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### **Third Afghanistan-India-Pakistan Triologue**

*Simla, June 11-12, 2010*

#### **Summary Report: Bridging the Trust Deficits**

*Please note that this is not a consensus document; rather it is a list of suggestions*

#### **General Points**

1. We are moving into a new phase in which the bilateral Afghan-Pakistan and India-Pakistan peace processes are once again separate, though each impacts on the other. The former is also acquiring salience over other stabilization initiatives, including, perhaps inadvertently, those directed towards a regional consensus. The India-Pakistan bilateral has its own momentum or lack thereof, but the new Afghan-Pakistan initiative will be difficult to sustain without a regional underpinning. Wider regional stabilization and security meetings are required, that will involve Iran, neighbor CARs, China and Russia, as well as India and Pakistan. Though there are fears that a multiplicity of regional initiatives can muddy the waters, if they coordinate with each other and the Afghan government, they can encourage consensus-building in the region.
2. The Afghan-Pakistan and the India-Pakistan bilaterals are currently centered on “bridging the trust deficit”, to adopt the phrase that Prime Ministers Gilani and Singh used at the SAARC summit in Thimpu in April 2010. Though Afghanistan and India suffer a common trust deficit with Pakistan, in both its conventional/hard and human security dimensions, and all three have a common threat from terrorism, each has had to find its separate path to negotiation, given the domestic, regional and international geopolitics of Pakistan.
3. Within Pakistan there is general support for the Afghan reintegration policy, but no consensus on the reconciliation policy that is being pursued by the Pakistani government. Some political leaders and many amongst policy analysts and civil society argue that distinctions between Afghan, Pakistani and Punjabi Taliban cannot be made because their relations are fluid; they argue, further, that the Taliban ideology must be defeated.
4. In this context, the recently concluded Peace Jirga in Kabul can be seen as:
  - A brave attempt at garnering a public mandate for President Karzai’s peace initiatives;
  - Setting some red lines on the goals and nature of these initiatives, especially with regards to the Taliban; and
  - Endorsing an Afghan-Pakistan peacemaking initiative.



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Two major red lines are adherence to the Afghan constitution, transparency and accountability of the peacemaking process, including to groups that did not participate, and both could be difficult to handle. Some of the Jirga's recommendations *can* be implemented in a transparent and accountable way – for example, the creation of a legal norm for prisoners' releases could ensure that some of the negative experience of previous releases is not repeated. However, that is not happening as yet.

5. When it comes to negotiations, however, transparency and accountability are more difficult to implement, given the need for confidentiality. The Peace Commission that is recommended by the Jirga could play some role in bridging the gap, by closed door briefings for concerned bodies such as parliament and opposition leaders as well as public advocacy. Even though this is a limited trust-building exercise, it will develop public confidence in the process.
6. A point to be stressed is that, while it is preferable to negotiate from a position of strength, this position does not derive simply from military success. Better governance, including a check on corruption, will also provide a greater position of strength to government negotiators.
7. But if progress on reconciliation and governance are tied to the deadlines for troops' reviews set by the US and European governments, there is a high risk that the current peace initiatives will unravel. They need to set their own timetables for progress, including step by step monitoring by Afghan institutions.
8. Finally, there is the issue of support for the ANA. Both India and Pakistan have offered assistance, but the Afghan government has decided that at present they will eschew assistance from within the region. Instead of pressing the point, the two governments could stand prepared to implement their offers as and when the Afghan government asks, preferably as part of a multilateral initiative.

### *Bridging the Trust Deficit: India-Pakistan*

1. *Afghanistan*. As the Indian Foreign Secretary reiterated in her speech to the Trialogue (attached), India has no interest in perpetuating a strategic rivalry or “proxy war” with Pakistan in Afghanistan. On the other hand, evidence indicates that Pakistan-based groups have been behind the string of attacks on Indians in Afghanistan from 2008 on, and the Pakistani government is openly lobbying for Indian presence to be minimized. These threats could decline in the immediate future due to the Afghan-Pakistan negotiations (though how long/short-lived the decline will be is an open question). If the “no proxy war in Afghanistan” issue comes up in the Foreign Ministers' talks, it may yield a positive discussion, especially if there is also discussion of possible joint projects.
2. *Terrorism*. The issue of “functional cooperation” against terrorism has been raised in other Track II forums, such as Pugwash, and at Track I level is partly covered by the Islamabad SAARC Home/Interior Ministers' meeting, which discussed how to better implement existing SAARC agreements on



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counter-terrorism. It may be that a regional mechanism will work better than a bilateral mechanism. Whether India and Pakistan can move to functional cooperation on upcoming terrorist threats in bilateral mechanisms, for example between the FIA and NIA and/or CBI, is debatable given the slow pace at which the Mumbai trials have moved in Pakistan.

