

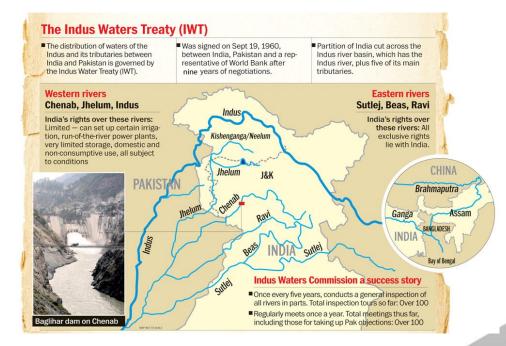
## Indus Water Treaty | Jammu & Kashmir | 19 Sep 2024

## Why in News?

Recently, India suspended meetings of the <u>Permanent Indus Commission (PIC)</u> amid demands to renegotiate the 64-year-old <u>Indus Water Treaty (IWT)</u> with Pakistan.

## **Key Points**

- Indus-Water Treaty (IWT): Signed in 1960, governs the sharing of six Himalayan rivers. It provides a dispute resolution mechanism, involving the Permanent Indus Commission (PIC), neutral experts, or a court through the World Bank.
- The treaty allocates water from the eastern rivers (<u>Beas</u>, <u>Ravi</u>, <u>Sutlej</u>) to India, while Pakistan has rights over the western rivers (<u>Chenab</u>, <u>Indus</u>, <u>Jhelum</u>). India can use the western rivers for limited irrigation and power generation.
- The Dispute: The ongoing dispute centers on the <u>Kishanganga (330MW)</u> and <u>Ratle hydropower</u> (850MW) projects in Jammu and Kashmir. India and Pakistan have different interpretations of the treaty's dispute resolution process.
  - Kishanganga project: Located in Bandipore, Jammu and Kashmir, is a run-of-the-river hydroelectric project with a capacity of 330 MW.
  - It diverts water from the **Kishanganga River (Neelum River in Pakistan)** to a power plant in the **Jhelum River basin through a tunnel.**
  - Pakistan objected, citing concerns over water flow, but in 2013, <u>The Hague's Permanent</u> <u>Court of Arbitration</u> allowed India to proceed with certain conditions.
- World Bank's Role: Limited to procedural matters like appointing experts and facilitating meetings. It has paused and resumed processes based on mutual cooperation efforts between India and Pakistan.
- Permanent Indus Commission: Mechanism for cooperation and information exchange between India and Pakistan, with a Commissioner from each country.
  - Commissioners of both countries are **mandated to meet every year**.
- Dispute Resolution: The dispute redressal mechanism provided under Article IX of the IWT is a graded mechanism. It's a 3-level mechanism.
  - Questions: These are simpler technical or operational issues handled by the Permanent Indus Commission (PIC) during regular meetings between the commissioners of both countries.
  - **Differences:** If unresolved at the PIC level, differences are escalated to a **Neutral Expert** appointed to resolve technical disputes, such as design or operational concerns.
  - **Disputes:** Major conflicts are referred to a **Court of Arbitration**, an ad hoc tribunal to handle larger disputes concerning the Treaty's interpretation or implementation.



## **Permanent Court of Arbitration**

- It was established in 1899 and is headquartered in The Hague, Netherlands.
- Purpose: It is an intergovernmental organization dedicated to serve the international community in the field of dispute resolution and to facilitate arbitration and other forms of dispute resolution between States.
- It has a three-part organizational structure consisting of:
  - Administrative Council to oversee its policies and budgets,
  - Members of the Court a panel of independent potential arbitrators, and
  - International Bureau its Secretariat, headed by the Secretary-General.
- Funds: It has a Financial Assistance Fund which aims at helping developing countries meet part of the costs involved in international arbitration or other means of dispute settlement offered by the PCA.

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