



SINDH WATER & AGRICULTURE TRANSFORMATION (SWAT) PROJECT

PROGRESS BULLETIN

MONTH OF AUGUST 2026

A. Project Overview:

SWAT PROJECT
SINDH WATER AND AGRICULTURE
TRANSFORMATION PROJECT

Aims to address challenges at the water-agricultural nexus in Sindh, focusing on **modernizing irrigation practices**, **promoting high-value crops**, **improving water resource management** and **contributing to restoring crop production by small farmers affected by 2022 flood**.

Total Cost: PKR 70,445.95

IDA: PKR 64,030.67

GOS: PKR 6415.28

Five Components - Three PIUs

PKR 3,736.55

PKR 27,940.75



PKR 14,228.76

PKR 2,495.87

PKR 21,560

C1

Water Resources Management

PCMU

C2

Water Service Delivery

SIDA

C3

Agricultural Subsidies and Investments

ADU

C4

Project Coordination and Monitoring

PCMU

C5

Flood Emergency Response

ADU

DONOR	WORLD BANK	START	JANUARY, 2023	COMPLETION	DECEMBER, 2028
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B. Overall Financial Progress till August 31, 2026:

S.No	Activity	Total		Irrigation Component		Agriculture Component		P&D Component	
		US\$	PKR	US\$	PKR	US\$	PKR	US\$	PKR
a.	Total Project Cost	320.20	70,445.95	127.00	27,940.75	162.68	35,788.76	28.33	6,232.42
b.	Disbursement Till June 2026	133.11	37,569.63	16.20	4,576.83	112.70	31,812.81	4.21	1,179.99
c.	Expenditure Till June 2026	94.38	26,444.96	5.65	1,617.23	85.46	23,927.97	3.27	899.76
d.	Budget Estimates FY-2026-27 (Planned)	33.17	9,511.70	22.47	6,516.30	6.18	1,730.40	4.52	1,265.00
e.	Disbursement current year 2026-27 (August-2026)	0.25	69.61	0.04	11.48	0.06	16.86	0.15	41.27
f.	Expenditure current year 2026-27 (August-2026)	0.29	81.41	0.06	17.97	0.17	47.91	0.06	15.53
g.	Cumulative Disbursement till August-2026	133.36	37,639.24	16.24	4,588.31	112.76	31,829.67	4.36	1,221.26
h.	Cumulative Expenditure till August-2026	94.67	26,526.37	5.71	1,635.20	85.63	23,975.88	3.33	915.29
i.	Overall Progress against total Disbursement (h/g)	71%		35%		76%		76%	
j.	Financial Progress Avg. ((ID+ADU+PCMU)/3)	63%							
k.	Overall Progress against total Approved Cost (h/a)	38%		5.9%		67%		15%	

C. Component-Wise Progress /Achievement:

Component-1: Water Resources Management (PIU-PCMU)

Sub-Component-1.1 (a): Formulation of New Water Law:

- ☐ The services of a drafting team comprising four professionals/experts were engaged in July 2024.
- ☐ First initial draft Water Law/Bill was prepared and submitted on 2 May 2025 based on detailed consultation with stakeholders.
- ☐ Second draft Law/Bill was submitted on 27 February 2026 as per instructions of Minister and Secretary Irrigation
- ☐ Third draft was submitted on 25 May 2026 as per additional comments/suggestions
- ☐ Fourth draft has been submitted on 7th July, 2026 after incorporating the views and comments of the Chief Engineers, Irrigation with a request for further process of action at department level for finalization and approval of bill from Government of Sindh.

Sub-Component-1.1 (b): Restructuring of Irrigation Department become Irrigation Water Resources Department:

- ☐ Action on the subject activity would be taken after approval of new water law. However, PCMU with support of FAO-UN initiated the process for hiring of an international expert to provide support for subject task. The Consultant is expected to join and visit Karachi in 4th week of September, 2026.

Sub-Component-1.1 (c) Conducting Sindh Water Pricing Study:

- ☐ The task is being carried out under Sindh Strategic Water Plan (SSWP) consultancy which is under process of procurement.

Sub-Component-1.2: Development of Sindh Strategic Water Plan (SSWP):

- ☐ In response to RFP issued to Eight shortlisted firms on 3rd March, 2026, six firms submitted their technical and financial proposals. The revised evaluation report re-submitted to World Bank on 20/8/2026.

Sub-Component-1.3: HAI Program Design Phase-I:

- ☐ HAI Program Phase-I Design Report prepared by the Consultants and approved by PSC-SWAT.
- ☐ TORs for implementation of Phase-II developed and approved by HAI Committee and World Bank. RFP will be issued to M/s CEGIS, Bangladesh & USPAK WC MUET for submission of technical and financial proposal for award of TA Contract for Phase-II.

