THE GABČÍKOVO-NAGYMAROS DISPUTE

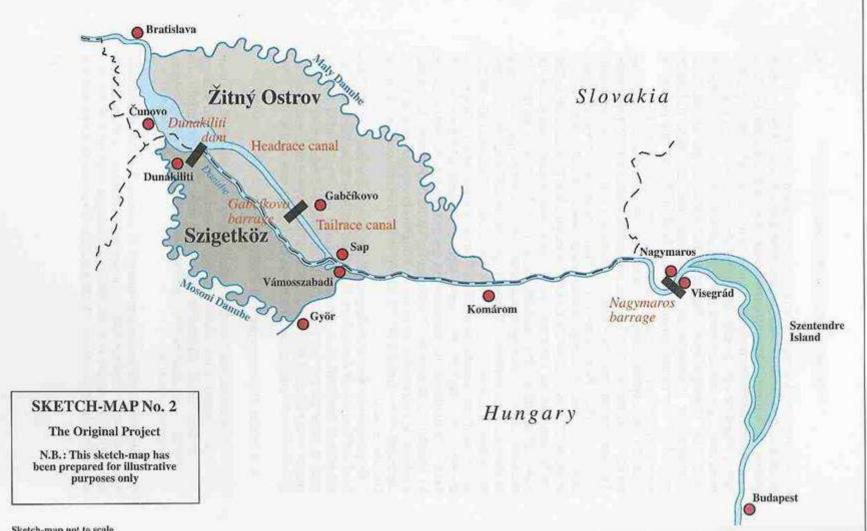
THE FIRST 17 YEARS

Presentation on 10 July 2006 by Boldizsár Nagy Eötvös Loránd University and Central European University, Budapest

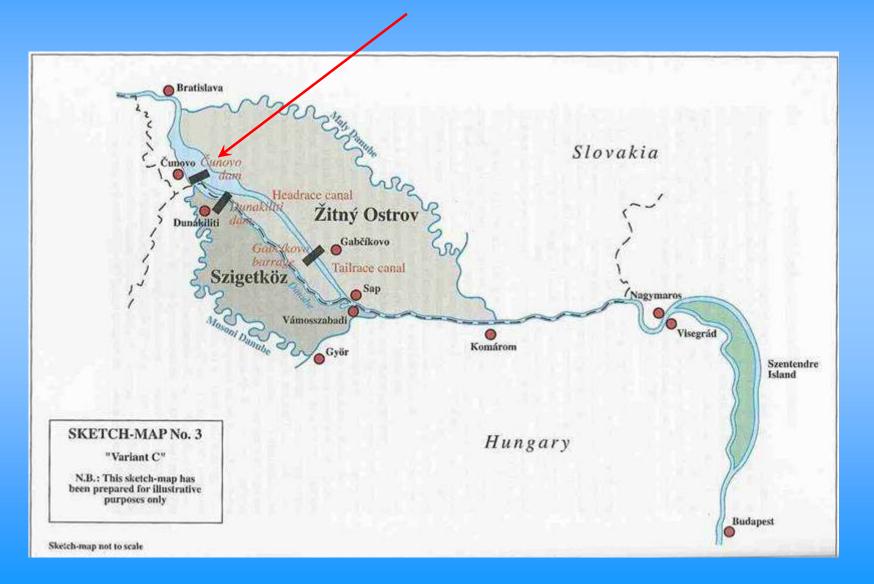
The scheme of the talk

- Description of the project
- History of the project and the dispute until the judgment of the International Court of Justice
- The concerns of Hungary
- The main legal arguments
- Evaluation of the judgment of the ICJ
- Developments between 1997 and 2006 July
- Outlook
- Conclusion: competing paradigms

