

# **Agreement between the Government of the Republic of Kazakhstan, Government of the Kyrgyz Republic and Government of the Republic of Uzbekistan on use of fuel and energy and water resources, construction, operation of gas pipelines of the Central Asian region**

of April 5, 1996

The government of the Republic of Kazakhstan, the Government of the Kyrgyz Republic and the Government of the Republic of Uzbekistan which are hereinafter referred to as - the Parties,

based on provisions of the Agreement on creation of the Common economic space,

considering mutual interest in further deepening and expansion of economic cooperation,

proceeding from the developed social and political realities and trade and economic relations,

attaching importance to preserving and development of the settled production and technological bonds between the ministries and departments, the companies, the organizations, business entities, agreed as follows:

## **Article 1**

Considering community of interests of the State Parties in use of fuel and energy and water resources of the Party charge to the relevant ministries, departments:

- develop the program of cooperation in the field of fuel and energy complexes of the states of Central Asia considering mutual economically reasonable electrical supplies, gas, coal and oil products in coordination with the most effective use of water resources of river basin of the Syr Darya for the irrigational purposes;

- consider the solution of questions on rapprochement of price and tariff policy in fuel and energy complex of the states, and also to forming of general strategy concerning the foreign market on fuel and energy resources;

- energy costs (the electric power, coal, gas, oil products) and settlement for their delivery are determined by direct contracts between the Parties or bodies authorized by them;

- to carry out construction and joint financing of objects taking into account interest in development of integration of power systems;

- prepare offers on free and duty-free mutually export (interchange) of the spare parts, the equipment, building constructions necessary for operational and repair needs, in emergencies for the companies of fuel and energy and water management systems of the State Parties;

- render assistance in case of accident elimination on trunk gas pipelines with involvement of emergency services of the Parties;

- develop the principles and procedure for equity on financing of operating costs and repair of interrepublican water management objects;

- develop procedure for the cross liability of the parties for non-compliance or entering of not approved changes into the delivery schedule of energy carriers and operating modes of the cascade of water storage basins approved by all parties as a result of which it is put or damage can be caused by the Parties;

- inform the Parties on origin or possibility of emergencies on cascades of water storage basins, power plants and intersystem power lines jointly to participate in their prevention and liquidation;

- to provide to fuel and energy and water management industries of the Parties the approved operating mode Naryn of the Syr Darya cascade of water storage basins and the delivery schedule of energy carriers.

The parties consider necessary for ensuring compliance with the approved operating mode of water storage basins of the Naryn-Syr Darya cascade and transit of water participation in the Agreement of all states of river basin of the Syr Darya.

Suggest Interstate Council for problems of the basin of the Aral Sea to consider annually questions of joint use of hydro-electric resources of river basin the Syr Darya.

## **Article 2**

Approval of amounts and delivery conditions of natural gas will be made by the subjects of the Parties authorized on it delivering, transporting and consuming gas.

## **Article 3**

The parties will take necessary measures to long-term cooperation in the field of power on the basis of complementarity and mutual advantage in implementation of transit of electrical energy on the main power lines, natural gas, oil and oil products on the main oil and gas pipelines and oil pipelines through the territories of contracting parties according to the principles of the European energy charter and Agreements of the CIS.

## **Article 4**

The parties agreed to observe the set mode gas about consumption under the force majeure circumstances and restrictions of supply of gas introduced by the supplier and the transporting organization.

## **Article 5**

For the purpose of stabilization of gas supply of the southern areas of the Republic of Kazakhstan and northern areas of the Kyrgyz Republic, till October 1, 1996. The Kazakhstan side will complete reconstruction of KS-5 compressor station in Jambyl, and the Kyrgyz side will provide input of the second string of trunk gas pipeline in the territory in 1997.

## **Article 6**

Consider the most important task of the State Parties carrying out the single coordinated policy in water use and fuel and energy complex.

## **Article 7**

On the questions concerning involvement of additional participants for accomplishment of this agreement separate documents will be accepted.

## **Article 8**

In case of disputes over interpretation or application of individual clauses and provisions of this agreement, the Parties resolve them by consultations and negotiations.

The disputes arising between business entities in case of the conclusion and execution of delivery agreements of products and rendering services are considered by courts according to the international practice.

#### **Article 9**

This agreement can be changed or added in the joint consent of the Parties.

This agreement becomes effective from the date of its signing and will be effective until one of the Parties in writing in six months does not notify other Parties on the intention to stop the participation.

In case of intention of one of the parties to stop the participation in this agreement, the participating Parties jointly make the decision on further operation of the Agreement.

It is made in Tashkent on April 5, 1996 in one authentic copy in Russian.

The authentic copy is in Executive committee of Interstate Council of the State Parties which will send to each state which signed this agreement, its verified copy.

For the Government of the Republic of Kazakhstan A. Kazhegeldin

For the Government of the Kyrgyz Republic A. Dzhumagulov

For the Government of the Republic of Uzbekistan U. Sultanov