Component-2: Water Service Delivery (PIU-Irrigation-SIDA):

- ❑ **Rehabilitation and Improvement of Akram Wah Canal:** PICs were engaged and mobilized, and design review report for the Akram Wah rehabilitation works was prepared and approved. The bidding documents for the award of works were issued, and bids were opened on **30 September 2025**. Five bidders submitted their bids. The technical evaluation process was completed, and evaluation report was submitted to the World Bank. Following receipt of the World Bank's NOL, the financial proposals were opened on **14 April 2026**. Subsequently, the combined evaluation report was prepared and submitted to World Bank on **17 May 2026**, recommending re-bidding due to substantially higher bid price compared to the Engineer's Estimate. Following the receipt of World Bank's latest comments on **30 June 2026**, three rounds of negotiations were conducted with the most advantageous bidders during July 2026 in the presence of the PAP. Based on the outcomes of these negotiations, the PAP is currently finalizing the report, and the Combined Evaluation Report is being updated accordingly.
- ❑ **Cash Compensation to 1214 number of Project Affected Peoples (PAPs)** of Akram Wah works area has been successfully completed as per the approved CAP/RAP of the project.
- ❑ **Modernization works on 15 FOs managed distributaries/minors:** The draft Area Development Plan (ADP) and designs for initial three pilot FOs prepared and approved and initiated procurement process for award of works. Bidding for two minors (KGM & Thatt) were invited and opened on 4th & 25th March, 2026 respectively. The letter of award was issued to most advantageous bidder for both KGM & Thatt minors and the contract for KGM has been signed, while the contract for Thatt minor will be signed in first week of August 2026. The procurement process for third minor Khor wah has been initiated. A walkthrough survey of remaining 12 distributaries/minors from each AWB has been carried out to finalize the (04) distributaries/minors in each AWB to start the canal modernization interventions, and the detailed social, agriculture, and engineering survey of three additional identified distributaries/minors is in progress.
- ❑ **Conducting Detailed Design Feasibility Study of Three Canals of Right Bank of Indus:** M/s NESPAK JV with SMEC has been contracted in October, 2025 for conducting the subject study. The study will cover the district boundaries of Sukkur, Shikarpur, Qambar Shahdadkot, Larkana, Dadu and Jamshoro. The Consultants submitted Inception Report and organized stakeholder's consultation workshop at Larkana on 9th June 2026.

Component-3: Agriculture Subsidies & Investment (PIU-ADU):

Sub-Component-3.1: Integrated FOs Development area:

- ❑ Change in modalities for watercourse improvement works principally agreed by the Agriculture Department and working paper submitted for Project Steering committee for its formal approval.
- ❑ Baseline watercourse surveys have been initiated in four newly identified FOs to support evidence-based planning.
- ❑ The proposal to initiate Field Facilitators training for ToFF in district TMK and Ghotki is finalized to initiate 150 CBFS in remaining 12 FOs in 5 districts (Badin, TMK, Mirpurkhas, Sukkur and Ghotki). Procurement process for Demo plots inputs will be initiated in September 2026.

Sub-Component-3.2: Smart Subsidy for motivation of targeted Crops (Oilseeds, Pulses & Orchards):

- ❑ ADU has completed the distribution of 2,650 Dhaki date suckers to identified and selected beneficiary farmers in the pilot districts of Khairpur and Sukkur, against the target of 5,000. Distribution of remaining 2,350 Dhaki date suckers is planned to be completed during the first week of September 2026.

Sub-Component-3.3: Agriculture Information & Technology:

- ❑ The IT firm has finalized and developed and tested of Android application. Application reviewed and found ready for user training and implementation and submitted report, with development process, key functionalities, testing results and technical specifications. Training of market data collectors is planned to be conducted during the month of Sept. 2026.
- ❑ Bid evaluation for civil works underway for construction of Centre of Excellence for Salinity & Reclamation Research and rehabilitation of pesticide laboratories, DS&WT Rohri Laboratory and agriculture offices at six locations. DSC has finalized drawings, cost estimates, and BOQs for 4 Agriculture Marketing Committees (MPK, Shahdadpur, LRK, and HYD)
- ❑ Under Integrated Waterlogging and Salinity subcomponent, land reclamation activities including land preparation, biological and chemical treatment has been completed on 450 acres across three pilot minor areas (150 acres in each FO). Training on ESHS requirements has been provided to farmers and laborers, and safeguard kits have been distributed in all three FO areas.

