

AFGHANISTAN-INDIA-PAKISTAN TRIALOGUE 2009

A Report

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Preface

The Delhi Policy Group launched an Afghanistan-India-Pakistan Trialogue in 2009. A first of its kind, the trialogue brought together around 50 policymakers, analysts and Track II representatives from Afghanistan, India and Pakistan, to review changes and progress (if any) in the three countries' relations, and to see whether there were new opportunities for them to work together trilaterally, or in parallel bilaterals, to spur stalled and/or obstacle-strewn peace processes between them.

A number of concrete suggestions emerged from the discussion, for action at both the government and civil society level, some of which could be taken immediately and others in the median or long term. By and large there were more suggestions for bilateral action, and less for trilateral – yet it was agreed that the trialogue format was an important means of trust-building, and it would be helpful if developments on bilateral tracks could be regularly shared in a trilateral forum.

What follows below is a brief summary of suggestions made for cooperation on common issues at the meeting. *Please note that it is not based on a consensus amongst participants, rather it lists individual suggestions.*

Radha Kumar

Triologue Review

2009 was a year in which Afghanistan-Pakistan and India-Pakistan relations seasawed between explosive and disengaged; Afghanistan-India relations, on the other hand, grew and deepened. The Mumbai attacks of November 2008 destroyed fitful efforts to restore the India-Pakistan peace process that President Musharraf had put on the back burner in 2007, and in the first part of 2009 relations were icy.

On the western front, Pakistan's successful military retake of Swat and offensives in South Waziristan, and US President Barack Obama's revised Afghanistan-Pakistan policy, raised hopes that there might be new opportunities for reducing the insurgency in Afghanistan and creating space for peacemaking. These hopes were not fulfilled; violence increased in Afghanistan just as it did in Pakistan, and prior mechanisms for peacemaking, such as the joint Afghanistan-Pakistan peace *jirga*, remained on hold.

When the first round of the Afghanistan-India-Pakistan triologue took place in early June 2009, it was not clear if common cause could be made between the three countries. Pakistani policymakers viewed India's presence in Afghanistan as a threat to their influence there; moreover, they alleged that India was supporting Baluch rebels from its consulates in Afghanistan. Indian policymakers, witnessing the Kabul embassy attacks of 2008 and 2009, widely held to be the work of the Haqqani group sheltered in Waziristan, were equally skeptical. Afghans, both policymakers and civil society, were most skeptical of all – the Pakistani military appeared to continue to be wedded to the strategic depth policy developed by President Zia in 1980, in which Afghanistan was to be both a fallback and a launch pad for hostilities with India.

The purpose of the dialogue was to address these contentious issues, in the hope that:

- Misperceptions could be cleared up;
- Ideas could be generated on how tensions can be de-escalated and/or trust built; and
- Areas for trilateral cooperation could be identified, in the short, median and long-term.

Post-dialogue events indicate that these tasks are critical to peacemaking between the three countries, as well as for the stabilization of Afghanistan and Pakistan. On the plus side, soon after the June dialogue the Pakistani government began hearings and filed charges against the Mumbai accused in Adiala jail. Hearings are being held in a closed anti-terrorist court (these were set up during President Musharraf's tenure), and so little is known about the actual proceedings except that they are moving at a very slow pace.

Clearing up Misperception

Other developments indicate just how difficult follow through can be. In the June dialogue Pakistan's fears regarding Baluchistan were discussed, and it seemed that at least one misperception had been cleared up when it was said that the Pakistan Foreign Office had stated in parliament that they had received information on the staffing of the Indian consulates in Afghanistan and no longer suspected them of covert activities against Pakistan.

Immediately after, however, there was new Pakistani media focus on alleged Indian support for Baluch dissidents via Afghanistan, and the issue was raised by Pakistani Prime Minister Gilani with Indian Prime Minister Manmohan Singh at their meeting in Sharm el Sheikh in July 2009, and with Afghanistan President Hamid Karzai elsewhere on many occasions.

