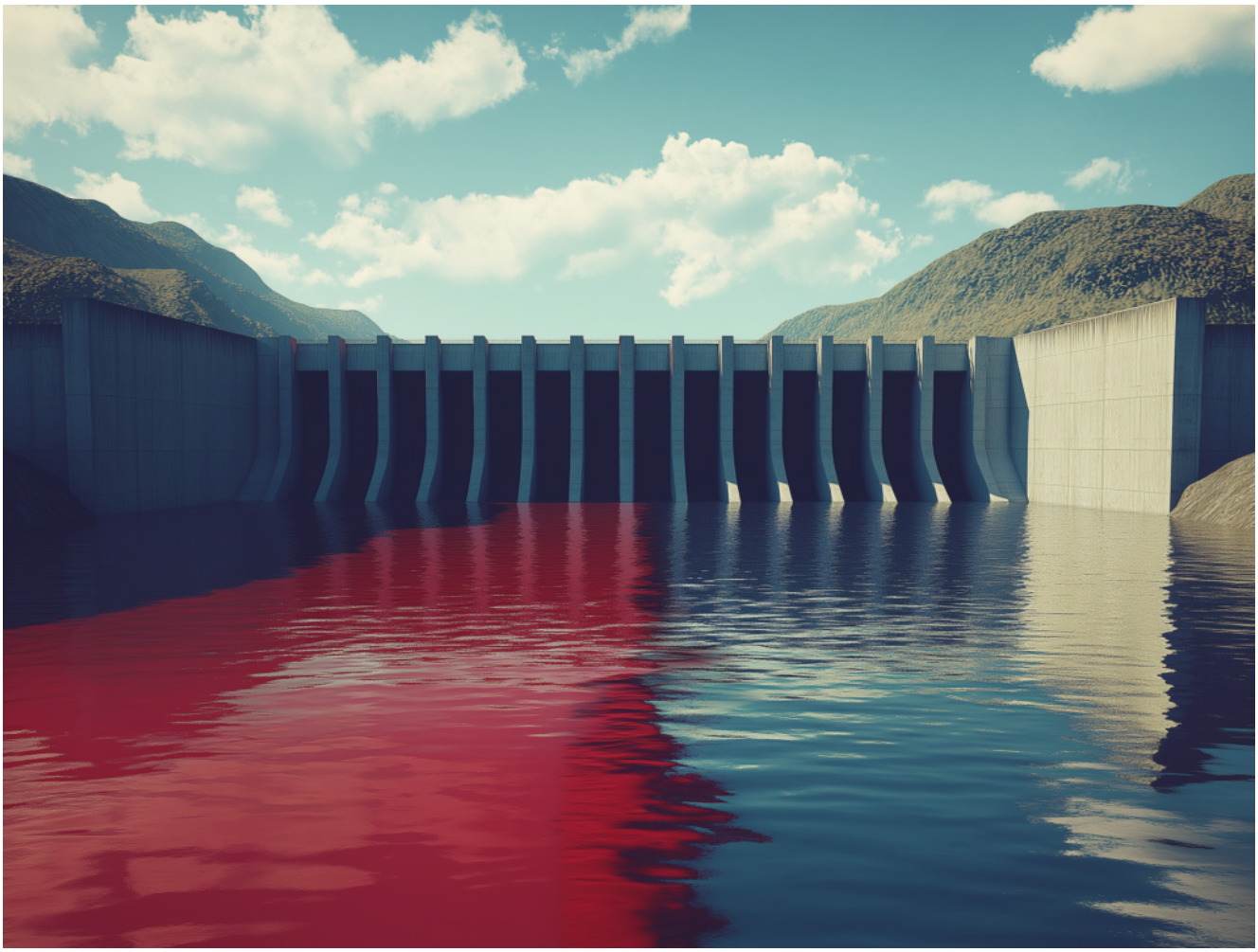
Water as Leverage: India’s IWT Suspension is here to stay

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On April 23, the Indian government announced a raft of diplomatic measures against Pakistan in response to the Pahalgam terror attack (a day earlier). Among other decisions, India declared that “the Indus Waters Treaty (IWT) of 1960 would be held in abeyance with immediate effect, until Pakistan credibly and irrevocably abjures its support for cross-border terrorism.”

Rejecting India’s move, Pakistan in turn declared that “any attempt to stop or divert the flow of water belonging to Pakistan as per the Indus Waters Treaty, and the usurpation of

the rights of lower riparian will be considered as an Act of War."

While Pakistan continued to voice its concerns internationally with India's decisions, the issue over the IWT and India's actions was temporarily relegated to the background as a fresh military conflict played out between India and Pakistan between May 7 and 10. Presently, a ceasefire is in effect between both states, following a hotline conversation between the Indian and Pakistani Director Generals of Military Operations on May 10 and 12. Following the discussion, both sides have agreed that "not a single shot" will be fired at each other, "aggressive and inimical" action will be avoided, and that the overall number of troops on either side of the Line of Control will potentially be reduced. While the DGMOs are set to speak again on May 18 (until when the ceasefire has been reportedly extended), diplomatic tensions continue between both sides, especially with Defence Minister Rajnath Singh asserting on May 15 that Pakistan's nuclear weapons should be placed under IAEA Supervision.

