

Public Disclosure Authorized

CONFORMED COPY

LOAN NUMBER 7934-CN

Project Agreement

(Xinjiang Turpan Water Conservation Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

and

XINJIANG UYGUR AUTONOMOUS REGION

Dated August 5, 2010

PROJECT AGREEMENT

AGREEMENT dated August 5, 2010 entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and XINJIANG UYGUR AUTONOMOUS REGION (“Project Implementing Entity” or “Xinjiang”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of the same date between PEOPLE’S REPUBLIC OF CHINA (“Borrower”) and the Bank. The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined and modified in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in the Project Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

ARTICLE II – PROJECT

- 2.01. Xinjiang declares its commitment to the objective of the Project. To this end, Xinjiang shall: (a) carry out the Project in accordance with the provisions of Article V of the General Conditions; and (b) provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and Xinjiang shall otherwise agree, Xinjiang shall carry out, and shall cause to be carried out, the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III – REPRESENTATIVE; ADDRESSES

- 3.01. Xinjiang’s Representative is the Vice Chairman of Xinjiang or such other person or persons as said Vice Chairman shall designate in writing, and Xinjiang shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.
- 3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

3.03. Xinjiang's Address is:

Zhongshan Road No. 2
Tianshan District
Urumqi 830000
Xinjiang Uygur Autonomous Region
People's Republic of China

Facsimile:

0995-6255289

AGREED at Beijing, People's Republic of China, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Zheng Xiaosong
Authorized Representative

XINJIANG UYGUR AUTONOMOUS REGION

By /s/ Yang Gang
Authorized Representative

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Project Management

1. Xinjiang shall maintain, and cause the Project Participants to maintain, for purposes of carrying out the Project, the following organizations, each with terms of reference, staffing and other resources acceptable to the Bank, throughout the period of implementation of the Project:
 - (a) the Regional PLG chaired by the Assistant Chairman of Xinjiang, and responsible for overall leading in Project implementation, decision making on key Project issues and interagency coordination at the Regional level;
 - (b) the Regional PLGO chaired by the Deputy Director General of the Xinjiang's Water Resources Bureau, and responsible for daily Project coordination, supervision and the provision of advice on Project implementation, and dissemination of the Project innovations to other parts of Xinjiang;
 - (c) the Prefecture PLG chaired by the Prefecture's Party Secretary and responsible for leading in Project implementation, decision making on key Project issues and interagency coordination at the Prefecture level;
 - (d) the Prefecture PMO chaired by the Director of the Prefecture's Water Resources Bureau and responsible for Project management and implementation;
 - (e) the Prefecture EG composed of experts in selected fields required for Project implementation at the Prefecture level;
 - (f) the Project Counties/City PLG chaired by the Party's Secretary of the respective Project Counties/City and responsible for leading in Project implementation, decision making on key Project issues and interagency coordination at the Project Counties/City level;
 - (g) the Project Counties/City PMO chaired by the Director of the Project Counties/City's Water Resources Bureau and responsible for Project management and implementation; and

- (h) the Project Counties/City EG composed of experts in selected fields required for Project implementation at the Project Counties/City level.

B. Anti-Corruption

Xinjiang shall carry out, and shall cause the Project Participants to carry out the Project in accordance with the provisions of the Anti-Corruption Guidelines.