3. *Mumbai.* For India, Pakistan's prosecution of the Mumbai accused is a key pillar in reducing the trust deficit. Its inordinate delays have created a public weariness in India with peace initiatives. The Pakistani government says the prosecution case is still not strong enough. If functional cooperation were to begin with this case, it could be a building block for broader counter-terrorism cooperation, whether under a revitalized JATM or another mechanism. A small CBM could comprise allowing an Indian lawyer to attend the Adiala jail hearings (a Pakistani lawyer attended the Kasab trial as observer, but it was not a closed court). A bigger one would lie in Pakistan's putting together a joint investigative and prosecutorial support team to push the case forward, sharing intelligence, police work and legal expertise, including by eminent Pakistani and India lawyers (perhaps an eminent Pakistan-India lawyers group could be formed to monitor the trial?). *The Home and Interior Ministers of India and Pakistan agreed, on June 26, to a joint investigation of the Mumbai attacks, by the CBI and FIA.*

Similarly India should share information on the Samjhauta train blasts' investigation and prosecutions, as and when new information emerges. If there are cross-border links behind the blasts joint investigation could be considered.

4. *Financing.* The two countries need to work towards better cooperation with the UN against terrorist financing and to restrict the flow of illegal arms. This latter is a problem for the whole region and merits a separate agreement under the SAARC Convention.
5. *Jammu and Kashmir.* India and Pakistan both want to restart talks on the issue, but India wants to pick up from where they left off in the back channel in 2007, which the Pakistani government rejects as "Musharraf's initiative". It needs to be clarified (a) that for talks to be results-oriented they need to build on what has gone before; and (b) that far from being one man's initiative, the framework agreed in the back channel drew from proposals supported by both former PMs Benazir Bhutto and Nawaz Sharif, and ideas that emerged from track II inter-Kashmiri and India-Pakistan civil society dialogues held over a period of four years (2002-6).
6. *Recent accusations.* The accusations that India is aiding Balochi armed groups and attempting to starve Pakistan of water are not credible. It was a confidence-restorer to hear Pakistan Indus Waters' Commissioner assert that the Indus Waters Treaty should remain in force and all disputes can be resolved under it.
7. Make dialogue *uninterrupted and uninteruptible*. In any case accusations play into a zero sum game. Fears and suspicions can be aired in dialogue rather than the media and settled through dialogue. This will help ensure uninterrupted engagement. Moreover, a regular and frequent dialogue mechanism needs to be instituted, and if it can plug into existing symbols



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and create new ones it may acquire public traction too. One suggestion is to physically locate such a dialogue at the Wagah border, with designated rooms.

8. *Military-military component.* Dialogue can only be uninterrupted if it has a military-military component, given the strong policy role that the army plays in Pakistan. In previous dialogues a series of suggestions were made on this issue, to which the following CBMs have been added: DGMI hotlines, intelligence chief hotlines, exchange war and staff college students/do special courses for them.
9. *Work on ancillary doables.* At the Foreign Secretaries meeting in Islamabad in June, it was decided to work on the doables. While first priorities will be in counter-terrorism and CBMs, including cross-LOC trade, there are several agreements that have not been fully implemented, such as the 2008 agreement on consular access to prisoners to make it seamless.

There are also several “almost reached” or in process of agreements that can be pushed through if the pace of discussion is accelerated, such as Sir Creek and Siachen, which should be pursued.