Far from clearing up a misperception, the mention of Baluchistan in the Sharm el Sheikh joint statement led many in Pakistan to claim India had "admitted" to covert actions aimed at hurting Pakistan; in India, too, the reference was interpreted as an admission, though Prime Minister Singh

clarified that it was not. Since then misperceptions have proliferated, though it may be that this proliferation is for public rather than policy consumption.

The lesson learned is not that we cannot clear up misperceptions but that clarity will not come at a single shot. If this implies patient persistence – on all three sides – it also means that we must find ways in which key clarifications under the Chatham House rules of non-attribution are matched by public disclosure. In India and Pakistan the most pernicious, and sometimes bizarre, misperceptions are spread by the electronic, digital and local language media, offering the nay-sayers a gratis public constituency.

Conditions such as these require that political, civil and military leaders proactively promote peace and discourage allegation and/or speculation – unfortunately, the same conditions also make it difficult, and often a losing electoral proposition, for them to do so. Hence it becomes necessary for the policy analyst community and civil society to step in.

Missed Opportunities

India missed important opportunities to strengthen the pro-peace constituency in Pakistan by failing to welcome President Zardari's scattered overtures, from supporting trade and visa regimes to supporting stabilization in Jammu and Kashmir. Admittedly, he was opposed by Prime Minister Gilani in some of his overtures, and his offers were further hollowed by the speed with which the Pakistan army countermanded his promise that Lt-General Shuja Pasha, Director-General of the ISI, would fly to Delhi to discuss action against the perpetrators of the Mumbai attacks. Nevertheless, India would have lost little by welcoming his overtures, and he might have gained stature at home for getting the peace process with India restarted.

Similarly, Afghanistan and Pakistan missed important opportunities when their political representatives and civil societies, and most importantly their security establishments, failed to welcome the overtures that Presidents Karzai and Zardari made by attending each other's inaugurations and stating that they shared a common enemy in terrorism. Undoubtedly the Afghan government has even more reason than the Indian government to suspect

Text of India-Pakistan Joint Statement at Sharm el Sheikh

The Prime Minister of India, Manmohan Singh, and the Prime Minister of Pakistan, Syed Yusuf Raza Gilani, met in Sharm el Sheikh on July 16, 2009.

The two Prime Ministers had a cordial and constructive meeting. They considered the entire gamut of bilateral relations with a view to charting the way forward in India-Pakistan relations. Both leaders agreed that terrorism is the main threat to both countries. Both leaders affirmed their resolve to fight terrorism and to cooperate with each other to this end.

Prime Minister Singh reiterated the need to bring the perpetrators of the Mumbai attack to justice. Prime Minister Gilani assured that Pakistan will do everything in its power in this regard. He said that Pakistan had provided an updated status dossier on the investigations of the Mumbai attacks and had sought additional information/evidence. Prime Minister Singh said that the dossier is being reviewed.

Both leaders agreed that the two countries will share real time, credible and actionable information on any future terrorist threats.

Prime Minister Gilani mentioned that Pakistan has some information on threats in Baluchistan and other areas.

Both Prime Ministers recognised that dialogue is the only way forward. Action on terrorism should not be linked to the composite dialogue process and these should not be bracketed. Prime Minister Singh said that India was ready to discuss all issues with Pakistan, including all outstanding issues.

Prime Minister Singh reiterated India's interest in a stable, democratic, Islamic Republic of Pakistan.

Both leaders agreed that the real challenge is development and the elimination of poverty.

Both leaders are resolved to eliminate those factors which prevent our countries from realizing their full potential. Both agreed to work to create an atmosphere of mutual trust and confidence.

Both leaders reaffirmed their intention to promote regional cooperation.

Both foreign secretaries should meet as often as necessary and report to the two foreign ministers who will be meeting on the sidelines of the forthcoming UN General Assembly.

Pakistani intentions, but here too every slight hope needs overt public backing.