C. Resettlement, Environment Protection, Natural Habitat, Pest Management, Cultural Heritage Conservation and Dam Safety

1. Xinjiang shall:
 - (a) take, and shall cause the Project Participants to take all necessary actions to minimize, to the extent possible, any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, in carrying out the Project and activities described in subparagraph (b) below; and
 - (b) for this purpose, prior to the commencement of any works under Part 2 of the Project, implement or cause to implement, the applicable RAP in a manner satisfactory to the Bank.
2. Xinjiang, in carrying out the Project, shall implement and cause the Project Participants to implement the applicable EMP in a manner satisfactory to the Bank, ensure that the Project is implemented in accordance with sound environmental practices and standards, and where applicable, shall conserve and mitigate against adverse impact on natural habitats or their functions and shall avoid or mitigate against adverse impact on physical cultural resources.
3. Xinjiang shall:
 - (a) maintain and cause the Prefecture to maintain a panel of three (3) independent dam safety experts (the DSP) to assist in ensuring that the Project is implemented in compliance with the Bank's policy on Safety of Dams (OP 4.37) under terms of reference satisfactory to the Bank; and
 - (b) implement and cause the Project Participants to implement the Dam Safety Plan in a manner satisfactory to the Bank.
4. Xinjiang shall carry out and shall cause the Project Participants to carry out the Pest Management Plan in accordance with its terms.

5. Xinjiang shall, or shall cause the Project Participants to:
 - (a) maintain policies and procedures adequate to enable them to monitor and evaluate, in accordance with guidelines acceptable to the Bank: (i) the implementation of the EMPs (including, measures for conservation of and mitigation against adverse impact on natural habitats or their functions; and for avoidance of or mitigation against adverse impact on physical cultural resources), the RAPs, the Pest Management Plan, the Dam Safety Plans and the Project features incorporated from the EMDP; and (ii) the achievement of the objectives of said Plans and features; and
 - (b) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank by March 15 and September 15 of each year, commencing on March 15, 2011, as part of the Project Reports, reports on the results of the monitoring and evaluation activities with respect to the EMPs, RAPs, the Pest Management Plan and Dam Safety Plan, together with any revisions proposed to be introduced into said Plans in order to achieve their respective objectives.
6. Xinjiang shall:
 - (a) provide to the Bank for its prior review and approval any proposed modification or waiver of any EMP or RAP or the Pest Management Plan or the Dam Safety Plan or the Project features based on the EMDP, and put into effect only such modification or waiver as shall have been agreed by the Bank; and
 - (b) inform the Bank of any issues that arise in the implementation of such Plans and features.
7. Prior to advertising invitations to prequalify or to bid for works to be carried out under Part 4 of the Project for the Karez Water System, Xinjiang shall furnish to the Bank, evidence satisfactory to the Bank, that the Prefecture's Cultural Relics Bureau has confirmed that the preliminary design of said works:
 - (a) complies with applicable domestic laws and regulations; and
 - (b) has an adequate cultural relic protection approach to ensure the preservation of such system.
8. In the event of any conflict between the provisions of any of the EMPs, the features of the Project based on the EMDP, the RAPs, and Pest Management Plan and the Dam Safety Plans, and those of this Agreement, the latter shall prevail.

D. Financial Arrangements

1. Xinjiang shall cause the Prefecture to allocate to each Project Participant a portion of the Loan under arrangements satisfactory to the Bank, which shall include, without limitation, the following principal terms:
 - (a) Xinjiang shall make available the principal amount, which has been allocated to each Project Participant, in Dollars or any other Currency as the Loan may be converted from time to time through a Currency Conversion (such principal amount determined on the date, or respective dates, of withdrawal from the Loan Account) of the value of the currency or currencies so withdrawn on account of its Respective Parts of the Project (in whole or part).
 - (b) Xinjiang shall recover such principal amount so made available (including the fee paid pursuant to Section 2.03 of the Loan Agreement) over a period of twenty-four (24) years, inclusive of a grace period of ten (10) years.
 - (c) Xinjiang shall charge interest on such principal amount, withdrawn and outstanding from time to time at a rate equal to the rate of interest applicable from time to time to the Loan pursuant to Section 2.04 of the Loan Agreement.

