

each from India and Pakistan. In the event of a dispute in which the two Commissioners fail to reach agreement, a neutral expert will be appointed in the case of differences of a technical nature, while a court of arbitration will be established in cases of major dispute on the interpretation of the Treaty itself.

Indus Basin Development Fund

The Indus Basin Development Fund is established by the Indus Basin Development Fund Agreement, which becomes effective on the ratification of the Indus Waters Treaty by the Governments of India and Pakistan. The Fund, which is designed to aid Pakistan in carrying out the terms of the Treaty, will be administered by the International Bank. The Bank will be responsible for all financial and technical aspects of the construction project to be undertaken in Pakistan. The Agreement provides the Fund with a total contribution in foreign exchange of nearly \$632 million (U.S.), as follows:

| | | | U.S. \$ equivalent |
|----------------|-------|--|-------------------------|
| Australia | £ A | 6,965,000 | 15,600,000 |
| Canada | \$ C | 22,100,000 | 22,984,000* |
| Germany | DM | 126,000,000 | 30,000,000 |
| India | £ | 62,060,000 | 173,768,000** |
| New Zealand | £ NZ | 1,000,000 | 2,800,000 |
| Pakistan | £ | 440,000 | 1,232,000 |
| United Kingdom | £ | 20,860,000 | 58,408,000 |
| United States | \$ US | 177,000,000 | 177,000,000 |
| United States | \$ US | 70,000,000 in loans (repayable in rupees) | 70,000,000 |
| | | | <hr/> 551,792,000 <hr/> |

The United States loan of \$70 million to Pakistan provides for repayment to be made in Pakistan rupees over a 30-year period from the date of the first disbursement and interest at the rate of 3½ per cent per annum. In addition to these contributions and loans the International Bank has extended the equivalent of a \$90 million (U.S.) loan in various currencies to Pakistan, with repayment suspended for the first ten years. This will enable Pakistan to make repayment when the economic benefits of the project are being enjoyed rather than during the period of construction. The Fund will be provided with \$80 million (U.S.) of this loan and the remaining \$10 million (U.S.) will be available to meet interest and other charges on the loan.

* Calculated at \$C 1 = \$US 1.04.

** Under terms of the Waters Treaty.