

No. 17134

**HUNGARY
and
CZECHOSLOVAKIA**

**Treaty concerning the construction and operation of the
Gabcikovo-Nagymaros system of locks. Signed at
Budapest on 16 September 1977**

Authentic texts: Hungarian and Slovak.

Registered by Hungary on 18 October 1978.

**HONGRIE
et
TCHÉCOSLOVAQUIE**

**Traité relatif à la construction et au fonctionnement du sys-
tème d'écluses de Gabcikovo-Nagymaros. Signé à
Budapest le 16 septembre 1977**

Textes authentiques : hongrois et slovaque.

Enregistré par la Hongrie le 18 octobre 1978.

[TRANSLATION — TRADUCTION]

TREATY¹ BETWEEN THE HUNGARIAN PEOPLE'S REPUBLIC AND THE CZECHOSLOVAK SOCIALIST REPUBLIC CONCERNING THE CONSTRUCTION AND OPERATION OF THE GABČÍKOVONAGYMAROS SYSTEM OF LOCKS

The Hungarian People's Republic and the Czechoslovak Socialist Republic,
Considering their mutual interest in the broad utilization of the natural resources of the Bratislava-Budapest section of the Danube river for the development of water resources, energy, transport, agriculture and other sectors of the national economy of the Contracting Parties,

Recognizing that the joint utilization of the Hungarian-Czechoslovak section of the Danube will further strengthen the fraternal relations of the two States and significantly contribute to bringing about the socialist integration of the States members of the Council for Mutual Economic Co-operation, have therefore

Decided to conclude an Agreement concerning the construction and operation of the Gabčíkovo-Nagymaros system of locks, and have for this purpose appointed as their plenipotentiaries:

The Presidium of the Hungarian People's Republic:

Mr. György Lázár, Chairman of the Council of Ministers of the Hungarian People's Republic;

The President of the Czechoslovak Socialist Republic:

Dr. Lubomír Štrougal, Prime Minister of the Czechoslovak Socialist Republic, who, having exchanged their full powers, found in good and due form, have agreed as follows:

CHAPTER I. PURPOSE OF THE TREATY*Article 1. THE JOINT INVESTMENT*

1. The Contracting Parties shall construct the Gabčíkovo-Nagymaros system of locks (hereinafter referred to as the "System of Locks") as a joint investment; the System of Locks shall comprise the Gabčíkovo system of locks and the Nagymaros system of locks and shall constitute a single and indivisible operational system of works.

2. The principal works of the Gabčíkovo system of locks shall be as follows:

- (a) The Dunakiliti-Hrušov head-water installations in the Danube sector at r.km. (river kilometre(s)) 1860-1842, designed for a maximum flood stage of 131.10 m.B. (metres above sea-level, Baltic system), in Hungarian and Czechoslovak territory;
- (b) The Dunakiliti dam and auxiliary navigation lock at r.km. 1842, in Hungarian territory;

¹ Came into force on 30 June 1978, the date of the exchange of the instruments of ratification, which took place at Prague, in accordance with article 28 (2).

- (c) The by-pass canal (head-water canal and tail-water canal) at r.km. 1842-1811, in Czechoslovak territory;
 - (d) Series of locks on the by-pass canal, in Czechoslovak territory, consisting of a hydroelectric power plant with installed capacity of 720 MW, double navigation locks and appurtenances thereto;
 - (e) Improved old bed of the Danube at r.km. 1842-1811, in the joint Hungarian-Czechoslovak section;
 - (f) Deepened and regulated bed of the Danube at r.km. 1811-1791, in the joint Hungarian-Czechoslovak section.
3. The principal works of the Nagymaros system of locks shall be as follows:
- (a) Head-water installations and flood-control works in the Danube sector at r.km. 1791-1696.25 and in the sectors of tributaries affected by flood waters, designed for a maximum flood stage of 107.83 m.B., in Hungarian and Czechoslovak territory;
 - (b) Series of locks at r.km. 1696.25, in Hungarian territory, consisting of a dam, a hydroelectric power plant with installed capacity of 158 MW, double navigation locks and appurtenances thereto;
 - (c) Deepened and regulated bed of the Danube, in both its branches, at r.km. 1696.25-1657, in the Hungarian section.

