion were concentrated in sectors such as information technology (IT), electrical services, beautician services, plumbing, and other service-based trades. Notably, no proposals related to goods or product-based businesses were observed, as the submitted plans were exclusively focused on service-oriented activities



## 9. Grant Disbursement & Utilization

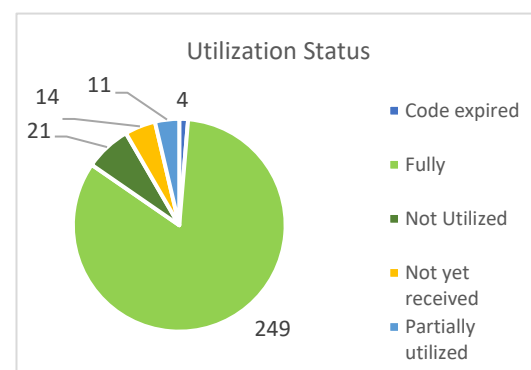
### 9.1 Status of receipt of grant

A total of 281 candidates received the fully approved grant amount of 73,000 PKR each, whereas, 14 interviewed candidates who were listed as grantees reported that they had not received the grant, despite their names appearing on the official grantee list. Furthermore, in 04 additional cases, the withdrawal codes had expired, rendering the candidates unable to access the funds. Despite repeated follow-ups with KP-TEVTA, no satisfactory response was received by the affected individuals. This situation raises serious concerns regarding the authenticity of the reported data, grantee feedback mechanism and grievance redressal system at partner level.



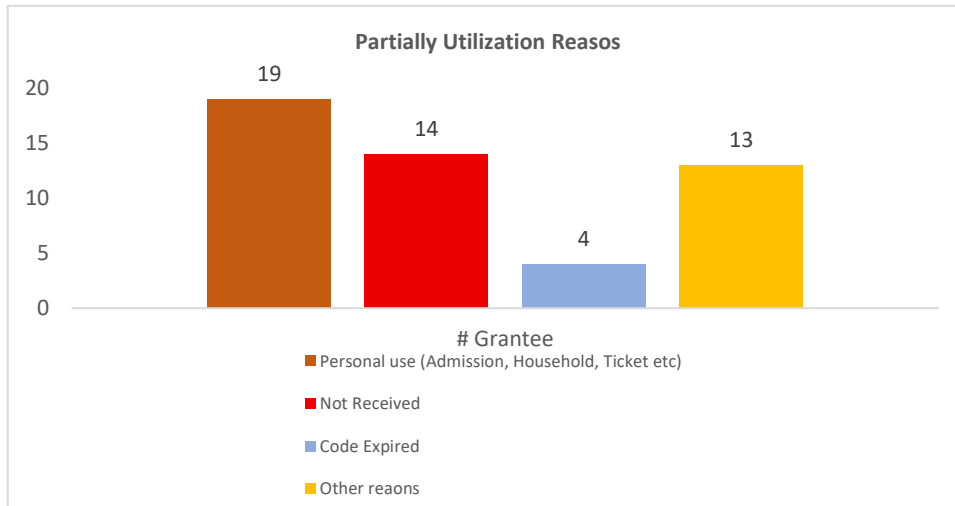
### 9.2 Grant Utilization Status

A total of 249 grantees fully utilized the grant as intended. However, the remaining cases reveal serious irregularities and misuse of funds. At the time of the survey, 21 grantees had not utilized the grant. Notably, 14 sample grantees reported that they did not receive the grant at all 04-code expired and 2 didn't respond, rendering them unable to utilize the funds.