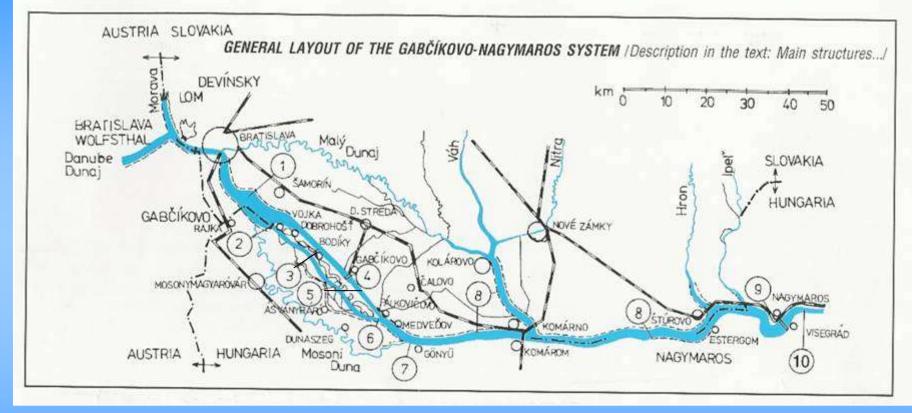
The overview of the original project



The overview of Variant C



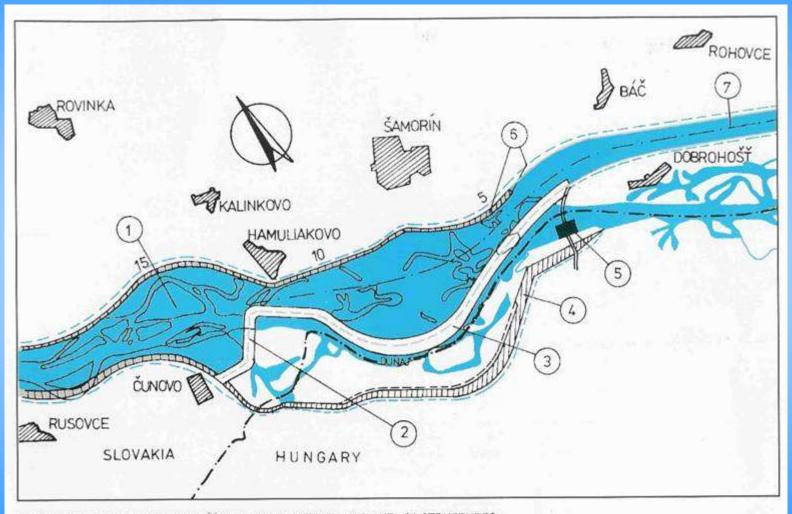
A closer look at the existing structure



- 1= reservoir
- 2 = Dunakiliti weir
- 3 = the 17 km long headrace canal
- 4 = The Gabčikovo hydropower station and shiplocks
- 5 = 8,2 km long tailrace canal

- 6 =main riverbed
- 7 = confluence of tailrace and river
- 8 = seepage canals
- 9 = Nagymaros barrage
- 10 = downstream of Nagymaros (bank filtered water wells)

An even closer look at the C Variant structures



LAYOUT OF THE RESERVOIR GABCIKOVO DIMINISHED BY VARIANT "C" STRUCTURES 1 - remaining reservoir, 2 - structures of the Cunovo complex /see separate figure and description in the text/, 3 - dividing dam 11 km long, 4 - original right-side dams of reservoir, 5 - Dunakiliti weir

Nagymaros under construction 1992





- Reservoirs:
 - Cunovo: 40 km² reservoir, dam, 3 sets of weirs, auxiliary shiplock, small power plant, (58 MW) 11 km long connecting dyke
 - Nagymaros: 100 km long producing 7 m fall! Not built
- By-pass canal:
 - 25 km long on/in fertile land (headrace canal: water: 15 meters above ground level - power station - tailrace canal dug into the land)
- Power station(s):
 - Gabčikovo at 1821 rkm = 8 turbines 720 MW capacity, 2700 GWh output/year, 16-23 m fall of water, planned peak mode, actually continuous
 - Nagymaros at 1696 rkm 6 turbines, 158 MW capacity, 1600 GWh output/year, continuous mode Not built
- Purposes according to the 1977 Treaty:
 - energy production (3.700 GWh/year to be shared equally)
 - improvement of navigation
 - flood protection
 - infrastructural development

