ANNEXURE F—NEUTRAL EXPERT
(Article IX (2))

Part 1—Questions to be referred to a Neutral Expert

1. Subject to the provisions of Paragraph 2, either Commissioner may, under the provisions of Article IX (2)(a), refer to a Neutral Expert any of the following questions:

(1) Determination of the component of water available for the use of Pakistan

(a) in the Ravi Main, on account of the deliveries by Pakistan under the provisions of Article II (4), and

(b) at various points on The Ravi or The Sutlej, on account of the deliveries by Pakistan under the provisions of Article III (3).

(2) Determination of the boundary of the drainage basin of The Indus or The Jhelum or The Chenab for the purposes of Article III (2).

(3) Whether or not any use of water or storage in addition to that provided under Article III is involved in any of the schemes referred to in Article IV (2) or in Article IV (3)(b) and carried out by India on the Western Rivers.

(4) Questions relating to

(a) obligations with respect to construction or remodelling of, or pouring of waters into, any drainage or drain as provided in Article IV (3)(c) and Article IV (3)(d); and

(b) maintenance of drainages specified in Article IV (4).

(5) Questions arising under Article IV (7) as to whether any action taken by either Party is likely to
have the effect of diverting the Ravi Main between Madhopur and Lahore, or the Sutlej Main between Harik and Suleimanke, from its natural channel between high banks.

(6) Determination of facts relating to questions arising under Article IV (11) or Article IV (12).

(7) Whether any of the data requested by either Party falls outside the scope of Article VI (2).

(8) Determination of withdrawals to be made by India under proviso (iii) to Paragraph 3 of Annexure C.

(9) Determination of schedule of releases from Conservation Storage under the provisions of Paragraph 8 of Annexure C.

(10) Whether or not any new Agricultural Use by India, on those Tributaries of The Jhelum on which there is any Agricultural Use or hydro-electric use by Pakistan, conforms to the provisions of Paragraph 9 of Annexure C.

(11) Questions arising under the provisions of Paragraph 7, Paragraph 11 or Paragraph 21 of Annexure D.

(12) Whether or not the operation by India of any plant constructed in accordance with the provisions of Part 3 of Annexure D conforms to the criteria set out in Paragraphs 15, 16 and 17 of that Annexure.

(13) Whether or not any new hydro-electric plant on an irrigation channel taking off the Western Rivers conforms to the provisos to Paragraph 24 of Annexure D.

(14) Whether or not the operation of a Storage Work which was in operation as on the Effective Date substantially conforms to the provisions of Paragraph 3 of Annexure E.
(15) Whether or not any part of the storage in a Connecting Lake is the result of man-made works constructed after the Effective Date (Paragraph 8(b) of Annexure E).

(16) Whether or not any flood control work constructed on the Jhelum Main conforms to the provisions of Paragraph 9 of Annexure E.

(17) Whether or not any Storage Work to be constructed on a Tributary of The Jhelum on which Pakistan has any Agricultural Use or hydro-electric use conforms to the provisions of Paragraph 10 of Annexure E.

(18) Questions arising under the provisions of Paragraph 6 or 14 of Annexure E.

(19) Whether or not the operation of any Storage Work constructed by India, after the Effective Date, conforms to the provisions of Paragraphs 17, 18, 19, 21 and 22 of Annexure E and, to the extent necessary, to the provisions of Paragraph 8 of Annexure C.

(20) Whether or not the storage capacity proposed to be made up by India under Paragraph 23 of Annexure E exceeds the storage capacity lost by sedimentation.

(21) Determination of modifications to be made in the provisions of Parts 2, 4 or 5 of Annexure H in accordance with Paragraphs 11, 31 or 38 thereof when the additional supplies referred to in Paragraph 66 of that Annexure become available.

(22) Modification of Forms under the provisions of Paragraph 41 of Annexure H.

(23) Revision of the figure for the conveyance loss from the head of the Madhopur Beas Link to the junction of the Chakki Torrent with the Beas Main under the provisions of Paragraph 45 (c) (ii) of Annexure H.
2. If a claim for financial compensation has been raised with respect to any question specified in Paragraph 1, that question shall not be referred to a Neutral Expert unless the two Commissioners are agreed that it should be so referred.

3. Either Commissioner may refer to a Neutral Expert under the provisions of Article IX (2)(a) any question arising with regard to the determination of costs under Article IV (5), Article IV (11), Article VII (1)(a) or Article VII (1)(b).

Part 2—Appointment and Procedure

4. A Neutral Expert shall be a highly qualified engineer, and, on the receipt of a request made in accordance with Paragraph 5, he shall be appointed, and the terms of his retainer shall be fixed, as follows:—

(a) During the Transition Period, by the Bank.

(b) After the expiration of the Transition Period,

   (i) jointly by the Government of India and the Government of Pakistan, or

   (ii) if no appointment is made in accordance with (i) above within one month after the date of the request, then by such person or body as may have been agreed upon between the two Governments in advance, on an annual basis, or, in the absence of such agreement, by the Bank.

Provided that every appointment made in accordance with (a) or (b)(ii) above shall be made after consultation with each of the Parties.

