



SINDH WATER & AGRICULTURE TRANSFORMATION (SWAT) PROJECT

PROGRESS BULLETIN

MONTH OF JUNE, 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 June 30, 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 (June-26)	25.13	7,053.91	11.62	3,259.91	11.64	3,268.79	1.87	525.21
f.	Expenditure current year 2025-26 (June-26)	17.90	5,054.96	1.86	522.42	14.43	4,084.94	1.60	447.60
g.	Cumulative Disbursement till June-26	133.23	37,606.17	16.20	4,576.83	112.82	31,849.47	4.21	1,179.87
h.	Cumulative Expenditure till June-26	93.49	26,443.54	5.65	1,617.23	84.54	23,926.24	3.29	900.07
i.	Overall Progress against total Disbursement (h/g)	70%		35%		75%		78%	
j.	Financial Progress Avg. ((ID+ADU+PCMU)/3)	63%							
k.	Overall Progress against total Approved Cost (h/a)	38%		5.8%		67%		14%	

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. Following detailed consultations with the relevant stakeholders, the draft of the Water Law/Bill was prepared and submitted on **2 May 2025**. Subsequently, in accordance with the directions and guidance of the Minister and Secretary, Irrigation Department, the 1st revised draft of the Law/Bill was submitted on **27 February 2026**. Thereafter, the draft was further revised in light of additional directions received from the Irrigation Department, and the second revised draft of the Law/Bill was submitted on **25 May 2026**. As advised by the Irrigation Department, the drafting team was re-mobilized on **22 June 2026** to finalize and submit the draft Law/Bill after incorporating the views and comments provided by the Chief Engineers, Irrigation.

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. Evaluation of Technical Proposal has been completed and will be presented in CSC meeting in July, 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 initiated for award TA Contract for Phase-II in July 2026.

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 No Objection Letter (NOL), the financial proposals were opened on **14 April 2026**. Subsequently, the combined technical and financial 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. However, the matter is currently under review and consideration as per advise/recommendations of the World Bank followed by decision of PSC.
- ❑ **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 in July 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:** 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:

- ☐ 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.
- ☐ Thirty demonstration plots were established for the Rabi season and another 30 for the Kharif season.
- ☐ Three path correction seminars were conducted across 30 CBFSSs. Seeds and fertilizers were distributed among 750 farmers farmers, and all 750 farmers successfully replicated Climate-Smart Agriculture (CSA) practices.

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

- ☐ Smart Subsidy Manual prepared and shared with World Bank for NOL for taking action of smart subsidy oilseeds crops and activities. Application process for Dhaki Dates suckers from Khairpur& Sukkur completed, supply vendor has been selected.

Sub-Component-3.3: Agriculture Information & Technology:

- ☐ IT firm submitted need assessment study – plan for training of market price data collection is in progress.
- ☐ Bidding documents, including ESHS requirements, are being prepared for construction of Centre of Excellence for Salinity & Reclamation Research at Tando Jam, as well as for the rehabilitation of pesticide laboratories and agriculture offices.
- ☐ Land preparation completed on 450 acres across 3 pilot FOs areas. Training on ESHS requirements has been provided to farmers and labor, and safeguard kits have been distributed. Biosaline & land reclamation activities are currently in progress.
- ☐ Survey and collection of soil and water samples from nine project districts and shared with US-PCAS, MUET for physio-chemical analysis, and the draft report has been submitted by US-PCAS.
- ☐ During the reporting month, the Crop Reporting Services Centre successfully completed the Rabi Survey in the Upper Sindh districts under close supervision to ensure data quality and timely reporting.

Sub-Component-3.4: Developing Agriculture Value Chain:

- ☐ ADU has established 20 Value Chain Farmer Field Schools (FFSs) in districts Khairpur and Sukkur.
- ☐ A Training of Trainers for dates value chain facilitators will be organized in consultation with Agriculture Extension.

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 300 officials of project partner participated in these training events.
- ❑ Training Course of Professional Conduct and Administrative Excellence at Work Place organized on 12-13 June, 2026 at Karachi participated by 27 mid-management officials of SWAT Project partners.



4.5: Coordination Activities during the reporting month:

- ❑ Team pf PCMU led by PC PCMU visited office of ADU on 15/6/2026 reviewed and discussed updated status / progress of Components-3 and 5 of SWAT project being executed by ADU. Minutes of the meeting issued on for compliance.
- ❑ Special/ Urgent (9th) meeting of PSC-SWAT was held on 22/6/2026 under the Chairmanship of Chairman P&D Board discussed procurement process actions of Akram Wah in accordance with advise/recommendations of the World Bank
- ❑ 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:

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.