Conflict Factsheet

Conflicts surrounding the Kishanganga Dam

<table>
<thead>
<tr>
<th>Type of conflict</th>
<th>Intensity</th>
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<tbody>
<tr>
<td>Sub</td>
<td>1</td>
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<table>
<thead>
<tr>
<th>Conflict Locality</th>
<th>Time</th>
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<tbody>
<tr>
<td>Southern Asia</td>
<td>1988 –ongoing</td>
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<table>
<thead>
<tr>
<th>Countries</th>
<th>Resources</th>
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<tbody>
<tr>
<td>Pakistan, India</td>
<td>Water</td>
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Conflict Summary

The effects of the Kishanganga hydroelectricity project in India on downstream water availability in Pakistan resulted in diplomatic tensions between the two countries. Pakistan sought World Bank intervention to block the dam, which was refused. However, the Permanent Court of Arbitration (PCA) issued an interim order in 2013 which allowed India to divert water from the Kishanganga River for purposes of electricity production but required India to change the design in order to ensure a minimum standard flow of water downstream to Pakistan.
Gradual Change in Temperature and/or Precipitation

Increased Water Scarcity

More Frequent/Intense Extreme Weather Events

Change in Access/ Availability of Natural Resources

Livelihood Insecurity

Increased Water Scarcity

Context Factors

Environmental / Climate Policies

Infrastructure Development

Social and Economic Drivers

Interset Tensions

Anti-State Grievances

Gradual Change in Temperatur and/or Precipitation

Context Factors

Water

Water-stressed Area

Conceptual Model
Conflict History

The construction of the Kishanganga hydroelectric power plant (KHEP) on the Kishanganga River (known as the Neelum in Pakistan) started in 2007, with the aim of diverting water from the river through an underground tunnel to a power house near Bonar Nallah in India-administered Kashmir (see Chakravartty, 2015 for an illustration of the project and the regions involved). The project is seen as giving India control over the river’s flow before re-entering Pakistan due to its location in India-administered Kashmir just metres away from the Line of Control (Iqbal, 2018). The expected impact of the project on water availability in Pakistan thus caused political friction between the two countries from the onset, with Pakistan objecting that the diversion of water contravened the Indus Waters Treaty (IWT; see also Water Conflict in the Indus River Basin between India and Pakistan.). Pakistan argued that the KHEP would reduce downstream water flow and leave the country with 27% less water than natural flow (Islam et al., 2014). Consequently, this would affect irrigation, agriculture and power generation downstream at the Neelum-Jhelum hydroelectric power plant (NJHEP) in Pakistan (Islam et al., 2014).

Local Opposition to the Dam

Damages to local ecology and livelihoods have led communities living near the site of the KHEP in Jammu and Kashmir to mount protests against its construction. Dams often inundate occupied land, displacing communities and creating inequalities in wealth and natural resources.

Local communities led by the ‘Village Welfare Committee’ oppose the construction of the dam, fearing it would “drown their villages and leave them at the mercy of government-sponsored rehabilitation packages” (Bhan, 2018). Protests primarily attacked the low amount of compensation offered for a loss of 38 hectares of land (Basu, 2015) but tensions also existed within communities over how political claims for compensation overran attempts to block the project entirely. Gender played a role as women claimed their voices were being ignored by men leading the protests (Bhan, 2018). At the same time, local communities criticised the pollution of water resources from waste, while trade unions and labour organisations protested the lack of employment for local communities from the projects (Basu, 2015).

Resolution Efforts

Past negotiations

Plans to build the dam came to Pakistan’s attention as early as 1988, and more formally in 1994, to which Pakistan had initially objected on the grounds that it went against the IWT (Ahmad, 2018; Islam et al., 2014; Khan, 2013). In particular, the diversion of water was seen by Pakistan to violate the IWT’s call that diverted waters must be returned to the main stream, because it was feared that the diversion would dry out Pakistan’s downstream portion of the river where the NJHEP was planned (Islam et al., 2014). As a consequence, India had to delay construction and revise the dam’s designs until it satisfied Pakistan’s demands, with both sides holding successive bilateral meetings up to 2007, when construction finally began (Islam et al., 2014; Qadir, 2013).

Taking legal action at The Hague

In 2010, Pakistan took the matter to The Hague’s Permanent Court of Arbitration (PCA), claiming that the diversion of water was against the terms of the IWT. One of the violations claimed by Pakistan was the
anticipated reduction in energy generation at the NJHEP as a consequence of the river flow diversion, which would go against the provisions of Annexure D in the IWT (Ahmad, 2018; PCA, 2013). Pakistan also argued that reduced water flow would have negative implications on its agricultural and economic development, concluding that “[a]ny future development in the agricultural sector, and hence the possibility of breaking the cycle of poverty, is predicated upon the uninterrupted flow of water which, if ensured, will make a substantial difference to the quality of life of the inhabitants of the Neelum Valley” (PCA, 2013).