The Bank shall be notified of every appointment, except when the Bank is itself the appointing authority.

5. If a difference arises and has to be dealt with in accordance with the provisions of Article IX(2)(a), the following procedure will be followed:—
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(a) The Commissioner who is of the opinion that the difference falls within the provisions of Part 1 of this Annexure (hereinafter in this paragraph referred to as "the first Commissioner") shall notify the other Commissioner of his intention to ask for the appointment of a Neutral Expert. Such notification shall clearly state the paragraph or paragraphs of Part 1 of this Annexure under which the difference falls and shall also contain a statement of the point or points of difference.

(b) Within two weeks of the receipt by the other Commissioner of the notification specified in (a) above, the two Commissioners will endeavour to prepare a joint statement of the point or points of difference.

(c) After expiry of the period of two weeks specified in (b) above, the first Commissioner may request the appropriate authority specified in Paragraph 4 to appoint a Neutral Expert; a copy of the request shall be sent at the same time to the other Commissioner.

(d) The request under (c) above shall be accompanied by the joint statement specified in (b) above; failing this, either Commissioner may send a separate statement to the appointing authority and, if he does so, he shall at the same time send a copy of the separate statement to the other Commissioner.

6. The procedure with respect to each reference to a Neutral Expert shall be determined by him, provided that:

(a) he shall afford to each Party an adequate hearing;

(b) in making his decision, he shall be governed by the provisions of this Treaty and by the compromis, if any, presented to him by the Commission; and

(c) without prejudice to the provisions of Paragraph 3, unless both Parties so request, he shall not deal with any issue of financial compensation.
7. Should the Commission be unable to agree that any particular difference falls within Part 1 of this Annexure, the Neutral Expert shall, after hearing both Parties, decide whether or not it so falls. Should he decide that the difference so falls, he shall proceed to render a decision on the merits; should he decide otherwise, he shall inform the Commission that, in his opinion, the difference should be treated as a dispute. Should the Neutral Expert decide that only a part of the difference so falls, he shall, at his discretion, either:

(a) proceed to render a decision on the part which so falls, and inform the Commission that, in his opinion, the part which does not so fall should be treated as a dispute, or

(b) inform the Commission that, in his opinion, the entire difference should be treated as a dispute.

8. Each Government agrees to extend to the Neutral Expert such facilities as he may require for the discharge of his functions.

9. The Neutral Expert shall, as soon as possible, render a decision on the question or questions referred to him, giving his reasons. A copy of such decision, duly signed by the Neutral Expert, shall be forwarded by him to each of the Commissioners and to the Bank.

10. Each Party shall bear its own costs. The remuneration and the expenses of the Neutral Expert and of any assistance that he may need shall be borne initially as provided in Part 3 of this Annexure and eventually by the Party against which his decision is rendered, except as, in special circumstances, and for reasons to be stated by him, he may otherwise direct. He shall include in his decision a direction concerning the extent to which the costs of such remuneration and expenses are to be borne by either Party.
11. The decision of the Neutral Expert on all matters within his competence shall be final and binding, in respect of the particular matter on which the decision is made, upon the Parties and upon any Court of Arbitration established under the provisions of Article IX (5).

12. The Neutral Expert may, at the request of the Commission, suggest for the consideration of the Parties such measures as are, in his opinion, appropriate to compose a difference or to implement his decision.

13. Without prejudice to the finality of the Neutral Expert's decision, if any question (including a claim to financial compensation) which is not within the competence of a Neutral Expert should arise out of his decision, that question shall, if it cannot be resolved by agreement, be settled in accordance with the provisions of Article IX (3), (4) and (5).

Part 3—Expenses

14. India and Pakistan shall, within 30 days after the Treaty enters into force, each pay to the Bank the sum of U.S. $5,000 to be held in trust by the Bank, together with any income therefrom and any other amounts payable to the Bank hereunder, on the terms and conditions hereinafter set forth in this Annexure.

15. The remuneration and expenses of the Neutral Expert, and of any assistance that he may need, shall be paid or reimbursed by the Bank from the amounts held by it hereunder. The Bank shall be entitled to rely upon the statement of the Neutral Expert as to the amount of the remuneration and expenses of himself (determined in accordance with the terms of his retainer) and of any such assistance utilized by him.

16. Within 30 days of the rendering of a decision by the Neutral Expert, the Party or Parties concerned shall, in
accordance with that decision, refund to the Bank the amounts paid by the Bank pursuant to Paragraph 15.

17. The Bank will keep amounts held by it hereunder separate from its other assets, in such form, in such banks or other depositories and in such accounts as it shall determine. The Bank may, but it shall not be required to, invest these amounts. The Bank will not be liable to the Parties for failure of any depository or other person to perform its obligations. The Bank shall be under no obligation to make payments hereunder of amounts in excess of those held by it hereunder.

18. If at any time or times the amounts held by the Bank hereunder shall in its judgment be insufficient to meet the payments provided for in Paragraph 15, it will so notify the Parties, which shall, within 30 days thereafter, pay to the Bank, in equal shares, the amount specified in such notice as being the amount required to cover the deficiency. Any amounts so paid to the Bank may, by agreement between the Bank and the Parties, be refunded to the Parties.