Cont'd... Component-3: Agriculture Subsidies & Investment (PIU-ADU):

- ❑ The survey and collection of soil and water samples from nine project districts have been completed.
- ❑ The Crop Reporting Services Centre successfully completed the Rabi Survey in upper Sindh districts under close supervision to ensure data quality and timely reporting.
- ❑ ToRs for hiring specialized consultancy were developed and planned to support strengthening of Sindh Agricultural Statistics System (SASS). TORs focused on improving crop area and yield estimation methodologies, strengthening the use of Remote Sensing and GIS technologies, enhancing field data collection and validation.
- ❑ A GIS-based, cloud-enabled Windshield Survey Project was designed and configured to support systematic field data collection, monitoring, and management of crop information.
- ❑ The project was structured to facilitate digital collection of field observations through a standardized GIS environment and to improve the linkage between field-level observations and Geo-spatial datasets.
- ❑ Enumerator information was configured and integrated into the project, allowing field teams to be properly identified and their survey activities to be associated with the respective field observations. The project was created for the Kharif 2026 season, and the relevant Kharif crops were incorporated into the survey framework.

Sub-Component-3.4: Development Agriculture Value Chain:

- ❑ The ADU team identified and finalized 20 Value Chain Farmer Field Schools (FFSs) for Dates with the support of the Agriculture Extension Department in Khairpur and Sukkur districts. The selection of FFS for oilseed crops and pulses is in planning process.
- ❑ The curriculum for crops covered under ADU SWAT project is to be developed through an individual consultant or firm. Having curriculum developed a validation workshop for curriculum will be organized to be held with key stakeholders followed by TOT of field facilitators each crop value chain.

Component-5: Flood Emergency Response Component (FERC) (PIU-ADU):

A total of 276,488 farmers were registered and verified. As of 30 June 2026, cash subsidy payments had been successfully disbursed to 249,861 beneficiaries, representing 90.4% of the total eligible farmers.

❑ Status and phases wise progress is as follows;

Status Prior to the Sindh Cabinet Decision

- ✓ Farmers Paid: 191,022 (69.1%)
- ✓ Amount Disbursed: PKR 16.777 billion

Progress Achieved (April–June 2026)

- ✓ Additional Farmers Paid: 58,839
- ✓ Additional Amount Disbursed: PKR 4.066 billion

Cumulative FERC Progress (As of 30 June 2026)

- ✓ Total Eligible Farmers: 276,488
- ✓ Farmers Paid: 249,861 (90.4%)
- ✓ Farmers Remaining: 26,627 (9.6%)
- ✓ Total Amount Disbursed: PKR 20.843 billion
- ✓ Amount Remaining: PKR 1.931 billion

Phase-wise Progress

- ✓ Phase I (Less than 12.5 acres):
- ✓ 94% payments completed

Phase II (12.5–25 acres):

- ✓ 87% payments completed

Phase III (Additional PKR 60,000 subsidy):

- ✓ 91% payments completed
- ✓ 78% of beneficiaries having less than 12.5 acres, reflecting strong support to smallholder farmers.

Small farmers received, on average:

- ✓ PKR 24,000 (area-based assistance)
- ✓ PKR 60,000 (additional support)
- ✓ Average Total Assistance: PKR 84,000 per farmer
22% belong to the 12.5–25 acre category.
- ✓ Average Total Assistance: PKR 78,000 per farmer

❑ ADU hired services of IT firm and carried out **Third Party Validation (TPV)** using interactive voice Response System. The firm submitted report with satisfactory results shared with World Bank and project partners.

❑ The proposal for **Farmers survey and conducting study to assess the impact of the FERC cash subsidy program** has been prepared and sent to World Bank for NOL.

Component-4: Project Coordination & Monitoring (PIU-PCMU):

4.1: Deployment of PMC:

- ☐ French Firm M/s. GINGER-SOFRECO selected through procurement process did not performed as per assigned job. In accordance with mutual understanding and consent of PSC and World Bank, the consultancy contract has been closed since January, 2026. To fill the gap, the services of various experts have been included in the FAO-UN TA Contract.

4.2: FAO Technical Assistance:

- ☐ Contract with FAO-UN signed and is become effective from 1st Nov. 2025. Almost all team members as per contract have been mobilized and are in field and providing necessary technical support to the project partners as and when required.

4.3: 4.3: Wheat Procurement Reform Support:

- ☐ In accordance with joint meeting held on 29th April 2026 under the Chairmanship of Chairman P&D Board, TORs for deployment of Transaction Advisory and Implementation Support Services for Wheat Procurement Reforms were developed and shared with Food Department on 5th May, 2026 for feedback and consent for taking further necessary action. The response is awaited. Minutes of the meeting issued. The matter has been placed in the agenda of next 10th meeting of PSC for further guidance and decision on the matter.

4.4: Trainings and International Linkages:

- ☐ PCMU organized various local training programs for officials of project partners at various institutions, including WC-MUET, Sindh Agriculture University, NED University, PIM and etc. Approximately 450 officials of project partner participated in these training events.