4. The concept of the System of Locks shall include the joint investment programme. The technical specifications relating to the System of Locks shall be included in the joint contractual plan drawn up as provided in the Agreement, signed at Bratislava on 6 May 1976, between the Government of the Hungarian People's Republic and the Government of the Czechoslovak Socialist Republic concerning the drafting of a joint contractual plan for the Gabčíkovo-Nagymaros System of Locks (hereinafter referred to as "the Agreement").

Article 2. NATIONAL INVESTMENT

1. With a view to taking advantage of the opportunities afforded by the System of Locks, the Contracting Parties may, in addition to the joint investment, also undertake national investments exclusively in their own interest and for their own purposes.

2. The costs of national investment shall be borne in full by each Contracting Party.

3. National investment may not have a detrimental effect on the results of the joint investment.

CHAPTER II. EXECUTION OF THE TREATY

Article 3

1. Operations connected with the realization of the joint investment and with the performance of tasks relating to the operation of the System of Locks shall be directed and supervised by the Governments of the Contracting Parties through delegates (hereinafter referred to as "government delegates") appointed by them for that purpose.

2. The government delegates shall establish appropriate permanent and temporary joint agencies for the performance of their functions and, pending the ap-

proval of the joint contractual plan, shall make regulations governing the organization and activities of those agencies.

3. The principal functions of the government delegates shall be as follows:

(a) At the time of the realization of the joint investment:

- (1) To ensure that construction of the System of Locks is properly co-ordinated in the territories of the Contracting Parties and is carried out in accordance with the approved joint contractual plan and the project work schedule;
- (2) To provide for supervision over labour and supplies and for co-ordination between the agencies of the Contracting Parties;
- (3) To approve proposals for the modification of the technical procedures adopted in the joint contractual plan;
- (4) To determine the justification for and extent of additional costs arising from the circumstances specified in article 7;
- (5) To provide for and approve the records and settlement of differences relating to the apportionment of labour and supplies in equal measure in the cases specified in article 7;
- (6) To provide for the acceptance of individual works from the supplying agencies and the delivery thereof to the authorized operating agencies.

(b) At the time of the operation of the System of Locks:

- (1) To establish the operating and operational procedures of the System of Locks and ensure compliance therewith;
- (2) To ensure the performance of tasks connected with the operation, maintenance and possible reconstruction of jointly-owned works of the System of Locks, including the performance of tasks connected with the generation and distribution of electric power;
- (3) To approve the technical-economic plans and the reciprocal settlement of accounts relating to the operation, maintenance and possible reconstruction of the works of the System of Locks;
- (4) To supervise compliance with the water balance approved in the joint contractual plan;
- (5) To supervise and co-ordinate the activities of national operating agencies in times of flood or ice disposal.

4. The activities of the government delegates shall be governed by the joint statute approved by the Governments of the Contracting Parties.

CHAPTER III. REALIZATION OF THE SYSTEM OF LOCKS

Article 4. PREPARATION AND REALIZATION OF THE JOINT INVESTMENT

1. The joint investment shall be carried out in conformity with the joint contractual plan, which, for the purposes of the preparation of the joint investment, shall be drawn up by the agencies of the Contracting Parties on the basis of the Agreement.

2. The joint contractual plan shall:

- (a) Determine the main dimensions of the works of the System of Locks, the technical specifications of technical equipment, the final project work schedule and responsibility for the costs referred to in article 12, paragraph 2;

(b) Serve as a basis for:

- (1) Ordering the technical equipment, construction materials, machinery and steelwork for the System of Locks;
- (2) Drawing up the construction plans and specifications.