This was the first time that a court of arbitration was set up under the IWT (Ahmad, 2018). The move effectively stalled construction work of the KHEP for three years until 2013, when the PCA ruled in favour of India, but with certain conditions.

Decision of the PCA
The interim award of the PCA finally allowed India to move ahead with the KHEP, albeit under strict conditions that includes amendment to the design and operation of the dam. These changes included, among others, a minimum standard of water flow of 9 cubic metres per second instead of a full diversion as was originally intended (Iqbal, 2018; Khan, 2013).

The Court also dismissed Pakistan’s claim that their NJHEP project would be adversely impacted by the KHEP, stating that Pakistan showed no particular urgency in pursuing its own hydropower projects at the time when India moved forward with the KHEP during the period 2004-06, thus rendering the KHEP as taking precedence to the NJHEP (Ahmad, 2018). In a similar line of thought, the Court also ruled out agricultural considerations in determining the minimum flow of water from KHEP, as it claims that “Pakistan has submitted no data on current or anticipated agricultural uses of water from the Kishenganga/Neelum” (PCA, 2013).

The decision by the PCA thus gave India the green light to proceed with the KHEP, with Indian Prime Minister Narendra Modi officially inaugurating the project in 2018 (Iqbal, 2018). Pakistan, however, continues to reject the outcome, and has taken a number of further steps to oppose the decision.

Further actions
Although a binding order was issued by the PCA, the dispute has since been raised again by Pakistan in bilateral talks with India and the Permanent Indus Commission (PIC). Pakistan has also sought further action from the World Bank - the designated third-party mediator of the IWT - to ensure that India abided by the treaty and to seek another international court of arbitration to address their concerns (Gupta & Ebrahim, 2017; Iqbal, 2018). India, in response, has argued that the objections raised by Pakistan are “technical”, and should therefore be resolved by a neutral expert (Gupta & Ebrahim, 2017). This has left the World Bank in a difficult position to appease both sides, with the World Bank acknowledging its “limited and procedural” role with regards to the dispute and the IWT, and hinting that the dispute would better be resolved bilaterally and in an “amicable manner” between India and Pakistan (World Bank, 2018).

Some observers have also pointed out the need for India and Pakistan to work more closely to strengthen the implementation of the IWT, and to ensure mutually beneficial cooperation to address the issue of depleting water resources (Kakakhel, 2014). Additionally, both countries should begin to treat water development as a common issue, particularly as the impacts of climate change on water availability worsen in the region (Flamik, 2018).
### Intensities & Influences

<table>
<thead>
<tr>
<th>INTENSITIES</th>
<th>Resolution Success</th>
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<tbody>
<tr>
<td>1</td>
<td>2</td>
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<tr>
<td>International / Geopolitical Intensity</td>
<td></td>
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<tr>
<td>Human Suffering</td>
<td></td>
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### Influences

- Environmental Influences
- Societal Influences

#### Diplomatic Crisis

*Note of diplomatic crisis in case history, conflict purely verbal*

#### Violent Conflict

*No*

#### Salience with nation

*National*
Entry Points for Resilience and Peace Building

Cooperation
Several observers including the World Bank have hinted that India and Pakistan need to cooperate more closely to strengthen the implementation of the Indus Water Treaty (IWT) and to treat water development as a common national security issue, particularly as climate change continues to threaten water scarcity in the region.

Mediation & arbitration
The dispute was taken to the Permanent Court of Arbitration (PCA) in 2010 and an interim order was issued in 2013, granting India conditional permission to proceed with the project, to which Pakistan continues to oppose. Pakistan sought further action from the World Bank to ensure that India abided by the IWT and to seek another international court of arbitration to address their concerns. However, the World Bank acknowledged its limited role in the dispute, hinting that both parties should resolve the matter bilaterally and in an “amicable manner”.

Treaty/agreement
The Indus Water Treaty (IWT) of 1960 defined the principles of sharing water from the Indus River. The treaty has been criticised for being outdated, for not specifying the use of the river’s resources within its possible limits, and for neglecting the effects of climate change. Pakistan has suggested that the treaty be reviewed because it facilitates exploitation by India.

Compensation
Compensation has been offered to local communities in Kashmir directly affected by the construction of the Kishanganga Dam. However, local communities continue to oppose the low amount of compensation offered, as well as issues relating to gender inequality, pollution and lack of employment caused by the dam.

Resources and Materials

References with URL
Khan, M.Z. (2013). India told to ensure water flow for Neelum-Jhelum project.
Qadir, S. (2013). Winners are losers, and vice versa, in Indus water battle.

Further information
https://factbook.ecc-platform.org/conflicts/conflicts-surrounding-kishanganga-dam