History until the judgment of the International Court of Justice

- 4 phases:
 - 1952-1977 planning
 - 1977 1989 construction with second thoughts
 - 1989 1993 suspension of works by Hungary unilateral diversion by (then) Czech-Slovak Republic
 - 1993-1997/98 the Gabčikovo-Nagymaros
 Case in front of the ICJ: first judgment: 25
 September 1997 (see: http://www.icj-cij.org/icjwww/idocket/ihs/ihsframe.htm)

Planning 1952-1977

- Steps:
 - Soviet involvement (advisors)
 - Technical conception ready by 1963, plans by 1967
 - 1973: Joint investment program
 - 16 September 1977 "Treaty concerning the construction and operation of the Gabčikovo-Nagymaros System of Locks"

• Interpretation:

- Symbolic Socialist Pyramid "victory over nature" a country of steel and iron
- No cost-benefit analysis (never promised profit)
- The technical content reflects the mentality of the late fifties
- Goals ill-defined and changing (energy: 90 % in 1962, but only 60 % in 1977)

Construction with second thoughts 1977 - 1989

- Steps
 - 1981 Already economic concerns
 - 1983 Hungarian Academy of Sciences: revise but preferably abandon
 - 1986 Austrians (losing job at home at Hainburg) offer money and capacity: acceleration
 - May, September, October 1988 First large scale public protests (demonstrations against the investment)
 - May 1989 Suspension of construction at Nagymaros to investigate concerns,

Construction with second thoughts 1977 - 1989

- Interpretation:
 - repeated lack of resources slowing down (1983) speeding up (1986),
 - Suppression of public resistance till 1988
 - Threats of unilateral diversion of the Danube water by Czechoslovakia
 - Bureaucratic momentum: fear from sunk costs
 - Socialist double speech: symbolic values, strengthening the Socialist cooperation of COMECON member states publicly, concerns in non-public party, government and academic circles

1989 – 1993 The dispute and the diversion

- Steps:
 - 1989 July: decision on not damming the Danube at Dunakiliti
 - October: the Hungarian Parliament decides not to construct the Nagymaros barrage and to modify the 1977 treaty taking into account the environmental concerns
 - Late 1989 Velvet revolution Havel president hopes in vain.
 - 1991: COMECON, Warsaw Treaty Organization dissolved
 - Three rounds of bilateral negotiations without result
 - 1991 The Czech-Slovak Republic starts to actually build the elements of the unilateral solution, dubbed "Variant C", Hungary protests
 - May 1992 Hungary terminates the 1977 treaty with effect of 29 May, the Czech-Slovak Republic refuses to accept
 - 23 29 October 1992 (The national holiday celebrating the 1956 revolution against the Russians) the unilateral diversion of the Danube by blocking its riverbed at Cunovo
 - October-December: The European Community mediates:
 - suggestion for a temporary water management (sharing) regime
 - convinces the parties to turn to the International Court of Justice in the Hague

1989 – 1993 The dispute and the diversion

- Interpretation:
 - Hungary calls for a joint revision because of the environmental concerns (even if it means huge financial losses)
 - Resisting the project is a symbol of democracy, openness, rejection of the Socialist megalomania
 - Hungary commits nothing irreversible: the project could be continued (even at Nagymaros) if conditions were renegotiated
 - Czech-Slovak Republic secretly builds Variant C refusing to provide information on it
 - It firmly rejects all proposal to compromise
 - The project becomes the vehicle of the Slovak national identity
 - against the Czechs from whom they intend to separate -, and
 - against the Hungarians; against the minority there and the majority in Hungary

