



PRESS RELEASE

**The Indus Waters Western Rivers Arbitration
(Islamic Republic of Pakistan v. Republic of India)**

THE HAGUE, 5 JUNE 2026

The Court of Arbitration Renders Award Concerning Maximum Pondage Supplemental to the Award on Issues of General Interpretation of the Indus Waters Treaty

On Friday, 15 May 2026, the Court of Arbitration rendered an Award Concerning Maximum Pondage Supplemental to the Award on Issues of General Interpretation of the Indus Waters Treaty (“**Supplemental Award on Maximum Pondage**”) in an arbitration initiated by the Islamic Republic of Pakistan (“**Pakistan**”) against the Republic of India (“**India**”) pursuant to Article IX and Annexure G of the Indus Waters Treaty.

In these proceedings, Pakistan requests the Court of Arbitration to address the interpretation and application of the Indus Waters Treaty to certain design elements of the run-of-river hydro-electric projects that India is permitted by the Indus Waters Treaty to construct on the Indus, Jhelum, and Chenab Rivers and their tributaries (“**Western Rivers**”), before those rivers flow into Pakistan.

On 8 August 2025, the Court issued its Award on Issues of General Interpretation of the Indus Waters Treaty (“**Award on Issues of General Interpretation**”) concerning the design constraints imposed by the Indus Waters Treaty on new run-of-river hydro-electric plants by India on the Western Rivers. In that decision, the Court found that the Treaty imposes a general rule that India shall “let flow” the waters of the Western Rivers for Pakistan’s unrestricted use. Accordingly, exceptions permitted by the Treaty, including for the generation of hydro-electric power, are to be strictly construed. The Court went on to make a series of findings concerning the design constraints imposed by the Treaty on the location of outlets from a reservoir, the use of gated spillways, the placement of intakes to the power turbines, and the permissible level of freeboard (the degree to which the dam rises above the maximum water level for which the reservoir is designed). The Court also decided on the approach that India must take in calculating “maximum Pondage”, the limited temporary storage of water permitted in India’s run-of-river hydro-electric plants on the Western Rivers, which can be used to accumulate water during the dry season to facilitate power generation at specific times.

In the current phase of the proceedings, Pakistan requested the Court to resolve a further technical question concerning the method to be used for calculating maximum Pondage. Specifically, Pakistan requested the Court to address the role played by the installed capacity of a hydro-electric plant (the capacity of the turbines to generate electricity) and the anticipated load on the plant (the anticipated schedule according to which the plant would generate electricity) in the calculation of the maximum volume of Pondage permitted under Paragraph 8(c) of Annexure D to the Indus Waters Treaty. Pakistan additionally requested that the Court acknowledge that the calculation of maximum Pondage must be calculated in a manner that abides by India’s obligation to prevent significant harm to the environment through provision of an environmental flow specific to the site of a proposed hydro-electric plant.

The decisions reached in the Supplemental Award on Maximum Pondage are supplemental to the Award on Issues of General Interpretation. In its unanimous decision, which is binding on the Parties and without appeal, the Court found, among other things, that:

- (a) **Maximum Aggregate Capacity:** The “[m]aximum aggregate capacity of power units” is defined as the single combined total capacity of a project’s non-standby power units used to produce both Firm and Secondary Power.