3. Approval of the joint contractual plan shall be effected in conformity with the national laws and regulations of the Contracting Parties, and the government delegates shall inform each other of its approval.

4. Operations relating to the joint investment shall be organized by the Contracting Parties in such a way that the power generation plants will be put into service during the period 1986-1990.

*Article 5. RESPONSIBILITY FOR THE COSTS OF THE JOINT INVESTMENT,
APPORTIONMENT OF LABOUR AND SUPPLIES*

1. The costs of carrying out the joint investment shall be borne by the Contracting Parties jointly in equal measure.

2. The Contracting Parties shall defray their portion of the costs of carrying out the joint investment on the basis of an apportionment of labour and supplies in equal measure according to the labour and supplies actually provided.

3. The costs of carrying out the joint investment shall be as follows:

- (a) Costs of the research, exploration and planning operations required for drawing up the joint contractual plan and the construction plans and specifications;
- (b) Costs of carrying out the works provided for in the joint investment, including such costs of carrying out works in the nature of joint investment and coming within the joint investment programme as were incurred by the Contracting Parties before the entry into force of this Treaty and as have by mutual agreement been included in the joint contractual plan;
- (c) Costs of acquiring immovable property which, either on a temporary or a permanent basis, is required for carrying out the joint investment.

4. The apportionment of planning, research and exploration operations under the joint contractual plan shall be provided for in the Agreement.

5. The labour and supplies required for the realization of the joint investment shall be apportioned between the Contracting Parties in the following manner:

(a) The Czechoslovak Party shall be responsible for:

- (1) The Dunakiliti-Hrušov head-water installations on the left bank, in Czechoslovak territory;
- (2) The head-water canal of the by-pass canal, in Czechoslovak territory;
- (3) The Gabčíkovo series of locks, in Czechoslovak territory;
- (4) The flood-control works of the Nagymaros head-water installations, in Czechoslovak territory, with the exception of the lower Ipel district;
- (5) Restoration of vegetation in Czechoslovak territory;

(b) The Hungarian Party shall be responsible for:

- (1) The Dunakiliti-Hrušov head-water installations on the right bank, in Czechoslovak territory, including the connecting weir and the diversionary weir;
- (2) The Dunakiliti-Hrušov head-water installations on the right bank, in Hungarian territory;

- (3) The Dunakiliti dam, in Hungarian territory;
- (4) The tail-water canal of the by-pass canal, in Czechoslovak territory;
- (5) Deepening of the bed of the Danube below Palkovičovo, in Hungarian and Czechoslovak territory;
- (6) Improvement of the old bed of the Danube, in Hungarian and Czechoslovak territory;
- (7) Operational equipment of the Babčíkovo system of locks (transport equipment, maintenance machinery), in Czechoslovak territory;
- (8) The flood-control works of the Nagymaros head-water installations in the lower Ipeľ district, in Czechoslovak territory;
- (9) The flood-control works of the Nagymaros head-water installations, in Hungarian territory;
- (10) The Nagymaros series of locks, in Hungarian territory;
- (11) Deepening of the tail-water bed below the Nagymaros system of locks, in Hungarian territory;
- (12) Operational equipment of the Nagymaros system of locks (transport equipment, maintenance machinery), in Hungarian territory;
- (13) Restoration of vegetation in Czechoslovak territory.

6. The apportionment of labour and supplies under the joint investment as provided in paragraph 5 shall be evaluated by the Contracting Parties in monetary terms in the joint contractual plan. The valuation of the labour and supplies shall not affect the apportionment of the works (labour) specified in paragraph 5; however, any amount due for settlement may not exceed 2.5 per cent of the budgetary value of the work and deliveries to be carried out by the Contracting Parties in accordance with paragraph 5. The settlement of any difference as aforesaid shall also take the form of labour and supplies. The costs of carrying out the joint investment shall be specified in the joint contractual plan on the basis of the mutually agreed budgetary figures and shall be expressed in the Hungarian forint and the Czechoslovak koruna at the annual rate of exchange in effect on 1 January 1975.