The Gabčikovo-Nagymaros Project Case in front of the ICJ 1993-1997

- Steps:
 - Three written rounds (memorial, counter-memorial, reply, 10, 7, 6 months respectively) last submitted on 20June 1995.
 - 22 volumes, 24 kilos, 9000 pages altogether
 - Oral hearing: 1997 March and April
 - Visit by the Court (between oral rounds)
 - Judgment: 25 September 1997
 - Events in the meantime:
 - 1994 futile bilateral talks
 - 1995 temporary agreement on the water management regime, guaranteeing 20 % of the average discharge to Hungary

The Gabčikovo-Nagymaros Project Case in front of the ICJ 1993-1997

- Interpretation:
 - Varied methods of peaceful settlements of disputes (EC mediation, formal third party settlement)
 - Enormous importance for the international community
 - for the first time two Central European States go to the Court – i.e. submit a dispute to an unbiased third party compulsory settlement
 - Test whether the environmental consciousness of the 80s and 90s enters the formal intergovernmental world
 - Remarkable differences in handling the case in front of the Court

Film show: The Hungarian documentary presented at the oral hearing summarising the natural processes and the concerns



Surface and subsurface waters.

- The decrease of the water flow to 1/20 of the average flow threatened with the drying up of the last inland delta in Europe, comprising several hundred square kilometers in the form of two large islands (Szigetkoz and Zitny Ostrov) with an unusually dense branch system in the flood plain area supporting unique wetlands. Substantive deterioration of water quality including the danger of eutrophication also belonged to expected surface water changes.
- The other vital feature of the hydrological system under threat of profound changes is the aquifer below these two large islands. The aquifer under the Hungarian side is 21.8 km³ large and contains approximately 5.4 km³ ground water of potable quality. It is estimated that the sustainable capacity of this resource is 750 million litres per day. The Slovak side's similar resources are even larger. The fear is that the deteriorating quality of the infiltrating water would in a very slow process but in a practically irreversible manner pollute this aquifer rendering the water not potable or necessitate complicated and financially prohibitively expensive treatment.
- Even more threatening was the prospect that the river morphological changes accompanying the Nagymaros Barrage would significantly reduce the quantity and impair the quality of the water produced by the bank filtered wells located between the Nagymaros Barrage and Budapest and supplying 2/3 of the drinking water needs of the 2 million inhabitants living in the Hungarian capital.

Major Concerns Flora and Fauna

- The unique *flora and fauna* of the wetlands and other areas affected by the Project including the aquatic life, especially in Szigetkoz and Zitny Ostrov deserve attention. Predictions vary as to the extent of the destruction of the rare, at large territories natural or semi natural conditions, but scholars agree that the loss of connection between the side arms and the Danube channel, the decreased water discharge and ground water levels and the lack of floods ensuing the implementation of the Original Project would have had devastating impact on the flood plain ecosystems of the affected area, including disappearance of species and reduced biodiversity.
- Other risks include the decrease of agricultural and forestry production on several hundred km² surface area, the disappearance of aquatic habitats significantly impairing fisheries, the loss of recreational values including the transformation of the Danube Bend into an industrial area.

Flood security, engineering risks, lack of appropriate impact assessment,

- Further to mention is the lack of adequate environment impact assessment and the inappropriate seismic research and calculations serving as the basis of design.
- The extremely fast construction and abrupt commencement of operation of Variant C has further contributed to the list of damages and risks. Flood security is fragile, international navigation on the Danube has become blocked repeatedly for weeks, a severe degradation of the main river channel accompanied the drastic and unpredictable reduction of water flow after the unilateral diversion by Czech and Slovak Republic.