External factors have also exacerbated tensions between the three countries. President Obama's review of the US' Afghanistan-Pakistan policy and setting of a timetable for peacemaking and stabilization within and between the two countries have had both positive and negative fallouts in the region. While the timetable works as a general reassurance that the US and ISAF troops will pullout of Afghanistan as soon as stability can be restored, it has also been interpreted by the Taliban, Al Qaeda, affiliated groups and their supporters as a sign of flagging commitment.

There is already intense bargaining over the timetable: though US-Pakistan efforts are on to coordinate counter-insurgency operations across the north-western border, the two cannot agree on when this should happen, and the delay adds to insecurity in Afghanistan.

Reconciliation with the Taliban

Alongside, the emerging focus on reconciliation with the Taliban, which President Karzai made a campaign plank and his first policy commitment after re-election, has added another layer of complex bargaining to the many layers that already exist. Efforts are on to convince both sides – the US-ISAF and the Taliban – that they are negotiating from their positions of relative strength.

Indications are that any agreement involving the Taliban leadership would likely include vacation of Al Qaeda sanctuaries in Pakistan, power-sharing in the Afghan government and a commitment to disarmament by the Taliban, who will be offered rehabilitation and reintegration opportunities at various levels, from the district to the national.

The reconciliation policy also relies on support from other regional actors, in particular India and Iran, who were opponents of the Taliban during their years of rule. For reconciliation to work, India and Iran need to be on board, which means they need to participate in all regional efforts

at consensus building. In this context, Turkey made a serious mistake in excluding India from the January 2010 regional conference that it hosted on the stabilization of Afghanistan.

Turkey's action did not take place in a vacuum. By the time the second dialogue took place, in December 2009, the hopes that the Sharm el Sheikh joint statement had raised for a renewal of the India-Pakistan peace process had been vitiated by the misperceptions that followed. Ensuing developments – the failure to conclude a new Afghanistan-Pakistan Transit Trade Agreement by end December 2009, the fact that it was Pakistan's opposition that led Turkey to exclude India – gave competition the edge over cooperation, and would appear to be a further setback to the prospects for India-Pakistan support and/or cooperation for peace-building in Afghanistan.

However, these developments also underline how critical India and Pakistan's joint support is – without which, it seems, Afghanistan's stabilization will continue to be impeded.

The Afghan government and civil society are also committed to improving relations between the three countries; indeed the importance of this issue for Afghanistan can be seen from the fact that both the frontrunners for the presidential election made peacemaking between their country, Pakistan and India a campaign plank. As President Karzai stated at his second-term inauguration, and reiterated in a message to the conference with members of the dialogue that was organized at the Ministry of Foreign Affairs with the Centre for Strategic Studies on December 8, 2010, India and Pakistan are among his top foreign relations priorities in this presidential term. Clearly his endeavors will bear no fruit unless they are supported by Indians and Pakistanis.

In sum, the following points emerged from a review of the six months between the two dialogues:

- Afghans do not wish to be forced to choose between India and Pakistan;

- While Pakistan needs to accept that Afghanistan should neither be a proxy nor a launch pad for hostilities against India, India needs to recognize that Pakistan's interest in Afghanistan is analogous to India's interest in Nepal;
- Given the context, India-Pakistan de-escalation in Afghanistan may not be acceptable to Pakistan without a renewal of the India-Pakistan peace process;
- There are small signs of progress on this front – for example, Pakistan's recent sharing of the charge-sheet against the Mumbai accused with India is a confidence-building measure which has led India to propose Foreign Secretary level talks to Pakistan;
- However, Pakistan's hostility to India's presence in Afghanistan remains strong at the official level; and
- While Afghanistan-Pakistan relations have improved at the official level, Afghan suspicions of Pakistani strategic intentions remain high.

At the Track II level of the dialogue, on the other hand, there was little sign of Pakistani hostility to India's presence in Afghanistan. The summary of individual recommendations that follows might therefore seem anachronistically amicable, but it does reflect influential civil views in Afghanistan, India and Pakistan.