7. Each Contracting Party shall bear the full amount of all costs of works to be carried out and labour and supplies to be provided by it in accordance with the apportionment of labour and supplies under the joint investment.

8. The Contracting Parties shall, on the basis of the apportionment of labour and supplies under the joint investment, prepare construction plans and specifications for the works to be carried out and the operations to be performed by them within their sphere of authority in accordance with the approved joint contractual plan, and they shall, on the basis of such plans and specifications, ensure within their sphere of authority the execution of the said works.

9. The Contracting Parties shall ensure, and shall be responsible to each other for doing so, that the planning and execution of works and operations are in accord with the approved joint contractual plan.

Article 6. AGENCIES RESPONSIBLE FOR THE REALIZATION OF THE JOINT INVESTMENT

1. The Contracting Parties shall rely on their own investment agencies to ensure that the objectives connected with the realization of the joint investment are achieved.

2. Supervision and co-ordination of the activities of the investment agencies of the Contracting Parties shall be ensured by the government delegates.

Article 7. SETTLEMENT OF COSTS IN EXCESS OF THE JOINT INVESTMENT

1. Subsequent to the apportionment of labour and supplies under the joint investment, there shall be no settlement between the Contracting Parties of additional costs under the joint investment relating to the construction of the System of Locks, save in the following cases:

- (a) Damage arising in the course of the realization of the investment by reason of unavoidable circumstances (*vis major*);
- (b) The emergence of unforeseeable geological conditions;
- (c) Mutually agreed modifications of the technical procedures adopted in the approved joint contractual plan.

2. The expression “unforeseeable geological conditions” means a situation where the geological conditions determined in the course of construction differ markedly from the conditions determined on the basis of the exploration conducted for the purposes of the joint investment programme and the joint contractual plan. Additional costs arising from faulty exploration, planning errors or faulty methods of construction may not be regarded as consequences of unforeseeable geological conditions.

3. Costs arising in consequence of the cases enumerated in paragraph 1 shall be borne by the Contracting Parties in equal measure after approval by the government delegates.

4. The Contracting Parties shall endeavour, if possible in the course of the construction, to settle, in the form of labour and supplies, any differences that arise subsequent to the apportionment in equal measure of labour and supplies.

Article 8. OWNERSHIP OF WORKS CARRIED OUT UNDER THE JOINT INVESTMENT

1. Among the works of the System of Locks carried out as joint investment, the following shall be jointly owned by the Contracting Parties in equal measure:

- (a) The Dunakiliti dam (article 1, paragraph 2 (b));
- (b) The by-pass canal (article 1, paragraph 2 (c));
- (c) The Gabčíkovo series of locks (article 1, paragraph 2 (d));
- (d) The Nagymaros series of locks (article 1, paragraph 3 (b));

2. On the basis of the joint ownership, the Contracting Parties shall have the rights and obligations arising from the relevant provisions of this Treaty.

3. Ownership of the other works of the System of Locks carried out as joint investment shall vest in the Contracting Party in whose territory they were constructed.

CHAPTER IV. OPERATION OF THE WORKS OF THE SYSTEM OF LOCKS

Article 9. SHARE OF THE CONTRACTING PARTIES IN THE USE OF THE SYSTEM OF LOCKS

1. The Contracting Parties shall participate in the use and in the benefits of the System of Locks in equal measure.

2. The output of the hydroelectric power plants shall be available to the Contracting Parties in equal measure, and they shall participate in kind, in equal

measure, in the base-load and peak-load power generated at and conducted from the said plants.

3. In the event of the construction of planned locks on the Danube directly above or below the System of Locks, the Contracting Parties shall individually agree on taking the impact of the works on each other into consideration.

