



SINDH WATER & AGRICULTURE TRANSFORMATION (SWAT) PROJECT

PROGRESS BULLETIN

MONTH OF JULY, 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 July 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 Estimate 2026-27 (Planned)	51.91	14,758.11	22.47	6,516.30	24.92	6,976.81	4.52	1,265.00
e.	Disbursement current year 2026-27 (July-26)	0.08	22.25	0.04	11.48	-	-	0.04	10.77
f.	Expenditure current year 2026-27 (July-26)	0.08	22.25	0.04	11.48	-	-	0.04	10.77
g.	Cumulative Disbursement till July-26	133.19	37,591.88	16.24	4,588.31	112.70	31,812.81	4.25	1,190.76
h.	Cumulative Expenditure till July-26	94.46	26,467.21	5.69	1,628.71	85.46	23,927.97	3.31	910.53
i.	Overall Progress against total Disbursement (h/g)	71%		35%		76%		78%	
j.	Financial Progress Avg. ((ID+ADU+PCMU)/3)	63%							
k.	Overall Progress against total Approved Cost (h/a)	38%		5.8%		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.

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 evaluation of Technical Proposal completed and report with consent of CSC sent to the Bank on 17/7/2026.

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 both institutes (M/s CEGIS, Bangladesh & USPAK WC MUET for submission of their 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 will be initiated during August, 2026. 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:

- ❑ Watercourse designs have been completed for three pilot FOs minor, and the modalities for watercourse improvement works have been shared with the OFWM Directorate for comments and approval.
- ❑ Baseline watercourse surveys have been initiated in four newly identified FOs to support evidence-based planning.

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

- ❑ Upon approval of Smart Subsidy Manual, ADU team will initiate the agreed activities, including R&D initiatives, smart subsidies for oilseed crops, and other interventions outlined in the Manual.
- ❑ ADU has identified and selected beneficiary farmers for the growing Dhaki variety. The distribution of Dhaki variety Dates to the 350 farmers in completed in month of July 2026.

Sub-Component-3.3: Agriculture Information & Technology:

- ❑ IT firm completed development and testing 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
- ❑ Bidding documents for civil works for phase I were completed and bids opened on 30/7/2026 for construction of Centre of Excellence for Salinity & Reclamation Research and rehabilitation of pesticide laboratories and agriculture offices at six locations in Sindh.
- ❑ Under Integrated Waterlogging and Salinity subcomponent, land preparation 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 labourers, and safeguard kits have been distributed in all three FO areas. Bio saline and land reclamation activities are currently in progress.
- ❑ The survey and collection of soil and water samples from nine project districts have been completed. The samples were sent to US-PCAS, MUET Jamshoro for physio-chemical analysis, and the draft report has been submitted by US-PCAS.
- ❑ The Crop Reporting Services Centre successfully completed the Rabi Survey in upper Sindh districts under close supervision to ensure data quality and timely reporting.

Sub-Component-3.4: Development Agriculture Value Chain:

- ❑ The ADU team have 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.
- ❑ A Training of Trainers for dates value chain facilitators planned along with curriculum finalization and identification of master trainers .

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

- ❑ Total 336,629 farmers registered across Sindh affected 2022 flood. Total 298,966 farmers having landholding upto 25 acres verified and approved.
- ❑ **Cash compensation subsidy** of PKR 7.165 billion has been transferred to 214,487 small wheat farmers (12.5 to 25 acres) @ 5000 per acre under Phase-I & II through BISP. Cash compensation with lump-sum amount of Rs. 60,000 per farmer under Phase-III started through HBL in accordance with approval of Sindh Cabinet. Total 168,000 farmers having landholding upto 12.5 acres verified and payment of Rs. 9.6 billion transferred to 162,879 farmers till July, 2024.
- ❑ In accordance with the decision of Sindh Cabinet meeting held on 31/03/2026, ADU has almost completed subsidy payments to total 2,49,861 (90.4%) verified farmers with total amount of PKR 20.84 billion disbursed. The remaining left over 26,627 (9.6%) farmers are untraceable / deceased.
- ❑ ADU hired services of IT firm and carried out **Third Party Validation (TPV) of the FERC component** 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 accordingly.

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.

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.
- ❑ PC, PCMU chaired the session of Two-days Training program organized on 2-3 July 2026 at Karachi by UNIDO Expert in collaboration with P&D Department, as part of the PAIDAR Program to strengthen institutional capacity for climate-responsive planning.



4.5: Coordination Activities during the reporting month:

- ❑ PCMU organized 11th Meeting of HAI Committee held at PCMU under the Chairmanship of PC, PCMU participated by members of the Committee. The Committee approved the TORs and agreed to proceed with TA contract with both CEGIS and MUET for implementation of Phase-II of design of HAI Program phase-1.
- ❑ Following by the approval of the Chairman P&D Board, the minutes of 9th special/urgent meeting of SWAT Project Steering Committee held on 22nd June, 2026 circulated to the members and participants of the meeting.
- ❑ Coordinated with PIUs through a formal letter for preparation and submission of annual work plan with financial forecast for FY 2026-2027 for consolidation of submission and approval of PSC.
- ❑ Prepared list of actions of last MTR mission and shared with PDs SWAT through a letter for submission of updated status.
- ❑ Prepared and shared consolidated SWAT Project briefs for presentation at various meetings and forums.
- ❑ Prepared and circulated Progress Bulletin of the SWAT Project on regular monthly basis.



Key Actions / Way forward:

The World Bank conducted Project Mid-Term Review from **22 to 30 April 2026** to assess the implementation progress across all project components, including procurement, financial management, and environmental and social (E&S) compliance. The Mission also identified key implementation challenges, reviewed the implementation plans of each Project Implementation Unit (PIU) for the remaining project period until closure, and assessed the feasibility of those plans in light of the challenges encountered during implementation.

The World Bank issued aide-memoire in June 2026 and acknowledged the significant progress achieved across various project components and activities, including the Water Law, HAI Program, Water Policy Reforms, Farmers' Organizations (FOs) Sub-projects, FERC implementation, and the Agriculture Development Support Component (Component 3).

In recognition of the satisfactory progress made, the World Bank upgraded the overall project implementation rating from **Moderately Unsatisfactory** to **Moderately Satisfactory**.

In accordance with the Mission's recommendations, the respective PIUs are undertaking the necessary actions to ensure compliance with the agreed recommendations to further improve overall project performance as satisfactory.