

PCA Case No. 2023-01

**IN THE MATTER OF
THE INDUS WATERS WESTERN RIVERS ARBITRATION**

- before -

**THE COURT OF ARBITRATION CONSTITUTED
IN ACCORDANCE WITH THE INDUS WATERS TREATY 1960**

- between -

THE ISLAMIC REPUBLIC OF PAKISTAN

- and -

THE REPUBLIC OF INDIA

PROCEDURAL ORDER NO. 18

**(ORGANIZATION OF THE HEARING
FOR THE SECOND PHASE ON THE MERITS)**

COURT OF ARBITRATION:

**Professor Sean D. Murphy (Chairman)
Professor Wouter Buytaert
Professor Jeffrey P. Minear
Judge Awn Shawkat Al-Khasawneh
Dr. Donald Blackmore**

SECRETARIAT:

The Permanent Court of Arbitration

24 January 2026

WHEREAS, by way of a Request for Arbitration dated 19 August 2016, Pakistan instituted arbitration proceedings pursuant to Article IX(5) and Paragraph 2(b) of Annexure G to the Indus Waters Treaty 1960 (the “**Treaty**”);

WHEREAS in accordance with Paragraphs 4 to 9 of Annexure G to the Treaty, a Court of Arbitration (the “**Court**”) has been constituted;

WHEREAS on 6 July 2023, the Court issued an Award on the Competence of the Court (the “**Award on Competence**”), finding that the Court is competent to consider and determine the disputes set forth in Pakistan’s Request for Arbitration;

WHEREAS on 6 July 2023, the Court issued Procedural Order No. 6, determining that the Court would conduct these proceedings in a phased manner, and that the next phase of the proceedings (the “**First Phase on the Merits**”) would address certain questions that arise from the Request for Arbitration concerning the overall interpretation or application of Article III of the Treaty, and Paragraph 8 of Annexure D thereto, in addition to a related question concerning the legal effect of past decisions issued by dispute resolution bodies established pursuant to Article IX of the Treaty;

WHEREAS on 10 August 2023, the Court issued Procedural Order No. 8, granting Pakistan’s application to amend its Request for Arbitration;

WHEREAS on 27 June 2025, the Court issued a Supplemental Award on the Competence of the Court, finding that India’s position on “abeyance” of the Treaty does not limit the competence of the Court over this dispute, which the Court previously affirmed in its Award on Competence, and finding that the Court has a continuing responsibility to advance these proceedings in a timely, efficient, and fair manner, notwithstanding India’s position on “abeyance”;

WHEREAS on 8 August 2025, the Court issued an Award on Issues of General Interpretation of the Indus Waters Treaty (the “**Award on General Interpretation**”), reaching findings on the questions at issue for the First Phase on the Merits;

WHEREAS on 19 September 2025, Pakistan transmitted a letter to the Court pursuant to Paragraph 27 of Annexure G to the Treaty, in which it sought “the Court’s clarification of a number of points arising out of the Award [on General Interpretation]” (the “**Request for Clarification**”);

WHEREAS on 8 November 2025, the Court issued a Decision on Pakistan’s Request for Clarification of the Award on Issues of General Interpretation (the “**Decision on the Request for Clarification**”), in which the Court provided clarifications with respect to some aspects of the Request for Clarification, but declined to provide clarifications with respect to other aspects of Pakistan’s Request, including Pakistan’s request for a clarification as to how the Treaty regulates the basis upon which India must determine the installed capacity and anticipated load of a proposed Annexure D, Part 3 HEP, and, once determined, how these elements are to be taken into account for purposes of the calculation of maximum Pondage;

WHEREAS in its Decision on the Request for Clarification, the Court recalled that it had concluded in its Award on General Interpretation that, with respect to whether and how the Treaty regulates the basis upon which India may determine such installed capacity and anticipated load, “Pakistan or India may seek to pursue the matter through the Treaty’s dispute resolution procedures, including a further phase of these proceedings” and further stated in its Decision that:

Were either Party to seek leave in that regard, the Court is open to conducting a further phase of these proceedings on this issue. Such a phase would provide an opportunity for written submissions from both Parties on this issue that, *inter alia*, identify the relevant Treaty provisions, the relevant documents in the record, and the Parties’ current and past positions and practice, including in the

Baglihar Neutral Expert Proceedings. The Court takes note in this regard of Pakistan's statement at the Case Management Conference that:

We would much rather that you deliberate fully and properly, and that you come to the best reliable conclusions that you can come to. And if that means on this particular issue that there needs to be another procedure, well, of course, then there absolutely needs to be another procedure.

WHEREAS on 8 November 2025, the Court issued Procedural Order No. 16, indicating, among other things, that either Party may request a further phase of the proceedings specific to “resolving the basis upon which India must determine the installed capacity and anticipated load of a proposed Annexure D, Part 3 HEP, and, once determined, how these elements are to be taken into account for purposes of the calculation of maximum Pondage” (the “**Capacity/Load/Pondage Calculation Issues**”);

WHEREAS on 13 November 2025, Pakistan requested a further phase of the proceedings specific to the Capacity/Load/Pondage Calculation Issues (“**Pakistan's Request**”);

WHEREAS in its Procedural Order No. 17 dated 21 November 2025, the Court determined to conduct a further phase of the proceedings specific to resolving the Capacity/Load/Pondage Calculation Issues (the “**Second Phase on the Merits**”) and envisaged that an oral hearing for the Second Phase on the Merits (“**Hearing**”) would be held in the Peace Palace, The Hague, the Netherlands from 2 to 3 February 2026, in the event that India did not indicate to participate in the Second Phase on the Merits;

WHEREAS India did not indicate an intention to submit a Counter-Memorial by the deadline fixed by the Court, nor has it done so to date;

WHEREAS on 19 January 2026, the Court provided the Parties with a draft of this procedural order on the organization of the Hearing, and invited the Parties' comments;

WHEREAS on 23 January 2026, Pakistan wrote to the Court, providing its comments on the draft of this procedural order;

THE COURT OF ARBITRATION HEREBY DECIDES:

1. Hearing Location and Participants

- 1.1 The Hearing shall take place in-person at the Peace Palace, The Hague, the Netherlands.
- 1.2 By **Wednesday, 28 January 2026**, Pakistan shall communicate to the PCA and India the list of all participants who will attend the Hearing.