E. WUA Agreements

1. Xinjiang shall cause the Prefecture, prior to commencing the bidding process for any of the goods and works required for implementation of the activities included in Part 3 of the Project for the benefit of a WUA, to enter into an agreement with the respective WUA setting forth their respective obligations including *inter alia*:
 - (a) the WUA's obligation:
 - (i) to carry out the activities described in an annex to such agreement;
 - (ii) to participate in the design, construction supervision, implementation, operation and maintenance of the works;
 - (iii) to procure the goods required following the requirements of the Loan Agreement and use the goods for the purpose provided; and
 - (iv) to comply with the Anti-Corruption Guidelines and enable audits of its accounts to be carried out with respect of the goods and

operating expenditures financed out of the proceeds to the Loan;
and

- (b) the Prefecture's obligation:
 - (i) to procure the works required for construction of infrastructure under Part 3 of the Project on behalf of the respective WUA and, upon completion of the works, transfer the ownership of the assets to the WUA; and
 - (ii) make available the proceeds of the WUA Grant to the WUA.
2. Xinjiang shall exercise its rights under each WUA Grant Agreement in such manner as to protect the interests of the Borrower, Xinjiang and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, Xinjiang shall not assign, amend, abrogate or waive any of the WUA Grant Agreements or any of their provisions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) Xinjiang shall monitor and evaluate the progress of the Project and prepare Project Progress Reports for the Project in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of the indicators set forth in the Annex to this Schedule. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank by March 15 and September 15 each year, starting March 15, 2011.
- (b) Without limitation to any of the reporting requirements set forth in this Agreement or the General Conditions, Xinjiang shall:
 - (i) not later than December 20 each year of the Project implementation, commencing on December 20, 2011, prepare and furnish to the Bank a plan of the activities to be carried out during the following calendar year, together with the Procurement Plan, and any required EMP, PMP, RAP, EMDP related features and DSR or supplement to the Dam Safety Plan;
 - (ii) not later than March 31 of each year, prepare and furnish to the Bank a monitoring and evaluation report detailing the progress made for the previous year in reaching the monitoring and evaluation indicators set forth in the Annex to the Schedule to this Agreement;

- (iii) not later than March 31 each year of Project implementation, commencing on March 31, 2011, prepare and furnish to the Bank a report on water consumption balance during the preceding calendar year; and
 - (iv) not later than three (3) months prior to the completion of any on-farm or main irrigation works contract, prepare and furnish to the Bank a report with the operation and maintenance arrangements made for such investments by respectively the WUAs or the water agencies with jurisdiction for their operation and maintenance.
2. Xinjiang shall, not later than December 31, 2013, review with the Bank (mid-term review) the progress made in the implementation of the Project, together with any recommendation Xinjiang or the Bank may have on the needs for Project restructuring.

B. Financial Management, Financial Reports and Audits

- 1. Xinjiang shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
- 2. Xinjiang shall have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one (1) fiscal year of the Project Implementing Entity. The audited financial statements for each period shall be furnished to the Borrower and the Bank not later than six (6) months after the end of the period.

Section III. Procurement

All goods, works and services required for the Project to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Schedule 2 to the Loan Agreement.

Section IV. Other Undertakings

1. Xinjiang shall, or shall cause the concerned Project Participants to:
 - (a) not later than two (2) months after the Effective Date, establish a financial and procurement management information system acceptable to the Bank;
 - (b) not later than December 31, 2011 establish the internet based system referred to in Part 1(a) of the Project and commence to monitor and evaluate the ET variations and water allocations in the entire Turpan Basin;
 - (c) not later than December 31, 2012 have the ET-based supplementary plan referred to in Part 1(c) of the Project approved by the Prefecture and be effective;
 - (d) not later than December 31, 2013 establish in the Prefecture the ET-based water rights system referred to in Part 1(e) of the Project and make such system applicable to the management plans to be carried out under the Project;
 - (e) not later than as indicated in the monitoring indicators set forth in the Annex to the Schedule to this Agreement, establish and thereafter maintain, at least forty-three (43) WUAs to be responsible for the operation and maintenance of the on-farm irrigation works supported by the Project; and
 - (f) not later than December 31, 2010: (i) establish, and thereafter maintain, an ET management center to manage the activities referred to in Part 1(a) of the Project as a public service agency of the Prefecture and reporting directly to the Prefecture Chief; (ii) staff such center with at least six (6) professionals qualified in ET management; and (iii) equip the center as needed.