### *Bridging the Trust Deficit: Afghanistan-Pakistan*

1. *Multilateral support.* Repairing the Afghanistan-Pakistan trust deficit is as difficult a task – perhaps even more difficult – as repairing the India-Pakistan trust deficit. It is different from the latter, however, in that there are a number of international actors involved in the repairs. Too quick a withdrawal of international troops will jeopardize the current efforts to get a stable peace process going with Pakistan’s help.
2. *Doctrinal change.* There is a close affinity between Afghans and Pakistanis born of centuries of co-existence and a shared religion; this is reflected in the fact that at the people to people level there is considerable trust. At the political/strategic level, however, there is a general belief that Pakistan is yet to deal with Afghanistan as a fully independent and sovereign country. If Pakistan can give up its view of Taliban as a strategic asset then there is huge potential for Afghanistan-Pakistan relations to prosper. This process may already be underway: some argue that a change can be seen in General Kayani’s statement that the strategic depth doctrine now means a peaceful and friendly Afghanistan (others are skeptical).

Pakistan’s attempts to determine/limit India’s role in Afghanistan are also counter-productive, as they reinforce the belief held by many Afghans that the strategic depth doctrine has not altered.

3. *Trade and economic integration.* The Afghan economy’s dependence on Pakistan and Pakistan’s decision to increase customs duties sharpen the trust deficit.
4. *The transit trade agreement.* After several Afghan-Pakistan infrastructure development projects have been recently agreed, it was an important step for the Afghanistan-Pakistan transit trade agreement to be signed on July 19 2010. With the signing of the agreement Afghan trucks will be allowed to



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deliver goods through the Wagah road crossing into India. Moreover Pakistani trucks will be able to cross Afghan territory to transport merchandise products to Central Asian republics. It is a pity that the agreement could not be expanded to include India, as the Afghan market remains captive and/or dependent on Pakistan, limiting its capacity. Given Afghanistan's war-shattered status this is, to some extent, a trilateral issue.

5. *Borders.* Is it time to have the Durand line discussion? The issue has come up time and again, but many Afghan delegates felt that until there is greater stability in Afghanistan, the Afghan government is not in a position to discuss the issue.

### *Areas for Trilateral Cooperation*

1. *A think tanks network.* All three governments could support a think tanks network between Afghanistan, India and Pakistan. Such a network would help ease threat perception in each country and correct misperceptions, come up with implementable proposals for confidence building and conflict resolution, and contribute to public support for repairing the two trust deficits and making a lasting peace.
2. *An Afghan-India-Pakistan civil society round table.* This suggestion is modeled on the India-EU civil society roundtable, and would aim to address social and systemic issues of concern to civil society in all three countries. A detailed proposal is attached.
3. *Women's empowerment.* Each country has very strong women's groups that are already working together. However, each country faces severe human security threats for women, and each could do more to promote reforms offering women better opportunities, as enshrined in the SAARC Social Charter and the UNSCRs 1325 et al. India and Pakistan have National Commissions on Women, if Afghanistan were to set one up then all three could share best practices on reform.
4. *Media.* Better access for the media of all three countries is a must but the role of the Indian and Pakistani electronic media in exacerbating bilateral hostilities and spreading fears makes it very difficult to recommend easy broadcast access. The media in both countries could consider training in conflict and peace reporting, and perhaps South Asia as a whole, need to look at how non-governmental mechanisms for remedies against biased and false reporting can be beefed up.



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### PROPOSAL FOR AN AFGHANISTAN-INDIA-PAKISTAN ROUND-TABLE ON CIVIL SOCIETY

The Afghanistan-India-Pakistan Trialogue at its session in Shimla on 11-12 June 2010 emphasised the need to encourage and promote a high degree of interaction between the civil society organisations in the three countries. It was recognised that all three suffered from major challenges in the social and socio-economic sectors in the context of the imperative of poverty alleviation of their peoples. A regular interaction of civil society organisations in varied themes would help to exchange experiences and best practices. Further, there was a greater possibility that regular interaction in these areas could be immunised from interruptions due to security and politics driven ups and downs in the relations between these countries. If successful, dialogue in these 'soft' areas would act as confidence-building measures in the relations between them.

