



Newsletter | January – December 2025

From Fields to Future: Transforming Rural Lives in Khyber Pakhtunkhwa

From the plains of D.I. Khan to the scenic valleys of Chitral - Agribusiness and Skills Development is taking root.

The Khyber Pakhtunkhwa Rural Economic Transformation Project (KP-RETP) is a flagship initiative of the Government of Khyber Pakhtunkhwa, implemented by the Planning & Development Department in partnership with the International Fund for Agricultural Development (IFAD) and European Union.

The project aims to reduce rural poverty, improve food and nutrition security and strengthen the resilience of rural households through climate-resilient, high-value agriculture and off-farm/non-farm employment opportunities. KP-RETP focuses on smallholder farmers, rural youth and women, ensuring inclusive and sustainable economic growth across the province.

Key Highlights (Jan–Dec 2025)

Empowering Farmers Through Collective Strength

For decades, smallholder farmers have worked individually, with limited bargaining power and weak market access. In 2025 alone:

- **197 Professional Farmer Cooperative Organizations (PFCOs) were mobilized**
- **175 formally registered**



These farmer-led institutions are in the process of becoming fully operational and will be all geared up for negotiating better prices, accessing services collectively and managing finances in a transparent manner. Farmers who previously sold their produce at distressed rates are being equipped to gradually integrate into more structured and organized value chains.

Skills That Change Lives

Under the Project's Skill Development and Start-up grants initiatives, significant progress has been achieved in empowering youth and women in the target districts.

In rural settlements of Khyber Pakhtunkhwa, youth are gaining more than certificates, they are gaining confidence. Many are first-generation earners in their families.

For women in conservative rural settings, these trainings represent more than income, they represent empowerment.



Key Progress Achievements in 2025:

- **23,337** youth graduated in skills training programs, enhancing technical competence and employability.
- **4,936** beneficiaries supported with startup grants to initiate self-employment ventures.
- Women continue to participate actively, comprising **47%** of skill training participants and **22%** of startup grant recipients.
- Stakeholder engagement enhanced through Industry workshop under the Job Placement sub component to educate them regarding placement of eligible youths of KP.
- Overall, initiatives are steadily progressing, contributing to poverty reduction, livelihood enhancement and rural economic resilience in Khyber Pakhtunkhwa.

Institutional Partnerships Strengthened

Strategic MoAs were signed with KP-TEVTA, University of Engineering & Technology Peshawar, University of Agriculture Peshawar and the Cooperative Department to enhance technical capacity, curriculum development, cooperative registration and agribusiness support services. These partnerships strengthened institutional linkages for sustainable skills development and value chain promotion.



Cluster-Based Implementation

KP-RETP operationalized its interventions in five Agribusiness Clusters through Regional Coordination Units (RCUs) to ensure efficient service delivery and contextualized implementation in all 36 districts of Khyber Pakhtunkhwa:

1. Rural Empowerment and Institutional Development (REPID) implemented project activities in the Central and Southern Agribusiness Clusters, focusing on farmers mobilization, PFCO's formation, strengthening and agribusiness planning.

2. Helvetas Swiss Inter Cooperation, in joint venture with Initiative for Development and Empowerment Axis, led interventions in the Northern and Chitral Agribusiness Clusters, emphasizing institutional development, community mobilization, and inclusive outreach.
3. SMART Researchers, in joint venture with Farmers Integrated Development Association, implemented activities in the Eastern Agribusiness Cluster, supporting PFCO formation, capacity building and market-oriented agribusiness initiatives.

IFAD Engagement & Coordination

The International Fund for Agricultural Development (IFAD) remained closely engaged with KP-RETP throughout 2025, providing technical guidance, reviewing concept notes and supporting implementation across project components. Regular coordination meetings and reporting mechanisms ensured alignment with IFAD standards, compliance requirements and strategic objectives.



A Model Built on Accountability

With close engagement of IFAD, KP-RETP maintains strong fiduciary controls, environmental safeguards and gender inclusion standards. Strategies on Gender, Social Inclusion and Grievance Redress ensure that growth remains equitable and transparent.



Component I - Agribusiness Development

Component I focuses on strengthening rural agribusiness through farmer-led institutions, market linkages, and improved access to agricultural services.