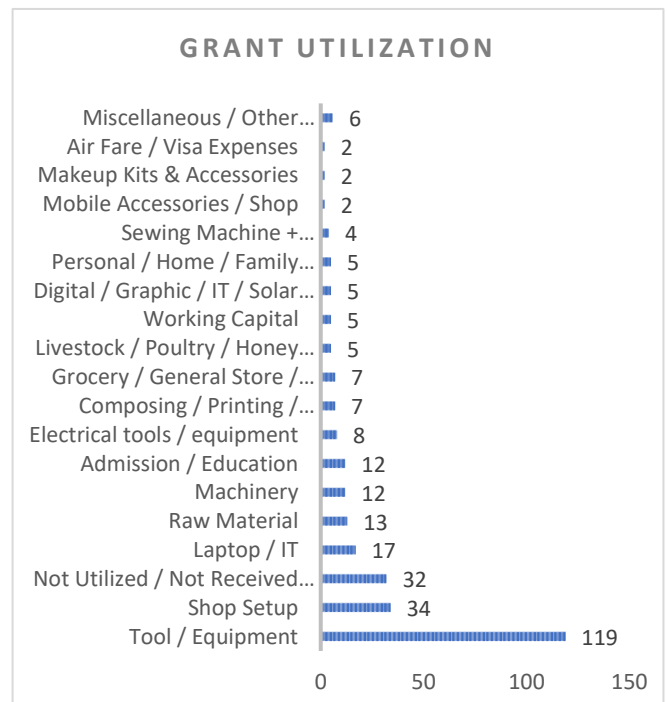
### 9.3 Reasons for Non/Partial Utilization.

The main reason for non/partial utilization was non-receipt of funds (14 grantees) 04 code expired, followed by 19 Some used funds for personal needs, while 13 cited reasons such as still planning, grant insufficiency etc.



### 9.4 Purpose of Utilization.

The analysis reveals that Tool and Equipment is the dominant category, accounting for nearly 40% of all responses (119 out of 299). Shop Setup 11.37 % and 10.70 % Not Utilized / Not Received. Other categories include Laptop/IT (17), Raw Material (13), Machinery (12), and Admission/Education (12), indicating core operational and capacity-building investments. A diverse range of smaller trade categories such as printing, grocery, livestock, working capital, personal/family business, and various services each contribute between 4 and 8 responses, reflecting a broad base of micro-enterprises. Miscellaneous minor items (mobile accessories, makeup kits, airfare/visa expenses, and other uncategorized costs) total 12 responses. Overall, the top three categories alone account for 62% of the grand total, while the remaining 23% is spread across a long tail of low-frequency categories.



## 10. Employment Impact

### 10.1 Employment Status Comparison

Prior to the grant, the majority of beneficiaries 183 individuals (61.2%) were unemployed. After the grant, self-employment saw the most significant increase. Before the grant, only 54 individuals (18.1%) were self-employed; afterward, this figure surged to 194 individuals (64.9%), an addition of 140 persons (+46.8 percentage points). This is the most significant positive change.

Wage workers decreased from 32 (10.7%) to 14 (4.7%), a reduction of 18 persons (-6.0 percentage points), indicating that they had established their own startup. Students also declined from 20 (6.7%) to 13 (4.3%), a drop of 7 persons (-2.4 percentage points).

Key takeaway: The grant transformed the beneficiary profile from predominantly unemployed (61%) to predominantly self-employed (65%), with over 70% of the reduction in unemployment directly converting into self-employment.

Status	BEFORE Grant	AFTER Grant	Change
Unemployed	183 (61.2%)	52 (17.4%)	-131 (-43.8 pp)
Self Employed	54 (18.1%)	194 (64.9%)	+140 (+46.8 pp)
Wage Worker	32 (10.7%)	14 (4.7%)	-18 (-6.0 pp)
Other	30 (10%)	39 (13%)	10(+3 pp)

## 11 Income Impact

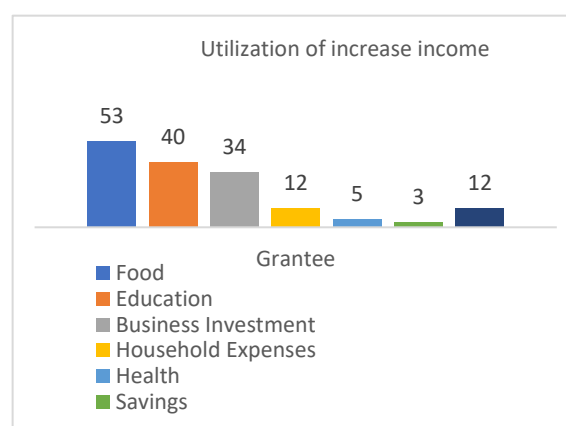
### 11.1 Per Month Income Comparison (In PKR)