A civil society Round-Table between NGO's from Afghanistan, India and Pakistan could be held once or twice a year in rotation between Kabul, Islamabad and New Delhi. Each session of the round table would select one or two themes from the following **non-exhaustive** list:

#### **Governance, Law and Justice:**

- Capacity building of electoral institutions/election reform
- Elimination of corrupt practices
- Leadership training and skills at local, state and federal levels
- Observance of human rights and humanitarian law
- Administrative reform
- Exchange of experiences in democratic decentralisation
- Training of imams
- Press freedom and rights
- Drug abuse and elimination

#### **Women's Empowerment:**

- Women's rights and gender bias
- Women's health issues and literacy
- Training of women leaders at local level
- Micro-finance and sustainable employment
- Skill development
- Issues relating to the girl child

#### **Poverty alleviation**

- Skill development programs for the youth
- Affordable delivery of health services at the village level
- Employment guarantee schemes in the rural sector
- Better models of urbanisation
- Waste disposal



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### **Environment:**

- Adaptation of energy efficient technologies
- Conservation

The above list is indicative and can be added to after discussions. On the basis of the theme/s selected for each session and credible NGO's working in the field in each of the three countries will be invited to participate in the Round Table. Preparatory work will require the preparation of a base-line study of the NGO's in the three countries which can be up-dated from time to time. 10 NGO's per theme from each country can be invited for each session- making 30 representatives at each meeting. Participation from government ministries/departments concerned and/or experts in the field is visualised. The outcome of the deliberations would be to bring out a monograph highlighting the experiences/best practices prevalent in each theme. It would form the basis for promoting new ideas in the system in each country. Further follow-up through exchange of delegations from designated social sectors can also be visualised. The bottom line is to encourage on-going contact between the NGO's in specific sectors in the three countries.

The proposal in building confidence and ensuring sustainable people to people contact divorced from the political and security aspects of the relations between the three countries can be seen as a factor in removing the trust deficit between Afghanistan and Pakistan and Pakistan and India. Funding for the proposal can be sought from the three governments and international and bilateral funding institutions.



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#### *Third Afghanistan-India-Pakistan Trialogue*

*Shimla, June 11-12, 2010*

*The Oberoi Cecil*

#### AFGHAN PARTICIPANTS

1. Mr. Arsallah Jamal, Acting Minister for Tribal and Border Affairs
2. Mr. Yunous Farman, Director-General Asia, MOFA
3. Mr. Mohammad Faheem Dashty, Editor, *Kabul Weekly*
4. Mr. Walliullah Rahmani, Executive Director, Kabul Centre for Strategic Studies
5. Ms. Shukria Barakzai, Member of Parliament
6. Mr. Shah Mahmood Miakhel, Country Director, US Institute for Peace
7. Mr. Sirajuddin Khalid, Swedish International Development Cooperation Agency
8. Ms. Moska Najib, BBC

#### INDIAN PARTICIPANTS

1. Mr. Mani Shankar Aiyar, Former Minister of Panchayati Raj and Member, Rajya Sabha
2. Ms. Jyoti Malhotra, Journalist
3. Ambassador Arundhati Ghose, Member of the Executive Council, IDSA
4. Ambassador Leela Ponappa, Former Deputy National Security Advisor
5. Ambassador Rajendra Abhyankar, Advisor, The Asia Foundation, India
6. Mr. Siddharth Varadarajan, Chief of Bureau, *The Hindu*
7. General P. K. Singh, Director, United Service Institution of India
8. General Ashok Mehta, Former Director, Security and Political Risk analysis
9. Dr. Radha Kumar, Delhi Policy Group

#### PAKISTANI PARTICIPANTS

1. Mr. Afrasiab Khattak, Senator, Awami National Party
2. Mrs. Nilofar Bakhtiar, Senator PMLN



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3. Ambassador Aziz Ahmad Khan, former Ambassador to India and Afghanistan
4. Mr. Kamran Shafi, Columnist, *Dawn*
5. Mr. Rashid Rahman, Editor, *The Daily Times*
6. Mrs. Zahira Khattak, activist, Awami National Party
7. Mr. Raza Kazim, Barrister, founder Sanjan Nagar Institute
8. Ambassador Rustam Shah Mohmand, former Ambassador to Afghanistan
9. Ms. Zalla Khattak, Delhi Policy Group



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### **Speech by Foreign Secretary on Afghanistan-India-Pakistan Triologue organised by Delhi Policy Group**

13/06/2010

I am privileged to speak to such an eminent gathering from India, Pakistan and Afghanistan assembled here. I would also like convey my appreciation to Delhi Policy Group and Prof. Radha Kumar for organising this triologue. I looked at the summarized report of the Triologue for 2009 and was struck by the forward-looking ideas delineated there.