Article 10. METHOD OF OPERATION OF THE WORKS OF THE SYSTEM OF LOCKS

1. Works of the System of Locks constituting the joint property of the Contracting Parties shall be operated, as a co-ordinated single unit and in accordance with the jointly-agreed operating and operational procedures, by the authorized operating agency of the Contracting Party in whose territory the works were built.

2. Works of the System of Locks owned by one of the Contracting Parties shall be independently operated or maintained by the agencies of that Contracting Party in the jointly prescribed manner.

3. The Contracting Parties shall ensure that the agencies operating the System of Locks maintain, in accordance with the regulations in force, operating conditions that satisfy the requirements for co-ordinated and effective operation of the entire System of Locks.

4. The following principles shall in particular be observed in the operation of the power-plant facilities of the System of Locks:

- (a) The hydroelectric power plants of the two series of locks in the System of Locks shall be so operated as not only to take into account the requirements of the energy-related agencies of the Contracting Parties but also to satisfy the demands of efficiency and economy;
- (b) Electric output and the distribution and consumption of electric power shall be determined by agreement between the State load-distribution dispatchers of the Contracting Parties.

Article 11. AGENCIES OPERATING THE WORKS OF THE SYSTEM OF LOCKS

1. The Contracting Parties shall entrust the operation of those structures of the jointly-owned works of the System of Locks which are in their territories to the following national operating agencies:

- (a) To energy-related agencies in the case of energy-related works;
- (b) To water-resource management agencies in the case of water-resource-management and navigational works.

2. Supervision and co-ordination of the activities of the national agencies responsible for the operation of the System of Locks shall be ensured by the government delegates.

Article 12. RESPONSIBILITY FOR THE PAYMENT AND ACCOUNTING OF THE OPERATING COSTS OF THE SYSTEM OF LOCKS

1. Operating, maintenance (repair) and reconstruction costs of jointly-owned works of the System of Locks shall be borne jointly by the Contracting Parties in equal measure.

2. Those works constituting the property of one of the Contracting Parties the operating, maintenance (repair) and reconstruction costs of which are borne jointly by the Contracting Parties in equal measure shall be specified in the joint contractual plan.

3. Costs not mentioned in paragraphs 1 and 2 and flood-control costs incurred in their own territory shall be borne separately by each of the Contracting Parties.

4. Only direct costs may be included under the heading of operating, maintenance and reconstruction costs. The sphere of direct costs shall be defined by the operators before operations begin. The definition thereof shall be approved by the government delegates. Direct costs may not be construed as including general (overhead) costs, taxes and State levies, amortization costs, and charges for water used for the production of electric power.

5. The planning and accounting of the jointly-borne costs referred to in paragraphs 1, 2 and 4 shall be effected in the following manner:

- (a) The operating agencies shall draw up annual operating, maintenance and reconstruction plans, which shall be approved by the government delegates. These plans shall include a breakdown of the operations according to whether they were performed by the operating agencies or by outside undertakings;
- (b) The accounting of operations performed by outside undertakings shall be carried out on the basis of invoices verified by the operators;
- (c) The accounting of the operations which are carried out on the basis of the plans shall be approved each year by the government delegates;
- (d) Detailed instructions on planning and accounting procedures shall, before the commencement of the operations, be drawn up by the operating authorities, with the agreement of the financial authorities of the Contracting Parties, in accordance with guidelines given by the government delegates.

6. The annual amount of jointly-borne operating costs shall be expressed in national currencies converted into transferable roubles. If, at the commencement of operations, no generally applicable exchange rates are available, the financial authorities of the Contracting Parties shall come to a decision on them.

7. The Contracting Parties shall endeavour to ensure that any differences arising from operating costs are, so far as possible, settled by work performed within the framework of the annual operating, maintenance and reconstruction plan of the System of Locks. The procedure for the settlement of differences still outstanding shall be determined by agreement between the competent authorities of the Contracting Parties.