Recommendations

*Please note that this is a summary of individual suggestions,
not a consensus document.*

I. SECURITY COOPERATION

Security is the most burning concern for all three countries, and they share common interests as well as obstacles in tackling it. Given that Al Qaeda, the Taliban and associated militant groups profit from the mistrust between Afghanistan and Pakistan, and Pakistan and India, it makes sense for the three countries to cooperate on security at both bilateral and trilateral levels, on a range of issues from border controls to jointly tackling cross-border violence, shared intelligence and counter-terrorism through rule of law.

There have been sustained efforts to get border security cooperation going between Afghanistan and Pakistan for several years now, most notably through the US-Afghanistan-Pakistan trilateral mechanism, and also through customs and border management training programs such as Canada is conducting, but progress has been slow, especially in the trilateral mechanism. Problems of mismatching goals and unequal capabilities continue to hold progress back (for example, Pakistan has three times as many border and/or customs posts as Afghanistan on the north-west frontier), and it remains to be seen whether and what impact the reconciliation policy might have on their presently strained relations.

Counter-insurgency cooperation on the western front has shown some improvement over the past year, though the improvement is primarily in US-Pakistan coordination not at the trilateral level. Nevertheless, the gain is for all three countries.

Limited Choices

Afghanistan-India security cooperation is necessarily limited in scope and scale, since neither side would wish to step on Pakistani sensitivities, to use a common South Asian euphemism. But there is considerable trust between the two countries' militaries and considerable potential for cooperation between their various security organizations.

Ironically, Afghanistan might also reap a small benefit from the strategic rivalry between Pakistan and India – while both are training a small number of military officers and might vie to expand their programs, the Afghanistan military is enabled to better understand each country's strategic goals and concerns in relation to the other, and thus gain an edge in policy analysis.

The potential for India-Pakistan security cooperation is also limited, in this case by the history of hostilities between the two countries, but as the Mumbai trial in Pakistan indicates, there are some confidence-building steps underway.

Given this context, opportunities for trilateral cooperation on security between Afghanistan, India and Pakistan are still some time away, and will continue to be restricted by the high levels of misperception that exist between the three countries. Each fears that cooperation will give away important national security information, including on intelligence and strategic assets, and make it more vulnerable to hostile elements in the other country.

In the immediate term, therefore, confidence-building measures are required to pave the way for more substantive joint security mechanisms. Towards this end, the following steps could be taken, on a series of parallel and interlocking tracks:

A. A Trilateral Security Dialogue

If trilateral security cooperation is a far-off dream, an *Afghanistan-India-Pakistan Security Dialogue* in which representatives of the three countries discuss the entire gamut of their mutual concerns could be an important confidence-building exercise. **For a trilateral security dialogue to work, it**

would have to be complemented by India-Pakistan talks, whose revival would in any case be necessary to pave the way.

Such a dialogue could focus on three key issues:

- Counter-terrorism;
- De-escalation and CBMs on the eastern border; and
- A move from conflict to cooperation in Afghanistan.

Counter-Terrorism

The issue of counter-terrorism cooperation is presently focused on the bilateral India-Pakistan track, and in particular on the Mumbai trials. The broader issue of counter-terrorism cooperation with Afghanistan is complicated by several factors, including the number of concerned states that would need to be involved and the hope that the Afghan government's evolving reconciliation policy will narrow the problem. While we can therefore assume that in the near future discussions on this issue will largely take place on the bilateral India-Pakistan track, sharing the results at the trilateral level will again boost confidence.

At present it is assumed that any initiatives to safeguard against or prevent cross-border attacks will be taken (or not taken) by India and Pakistan separately. This leaves several terrorism-related issues pending and will not work. The Pakistani government has, for example, asked for updates on the Samjhauta train blasts (2006) trial, which appears to have fallen off the media's screen. They are as dissatisfied with the information that they have received as the Indian government is over Mumbai (acknowledging that there are important distinctions between the two cases).