2. Hearing Schedule

- 2.1 The Hearing shall proceed from 2 to 3 February 2026 in accordance with the outline of the hearing schedule contained in Annexure A (“**Hearing Schedule**”).
- 2.2 The Hearing Schedule shall be subject to any changes the Court deems necessary or appropriate for the efficient conduct of the Hearing, including any early adjournments sought by a Party.
- 2.3 Notwithstanding paragraphs 2.1 and 2.2 above, Pakistan may make any adjustments to the scheme, timing, and scope of its submissions as outlined in the Hearing Schedule, subject to prior notification to the Court.

3. Hearing Bundle and Hearing Materials

- 3.1 The electronic repository, accessible to the Parties and to the Court, shall act as the electronic hearing bundle.
- 3.2 By **Wednesday, 28 January 2026**, Pakistan shall identify a list of key exhibits and/or legal authorities (or relevant excerpts) for inclusion in a core hard-copy hearing bundle to be prepared for the Members of the Court by the PCA.
- 3.3 The fact that exhibits and/or legal authorities that are already in the record of the proceedings are not included in the hard-copy core bundle to be prepared by the PCA shall not preclude their use by Pakistan during the Hearing.
- 3.4 No new documentary evidence may be presented at the Hearing except with leave of the Court, further to a reasoned application (or applications) to the Court identifying the specific materials Pakistan wishes to admit (but without annexing the documents to the application).
- 3.5 Pakistan may use PowerPoint slides and demonstrative exhibits (“**Hearing Materials**”) at the Hearing, provided that these materials reflect evidence in the record and do not introduce new evidence, directly or indirectly. Hearing Materials must include references to where the evidence referred to therein is found in the record. Hearing Materials must be clearly identified by a sequential document number (e.g. IHM-0001; PHM-0001).
- 3.6 An electronic copy of any Hearing Materials shall be sent to the other Party and the PCA at least one hour before they are deployed at the Hearing. At least 12 hard copies of any Hearing Materials shall be transmitted to the PCA before they are deployed at the Hearing.

4. Post-Hearing Submissions

- 4.1 The Court shall consider the necessity of any post-hearing briefs at the conclusion of, or following, the Hearing.

5. Transcription and Audio Recording

- 5.1 The PCA shall arrange for the Hearing to be transcribed on a real-time basis, and audio recorded. The PCA shall provide a copy of the audio recording to the Parties at the end of the Hearing.
- 5.2 The Parties shall submit any proposed corrections of the draft transcript to the Court within 14 days of the Hearing, in the format prescribed by the court reporter. The Court shall determine whether to adopt the proposed corrections, including in the event of a disagreement between the Parties.

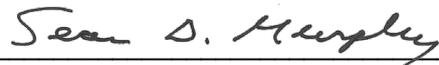
6. Publication of Information

- 6.1 The PCA may issue press release(s) concerning the Hearing in the form to be directed by the Court, after seeking the views of the Parties.
- 6.2 The Court shall revisit the question of the publication of written submissions, accompanying documents, hearing transcripts and other materials at the close of the Hearing in accordance with Article 14(4) of the Supplemental Rules of Procedure

7. Leave to Apply

- 7.1 Any Party has leave to apply to the Court for a variation of this Order, giving particulars of the variation sought and the reason for it.
- 7.2 Any Party may, at any point in these proceedings, request that the Court convene a conference with the Parties to address any procedural aspect of these proceedings. The Court shall arrange to confer with the Parties in person or by videoconference, according to the circumstances.

Dated: 24 January 2026



Prof. Sean D. Murphy
Chairman

On behalf of the Court of Arbitration

ANNEXURE A: Outline of Hearing Schedule

<i>Monday, 2 February 2026</i>	
09:30 – 09:45 (CEST)	Introductory Remarks, <i>Chairman of the Court</i>
09:45 – 11:00	Opening Statements
	First Round Submissions
<i>11:00 – 11:30</i>	<i>Break</i>
11:30 – 13:00	First Round Submissions [<i>continued</i>]
<i>13:00 – 14:00</i>	<i>Lunch Break</i>
14:00 – 15:30	First Round Submissions [<i>continued</i>]
<i>15:30 – 16:00</i>	<i>Break</i>
16:00 – 17:30	First Round Submissions [<i>continued</i>]
17:30 – 18:00	Court’s Questions
<i>Tuesday, 3 February 2026</i>	
13:00 – 14:45	Second Round Submissions/Responses to the Court’s Questions
<i>14:45 – 15:15</i>	<i>Break</i>
15:15 – 17:00	Second Round Submissions/Responses to the Court’s Questions
	Final/Closing Submissions
	Concluding Remarks, <i>Chairman of the Court</i>
17:00 – 18:30	Contingency Time