CHAPTER V. WATER-RESOURCE MANAGEMENT FUNCTIONS

Article 13. FLOOD CONTROL AND ICE DISCHARGE

1. Flood-control operations shall be carried out by the water-resource management authorities of the Contracting Parties.

2. On the occasion of flooding or ice movement in the System of Locks, the government delegates shall ensure co-ordination of the activities of the flood-control authorities of the Contracting Parties.

3. On the occasion of flooding or ice movement, the operations of the works of the System of Locks shall be subject to flood-control requirements.

4. High water and ice shall be discharged through the head-water installations and the series of locks of the System of Locks in accordance with the operating and operational procedures of the System of Locks.

Article 14. WITHDRAWAL OF WATER FROM THE DANUBE

1. The discharge specified in the water balance of the approved joint contractual plan shall be ensured in the bed of the Danube between r.km. 1842 and r.km. 1811 unless natural conditions or other circumstances temporarily require a greater or smaller discharge.

2. The Contracting Parties may, without giving prior notice, withdraw from the Hungarian-Czechoslovak section of the Danube, and make use of, the quantities of water specified in the water balance of the approved joint contractual plan.

3. In the event that the withdrawal of water in the Hungarian-Czechoslovak section of the Danube exceeds the quantities of water specified in the water balance of the approved joint contractual plan and the excess withdrawal results in a decrease in the output of electric power, the share of electric power of the Contracting Party benefiting from the excess withdrawal shall be correspondingly reduced.

Article 15. PROTECTION OF WATER QUALITY

1. The Contracting Parties shall ensure, by the means specified in the joint contractual plan, that the quality of the water in the Danube is not impaired as a result of the construction and operation of the System of Locks.

2. The monitoring of water quality in connection with the construction and operation of the System of Locks shall be carried out on the basis of the agreements on frontier waters in force between the Governments of the Contracting Parties.

Article 16. MAINTENANCE OF THE BED OF THE DANUBE

Maintenance of the bed of the Danube, including the old bed of the Danube, shall be incumbent upon the competent State agencies of the Contracting Parties. Maintenance operations shall be carried out in accordance with the approved operating and operational procedures of the System of Locks and with due regard for the provisions of the agreements on frontier waters in force between the Governments of the Contracting Parties.

Article 17. WATER-USE PERMITS AND WATER-USE SUPERVISION

The water-use permits and water-use supervision of structures in their territories constituting jointly-owned works of the System of Locks shall be provided for by the Contracting Parties in accordance with their own laws and regulations.

CHAPTER VI. NAVIGATION

Article 18

1. The Contracting Parties, in conformity with the obligations previously assumed by them, and in particular with article 3 of the Convention concerning the regime of navigation on the Danube, signed at Belgrade on 18 August 1948,¹ shall ensure uninterrupted and safe navigation on the international fairway both during the construction and during the operation of the System of Locks.

2. The construction of the System of Locks will, when the Dunakiliti dam is put into service, make it necessary to re-route shipping and, for a short time, to interrupt shipping. Shipping shall be re-routed through the Dunakiliti navigation lock in such a way as to require the minimum interruption of navigation. The re-routing of shipping and the movement of shipping through the Dunakiliti lock shall take place

¹ United Nations, *Treaty Series*, vol. 33, p. 181.

at the time of least shipping traffic so as to be able to continue for the minimum period specified in the joint contractual plan.

3. Navigation in the System of Locks shall be governed by the regulations of the navigation authorities of the Contracting Parties.

4. The conditions for navigation in the old bed of the Danube shall be specified in the operating and operational procedures.

CHAPTER VII. PROTECTION OF THE NATURAL ENVIRONMENT

Article 19. PROTECTION OF NATURE

The Contracting Parties shall, through the means specified in the joint contractual plan, ensure compliance with the obligations for the protection of nature arising in connection with the construction and operation of the System of Locks.

