



SINDH WATER & AGRICULTURE TRANSFORMATION (SWAT) PROJECT

PROGRESS BULLETIN

MONTH OF MAY, 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 May, 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 2025	108.10	30,552.26	4.58	1,316.92	101.18	28,580.68	2.34	654.66
c.	Expenditure Till June 2025	75.59	21,388.58	3.79	1,094.81	70.11	19,841.30	1.69	452.47
d.	Budget Estimate 2025-26 (Planned)	33.28	9,650.01	16.90	4,900.00	13.45	3,900.00	2.93	850.01
e.	Disbursement current year 2025-26 (April-26)	24.39	6,844.67	11.62	3,259.91	11.43	3,208.60	1.34	376.16
f.	Expenditure current year 2025-26 (April-26)	11.12	3,143.01	1.38	386.49	8.90	2,519.94	0.84	236.58
g.	Cumulative Disbursement till April-26	132.49	37,396.93	16.20	4,576.83	112.61	31,789.28	3.68	1,030.82
h.	Cumulative Expenditure till March-26	86.71	24,531.59	5.17	1,481.30	79.01	22,361.24	2.53	689.05
i.	Overall Progress against total Disbursement (h/g)	65%		32%		70%		69%	
j.	Financial Progress Avg. ((ID+ADU+PCMU)/3)	57%							
k.	Overall Progress against total Approved Cost (h/a)	35%		5.3%		62%		11%	

C. Component-Wise Progress /Achievement:

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

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

- ❑ Based on formal request from Irrigation Department, the drafting team expert was mobilized in May 2026 and reviewed previous draft Law/Bill submitted on 27 Feb. in accordance with guidelines/directions of Secretary, Irrigation Department.
- ❑ Consequently, the revised/modified draft Law/Bill, finalized by tem and was shared with Irrigation Department on 25 May, 2026 for further necessary action at departmental level.
- ❑ The drafting team will further be mobilized during June 2026 for preparation of subsidiary legislation/rules and the development of legal commentary, in accordance with the requirement of Irrigation Department.

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, as per discussions with the World Bank, the draft TORs is being prepared with support of FAO-UN Expert being mobilized soon.

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, five firms submitted their technical and financial proposals. Evaluation of Technical Proposal is under way. The award of consultancy contract is expected in June, 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 shared with project partners and World Bank. The procurement process for the technical assistance has also been initiated for award of the Contract in July 2026.

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

- ❑ **Rehabilitation & Improvement of Akram Wah Canal:** The revised design report of Akram Wah works has been finalized and approved by the World Bank. The Bidding Documents for award of rehabilitation works approved by the World Bank and issued to interested bidders and opened on 30/9/2025. Five bidders submitted their bids; the evaluation process completed and the bid evaluation report was sent to the World Bank.
- ❑ The World Bank provided its NOL; accordingly, the financial proposals were opened on 14th April, 2026. The combined evaluation report prepared and has been sent to the World Bank on 17th May, 2026.
- ❑ **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 Three Pilot FOs managed distributaries/minors:** The draft FO Area Development Plan (ADP), Designs prepared and approved. 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 KGM Works. The Bid Evaluation Report of Thatt Minor is under preparation, and contract will be awarded by third week of June 2026. The walkthrough survey of remaining (12) distributaries/minors has been carried to start canal modernization interventions, and the detailed social, agriculture, and engineering survey of three additional identified distributaries/minors is in progress. The draft implementation schedule of 12 FOs prepared by SISC and is being revised as per comments of the World Bank.
- ❑ **Conducting Detailed Design Feasibility Study of Three Canals of Right Bank of Indus:** After completion of procurement process followed by NOL from the World Bank, M/s NESPAK JV with SMEC has been contracted in October, 2025 for conducting the subject study. The team of consultants has been mobilized in field and submitted Inception report and planned stakeholder's consultation meeting at Larkana on 9th June 2026. The study will cover the district boundaries of Sukkur, Shikarpur, Qambar Shahdadkot, Larkana, Dadu and Jamshoro.

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

Sub-Component-3.1: Integrated FOs Development area:

- ☐ A total of 74 watercourse designs of three pilot FOs Minors have been completed and finalized. Baseline watercourse surveys were initiated in four newly identified FOs to guide evidence based planning.
- ☐ 30 CBFS established across three pilot minors, engaging approximately 750 farmers.
- ☐ Three path correction seminars were conducted. Orientation sessions were also held in four new FOs.

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

- ☐ Significant groundwork on smart subsidy has been completed for promoting water thrifty and high value crops (oilseeds, pulses, dates, fruits, and vegetables).
- ☐ Smart Subsidy Manual is under preparation. Value chain analyses for dates, pulses, and oilseeds were completed and aligned with Smart Subsidy interventions. A Dates Value Chain workshop was arranged at Hyderabad on 25/2/2026.

Sub-Component-3.3: Agriculture Information & Technology:

- ☐ Crop Reporting Services achieved strong progress in digitized agricultural statistics. Kharif 2025 ground truthing covered all 21 districts, completing 539 of 611 segments and executing 13,475 sampling sub-plots, with 300 staff trained and 280 enumerators deployed. Initiated artificial intelligence for diagnosis of physical-chemical properties of soil of 09 districts.
- ☐ Building rehabilitation works report prepared and the Consultants has submitted cost estimation of civil works.
- ☐ ADU has signed agreement with USPCAS-W MUET for Integrated Water Logging & Salinity Program in 09 districts.
- ☐ IT firm submitted Inception Report within timeframe and initiated assessment survey of 27 Agriculture Market Committees across Sindh. Field data collection and stakeholder consultations were commenced as per approved plan for the development of the Agriculture Market Information System (AMIS).