Among 299 total grantees, the intervention significantly improved income distribution and average earnings across all categories. The number of grantees in the Lower income bracket (< 10k PKR) dropped from 236 to 68, while their average income nearly tripled from PKR 1,790 to PKR 4,820 (+3,030 PKR). The Medium income group (10k–30k PKR) expanded from 51 to 180 grantees with average income rising from PKR 15,210 to PKR 16,830 (+1,620 PKR). The Higher income category (> 30k PKR) grew more than fourfold from 12 to 51 grantees, achieving the largest average gain of PKR 4,370 (from PKR 43,750 to PKR 48,120). Overall, the program successfully moved grantees upward across all income tiers, with every category recording positive income growth

Income Category	Grantees (Before)	Avg Income Before (PKR)	Grantees (After)	Avg Income After (PKR)	Change in Avg Income
Lower (< 10k)	236	1,790	68	4,820	3,030
Medium (10k – 30k)	51	15,210	180	16,830	1,620
Higher (> 30k)	12	43,750	51	48,120	4,370
Grand Total	299		299		

### 11.2 How Increased Income is Utilized

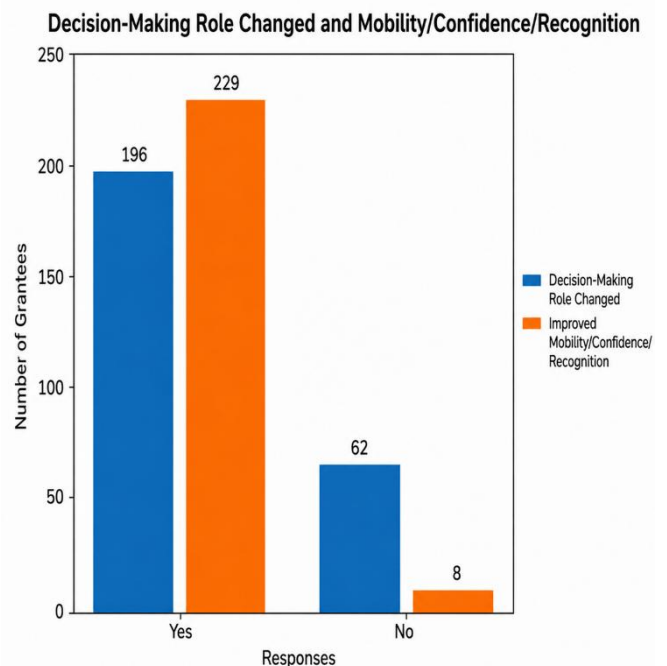
The grant primarily served immediate consumption needs (Food) and long-term development (Education and Business Investment), which together account for 127 out of 159 responses (approximately 80% of all purposes cited). The relatively low allocation to health and savings suggests that survival, learning, and income generation were the overriding priorities.



## 12. Social Impact

### 12.1 Decision-Making Role Changed & Improved Mobility/Confidence/Recognition

The majority of respondents report a clear and positive change in their decision-making role after receiving KP RETP support. Previously unemployed, many now earn an income, which has allowed them to contribute to household and children’s educational expenses. This financial contribution has directly increased their influence and independence. Respondents state they can now take household and business-related decisions independently and mobility has been improved, decide what to buy, and feel that their “words carry weight.” Family members now listen to them, give them importance, and trust them to make decisions. While some note they are involved only “to some extent” or in specific financial matters (e.g., household expenses), many others report being actively involved in decision-making, with elders’ consent being sought and family consensus now including them. Overall, the support has shifted their role from unemployed and unheard to earning, respected, and influential in household decisions