2. I think it is a truth universally acknowledged that India, Pakistan and Afghanistan share bonds and linkages that transcend the immediacy of the present. Often, we are also treated to the refrain that India-Pakistan issues have impeded the collective progress of the region. There are those who maintain that for peace and stability in Afghanistan, India and Pakistan should resolve all their differences. The complexities in such equations are not resolvable through the application of simple formulae, although it can be conceded that peace between the two largest countries in South Asia would have a salutary impact on the destiny of the entire region. Of course, the issue of peace and stability in Afghanistan needs to be addressed separately and comprehensively and not within the matrix of India-Pakistan relations.

3. I believe that the issue of peace and stability in Afghanistan has facets to it which concern governance, which concern issues of grass-roots level administration and deliverance of public goods like transport, trade, health, education and women's empowerment, the mitigation of the culture of the gun, the eradication of terrorism, the creation of a strong Afghan National Army and Police and, structuring the role of regional countries in ensuring that long term peace and security in Afghanistan cannot be a bridge too far. A good outcome, and the realization of these goals, in Afghanistan can change the current of history in our region.

4. When the searchlight is turned on what we – as India - do in Afghanistan, the vista is clear. India is engaged in developmental and humanitarian work to assist the Afghan people as they build a peaceful, stable, inclusive, democratic and pluralistic Afghanistan. The landscape of destruction must change. India neither sees Afghanistan as a battleground for competing national interests nor assistance to Afghan reconstruction and development as a zero sum game. (Indeed, may I venture the proposition that development and security in the entire region of South Asia should not be a zero sum game. We must be creative and flexible in our thinking on such issues). Our \$ 1.3 billion assistance programme is aimed at building infrastructure, capacity building in critical areas of governance, health, education, agriculture etc. and generating employment. We have paid a heavy price in terms of the lives lost of our citizens who work in Afghanistan, as we are targeted by those whose agendas conflict with the emergence of a strong and stable Afghanistan. Last year, over 300,000 Afghans- mainly women and children- trekked long distances to avail of free medical treatment from the Indian Medical Missions in Kabul, Jalalabad, Kandahar, Herat and Mazar-e-Sharif. The economy of battle-scarred Nimroz province was transformed with the building of the Zaranj-Delaram highway and the homes of the people of Kabul have been lit after more than a decade by the Pul-e-Khumri transmission line from the Uzbek border. These are by no definition, activities that are inimical to the interest of the people of Afghanistan or its neighbours. We have sought to assist Afghanistan within our



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means. In fact, the international community as a whole has made great contributions in terms of diplomacy and development, in assisting Afghanistan to stand on its feet. We welcome these efforts and are fully supportive of them.

5. The security of Afghanistan and what happens there impacts us, as a country in the region, as a close neighbor whose ties with the Afghan people stretch into antiquity. A stable and settled Afghanistan, where the rank and file of the Taliban has given up violence against the government, and the people, cut all links with terrorism, subscribe to the values of the Afghan Constitution and its laws, and where development is the hard rationale, is what we seek and quest for. It is important also that for such a structure to be durable and enduring, Afghanistan's neighbours, and regional partners, will need to be in the picture – both by consultation and by adherence to the principle of non-interference in the country's affairs, ensuring that it thrives as a trade and transit hub for the region, and by eradicating transnational terrorism.

6. I will now focus on the dynamics of our relationship with Pakistan, particularly following the meeting of the two Prime Ministers in Thimphu in April. India-Pakistan relations are, by virtue of a complexity that has grown, rather than diminished over the years, literally, a class apart. Theories about why such distances separate us, abound. Geographical contiguity and shared history, ethnic and linguistic affinities, and similar developmental challenges have not induced an inevitable congruity between our interests. That is the tragedy of our relationship. The last sixty years have had more than their share of bitterness, recrimination, mistrust, misunderstanding and miscommunication. There is a trust deficit. Some also refer to a vision deficit, especially since India has over the years sought to spell out a broader vision of our relationship while a similar definition has not been easy for Pakistan to enunciate. Therefore, there is need for articulating a common definition of what kind of relationship we want for the future. The welfare of our millions should be the common denominator of our efforts.

7. So, what has gone wrong so far? While some would trace the current state of India-Pakistan relations to the circumstances that led to the birth of the two countries, others would blame events thereafter, but what is important for us today is to try and assess the reasons underlying the existing state of this relationship and to think afresh on the way forward. It is only through such an analysis that we can overcome the difficulties in our relationship. This is the spirit of Thimphu.