- (b) ***Installed Capacity:*** The Pondage required for Firm Power is to be calculated on the basis of a realistic, well-founded, and defensible projection of installed capacity. Such a projection corresponds to how the hydro-electric plant will actually be operated and is not hypothesized in a manner that serves to inflate the amount of maximum Pondage, is consistent with the existing hydrologic and hydraulic data for that specific hydro-electric plant at the time it is being designed, and does not result in a design that is inconsistent with any other provision of the Indus Waters Treaty.
- (c) ***Anticipated Load:*** The Pondage required for Firm Power is to be calculated on the basis of a realistic, well-founded, and defensible projection of the proposed hydro-electric plant's anticipated load.
 - (i) Such a projection corresponds to how the hydro-electric plant will actually be operated and is not hypothesized in a manner that serves to inflate the amount of maximum Pondage, is consistent with the projected needs of the power system that the hydro-electric plant is intended to serve, and does not result in a design that is inconsistent with any other provision of the Indus Waters Treaty.
 - (ii) The projection of anticipated load is presumed compliant if the hydro-electric plant supplies power to the intended system on a daily and weekly basis at times of peak demand and distributes generation across days of the week in line with the actual demand on the power system. The projection will otherwise be compliant if it is based on specific information and underlying data produced by India that justify such a load.
 - (iii) Such a projection must take account of the operational constraints of the Indus Waters Treaty, but is not determined solely on the basis of whether the anticipated load allows for releases of water consistent with the operational constraints of the Indus Waters Treaty, including the daily and weekly release requirements set out in Paragraph 15 of Annexure D to the Indus Waters Treaty.
- (d) ***Minimum Environmental Flow:*** The Pondage required for Firm Power must account for any minimum flow obligations arising from inter-tributary diversions on the Jhelum River or any need to prevent significant environmental harm to Pakistan or Pakistan-administered territory. Such minimum flow obligations shall be determined in the context of the design and operation of the specific hydro-electric plant, and can be satisfied either through separate mechanisms to re-regulate the flow downstream of the plant, or otherwise by adjusting the calculation of the Pondage required for Firm Power to include necessary downstream releases.

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Background of the Dispute

The Court of Arbitration is chaired by Professor Sean D. Murphy of the United States. The other members are Professor Wouter Buytaert of Belgium, Professor Jeffrey P. Minear of the United States, Judge Awn Shawkat Al-Khasawneh of Jordan, and Dr. Donald Blackmore of Australia. Pursuant to a decision by the Court of Arbitration, the PCA acts as the secretariat for the proceedings.

From 11 to 13 May 2023, the Court of Arbitration conducted a hearing to consider objections to the competence of the Court raised by India (by way of correspondence to the World Bank).

On 6 July 2023, the Court issued its Award on the Competence of the Court, which is available at: <https://pcacases.com/web/sendAttach/49612>.

From 23 April 2024 to 29 April 2024, the Court completed a site visit of the Neelum-Jhelum Hydro-Electric Plant, located in the Kashmir and Jammu region administered by Pakistan.

From 8 July 2024 to 12 July 2024, and from 15 July 2024 to 16 July 2024, the Court held a Hearing for the First Phase on the Merits.

On 27 June 2025, the Court of Arbitration issued its Supplemental Award on the Competence of the Court, which is available at: <https://pcacases.com/web/sendAttach/75789>.

On 8 August 2025, the Court of Arbitration issued its Award on Issues of General Interpretation of the Indus Waters Treaty, which is available at: <https://pcacases.com/web/sendAttach/83591>.

On 8 November 2025, the Court issued its Decision on Pakistan's Request for Clarification of the Award on Issues of General Interpretation, which is available at <https://pcacases.com/web/sendAttach/90328>.

From 2 February 2026 to 3 February 2026, the Court held a Hearing for the Second Phase on the Merits.

From 26 April 2026 to 28 April 2026, the Court held a Hearing for the Phase on Interim Measures and on Treaty Status.

Other press releases and information relating to this arbitration are available at: <https://pca-cpa.org/en/cases/284/>.

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Background on the Permanent Court of Arbitration

The **Permanent Court of Arbitration** is an intergovernmental organization established by the 1899 Hague Convention on the Pacific Settlement of International Disputes. The PCA has 128 Contracting Parties. Headquartered at the Peace Palace in The Hague, the Netherlands, the PCA facilitates arbitration, conciliation, fact-finding, and other dispute resolution proceedings among various combinations of States, State entities, intergovernmental organizations, and private parties. The PCA's International Bureau is currently administering seven inter-state arbitrations, one other inter-state proceeding, 90 arbitrations arising under bilateral or multilateral investment treaties or national investment laws, 101 arbitrations arising under contracts involving a State or other public entity, and 11 other proceedings. More information about the PCA can be found at www.pca-cpa.org.

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