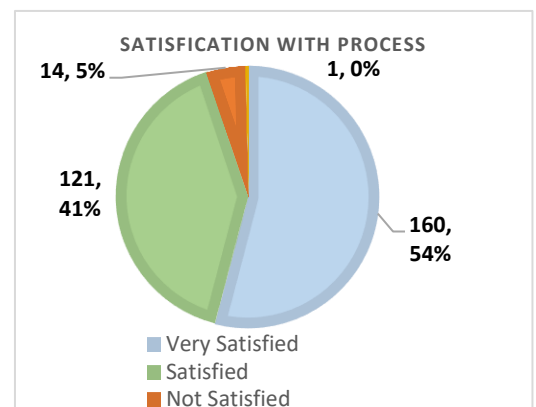


## 13. Program Satisfaction

### 13.1 Satisfaction with KP TEVTA Process

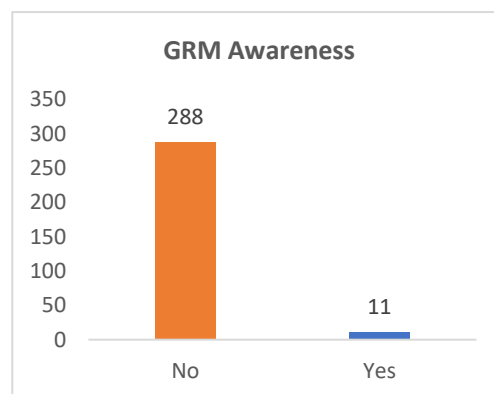
Based on the survey results, the overwhelming majority of grantees expressed positive feedback. Specifically, 53.5% (160 grantees) reported being Very Satisfied, while an additional 40.5% (121 grantees) indicated they were Satisfied. Combined, these two groups represent 94% of all respondents.

In contrast, only 4.7% (14 grantees) stated they were Not Satisfied, and 0.3% (1 grantee) remained Neutral. Overall, the data reflects a high level of grantee satisfaction with the process.



### 13.2 Awareness about Grievance redressal Mechanism (GRM)

A survey on awareness about the Grievance Redressal Mechanism (GRM) revealed extremely low levels of awareness among respondents. Out of the total, only 11 respondents (3.68 %) answered "Yes," indicating they were aware of the GRM. The overwhelming majority 288 respondents (96.3%) answered "No," reflecting a near-total lack of awareness. Overall, less than 3.68 % of the grantee population is aware of the mechanism designed to address their grievances, highlighting a critical gap in communication and outreach.



### 14. Interviewee observations.

On the positive side, many grantees used the funds as intended and were able to set up small businesses such as tailoring shops, surgical supply stores, printing and IT service centres, beauty Parlors, grocery shops, and welding or electrical workshops. These efforts have helped them become self-employed, with monthly earnings typically ranging between Rs. 10,000 to Rs. 15,000. In some cases, grantees reinvested a large share of their income up to 70% to expand their businesses further.

At the same time, a notable number of grantees did not follow their original business plans. Some redirected the funds into other productive activities, several supporting family businesses like vehicle workshops, tailoring setups, or stationery shops, from which they claim to receive a share of the income. However, there were also instances where the funds were used for personal needs such as buying mobile phones or laptops, covering household expenses, paying for weddings or education, or handing over the money to relatives without receiving any financial return.

There were also cases where the grants remained unused. Common reasons included the perception that the amount was insufficient to start the intended business, plans to use the money later, or the grantee having moved abroad particularly to Saudi Arabia for work. A few technical and administrative issues were also reported, such as expired codes. **Notably, one serious case was reported where a college staff member allegedly took Rs. 23,000 from a grantee.**

The outcomes reflect mixed utilization. While many grantees now earn steady incomes between Rs. 5,000 and Rs. 15,000 per month, others faced setbacks. Some businesses closed shortly after starting, and in one case, a grantee lost their entire investment in a failed solar venture and is now earning a modest stipend. On the brighter side, some individuals used the grant to upgrade their tools, reducing dependence on rented equipment. A few also found alternative income streams for example, one grantee now earns up to Rs. 27,000 per month through a YouTube channel, while another works as a composer earning up to Rs. 33,000.