8. And, as we commence this exercise, it is important to reiterate a few points. We seek a stable, peaceful, economically progressing Pakistan. Secondly, we sincerely desire peace with Pakistan. Thirdly, we have to learn to live with the asymmetries in our sizes and capabilities. Such differences of scale should not deter us from working with each other. Pakistan should shed its insecurity on these counts. Fourthly, India is a neighbor which has exhibited true restraint despite misguided and serious provocations. Fifthly, the entry of radical ideology into the domain of religion, and, the consequent implications for peace and security between India and Pakistan, making differences over Kashmir even more difficult, must be prevented. Radical, terrorist forces are also increasingly battling for larger space in a deathly struggle that seeks to overwhelm moderate, democratic forces in Pakistani civil society. The writing on the wall must be seen.

9. There is agreement today on both sides that dialogue is the only way forward. Consequently, our Prime Ministers have charged the Foreign Ministers and Foreign Secretaries with the responsibility of working out the modalities of restoring trust and confidence in the relationship and thus paving the way for a substantive dialogue on all issues of mutual concern.



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10. For bridging what is called the “trust deficit” between the two countries, we are ready to address all issues of mutual concern through dialogue and peaceful negotiations. Let me however, pose a question, here. The progress in our Composite Dialogue especially from 2004-2008, and the frequent references to the deliberations of the back channel during the same period, do not diminish the import of one dilemma. How do we deal with the persistent threat of terrorism? It is a given, that this dialogue can best progress in an atmosphere free from terrorism, which has been the bane of our region. Most terrorist attacks in India and elsewhere have their origin in our region. Every terrorist attack, including the one in Mumbai, hardens Indian public opinion, making our task more difficult. Terrorism as a continuation of war by other means, and the use of terrorist groups selectively, as strategic assets against India, cannot and must not, continue. As an intrinsic part of the long-term vision of relations it desires with India, Pakistan must act effectively against those terrorist groups that seek to nullify and, to destroy the prospects of peace and cooperation between our two countries.

11. We often hear about Pakistan’s apprehension about India’s conventional defence superiority and growing strategic capabilities after the civil nuclear deal with the United States. Suggestions have been made for a strategic restraint regime in South Asia. I would like to reiterate that India’s defence posture and capabilities are not of an offensive nature, and not targeted against any country, including Pakistan. We want to see a peaceful, stable, energy-secure and prosperous Pakistan that acts as a bulwark against terrorism for its own sake and for the good of the region. Asymmetries in size and development, should not prevent us from working together, building complementarities, and realizing a vision of friendly, bilateral relations. In my opinion, there can be no better strategic restraint regime than greater economic and commercial integration; more and more people to people contacts and cultural exchanges, which lead to mutual understanding of each other’s views. Here rests the key to bridging the trust and vision deficit.

12. In recent times, we have also seen unprecedented focus on the “water issue” between India and Pakistan. Breast-beating propaganda and baseless charges alleging stealing of water and illegal construction of dams have been spread and poisoned the atmosphere of our relations further. The myth of water theft does not stand the test of rational scrutiny or reason. India has never sought to deny Pakistan its fair and stipulated share of the Indus waters. We firmly believe that the Indus Water Treaty is an example of mutually beneficial cooperation between India and Pakistan. For fifty years now, it has been a very successful and useful mechanism for discussing water-related issues between the two countries. India has always adhered to its Treaty obligations, even during the Indo-Pak wars of 1965 and 1971, and will continue to do so. We are committed to resolving whatever differences that exist in this regard under the mechanism that is provided by the Treaty. This apart, as developing countries, India and Pakistan also stand to benefit from consultations in the context of multilateral processes dealing with environmental issues, including water. In future, India could consider, under a suitable bilateral intergovernmental mechanism, co-operation, such as sharing best practices in water utilization and irrigation.