THE CASE CONCERNING THE GABCÍKOVO-NAGYMAROS PROJECT The compromis, 1993

3+1 questions posed in Art. 2 of the Special Agreement of 7 April 1993

- (1) The Court is requested to decide on the basis of the Treaty and rules and principles of general international law, as well as such other treaties as the Court may find applicable,
- (a) whether the Republic of Hungary was entitled to suspend and subsequently abandon, in 1989, the works on the Nagymaros Project and on the part of the Gabčikovo Project for which the Treaty attributed responsibility to the Republic of Hungary;
- (b) whether the Czech and Slovak Federal Republic was entitled to proceed, in November 1991, to the "provisional solution" and to put into operation from October 1992 this system, described in the Report of the Working Group of Independent Experts of the Commission of the European Communities, the Republic of Hungary and the Czech and Slovak Federal Republic dated 23 November 1992 (damming up of the Danube at river kilometre 1851.7 on Czechoslovak territory and resulting consequences on water and navigation course);
- (c) what are the legal effects of the notification, on 19 May 1992, of the termination of the Treaty by the Republic of Hungary.
- (2) The Court is also requested to determine the legal consequences, including the rights and obligations for the Parties, arising from its Judgment on the questions in paragraph 1 of this Article.

Suspension of works – legal arguments

Hungary

- Draft Articles on State responsibility: Article 33. State of necessity as suspension ground
- 1. A state of necessity may not be invoked by a State as a ground for precluding the wrongfulness of an act of that State not in conformity with an international obligation of the State unless:
- (a) the act was the only means of safeguarding an essential interest of the State against a grave and imminent peril; and
- (b) the act did not seriously impair an essential interest of the State towards which the obligation existed.
- 2. In any case, a state of necessity may not be invoked by a State as a ground for precluding wrongfulness:
- (a) if the international obligation with which the act of the State is not in conformity arises out of a peremptory norm of general international law; or
- (biff the international obligation with which the act of the State is not in conformity is laid down by a treaty which, explicitly or implicitly, excludes the possibility of invoking the state of necessity with respect to that obligation; or
- (c) if the State in question has contributed to the occurrence of the state of necessity."

THE CASE CONCERNING THE GABCÍKOVO-NAGYMAROS PROJECT Suspension of works – legal arguments

Slovakia

- Accepts the rule, but denies applicability
- Considers the suspension of construction as breach of the 1977 Treaty
- Court:
 - Confirms the rule
 - Admits that essential interests are at stake
 - Assumes that those interests can be protected in other ways
 - Claims that Hungary contributed to the state of necessity

THE CASE CONCERNING THE GABCÍKOVO-NAGYMAROS PROJECT Unilateral diversion of the Danube – legal arguments

Slovakia on Variant C

2 ¹/₂ arguments:

- In written pleadings:
 - "Approximate application"
 - Damage mitigation
- In oral phase (half-heartedly)
 - Countermeasure

THE CASE CONCERNING THE GABCÍKOVO-NAGYMAROS PROJECT Unilateral diversion of the Danube – legal arguments

- Denies the existence of the "doctrine" of approximate application (neither customary law nor general principle of law according to ICJ Statute 38 (1) c)
- Denies that the principle of damage mitigation is a general principle of law.
 - Even if it were, it would not entitle to breach of law unilateral diversion
- Points out that if it were a countermeasure it would contradict to "approximate application" +
 - was not preceded by a breach
 - is not proportional
- Claims that the construction and operation Variant C constitutes a material breach of the 1977 Treaty

THE CASE CONCERNING THE GABCÍKOVO-NAGYMAROS PROJECT Unilateral diversion of the Danube – legal arguments

Court

- Does not decide if approximate application exists, but states that even if it did, it could only justify a measure within a treaty – unilateral diversion is not within the 1977 Treaty
- Principle of damage mitigation
 - Does not justify breach of treaty
 - Is not a general principle, maximum an accounting method
- Countermeasure: not, because not proportionate