**ANNEX
to
SCHEDULE**

Table 1: Indicators

Project Development Objective	Project Outcome Indicators	Use of Project Outcome Information
The project development objective (PDO) is to mitigate the risk of flooding, reduce groundwater overdraft, increase industrial and domestic water supply, and raise farmers' income from irrigated agriculture in the arid Turpan Basin of Xinjiang Uygur Autonomous Region.	PO-1: Number of the people with improved flood protection increased PO-2: Economic losses from flooding mitigated PO-3: Groundwater overdraft reduced in project irrigation areas, and the basin PO-4: Water supply capacity for industrial and domestic uses in consumptive use terms increased in project irrigation areas, and the basin PO-5: Water productivity in irrigated agriculture, measured in terms of evapotranspiration (ET), increased in project irrigation areas PO-6: Farmers' per-capita net income from irrigated agriculture increased in the project irrigation areas	Track progress and make adjustments when necessary during implementation
Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
Component 1: ET-based Integrated Water Management in the Turpan Basin	IO-1: ET management center established and staffed, and ET management and knowledge management systems set up IO-2: Number of water user associations (WUAs) achieving targets for reductions in ET	Track progress and make adjustments if necessary during implementation
Component 2: Increase of Upstream Storage Capacity	IO-3: Number of contracts for the three upstream dams and related works satisfactorily completed IO-4: Non-beneficial evaporation from water surfaces reduced in the basin, particularly during the flood season	Track progress and make adjustments if necessary during implementation
Component 3: Real Water Savings in Irrigated Agriculture	IO-5: Length of irrigation canals rehabilitated IO-6: Amount of irrigated area with improved irrigation technologies installed IO-7: Amount of ET reduction in project irrigation areas, and the basin	Track progress and make adjustments if necessary during implementation
Component 4: Preservation of a Karez System	IO-8: Length of the Karez system rehabilitated according to the requirements of the Prefecture Cultural Relics Bureau	Track progress and make adjustments if necessary during implementation
Component 5: Institutional Capacity Building and Project Management	IO-9: Number of government officials familiarized with the ET management concept IO-10: Number of members of WUAs familiarized with the ET-based irrigation water rights system	Track progress and make adjustments if necessary during implementation

Table 2: Measurement of the Indicators

PDO Indicators	Name	Computation Method and/or Formula
PO-1	Number of the people with improved flood protection increased	Based on the target for project completion, measured as the number of people in the flooding areas protected as a result of the three upstream dams and related works.
PO-2	Economic losses from flooding mitigated	Measured as the difference of the lost value in case flooding in the three counties with and without the water storage capacity from statistical data
PO-3	Groundwater overdraft reduced in project irrigation areas, and the basin	Measured as the difference in groundwater overdraft between the baseline and the target year in the project area (and in the basin), based on the annual water consumption balance
PO-4	Water supply capacity for industrial and domestic uses in consumptive use terms increased in project irrigation areas, and the basin	Measured as the increase in industrial and domestic water consumption between the baseline and the target year, based on water revenues from industrial and domestic uses and field surveys
PO-5	Water productivity in irrigated agriculture, measured in terms of evapotranspiration (ET), increased in project irrigation areas	Measured as the total irrigated agricultural value divided by the total ET of the project irrigated areas
PO-6	Farmers' per-capita net income from irrigated agriculture increased in the project irrigation areas	Measured as income per capita from irrigated agriculture, based on agricultural statistical data for the project irrigation areas
Intermediate Outcome Indicators		
IO-1	ET management center established and staffed, and ET management and knowledge management systems set up	Measured with completion percentage of setting up of the ET management center and the employment of staff including completion of KM system and ET production system
IO-2	Number of water user associations (WUAs) achieving targets for reductions in ET	Based on the target for project completion, measured as the percentage of WUAs achieving annual ET targets, based on remote sensing of ET
IO-3	Number of contracts for the three upstream dams and related works satisfactorily completed	Based on the target for project completion, measured as the number of completed contracts for single works for the dams and related works with good quality
IO-4	Non-beneficial evaporation from water surfaces reduced in the basin, particularly during the flood season	Measured with the difference of evaporation from water surface with and without project
IO-5	Length of irrigation canals rehabilitated	Based on the target for project completion, measured as the percentage of the length of irrigation canals rehabilitated
IO-6	Amount of irrigated area with improved irrigation technologies installed	Based on the target for project completion, measured as the percentage of improved irrigation technologies installed
IO-7	Amount of ET reduction in project irrigation areas, and the basin	Using remote sensing technology, measured as the difference in ET in the project irrigated areas (in the basin) between the baseline and in the target year
IO-8	Length of the Karez system rehabilitated according to the requirements of the Prefecture Cultural Relics Bureau	Based on the target for project completion, measured as the percentage of restoration works completed
IO-9	Number of government officials familiarized with the ET management concept	Based on the target for project completion, measured as the percentage of the government officials familiarized with the ET management concept, using questionnaires
IO-10	Number of members of WUAs familiarized with the ET-based irrigation water rights system	Based on the target for project completion, measured as the percentage of members of WUAs familiarized with the ET-based irrigation water rights system, using questionnaires