Article 20. FISHING INTERESTS

The Contracting Parties, within the framework of national investment, shall take appropriate measures for the protection of fishing interests in conformity with the Danube Fisheries Agreement, concluded at Bucharest on 29 January 1958.¹

CHAPTER VIII. PROVISION OF LAND

Article 21

The Contracting Parties shall in good time prepare and make available to each other the land required for the preparatory construction stage, the construction and the operation of the works of the System of Locks.

CHAPTER IX. DETERMINATION OF THE BOUNDARY LINE OF THE STATE FRONTIER AND CROSSING OF THE STATE FRONTIER

Article 22. DETERMINATION OF THE BOUNDARY LINE OF THE STATE FRONTIER

1. The Contracting Parties have, in connection with the construction and operation of the System of Locks, agreed on minor revisions of and changes in the character of the State frontier between the Hungarian People's Republic and the Czechoslovak Socialist Republic, as follows:

- (a) Subsequent to the construction of the System of Locks, the movable character of the State frontier in the old bed of the Danube between the r.km. 1840 and r.km. 1811 segments shall remain unchanged, and the position of that frontier shall be defined by the centre-line of the present main navigation channel of the river;
- (b) In the r.km. 1842-1840 sector, up to the division of the bed, the State frontier shall run, as though fixed, along the centre-line of the present main navigation channel;
- (c) In the Dunakiliti-Hrušov head-water area, the State frontier shall run from r.km. 1842 along the centre-line of the present main navigation channel up to boundary point 161.V.O.á.;
- (d) In the Dunakiliti-Hrušov head-water area, the State frontier shall run from boundary point 161.V.O.á. to boundary stone No. I.5. in a straight line in such

¹ United Nations, *Treaty Series*, vol. 339, p. 23.

a way that the territories affected, to the extent of about 10-10 hectares, shall be offset between the two States.

2. The revision of the State frontier and the exchange of territories provided for in paragraph 1 shall be effected by the Contracting Parties on the basis of a separate treaty.

3. The Contracting Parties shall, in the tail-water canal and head-water canal, and in the main shipping lane in the Dunakiliti-Hrušov head-water area extending to r.km. 1850.4, continue without change to exercise the rights and comply with the obligations to which they were entitled, or by which they were bound, in this sector of the river before the conclusion of this Treaty, notwithstanding that the international shipping lane has in this sector been shifted to the tail-water canal or head-water canal, respectively, situated in Chechoslovak territory.

Article 23. CROSSING OF THE STATE FRONTIER

1. In the course of the preparations for and the construction and operation of the System of Locks, the two Contracting Parties shall ensure that authorized persons possessing the appropriate documents are able to cross the State frontier, subject to extremely simplified formalities, for the purpose of performing the tasks arising from this Treaty, and that the necessary conditions are provided for the performance of the said tasks in their territories.

2. The competent authorities of the Contracting Parties shall agree separately on detailed regulations concerning the crossing of the State frontier in accordance with paragraph 1 and the stay of the relevant persons in the territory of the other Contracting Party.

CHAPTER X. CUSTOMS PROVISIONS

Article 24

1. Separate agreements shall be concluded by the competent authorities of the Contracting Parties concerning the transfer to the territory of the other Contracting Party of documents, machinery and materials required for operations connected with the preparations for and the realization and operation of the System of Locks.

2. The Contracting Parties shall make available to each other, free of financial levies (duties, taxes, fees, etc.), the electric power to which the other Contracting Power is entitled from the power produced in the System of Locks.

CHAPTER XI. LIABILITY OF THE CONTRACTING PARTIES AND PAYMENT OF DAMAGES

Article 25. JOINT LIABILITY OF THE CONTRACTING PARTIES AND PAYMENT OF DAMAGES

1. The Contracting Parties shall be jointly liable in respect of:

- (a) The content of the approved joint contractual plan;
- (b) The execution of the Treaty during the construction and operation of the System of Locks, the jointly-adopted measures and decisions of the government delegates, and the joint measures and decisions of the joint agencies.