Termination of treaty – legal arguments

Hungary

- State of necessity only tool to prevent Czechoslovakia to rely on the 1977 Treaty for the diversion "unlimited suspension"
- Impossibility of performance impossibility need not be physical but may concern purpose and object of the investment – a Socialist pyramid
- Fundamental change of circumstances. Cumulative impact of:
 - COMECON (+ Warsaw Treaty) gone
 - Planned economy replaced by market economy
 - C Variant and non-construction of the Nagymaros barrage made the "single and indivisible operational system" not realisable
 - New findings reveal that instead of environmental protection and regional development the project would bring the opposite
 - Change of Czechoslovak behaviour: immutability replaced flexibility

Termination of treaty – legal arguments

- Material breaches of the 1977 Treaty by Czechoslovakia and later Slovakia (especially constructing Variant C)
- Subsequent environmental law norms superseding the 1977 Treaty

Slovakia

- suspension: no ground for termination of treaty
- impossibility: only physical
- fundamental change of circumstances:
 - = the rule exists, but
 - = none of the factors justify its application

- Variant C: not material breach (neither did Czechoslovakia commit material breach)

- subsequent environmental norms are not ius cogens

Termination of treaty – legal arguments

Court

- State of necessity: can only make a treaty dormant but not end it
- Impossibility: primarily physical + Hungary contributed to its occurrence
- **Fundamental change:** "In the Court's view, the prevalent political conditions were thus not so closely linked to the object and purpose of the Treaty that they constituted an essential basis of the consent of the parties and, in changing, radically altered the extent of the obligations still to be performed" (point 104)

Termination of treaty – legal arguments

Material breach

- The Court separates construction (1991-) from putting into operation (1992 October 23)
- Breach only the diversion (putting into operation)
- Termination by Hungary (May 1992)
 - Premature
 - Preceded by Hungary's breach no clean hands

Termination of treaty – legal arguments

Subsequent environmental norms

- they are applicable, but
- do not preclude the implementation of the Treaty as

- "the parties recognized the potential necessity to adapt the Project. Consequently, the Treaty is not static, and is open to adapt to emerging norms of international law. By means of Articles 15 and 19, new environmental norms can be incorporated in the Joint Contractual Plan."

Additional arguments

- Hungary
 - Both parties repudiated the treaty by their actions of not implementing the 1977 Treaty
 - State succession led to the termination of the Treaty as there is no automatic succession in bilateral treaties if the other party resists (new Central European practice)
- Slovakia
 - Insisted on the Treaty
 - Automatic succession + ipso jure continuity of treaties of a territorial or localized character".
- Court
 - Can not endorse mutual repudiation by breaches of both parties
 - remains silent on automatic succession, but declares that
 - the 1977 Treaty "must be regarded as establishing a territorial régime within the meaning of Article 12 of 1978 Vienna Convention. It created rights and obligations "attaching to" the parts of the Danube to which it relates; thus the Treaty itself cannot be affected by a succession of States"

Environmentally conservative? Rights and duties of the parties after the judgement

• 134.

"What might have been a correct application of the law in 1989 or 1992, if the case had been before the Court then, could be a miscarriage of justice if prescribed in 1997. The Court cannot ignore the fact that the Gabcíkovo power plant has been in operation for nearly five years, that the bypass canal which feeds the plant receives its water from a significantly smaller reservoir formed by a dam which is built not at Dunakiliti but at Cunovo, and that the plant is operated in a run-of-theriver mode and not in a peak hour mode as originally foreseen. Equally, the Court cannot ignore the fact that, not only has Nagymaros not been built, but that, with the effective discarding by both Parties of peak power operation, there is no longer any point in building it."

Environmentally conservative? Rights and duties of the parties after the judgement

- 136.
- " It could be said that that part of the obligations of performance which related to the construction of the System of Locks — in so far as they were not yet implemented before 1992 - have been overtaken by events. It would be an administration of the law altogether out of touch with reality if the Court were to order those obligations to be fully reinstated and the works at Cunovo to be demolished when the objectives of the Treaty can be adequately served by the existing structures."