Table 3: Arrangements for Results Monitoring¹

Indicators of Project PDO/Outcome	Target Values								Data Collection and Reporting		
	Baseline 2009	2010	2011	2012	2013	2014	2015	Final Target 2015	Frequency and Reports	Data Collection	Responsibility for Data Collection
PO-1: Number of the people ² with improved flood protection increased	0	0	0	0	0	260	260	260	Annual	Annual report	Water Resources Bureau /PMOs
PO-2: Economic losses ³ from flooding mitigated (RMB million)	15.48	15.96	16.45	16.96	17.49	0.00	0.00	0.00	Annual	Annual report	Water Resources Bureau /PMOs
PO-3: Groundwater overdraft ⁴ reduced in project irrigation areas, and the basin (million m ³ /year)	0.00 (0.00)	0.00 (0.00)	0.75 (7.48)	0.75 (7.48)	0.75 (7.48)	0.75 (7.48)	0.75 (7.48)	3.75 (37.40)	Annual	Annual report	Water Resources Bureau /PMOs
PO-4: Water supply capacity ⁵ for industrial and domestic uses in consumptive use terms increased in project irrigation areas, and the basin (million m ³ /year)	0.00 (0.00)	0.00 (0.00)	0.65 (6.5)	0.65 (6.5)	0.65 (6.5)	0.65 (6.5)	0.65 (6.5)	3.25 (32.50)	Annual	Annual report	Water Resources Bureau /PMOs
PO-5: Water productivity in irrigated agriculture, measured in terms of evapotranspiration (ET), increased in project irrigation areas (RMB Yuan/m ³)	0.8	1.8	2.8	3.8	5.3	6.8	8.8	8.8	Annual	Annual report	Water Resources Bureau /PMOs
PO-6: Farmers' per-capita net income from irrigated agriculture increased in the project irrigation areas (RMB Yuan/year)	4742	4942	5142	5342	5542	5742	5942	5942	Annual	Annual report	Water Resources Bureau /PMOs

¹ PO-3, PO-4 and IO-7 have two numbers in each cell. The one in the bracket represents the number for whole Turpan Basin; the other outside the bracket represents the number for the project irrigation areas only.

² The targeted people protected include 60,000 from Tuokexun County, 100,000 from Shanshan County, and 100,000 from Turpan City.

³ The economic losses were calculated on an average annual basis from the results of economic and financial analysis of the project.