2. In consequence of their liability under paragraph 1, the Contracting Parties shall jointly and in equal measure:

- (a) Make compensation for damage resulting from acts giving rise to their joint liability and pay the costs arising from such compensation;
- (b) Compensate a third party for damage suffered by him as the result of acts giving rise to their joint liability.

3. The Contracting Parties shall jointly and in equal measure make compensation for damage arising in the course of the realization of the joint investment and during the period of operation of the jointly-owned works, and shall pay the costs arising from such compensation:

- (a) In the case of damage resulting from unavoidable circumstances (*vis major*);
- (b) In the case of damage caused by a third party, on condition that the investor or operator could not have prevented the damage even though the exercise of the diligence that might have been expected of him.

Article 26. EXCLUSIVE LIABILITY OF THE CONTRACTING PARTIES AND PAYMENT OF DAMAGES

1. Each of the Contracting Parties shall be separately and exclusively liable in respect of:

- (a) The accomplishment of the work and deliveries which, on the basis of the apportionment of labour and supplies under the joint investment, are carried out by them, in accordance with the provisions of the approved joint contractual plan and within the time-limits specified in the project work schedule;
- (b) The operation, and the systematic maintenance in good working order, of the jointly-owned works constructed in their territories, and the preservation of the plant and equipment of those works;
- (c) The operation, and the systematic maintenance in good working order, of works constituting the property of one of the Contracting Parties as provided in article 8, paragraph 3, and the preservation of the plant and equipment of those works.

2. In consequence of their liability under paragraph 1, the Contracting Parties shall separately and exclusively:

- (a) Make compensation for damage which results from acts giving rise to their exclusive liability in connection with the operations and works referred to in paragraph 1, sub-paragraphs (a) and (b), or damage which results from the action of a third party, on condition that the investor or operator could have prevented such damage through the exercise of the diligence that might have been expected of him, and shall pay the costs arising from such compensation;
- (b) Make compensation for all damage arising from operations of the works referred to in paragraph 1, sub-paragraph (c), and shall pay the costs arising from such compensation;
- (c) Compensate the other Contracting Party or a third party for damage resulting from the late or improper performance of work and deliveries carried out by them, from the deterioration of the plant and equipment of the works referred to in paragraph 1, and from operations not in conformity with the approved operating and operational procedures.

3. Determination of the extent of damage compensable and the amount of costs payable under the provisions of paragraph 2, and determination of the causes of the damage and the ensuing obligations to pay compensation or damages shall, as

regards the common interests of the Contracting Parties, come within the sphere of authority of the government delegates.

4. Payment of compensation between the Contracting Parties shall be governed by the provisions of article 12.

CHAPTER XII. SETTLEMENT OF DISPUTES

Article 27

1. The settlement of disputes in matters relating to the realization and operation of the System of Locks shall be a function of the government delegates.

2. If the government delegates are unable to reach agreement on the matters in dispute, they shall refer them to the Governments of the Contracting Parties for decision.

CHAPTER XIII. FINAL PROVISIONS

Article 28

1. This Treaty shall be ratified, and the instruments of ratification shall be exchanged at Prague.

2. The Treaty shall come into force on the date of the exchange of the instruments of ratification.

IN WITNESS WHEREOF the plenipotentiaries have signed this Treaty and have affixed thereto their seals.

DONE at Budapest, on 16 September 1977, in duplicate, in the Hungarian and Slovak languages, both texts being equally authentic.

For the Government
of the Hungarian Peoples Republic:

[GYÖRGY LAZÁR]

For the Government
of the Czechoslovak Socialist Republic:

[LUBOMÍR ŠTROUGAL]