

Agreement

Between the Governments of the Republic of Kazakhstan,
the Kyrgyz Republic, and the Republic of Uzbekistan

on the Use of Water and Energy Resources of the Syr Darya Basin

The Governments of the Republic of Kazakhstan, the Kyrgyz Republic, and the Republic of Uzbekistan, hereinafter referred to as the Parties:

GUIDED by sincere spirits of good-neighborliness and cooperation;

RECOGNIZING the fact that the appointed countries followed the agreed procedure of Syr Darya Basin Water and Energy Uses, ensuring social and economic development of their countries and people's welfare;

NOTING that the Syr Darya basin, comprised of the area of four countries, has water and energy resources to promote the economic growth of the countries;

HAVING a common desire to find the most precise and fair solution to use the water and energy resources of the Syr Darya basin in accordance with the precedents of international law;

ACKNOWLEDGING that benefits derived from the joint operation of the reservoirs of the Naryn-Syr Darya Cascade, through a multi-year flow regulation and the flood control measures, include the use of water for irrigation and power generation;

TAKING INTO ACCOUNT that a joint and comprehensive use of the water and energy resources of the Syr Darya basin must be implemented with regards to the environmental safety of the region;

NOTING the common interests of the participating countries and the urgent need for the development of an efficient and coordinated water regime in the Syr Darya basin, taking into account the problems of the Aral Sea; the Parties agree on the following:

ARTICLE I

Definitions

“Naryn Syr Darya Cascade” refers to the aggregate of the multi-year and seasonal regulation reservoirs.

“Growing period” is defined as the period from April 1 to October 1.

“Non-growing season” is defined as the period from October 1 to April 1.

“Water management year” is defined as the period from October 1 to October 1 of the following year.

ARTICLE II

To ensure the agreed-upon operating regimes of the hydrotechnical facilities and the reservoirs of the Naryn-Syr Darya Cascade and irrigation water releases, the Parties deem it necessary annually to coordinate and make decisions on water releases, production and transit of electricity, and compensations for energy losses, on an equivalent basis.

ARTICLE III

The Parties will take no actions which will violate the agreed-upon water use regimes and energy deliveries, or infringe on the rights of the other Parties to obtain water and energy deliveries in the mutually-agreed amounts or to transport resources through their own territories.

ARTICLE IV

The Naryn-Syr Darya excess power emanating from the release mode utilized on the Naryn-Syr Darya during the growing season, and the Toktogul multi-year regulated flows that exceed the needs of the Kyrgyz Republic, will be transferred to the republics of Kazakhstan and Uzbekistan in equal portions.

Compensation shall be made in equivalent amounts of energy resources, such as coal, gas, electricity and fuel oil, and the rendering of other types of products (labor, services), or in monetary terms as agreed upon, for annual and multi-year water irrigation storage in the reservoirs.

A single tariff policy for all types of energy resources and their transportation shall be applied for mutual settlements.

ARTICLE V

The Parties shall undertake essential measures which will ensure the fulfillment of their Agreement commitments to the other Parties using various forms of guarantees, such as lines of credit, security deposits, or other forms.

ARTICLE VI

The Parties agree that customs fees and duties will not be applied for deliveries of energy or other types of products (labor and services) within the Agreement.

ARTICLE VII

The Parties agree that the operation, maintenance and reconstruction of water and energy facilities shall be covered in accordance with the ownership of the property referred to in the balance sheet and the legal right of ownership.

ARTICLE VIII

Reservoir operation modes, energy amounts and transfers are approved by annual intergovernmental agreements based on the decisions made by water, fuel and energy organizations headed by vice prime ministers of the signatory countries. The BVO Syr Darya and UDC Energia shall be appointed as executive bodies responsible for the release schedules and energy transfers prior to the establishment of the International Water and Energy Consortium and its executive body.

ARTICLE IX

Any disputes or disagreements will be resolved through negotiations and consultations. If the Parties do not reach an accord the issue in dispute shall be considered by an arbitration court that will be established by the Parties for each specific case.

ARTICLE X

To provide further improvement of the management and use of the water and energy resources and the enhancement of economic relations aimed at guaranteed water supply in the basin, the Parties agree to consider jointly the following issues:

- Construction of new hydropower facilities and reservoirs, or alternative sources for hydropower in the region;
- Replacement of barter settlements by financial relations;
- Development of pricing mechanisms based on a single tariff policy;
- Ensuring safe operation of hydrotechnical facilities in the Syr Darya Basin;
- Economic and rational water use with the application of water-conservation

technologies and irrigation equipment; and
- Reduction and discontinuation of polluted water discharges in the water sources of the Syr Darya basin.

ARTICLE XI

This Agreement shall be in force from the date the Parties forward the notification of depository on the implementation of the internal state procedures to enforce it.

ARTICLE XII

This Agreement is valid for a period of five years and will be automatically renewed for additional five-year periods, if no written notice on the termination of the Agreement is given six months in advance from any Party.

ARTICLE XIII

This Agreement is open for other countries to enter.

ARTICLE XIV

Given the mutual consent of the Parties, amendments and addenda can be introduced and formalized by separate protocols, and will become integral parts of the Agreement.

This Agreement is finalized in Bishkek, March 17, 1998, in one original copy in Russian. The original copy remains in the office of the ICKKU Executive Committee, which will submit

certified copies to each member country having signed the Agreement.

Signatories:

For the Government For the Government For the Government
of the Republic of the Kyrgyz of the Republic of
of Kazakhstan Republic Uzbekistan

N. BALGIMBAEV A. DJUMAGULOV U. SULTANOV