Environmentally conservative? Rights and duties of the parties after the judgement

• **140**.

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- It is clear that the Project's impact upon, and its implications for, the environment are of necessity a key issue. The numerous scientific reports which have been presented to the Court by the Parties — even if their conclusions are often contradictory — provide abundant evidence that this impact and these implications are considerable.
- In order to evaluate the environmental risks, current standards must be taken into consideration. This is not only allowed by the wording of Articles 15 and 19, but even prescribed, to the extent that these articles impose a continuing — and thus necessarily evolving — obligation on the parties to maintain the quality of the water of the Danube and to protect nature.

Environmentally conservative? Rights and duties of the parties after the judgement

- The Court is mindful that, in the field of environmental protection, vigilance and prevention are required on account of the often irreversible character of damage to the environment and of the limitations inherent in the very mechanism of reparation of this type of damage.
- Throughout the ages, mankind has, for economic and other reasons, constantly interfered with nature. In the past, this was often done without consideration of the effects upon the environment. Owing to new scientific insights and to a growing awareness of the risks for mankind for present and future generations of pursuit of such interventions at an unconsidered and unabated pace, new norms and standards have been developed, set forth in a great number of instruments during the last two decades. Such new norms have to be taken into consideration, and such new standards given proper weight, not only when States contemplate new activities but also when continuing with activities begun in the past. This need to reconcile economic development with protection of the environment is aptly expressed in the concept of sustainable development.

For the purposes of the present case, this means that the Parties together should look afresh at the effects on the environment of the operation of the Gabcíkovo power plant. In particular they must find a satisfactory solution for the volume of water to be released into the old bed of the Danube and into the side-arms on both sides of the river.

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The Judgment and its evaluation

The Judgment

- Finds, by fourteen votes to one, that Hungary was not entitled to suspend and subsequently abandon, in 1989, the works on the Nagymaros Project and on the part of the Gabčikovo Project for which the Treaty of 16 September 1977 and related instruments attributed responsibility to it;
- Finds, by ten votes to five, that Czechoslovakia was not entitled to put into operation, from October 1992, this "provisional solution"
- •
- Finds, by eleven votes to four, that the notification, on 19 May 1992, of the termination of the Treaty of 16 September 1977 and related instruments by Hungary did not have the legal effect of terminating them
- Finds, by thirteen votes to two, that Hungary and Slovakia must negotiate in good faith in the light of the prevailing situation, and must take all necessary measures to ensure the achievement of the objectives of the Treaty of 16 September 1977, in accordance with such modalities as they may agree upon

The Judgment and its evaluation

Hungarian goals achieved

- Nagymaros need not be built
- No peak operation
- The main riverbed and the side arms should get enough water, with appropriate dynamics
- Gabčikovo may only operate in an environmentally sustainable fashion
- Hungary is entitled to its sovereign share in the water flow, ensuring reasonable and equitable access
- Variant C is and remains illegal. All its damages must be compensated for by Slovakia
- Unilateral operation of the existing system must be replaced by a system based on the agreement of the parties (not necessarily common operation)

The Judgment and its evaluation

Hungarian goals not honoured The return of all the water flow into the main riverbed (stopping Gabčikovo) The return of international navigation into the river forming the border between the two countries The acceptance of the suspension and stop of works in 1989 – no need to compensate for the violation of the 1977 Treaty

Formal termination of the 1977 Treaty

Developments between 1997 and 2006 July

First round of bilateral talks October 1977 – February 1998

The two delegations essentially abandon the judgment and draft a treaty which would entail building a second barrage at Nagymaros or Pilismarót. Due to the outburst of public condemnation and fierce attack by the opposition the draft never gets signed, and the coalition loses the elections in April 1998, partly because of this issue.