> *However, amidst the fog that continues to exist over the developments between May 7 and 10, a significant and clearly new point of contention between the two states is the dispute over the Indus Waters Treaty (IWT). The waters of the Indus—especially its three Western rivers (Indus, Chenab, Jhelum)—are a lifeline for about 240 million people in Pakistan.*

Water as Diplomatic Leverage: The Strategic Shift

In its ceasefire understanding with Pakistan on May 12, India focused solely on the technical military dimensions of the May 7-10 crisis. India did not commit to rescinding any of the diplomatic measures it undertook against Pakistan on April 23, meaning that the 64-year-old Indus Waters Treaty remains "in abeyance". There are two crucial aspects related to India that

keep the Treaty suspended.

First, the IWT was already in the midst of an unprecedented dispute between India and Pakistan since January 2023. Since then, India has sent at least four notices to Pakistan, asking to renegotiate key provisions of the Treaty with a particular focus on its dispute resolution mechanism. India's immediate concerns related to the World Bank initiating two parallel tracks of dispute resolution (the Court of Arbitration and the Neutral Expert), while India preferred only the NE. The disputes were related to India's Kishenganga and Ratle hydropower projects, located on the Jhelum (a tributary) and Chenab rivers, respectively. But, there have also been long-standing concerns in India about the need to update the Treaty's provisions in light of growing consumption as well as climate change. Hence, arguably even without the Pahalgam trigger, the IWT would suffer a similar fate.

Second, India's new and assertive connection between the issue over the Indus and the issue of Pakistan-sponsored terrorism in Kashmir. The Pahalgam attack allowed India to innovatively use a 'national security' based reasoning to suspend the Treaty. No issue that either side might have with regard to the merits of the IWT itself allows either a suspension or a unilateral withdrawal. However, India is implicitly arguing a fundamental "change in circumstances" from when the Treaty was signed, and now in line with the rights of a state under the 1969 Vienna Convention on the Law of Treaties.

In 1960, the issue of Pakistan-sponsored terrorism did not exist as a sustained threat to India, and it substantially began only in the late 1980s. In his first address to the nation since Op Sindoor, PM Modi reiterated his long-standing view that "water and blood cannot flow together." But this time, the backdrop is different. None of the earlier such assertions had led to any adverse action by New Delhi against the Treaty, meaning that, beyond limited military cross-border skirmishes, India now views the IWT as its strongest leverage

over Pakistan to compel Islamabad and Rawalpindi to cease their support for cross-border terror. As Dr Happymon Jacob has argued, India's suspension of the IWT has possibly "replaced Kashmir with water as the central issue in India-Pakistan relations, thereby changing the terms of their bilateral engagement."

India's Calculated Move: Permanent Recalibration

India's IWT decision is unlikely to be reversed; India does not look to return to adhering to the provisions of the Treaty, as they presently stand (*lex lata*).

The immediate effects of India's IWT decision have already been evident—a halt to all data-sharing related to water flow with Pakistan, and a lack of warning before opening or closing dams (as water levels rise or fall). A case in point is India's surprise water release from the Baglihar and Salal dams on May 5. India's actual ability to substantially manipulate the course of the Western rivers has been repeatedly cast in doubt by credible analysts and hydrology experts, especially since India does not have adequate infrastructure on the Indus (storage facilities on Jhelum, for instance) to cause any unacceptable damage to Pakistan, in the short term. Building these will take time.

> *However, the increased political willingness to use the IWT as potentially successful leverage against Pakistan undercuts this limitation. Such political willingness can help accelerate the timeline for new infrastructure construction on the Western rivers – especially by the relevant departments of the Ministries of Power, Water, and the Central Public Works Department. Already on April 25, India's Union Jal Shakti Minister C.R. Patil held a meeting with Union Home Minister Amit Shah and declared that the Ministry was undertaking "short, medium, and long-term plans to ensure that "not a drop of water will go to Pakistan."*

Arguably, India deems this a credible plan to compel Pakistan to course correct on terrorism. Apart from India's willingness to bear the risk of testing Pakistan's freshly reiterated war threshold (and an implicit nuclear redline since stopping the Indus' flow counts as economic strangulation), Pakistan itself needs a viable route out of this crisis.

Ensuring that India releases enough water for Pakistan's agriculture and livelihood is an imperative that has no alternative. This, in turn, means that the military approach might worsen, and not improve, Pakistan's ability to reverse this decision. Moreover, the faster India can impose more *fait accompli* by building new infrastructure, the more the pressure on Pakistan to negotiate with India in good faith, on India's core issue of terrorism, before it can negotiate on its (new) core issue of water-sharing.

Naturally, the Indus Waters Treaty has been a crucial high-stakes arrangement for Pakistan, and it has shown a past tendency to relent on key issues, reinforcing the perception of Pakistan having limited choice except cooperation with India. This was evident when Pakistan eventually joined the Neutral Expert-led process, even as India stayed out of the Court of Arbitration. Now, Indian government sources have confirmed (on May 15) that the Pakistan Water Secretary wrote "a polite letter" to India which protested India's decision to set the IWT in abeyance and deemed it a violation of the treaty's terms. But the letter also asserted that Pakistan is willingto meet and would like to begin the process for arranging the necessary logistics.

Given India's new national security-based reasoning for the IWT, it is likely that whenever New Delhi engages Islamabad in IWT re-negotiations or a new Treaty entirely, it will indicate that Pakistan has "credibly and irreversibly" stopped its support for terrorism against India. Anything short of this will harm New Delhi's credibility, given its public statements about the yardstick against which the IWT will now be

measured.