⁴ The current annual groundwater overdraft is 230.57 million m³ in Turpan basin, which is planned to be reduced by 37.41 million m³ by 2015 or 7.48 million m³ /year. The project is expected to share 10% of the reduction (the improved irrigated areas (160,000 mu) under this project account for 10% of the total irrigated areas in Turpan river basin), which is 0.75 million m³ /year or 3.75 million m³ in 5 years.

⁵ The current annual industrial and domestic water supply capacity in Turpan Basin is 22.45 million m³ in Turpan Prefecture, which is planned to increase by 32.51 million m³ (shown in the bracket) by 2015 or 6.5 million/year. The project is expected to support 10% of the increase with irrigated agricultural water savings, which is 0.65 million m³ /yr or 3.25 million m³ in 5 years.

IO-1: ET management center established and staffed, and ET management and knowledge management systems set up (Percentage)	0	40	60	0	0	0	0	100	Annual	Annual report	Water Resources Bureau /PMOs
IO-2: Number of WUAs achieving targets for reductions in ET	0	3	10	10	10	10	0	43	Annual	Annual report	Water resources bureau/PMOs
IO-3: Number of contracts for the three upstream dams and related works satisfactorily completed	0	0	5	5	7	7	5	29	Annual	Annual report	Water resources bureau/PMOs
IO-4: Non-beneficial evaporation ⁶ from water surfaces reduced in the basin, particularly during the flood season (million m ³ /year)	0.00	0.00	0.84	0.84	0.84	0.84	0.84	4.20	Annual	Annual report	Water resources bureau/PMOs
IO-5: Length of irrigation canals rehabilitated (km)	0.00	0.00	0.00	0.00	24.00	24.6	0.00	48.60	Annual	Annual report	Water resources bureau/PMOs
IO-6: Amount of irrigated area with improved irrigation technologies installed (000' mu)	0	0	50	50	62	0	0	162	Annual	Annual report	Water resources bureau/PMOs
IO-7: Amount ⁷ of ET reduction in project irrigation areas, and the basin (million m ³ /year)	0.00 (0.00)	0.00 (0.00)	1.31 (13.14)	1.31 (13.14)	1.31 (13.14)	1.31 (13.14)	1.31 (13.14)	6.55 (65.70) ⁸	Annual	Annual report	Water resources bureau/PMOs
IO-8: Length of the Karez system rehabilitated according to the requirements of the Prefecture Cultural Relics Bureau (km)	0.00	0.00	1.40	1.48	0.00	0.00	0.00	2.88	Annual	Annual report	Water Resources Bureau /PMOs
IO-9: Number of government officials familiarized with the ET management concept (number of officials)	0	30	30	30	30	30	30	180	Annual	Annual report	Water resources bureau/PMOs
IO-10: Number of members of WUAs familiarized with the ET-based irrigation water rights system (number of farmers)	0	150	500	500	500	500	500	2,650	Annual	Annual report	Water resources bureau/PMOs

⁶ The current total annual non-beneficial evaporation from water surface in Turpan Basin is 33.69 million m³, which is planned to be reduced by 4.21 million m³ by 2015 or 0.84 million m³ / per year.

⁷ The current total annual ET over the agricultural areas in Turpan Basin is 619.56 million m³, which is planned to be reduced by 65.71 million m³ (shown in the bracket) by 2015 or 13.14 million m³ /year. The project is expected to share 10% of the reduction (the improved irrigated areas (160,000 mu) under this project account for 10% of the total irrigated areas in Turpan river basin), which is 1.31 million m³ /year or 6.55 million m³ in 5 years.

⁸ The reduced ET in the basin (IO-7) plus the reduced NBET from water surface in the basin (IO-4) equal to the sum of the reduced groundwater overdraft in the basin (PO-3) and the increased water capacity for industrial and domestic water use in the basin (PO-4), i.e. 65.70 + 4.20 = 37.40 + 32.50, which shows the sources of water which is available for industrial and domestic water supply and for protection of ecosystem and Karez systems by reduced groundwater overdraft.