4.5: Coordination Activities during the reporting month:

- ❑ **Change of World Bank Task Team Leadership for the SWAT Project:** The World Bank has posted Ms. Gabriella Izzi, based at World Bank HQ Washington, D.C., as the new Task Team Leader (TTL) for the SWAT Project, replacing Mr. Francois Onimus. In addition, Mr. Zelalem Tesfaye Mekonnen, Water Resources Specialist, has been posted as new Co-Task Team Leader (Co-TTL) for Component-1 & 4 of the SWAT Project.
- ❑ The newly appointed and outgoing Task Team Leaders visited Karachi and Hyderabad from 12–14 August 2026 and held detailed meetings with the Project Implementation Units (PIUs), including SIDA, ADU, and PCMU, to review project progress and discuss matters related to implementation.
- ❑ PCMU, in collaboration with the PIUs, organized a Farewell and Welcome Reception in honour of Mr. Francois Onimus and Ms. Gabriella Izzi. The event was also held to commemorate Pakistan's 79th Independence Day and included a cultural celebration in Karachi on 14 August 2026. The reception was attended by project partners and senior officials of the Planning & Development Department.



Key Actions / Way forward:

The World Bank upgraded the overall implementation rating from **Moderately Unsatisfactory** to **Moderately Satisfactory**. However, following key actions highlighted for compliance to further enhance project implementation and overall project performance satisfactory:

SN	KEY ISSUE/ACTION	ACTIONS TAKEN / WAYFORWARD
1.	Finalize Draft new Sindh Water Law	Fourth Draft water law/bill has been submitted to Irrigation Department on 7 th July, 2026 after incorporating the views and comments provided by the Chief Engineers, Irrigation.
2.	Award TA Contract for HAI Phase-II.	Procurement process has been initiated, RFP issued to implementing partners and contract will be signed in September, 2026.
3.	Mobilize Consultants for SSWP & Water Pricing SWP.	Evaluation of technical proposals completed and report sent to Bank for NOL, the contract will be signed in October, 2026.
4.	Award of Akram Wah Rehabilitation works contract	Revised BER is under preparation in accordance with World Bank comments followed by decision of PSC meeting and will be shared with Bank.
5.	Strengthening of technical project team at SIDA.	Process has been initiated for deployment of three key specialist including Irrigation & Water Resources Management Specialist, Contract Management Specialist and Sub-Project Implementation Specialist will
6.	Complete ADU Staffing: ☐ Project Director ☐ Other staff	Position advertised in local newspaper for selection of PD from market. Proposal is being prepared and would be presented in PSC for approval.

SN	KEY ISSUE/ACTION	ACTIONS TAKEN / WAYFORWARD
7.	Complete AMIS design at ADU	The inception Report and Need Assessment Report have been finalized and shared by the firm. Design has been completed and final review and testing are currently underway along with the development of Android applications.
8.	Launch TA for wheat market transition.	TORs are being finalized as soon as consent of the Sindh Food Department is received; further action for launch of TA would be taken accordingly.
9.	Strategy for procurement of inputs value chain.	In progress.
10.	Update definitions of RF indicators provide intermediate targets for CY26 and CY27.	Complied with. RF indicators updated with revised definition and intermediate target CY 26 and FY 27 in consultation with respective PIUs and shared with World Bank through revised/modified MTR report.
11.	Mobilize (i) agro-economist and (ii) Farming System Expert.	Agro-Economist selected, mobilized and working with ADU.
12.	Transfer balance finds with HBL to Sindh Bank and complete pending payments	Complied with
13.	Finalize reconciliation all FERC payment.	Process initiated with support of an individual consultant already mobilized.

SN	KEY ISSUE/ACTION	ACTIONS TAKEN / WAYFORWARD
14.	Launch FERC payment impact analysis.	Draft TORs prepared and reviewed the Bank. Based on the revised TORs, the activity has been created on STEP.
15.	Update PSDP containing all outstanding procurement.	Complied with. The PPSD updated in consultation with PIUs has been shared with the World Bank and is in process of finalization in light of Bank's comments.
16.	Update STEP by uploading all outstanding procurement.	Compliance with. All outstanding procurement data and documents have been uploaded.
17.	Submit Statuary Audit Report and Internal Audit Report	Partially Complied with. The audit of PCMU for the period from January 2023 to June 2025 conducted by the Office of the Auditor General, Sindh and report finalized and submitted on 15th June 2026 and accepted on client connection. The Internal Auditors have also conducted the overall project audit for the period from January 2023 to June 2025. The audit report has been prepared and shared with PIUs and will be presented in next PSC meeting before submit to World Bank. The Auditors have also initiated the process for conducting audit for FY 2025-2026.