Second round of bilateral talks: November 1998 – April 2002

- The new Hungarian negotiating delegation returns to the spirit of the Judgment when talks re-start in November 1998.
- For domestic political reasons (elections upcoming) in September 1998 Slovakia returns to the Court trying to enforce the signing of the abandoned bilateral construction of 1997-1998 (The "Nemcsók" draft framework agreement) After the Hungarian response, the case becomes dormant, since the newly elected Slovak government agrees to prefer the bilateral talks.
- 9 plenary meetings and 4+6 (legal and technical) working group meetings take place until 2002 April
- In December 1999 upon Slovak request Hungary transmits approx. 1000 pages containing a draft Treaty and detailed technical suggestion for the alternatives to be investigated.
- in December 2000 Slovakia essentially refuses to enter into negotiations on the new alternatives and wishes to return to the original project, including a second barrage in the Danube Bend

Developments between 1997 and 2006 July

- 2001: Futile efforts in plenary, finally two working groups are established (a legal and an environmental-technical) but in the legal they can not even agree upon the issues they should put on their agenda (in the other a preliminary agreement is reached by April 2002 after 6 meetings!)
- 2002 Elections in Hungary and Slovakia: negotiations do not continue until April 2004
- Third round of negotiations: April 2004 –
- April: resuming talks: agreement on three working groups (legal, environmental-technical, economic.)
- April 2004 January 2006 After adoption of the mandate for all three working groups (May 2004) negotiations on substantive questions. Deadline for agreement on working group level: December 2005
- No substantive progress made
- January 2006 writing reports to the plenary (still ongoing in July 2006)

Outlook

Concerns

- Deterioration of the environment in the affected area continues (You do not get lung cancer when You start to smoke.)
- The Slovak negotiators are the same who in 1977 nurtured the original plan! (Kocinger et alii)
- The genuine impact assessment and the ensuing restoration would require huge sums – not available in either state budget.
- The public pressure and interest promoting the cause of environment subsided.

Hope

- Applicable and binding EU rules may qualify as an inducement to move towards surface and subsurface water resources protection and habitat protection.
- The EU and the NATO membership may lead to an increase in mutual trust. The political atmosphere is improving as the rows over the so-called "status law" and the dual nationality have been resolved or become mute.
- Harm done so far may prove to be at least partially - reversible. Action may be late, but still useful
- The EU's institutions (especially the Commission and the Court) will enforce the water framework directive and the environmental acquis.

Competing paradigms

Axis of evaluation	Hungary	Slovakia
Perspective	Long term	Short term
Value assessment	Discount rate low: high present value of future drinking water, near natural conditions	Discount rate high: hardly any value in the present of assets, resources to be consumed in remote future. Does not want to invest <i>now</i> for a return in fifty years
Care for posterity	Care for future generations, their life supporting systems and basic natural resources	Does not contemplate the situation of generations to come. "They should care for themselves, as we do for ourselves" - mentality.
Risk- management	Adoption of the precautionary principle regulating prudent behaviour in circumstances of uncertainty: according to this principle the lack of full and final scientific proof of future damage does not entitle to go ahead; projects should be stopped even if there is "only" a high probability but not a certainty of the damage.	Belief in the technical fix: man is master of the universe, whatever he destroys, he can correct nothing is irreversible. A mere likelihood of immense future loss is not a reason to endure a qualitatively smaller, but certain present loss.

Competing paradigms

Axis of evaluation	Hungary	Slovakia
Market economy or else	Goods with no market value (the beauty of a landscape, the presence of irreplaceable archeological sites, the richness of biodiversity) are nevertheless valuable, they deserve sacrifices including financial efforts.	Market economy dictates "reasonable market beahviour" tradeable goods like energy, navigational improvement have priority over symbolic
Survival vs. growth	The goal is: balance with nature sustainable existence (not necessarily development in terms of growth).	The goal is modernization in industrial terms, growth, expansion, domination over nature.
Politics	There are no hidden political objectives with the stopping of the project.	Confessed and unstated political goals dominate the decision to proceed.

Thanks!

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