Key Interventions

- Formation and strengthening of Professional Farmer's Cooperative Organizations (PFCOs)
- Development of Producer Public-Private Partnerships (4Ps) for value chain integration
- Modernization of Farmers Owned Agribusiness Hubs (FOAHs)
- Institutional support and capacity building

Progress Highlights (2025)

PFCO Development

A total of **197** PFCOs were mobilized against an annual target of **200**, demonstrating strong outreach and community engagement. Out of these, **175** PFCOs were formally registered, while **22** remain under registration with the Cooperative Department, indicating substantial institutional progress.

Public-Private-Producers Partnerships (4Ps)

Concept notes of three 4Ps were developed. These partnerships aim to strengthen market access, improve competitiveness and integrate smallholder farmers into structured value chains.

Farmers Owned Agribusiness Hubs (FOAHs)

Seven FOAHs are under modernization to enhance storage, processing and value addition facilities. Farmer mobilization and infrastructure improvement processes are ongoing to ensure operational sustainability.



Institutional Strengthening

A baseline study was successfully completed to establish benchmark indicators. Five Business Mobilization Partners were hired to facilitate field implementation. MoUs were signed with the University of Agriculture Peshawar and the Cooperative Department to support institutional capacity building.



Cross-Cutting Themes

All activities incorporated Gender, Nutrition, Social & Environmental Climate Assessment Procedures (SECAP) and community inclusion principles to ensure equitable and environmentally responsible implementation.



Component II - Skills Development & Employment Promotion

Component II promotes productive employment and self-employment opportunities for rural youth, women and men in on-farm, off-farm and non-farm sectors.

Skills Development

In 2025, a total of 23,337 youth were trained across 25 disciplines in the TVET, Construction, Emerging Skills and Hospitality & Tourism sectors, reflecting strong implementation performance. The trainings ensured inclusive participation, including 12,354 youth men (53%), 10,942 youth women (47%) and 41 transgender individuals, thereby enhancing equitable access to economic opportunities. These interventions have strengthened employability, improved income-generating capacities and promoted inclusive economic participation.



Entrepreneurship & Startup Support

Startup capital was provided to 4,936 beneficiaries of PKR 73,000 each, including Youth Men: 3,853 (78%) and Youth Women: 1,083 (22%) to establish or expand micro and small enterprises. This support promotes sustainable self-employment and rural enterprise growth.



Internships & Job Placement

KP-RETP organized an Industry Workshop to engage employers, orient them on the job placement initiative and clarify terms and conditions for hosting eligible youth as interns. The Directorate General of Industries and Commerce also actively contributed to streamline the activity, ensuring effective implementation and strengthen public-private coordination and facilitate structured job placements.





Women’s Participation and Social Inclusion in Economic Activities

The project continues to promote women's participation and broader social inclusion in economic activities through skills development and entrepreneurship support. In vocational skills trainings, 47% of participants were women, reflecting strong progress towards inclusive participation. The trainings also ensured the inclusion of 41 transgender individuals, while opportunities were extended to minority groups and persons with disabilities, promoting equitable access to skills and livelihood opportunities. In addition, 22% youth women received startup capital support to establish or expand micro and small enterprises, contributing to improved livelihoods and enhanced economic participation of rural women across Khyber Pakhtunkhwa, including the Merged Districts.

Curriculum Development & Centres of Excellence

With the support of University of Engineering and Technology, Peshawar (UET), forty curricula were upgraded/developed. In addition to that 17 curricula were developed by UET and uploaded to the web portal to ensure standardized technical education. Upgradation of three Centres of Excellence was initiated, with procurement processes near completion.



Component III - Project Management & Policy Support

KP-RETP continued strengthening the policy and institutional framework through development and operationalization of key strategies and manuals, including:

- Gender Strategy
- KM & Communication Strategy
- Business Mobilization Strategy
- Social Inclusion & Community Targeting Strategy
- PFCOs Guiding Manual
- Procurement Manual
- Grievance Redress Mechanism (GRM)
- Monitoring & Evaluation (M&E) Plan

These instruments enhance governance, transparency, accountability and long-term sustainability of project interventions across all components.