### 15. Recommendations

Based on the findings of the post-grant impact monitoring assessment survey, the following key recommendations are proposed to strengthen program effectiveness, accountability, and sustainability:

- Strict verification of eligibility, including qualification year and mandatory business plan approval.
- Conduct mandatory pre- and post-disbursement physical verification.

- Ensure that grant funds are utilized strictly in accordance with the approved business plan by implementing clear usage guidelines, post grant disbursement monitoring and verification mechanisms (preferably on bi-annual basis).
- Conduct trend analysis of the types of businesses/startups supported, in order to prevent overemphasis on certain trades, as evidenced by the survey results.
- Increase awareness and establish a time-bound and responsive grievance redressal system.
- Provide post-grant mentorship, advisory, and market linkage support.
- Enhance coordination and conduct periodic joint reviews.
- Use standardized business plan templates and ensure feasibility review supported by standard checklist before selection.
- Reconcile beneficiary lists with payment records to avoid discrepancies.

## 16. Conclusion

The survey results indicate that the initiative have made positive socio-economic impact, particularly in promoting self-employment, increasing income levels, and enhancing beneficiaries' confidence and role within households. The program has effectively enabled a large proportion of trained youth to transition from unemployment to productive economic activities, with notable improvements across all income categories and high overall satisfaction with program processes. These outcomes reflect the relevance of combining technical skills development with financial support.

However, the findings also reveal critical implementation gaps that require immediate attention. Weak monitoring mechanisms, limited physical verification, and several instances of fund misutilization highlight shortcomings in accountability and follow-up mechanism. Issues related to non-receipt of grants, expired disbursement codes, and lack of response from implementing authorities undermine the program's transparency and credibility. Additionally, the low awareness of grievance redress mechanisms indicates gaps in communication and support systems.

To sustain and enhance impact, KP-TEVTA must strengthen monitoring and compliance systems, ensure timely and transparent disbursement, enforce adherence to business plans, and significantly improve outreach regarding grievance mechanisms. Introducing post-disbursement support such as mentorship and business guidance, as envisaged in MoA, could further improve outcomes. Addressing these gaps will be essential for maximizing the long-term effectiveness, equity, and sustainability of the initiative.

### ANNEX A: List Of Grantee Not Received and Code Expires

Form No	District	Respondent Name/Grantee	CNIC	Gender	Contact Number	Grant Status
1	D.i.Khan	Arif jaan	12101-4317435-9	Male	34192553 65	Not yet received
2	D.i.Khan	Sami ullah	12101 3456926 9	Male	34254479 95	Not yet received
3	Karak	Abdur Rahim	14202 6144140 7	Male	0313 9415393	Not yet received
4	Kurram	Saima	21302 4080989 8	Female	30491047 5	Not yet received
5	Kurram	Maryam Bibi	21302 7098995 0	Female	30139197 79	Not yet received

6	Dir Lower	Huma Gul	15307-3863996-6	Female	0342-0231996	Code expired
7	Bajaur	Hayat Ullah	21103-1895891-5	Male	0304-9694907	Code expired
8	Bajaur	Habib Ullah	21103-3689527-3	Male	0309-9701818	Code Expired
9	Malakand	Muhammad Mohsin Shah	15402-1435946-5	Male	0345-9346281	Code Expired
10	Nowshera	Fahad ur rahman	17201-1588164-5	Male	3369345809	Not yet received
11	Nowshera	Muskan	17201-5468298-0	Female	0311-9189374	Not yet received
12	Nowshera	Mehwish salma	17203-0350861-2	Female	3197767269	Not yet received
13	Nowshera	Areeba Arshid	17201-4326202-2	Female	3339007967	Not yet received
14	Nowshera	Kaynat salma	17201-2105193-4	Female	3197767269	Not yet received
15	Peshawar	Sania Riaz	17201-9422331-2	Female	0321-9731242	Not yet received
16	Mardan	Shabana Dildar	16101-2652735-6	Female	3173251516	Not yet received
17	Charsadda	Hussain ali	16201-1966485-7	Male	3469095902	Not yet received
18	khyber	M.Asif	21201-4218529-3	Male	3360640661	Not yet received