13. India Pakistan relations have been discussed under the Composite Dialogue process. The Composite Dialogue, which was resumed in June 2004, was predicated on the solemn commitment given by Pakistan that it would not allow any territory under its control to be used for terrorism directed against India. Four Rounds of the Composite Dialogue were completed. During the 5th round, the dialogue process was paused after the terrorist attack on Mumbai. We appreciate the relevance and achievements of the Composite Dialogue, particularly in the



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period 2004-2008. During this phase, all issues of mutual concern, including Jammu & Kashmir, were discussed. Amongst the achievements, we can cite a number of Confidence Building Measures related to peace and security, such as agreements on pre-notification of flight testing of ballistic missiles and reduction of the risk from Accidents relating to Nuclear Weapons, hotlines between various officials on both sides; enhanced people to people contacts through bus/truck and train services; revival of the Bilateral Joint Commission after 16 years; setting up of the Judicial Committee to look into the humanitarian issue of civilian prisoners/fishermen held in each others jails and growth in bilateral trade by 550% between year 2003-04 and 2007-08 from US\$ 344.59 million to US\$ 2.23 billion.

14. On Jammu & Kashmir, progress was made based on the common understanding that boundaries could not be redrawn but we could work towards making them irrelevant; and people on both sides of the LoC should be able to move freely and trade with one another. Towards this goal, a number of cross-LoC CBMs were put in place, which included the opening of five crossing points on the LOC; introduction of triple entry permits; increase in frequency of Srinagar-Muzaffarabad and Poonch-Rawalakote bus services; starting of cross-LOC trade on Srinagar-Muzaffarabad and Poonch-Rawalakote routes through movement of trucks, etc.

15. On the way forward, we have to build on these achievements. We also have to reaffirm the progress made through complex negotiations and dialogue through patient and unsung effort whether in the composite dialogue or back channel diplomacy, during this period. We must seek creative solutions.

16. India's rise should not be seen in subjective or negative terms by our neighbours. In fact, our fast growing economy and large market should be seen as a growth opportunity: a reliable source for investments, technology and entrepreneurial resources, besides being a rapidly expanding market for our neighbours' exports. Unfortunately, economic and commercial integration within SAARC has been stymied by political considerations at the cost of economic benefits. Intra-SAARC exports are a mere 5% of the total SAARC exports.

17. Pakistan has nothing to fear from Indian commerce and industry. This has been said by its own Panel of Economists, appointed by Pakistan's Planning Commission. The Panel in its report on Medium Term Development Imperatives and Strategy for Pakistan has assessed that bilateral trade between our two countries, can grow from the current around US \$2 billion per annum to a range of \$3 to \$10 billion. The report enumerates several advantages for Pakistan if trade is normalized with India, which includes geographical proximity and cheaper transportation costs. It concludes that shorter distances will render it unnecessary for Pakistani industry to carry high levels of inventories of raw material. We hope that Pakistan implements the recommendations of its own economists to give India MFN status and shift from a positive list to a negative list regime. Growing economic integration will not only contribute positively to our common developmental imperatives but will also facilitate in building trust and confidence. Moreover, Pakistan could benefit from trade and permitting transit through its territory between India and Afghanistan, thereby creating a win-win situation for all three countries.

18. In conclusion, I would like to echo what Prime Minister Manmohan Singh said on the 7th June at the Convocation of the Sher-e-Kashmir University in Srinagar:

*"Our issues with Pakistan are well known. Good neighbourly relations between India and Pakistan are in the interest of both the countries. At the same time they*



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*are necessary for peace and harmony, stability and development in our region. The relations between the two countries over the past one and a half years have been under the shadow of the terror attacks in Mumbai on November 26, 2008. As you are aware, I met the Prime Minister of Pakistan in Thimphu last month. Both the countries accepted that there is a trust deficit between us. We also agreed that this distance between the two countries must be reduced.*

*Prime Minister Gilani Saheb has assured me that Pakistan will not allow its soil to be used for terrorist activities against India. Meaningful talks between the two countries, which can lead to a resolution of old issues, are possible only when Pakistan does not let its territory be used for acts of terror against India.*

*The destiny of our people is linked to each other. Therefore both the countries should adopt effective ways of co-operation to the benefit of the people of the two countries. A strong, stable and prosperous Pakistan is in the interest of our whole region”.*

The road ahead is a long and winding one. But as fellow travelers, India and Pakistan must tackle the challenges of this rocky road with the belief that a secure and prosperous future vitally and crucially depends on our ability to do so.

**New  
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### Media Coverage

1. **The Hindu:**  
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2. **The Dawn:**  
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