Across Khyber Pakhtunkhwa, KP-RETP is:

- Strengthening farmer institutions
- Expanding rural enterprises
- Increasing youth employability
- Promoting inclusive growth

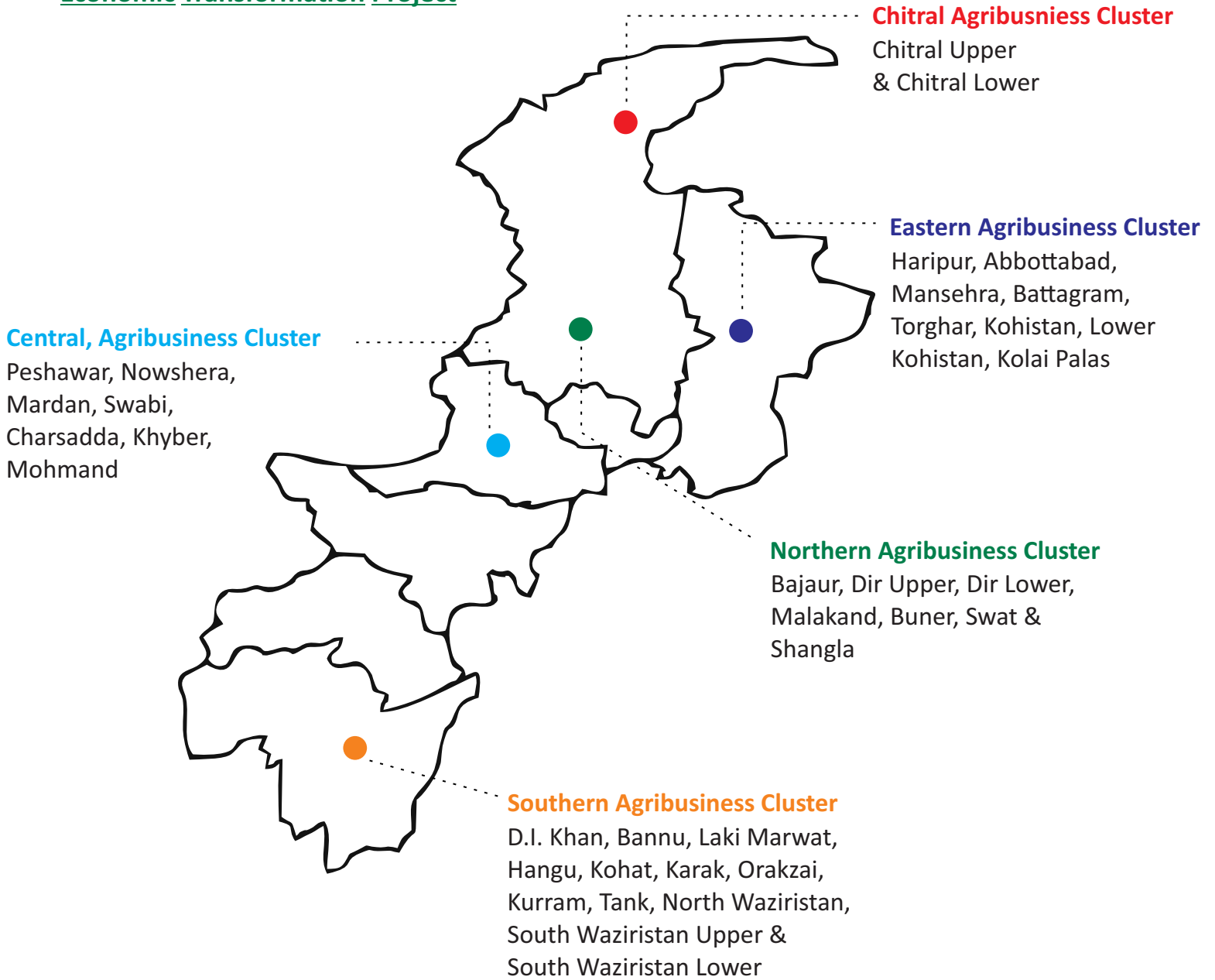
Behind every statistic is a farmer negotiating confidently, a young woman starting her business or a rural household becoming more resilient.

This is not just project implementation. This is rural transformation in action.





Geographical Spread of Khyber Pakhtunkhwa Rural Economic Transformation Project



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