



PRESS RELEASE

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

THE HAGUE, 10 NOVEMBER 2025

The Court of Arbitration Renders a Decision on Pakistan's Request for Clarification dated 19 September 2025

On 8 November 2025, the Court of Arbitration rendered a Decision on Pakistan's Request for Clarification of the Award on Issues of General Interpretation ("**Decision on the Request for Clarification**") 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.

This arbitration concerns the interpretation and application of the Indus Waters Treaty to certain design elements of the run-of-river hydro-electric plants that India is permitted by the Treaty to construct on the tributaries of the Indus, Jhelum, and Chenab Rivers (the "**Western Rivers**"). Parallel proceedings are being conducted by a neutral expert (a highly-qualified engineer) under Article IX and Annexure F to the Treaty ("**Neutral Expert**").

On 8 August 2025, the Court of Arbitration issued its Award on Issues of General Interpretation of the Indus Waters Treaty ("**Award**"), in which the Court addressed certain questions concerning the overall interpretation and application of the Treaty, including in relation to Article III (which concerns the Western Rivers) and Paragraph 8 of Annexure D (which concerns new run-of-river hydro-electric plants that India may construct on the Western Rivers). The Award also addressed a related question on the legal effect of decisions issued by dispute resolution bodies under the Treaty (namely, courts of arbitration and neutral experts).

On 19 September 2025, Pakistan requested clarifications of several aspects of the findings made by the Court in its Award ("**Request for Clarification**"). On 29 September 2025, the Court held a case management conference by videoconference, in which Pakistan appeared and participated, but India did not, and during which Pakistan addressed, among other things, questions from the Court regarding certain aspects of its Request for Clarification.

In its unanimous Decision on the Request for Clarification, which is binding on the Parties and without appeal, the Court found Pakistan's Request to be timely and provided clarifications as to the meaning and scope of several aspects of the decisions and associated reasoning made by the Court in its Award dated 8 August 2025. At the same time, the Court declined to provide clarifications with respect to other aspects of Pakistan's Request, which the Court considered to be outside the scope of what it had decided in its Award. The Court also found that its clarifications have the same binding or otherwise controlling effect as the Award itself.

The findings of the Court in the Decision on the Request for Clarification are summarized below.

- (a) ***Legal Effect of the Clarifications by the Court of Arbitration:*** The Court found that its clarifications to the Award have the same binding or otherwise controlling effect as the Award itself.
- (b) ***Scope and Application of Paragraph 8(a) of Annexure D:*** The Court clarified that its decisions and associated reasoning in the Award on Paragraph 8(a) of Annexure D to the Treaty are not limited to freeboard but, rather, extend to all components of run-of-river hydro-electric plants that India may construct on the Western Rivers, and further prohibit any design that would allow from

the outset, or readily allow by way of future modifications, the works themselves to be capable of raising artificially the water level in the Operating Pool above the Full Pondage Level specified in the design.

- (c) ***Design Criteria for an Annexure D, Part 3 HEP:*** The Court clarified that its references in the Award to “designing an Annexure D, Part 3 HEP” or to the “design” of an Annexure D, Part 3 HEP are references to design criteria that are mandatory in nature, are to be applied at the outset (meaning at the time that the proposed HEP is being planned by India and prior to its construction), are distinct from post-commissioning operational constraints on a HEP, and cannot be satisfied or accommodated simply by an acknowledgement of or commitment to operational restraint.
- (d) ***Application of Paragraphs 8(a) and 8(e) of Annexure D to Crest-Gated Spillways:*** the Court declined Pakistan’s request for a clarification that the Court decided in its Award that a crest-gated spillway with gates extending above Full Pondage Level is prohibited by Paragraphs 8(a) and 8(e) of Annexure D to the Treaty, which the Court considered to be outside the scope of what the Court decided in its Award.
- (e) ***Application of Paragraphs 8(a) and 8(e) of Annexure D to Ungated Spillways:*** the Court declined Pakistan’s request for a clarification that the Court’s analysis in its Award entails that the design of an Annexure D, Part 3 HEP must always include an ungated spillway to ensure that the design maintains the uncontrollable character of Surcharge Storage, which the Court considered to be outside the scope of what the Court decided in its Award.
- (f) ***Data and Information to be Conveyed by India:*** The Court clarified that its reference in paragraph 742 of the Award to the list of data and information that India is required to convey to Pakistan is an indicative list and is not comprehensive, whether as to the information that India is required to convey to Pakistan in relation to the calculation of maximum Pondage, in relation to Annexure D more generally, or in relation to the Treaty as a whole.
- (g) ***Standard when Projecting an Annexure D, Part 3 HEP’s Installed Capacity and Anticipated Load:*** The Court clarified its finding in the Award that Pondage required for Firm Power shall be calculated based on, among other things, a realistic, well-founded, and defensible projection of the proposed Annexure D, Part 3 HEP’s installed capacity and anticipated load, reflecting the fluctuations in the discharge of the turbines arising from variations in the daily and weekly loads of the plant, as set forth in Paragraph 2(c) of Annexure D.
- (h) ***Calculation of Installed Capacity and Anticipated Load:*** The Court declined 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, which the Court considered to be outside the scope of what the Court decided in its Award. The Court recalled its conclusion in its Award that “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 confirmed that the Court is open to conducting a further phase of these proceedings on this issue, should either Party so request.

In light of the Decision on the Request for Clarification, the Court also issued Procedural Order No. 16, in which the Court, among other things, confirmed that it will continue to conduct these proceedings in a phased manner, bearing in mind the status of, and developments concerning, the proceedings taking place before the Neutral Expert. The Court therefore invited each Party to provide written submissions regarding the status of the Neutral Expert Proceedings and its views as to a further phase or phases in

these proceedings in respect of matters raised in Pakistan's Request for Arbitration that were not resolved in the Award.

* * *

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 Permanent Court of Arbitration 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/49612>.

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>.

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

* * *

Background on the Permanent Court of Arbitration

The Permanent Court of Arbitration is an intergovernmental organisation established by the 1899 Hague Convention on the Pacific Settlement of International Disputes. The PCA has 126 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 organisations, and private parties. The PCA's International Bureau is currently administering 7 inter-state arbitrations, 1 other inter-state proceeding, 90 arbitrations arising under bilateral or multilateral investment treaties or national investment laws, 93 cases arising under contracts involving a State or other public entity, and 2 other proceedings. More information about the PCA can be found at www.pca-cpa.org.

Contact: Permanent Court of Arbitration
E-mail: bureau@pca-cpa.org