Sub-Component-3.4: Developing Agriculture Value Chain:

- ☐ ADU hired Team of Consultants for project management and design, construction supervision of project works.

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 initiated process to provide cash compensation to all the remaining verified farmers and complete the task by June 2026. Accordingly, ADU has reported that an amount of PKR 2.25 billion cash compensation provided to 43,908 farmers till April, 2026 and amount of PKR 3.725 billion would be disbursed to remaining 75,773 farmers by June, 2026.
- ❑ 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:

- ❑ The contract with FAO-UN signed with and is become effective from 1st November, 2025. Almost all team members as agreed under TA 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 the recent joint meeting held on 29th April 2026 under the Chairmanship of Chairman P&D Board participated by Secretary, Food Department, Secretary Agriculture Department and P&D Senior officials and World Bank Team agreed to develop a TORs for deployment of Transaction Advisory and Implementation Support Services for Wheat Procurement Reforms.

Accordingly TORs developed by PCMU with support of FAO-UN and shared with Food Department on 5th May, 2026 for feedback and consent for taking further necessary action. The response is awaited.



4.4: Trainings and International Linkages:

- ❑ PCMU arranged various local trainings for officials of project partners including Irrigation Department, SIDA, Agriculture Department, ADU and P&D Department and PCMU in different institutions including WC-MUET, Sindh Agriculture University, NED, PIM etc. Around 300 officials of the project partner participated in the training events.
- ❑ As per directives of Chairman P&D Board, PCMU arranged Project Management Professionals (PMP) training Program for government officials held in the months of February-March 2026. Certificate distribution ceremony held in April.
- ❑ PCMU signed MOU with Panjwani-Hissar Water Institute, NED University, Karachi to collaborate on research, trainings, policy development, and dissemination activities to improve water sector governance and capacity development in Sindh. Accordingly, Ten officials of SWAT Project partners participated in the training course/program for professionals on Water Law organized by Panjwani-Hissar Water Institute, Karachi on 13-17 April, 2026.



4.5: Coordination Activities during the reporting month:

- ❑ Coordinated and participated in various meetings held at the P&D Department, wherein the implementation progress of SWAT Project and all other donor-funded projects, was reviewed.
- ❑ Coordinated and participated in follow-up SWAT MTR meeting of World Bank Team with PIUs held at PCMU, Karachi on 20/5/2026. Mr. Francois TTL-SWAT participated personally, the remaining Bank team members participated online. Both PDs SWAT participated accompanied with their project team.
- ❑ Prepared list of actions as per decisions of the meetings of PSC-SWAT and WB Portfolio Review of SWAT actions 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:

World Bank Mission undertaken Project Mid-Term Review from 22-30 April, 2026 to assess implementation progress across all components in terms of procurement, financial and E&S compliance; Identify implementation challenges and review the implementation plan of each PIU for the remaining time until project closure and confirm the feasibility of those plans in light of the past challenges. The format report is yet to be received from World Bank. However, the compliance status of key actions identified during MTR mission is summarized as under:

SN	KEY ISSUE/ACTION	ACTIONS TAKEN / WAYFORWARD
1.	Onboarding of ADU FM and M&E Specialists.	Selected candidates of both positions (FMS & MES) have formally joined ADU on 14 th May, 2026.
2.	Advertisement of the ADU Project Director position.	The position has been advertised in local newspapers on 25/5 with last date of submission by June 7, 2026.
3.	Completion of FM data reconciliation for FERC payments already made.	Hiring of 3 rd party experts support has been initiated for reconciliation of FERC payment.
4.	Award of contracts for KGM Minor and Thatt Minor.	The letter of award has been issued to bidder for KGM Works. The Bid Evaluation Report of Thatt Minor is under preparation
5.	Drafting of Service Agreement for Thatt Minor (Khorewah to follow).	Draft service agreement of Thatt and Khor Wah has been prepared and shared with project partners for their feedback.
6.	Bid cancellation and market outreach for Akram Wah.	The combined evaluation report prepared and has been sent to the World Bank on 17 th May, 2026.

SN	KEY ISSUE/ACTION	ACTIONS TAKEN / WAYFORWARD
7.	Finalization of annual intermediate targets for Result framework indicators based on the FO subproject implementation timeline.	Annual intermediate targets for Result framework indicators have been finalized in consultation with both PIUs and are being shared with World Bank in submission of revised/modified MTR Report.
8.	Details regarding team reorganization/ strengthening to ensure timely delivery (SIDA, SISC & ADU).	☐ SIDA HAS planned to hire the Individual Consultants position (CMS and TE for Modernization and RB Study) as per need basis, and the same will be mobilized at an appropriate time. ☐ SISC consultants have been asked to submit the re-appropriation of their key staff and any additional input required to strengthen the team with proper justification and TORs for the approval of the Client. ☐ Proposal is being prepared by ADU for hiring Contract Management Officer, Procurement Officer & Communication Officer as agreed during MTR mission and will submit to PSC for approval.
9.	Finalization of Terms of Reference (TORs) for wheat procurement reform.	TORs prepared in light of discussions of joint meeting held on 29/4/2026 under the Chairmanship of Chairman P&D Board, and shared with Sindh Food Department and World Bank on 5/5/2026 for feedback and consent for finalization. The response is awaited.
10.	Initiation of HAI TA procurement, including clearance of TORs and SSS justification.	TORs for HAI TA Phase-II and SSS justification prepared and have been shared with World Bank on 8/5/2026 for feedback before submit on STEP. The activity has been opened on STEP.