

Shared water resource. Indo-Nepal conflict and cooperation

Perspective shared at the Panel "<u>Regional Cooperation for Sustainable Water Management</u>" of the 18th Sustainable Development Conference organized by SDPI in Islamabad from 8-10 Dec. 2015

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Outline of presentation

- 1. The context
- 2. Water scarcity: conflict v/s cooperation perspective
- 3. Looking to past. Indo-Nepal water issues
- 4. Looking for future. framework for cooperation
- 5. Mechanism for Indo-Nepal water cooperation
- 6. Conclusions and lessons



1. The context

- Objective: Contribute to ongoing debate on Indo-Nepal cooperation over water resources
- 2. Multiple proximities. Culture, religions, languages, etc)
- 3. Geographical reality.
 - 1. 1800 KM borders (3 sides of Nepal)
 - 2. Immediate upper and lower riparian situation
 - 3. Ongoing tension from Indian blockade



1. The context-2

4. Water and energy need and harnessing opportunity

- 1. Water and energy requirements of Northern states of India and Nepal for
 - 1. Domestic use and Agriculture
 - 2. Hydropower generation
 - 3. Esthetic & spiritual interests and recreational use
 - 4. Ecosystems maintenance
- 5. Pressure form new challenges. Climate change, regional security concerns, etc



2. Water scarcity. conflict v/s cooperation perspective –1

- 1. Water is never a single and main cause of transboundary conflict
- 2. But water can contribute to exacerbate existing communal, political, ethnic or religious disputes
- Often water disputes are observed for.
- → *Quantity, :* Water allocation for different uses
- *quality*: Pollution, excessive levels of salt, nutrients or solids make water inappropriate use for drinking, industry and even agriculture,
 it becomes a source of conflict between those who cause it and those affected by it); and
- → *Timing*: Volume of water flow in upstream and downstream affects dams, hydropower, irrigation in different seasons



2. Water scarcity: conflict v/s cooperation perspective -2

- Transboundary water stress can degrade political relations, poor water management and neglecting ecosystems
- 2. More importantly it provides a basis for dialogue, negotiation and cooperation through engagement for.
 - Preventing further escalation of the conflict and resolving it
 - Building confidence and mutual trusts
 - Identifying options for cooperation
- 3. Wilson Centre shows that water cooperation between countries was double than the conflict between 1945 and 1999



3. Looking to past. Indo-Nepal water issues

- Water disputes on different water treaties and agreements
 - Tanakpur barrage dispute (1991) and the Mahakali Treaty (1996) (despite ratification by the parliament)
 - Construction of the Sharada Dam (1927),
 - The 1950 Treaty and the Letters of Exchange of 1950 and 1965,
 - The Koshi Agreement (1954),
 - The Gandak Agreement (1959),
 - The Tanakpur Agreement (1991)
 - The Mahakali Treaty (1996).
- Local water conflict in border areas (e.g., flooding)
- Current tension from Indian blockade. National sovereignty debate and $^{12/16/201}_{5}$ water \rightarrow legacies of the past and suspicion offuture

4. Looking for future. framework for cooperation • A holistic mutuality framework



4. Looking for future: Indo-Nepal water cooperation- holistic framework-1



4. Looking for future: Indo-Nepal water cooperation-2: Mutuality framework



^{12/16/201}



Mutuality framework

- 1. Mutual interests
 - 1. Harnessing available water
 - 2. Achieving stability, peace and harmony
- 2. Mutual benefits
 - 1. Addressing power crisis (interdependency)
 - 2. Promoting trade/economic growth
- 3. Mutual trusts
 - 1. Refine Indo-Nepal relations (address mistrust)
 - 2. Gujaral doctrine
- 4. Mutual risks
 - 1. New challenges (CC, regional security, demographic change, migration, etc)
 - 2. Conflict, terrorism and instability from poverty, inequality, injustice



4. Looking for future: Indo-Nepal water cooperation-

- 1. Refining and expanding the Gujaral Doctrine
 - a) India (any SA country) does not ask for reciprocity from neighbours;
 - b) SA countries don't allow territory to use against the interest of another country;
 - c) None will interfere in the internal affairs of another;
 - d) SA countries must respect each other's territorial integrity and sovereignty and
 - e) Settle all their disputes through peaceful bilateral negotiations
- 2. Holistic approach for cooperation.
 - 1. Environmental cooperation
 - 2. Economic cooperation
 - 3. Political cooperation
 - 4. Civil society cooperation
 - 5. Research and technological advancement



- 5. Mechanism for Indo-Nepal water cooperation
- a. Investment friendly policies (e.g., SAFTA, Electric Power Trade Agreement, trade facilitation, etc.)
- b. Transboundary structures (e.g., power exchange and power transmission lines/grids, Bilateral Investment Promotion and Protection Agreements, Joint Power Exchange Committees, etc.)
- b. Conflict management mechanisms and negotiation capacity
- c. Promotion of public-private partnership (joint ventures, bilateral investment projects, FDI, etc.),
- d. Harmonising regulatory mechanisms (e.g., Inter-governmental committees to promote trade and facilitate transit)
- e. Joint academic study and research at regional level -> technological and data-base advancements
- f. Developing mechanisms for broader consultation and participation and ownership (through costs and benefit sharing),
- g. But market force alone can not determine economic cooperation on water

 → Equitable regional water governance and integrated water
 management and change in the existing mindsets are needed



6. Conclusions

1. New form of collaboration and concerted actions are essential to promote Indo-Nepal water cooperation

- 2. Mutuality is essential to promote water cooperation and properly exploiting the potential water resources
- 3. Mutual benefit to address

a) India's energy crisis [one the largest energy consumers (rank 6^{th} ?) and water is still important source (+ coal, petroleum, thermal, nuclear + +), high energy demand (annual growth rate of almost 4%, with shortages of around 10% during 'peak hours'),

b) Nepal's power crisis (10–16 hours power cut /day in stressed session) forced for seeking international investments in hydro-power development (often said that out of 42,000 MW economically feasible of hydropower only around 3 % is exploited and 97% to do yet).

4. Addressing mistrust between India and Nepal (e.g., 1950's Peace and Friendship Treaty between Nepal and India is always being source of mistrust)

6. Conclusions-2

- 5. Move beyond existing style of cooperation and collectively work for holistic water resource development cooperation (technological, investments, trade facilitation of both goods and services, cultural integration and civil society cooperation)
- 6. Learning form the past (Reflections on what, what, how and why went wrong at political, bureaucratic-administrative and civil society levels)
- 7. Envisioning the opportunities for cooperation and costs of noncooperation requires new perspective, new way of thinking and action
- 8. Need of more engaged debate beyond disciplinary approach, promotion of transdisciplinary approach in research, policy and implementation

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Thank you

Comments and suggestions appreciated