A Joint Anti-Terrorism Mechanism was set up between India and Pakistan in 2006, but it has mostly worked in the breach. CBMs such as Pakistan's arrest and trial of seven Pakistani citizens for planning and operationalizing the Mumbai attacks were not initiated under the Joint Anti-Terrorism Mechanism, nor have they been discussed there. Yet for cross-border terrorist attacks such as Mumbai, *a cross-border team of*

investigators and prosecutors working on the case would be very helpful. The constitution of such a team could be the first step towards beefing up the Joint Anti-Terrorism Mechanism.

De-Escalation and CBMs on the Eastern Border – Impact on the Western Border

An Afghanistan-India-Pakistan security dialogue could also discuss the issue of “capabilities and intentions” to ease Pakistan’s moving of more troops from the eastern frontier to the north-west, keeping in mind that it is in nobody’s interest to have the eastern border become a softer or more porous route for armed groups to operate and/or escape across. This would require a strong military to military component in the dialogue.

Though there has been a rise in tensions, including violations of the cease-fire agreement on the Line of Control between India and Pakistan, incidents of violence have been relatively low (below 500 in 2009). In response, the Indian army has moved 30,000 troops out of Jammu and Kashmir. As a further CBM, which would strengthen the Pakistani analysts who argue in favor of a further redeployment of Pakistani troops from the eastern to the western border, the Indian army could consider de-alerting of some of its forward bases, or, alternately, reviving talks to settle the Siachen dispute.

Moving from Conflict to Cooperation in Afghanistan

An Afghanistan-India-Pakistan security dialogue, in which the three countries can address mutual as well as bilateral fears, such as Afghanistan and India’s fears of Pakistan’s strategic depth policy and Pakistan’s fears of encirclement by India’s presence in Afghanistan, could begin to pave the way for the two countries to move from conflict to cooperation. The dialogue could include issues like land access, a regional approach to resolution of Afghanistan’s problems, particularly in the context of early US/ISAF withdrawal, and Afghanistan’s bilateral security cooperation programs with India and Pakistan, such as military and police training.

The Indian government has been seeking an official dialogue with Pakistan on Afghanistan, and has suggested it could be made the ninth item of the Composite Dialogue. The Pakistani government has thus far been reluctant to accept this addition, and might be equally (if not more) reluctant to consider a trilateral dialogue. Nevertheless, such a dialogue would contribute towards greater Afghan and Indian acceptance of a Pakistani role in the stabilization of the region.

Alternatively, if a trilateral security dialogue seems a step too far, India and Pakistan could begin with a bilateral security dialogue on Afghanistan, with the understanding that it could expand to trilateral.

Structuring an Afghanistan-India-Pakistan Security Dialogue

At present, efforts at getting Track I engagement between India and Pakistan on Afghanistan have not made much headway, and as previously noted this makes it unlikely that the proposal for a trilateral dialogue will gain much traction. There are, however, a number of Track II initiatives on these and allied issues, which serve the useful purpose of trawling for ideas and might help build a policy constituency over time.

There is also room to consider an in-between structure – a Track I.V, similar to the Council on Security and Cooperation in the Asia-Pacific, which would be supported financially by both governments without having an official status. The advantage of Track I.V is that it has an in-built channel to government, unlike Track II, whose channels are ad hoc. This means the media takes Track I.V more seriously, and thus it has greater opportunity to build public support. At the same time, governments are not obliged to adopt Track I.V proposals, and so leaders have plausible deniability.

B. Military Training and Joint Exercises

As discussed earlier, India and Pakistan are both offering training for military officers, and both would be interested in expanding their programs. At present these offers are being seen as a display of their strategic rivalry in Afghanistan, but there is no reason for perceiving them in this way. In

fact, the officers trained by each country respectively will bring back to the Afghan army a deeper understanding of each country's military doctrine and training, which will add to the Afghan army's strategic knowledge.

One way in which both countries could augment their military training programs for Afghans and also learn a little about each other's training would be for both to invest in an Afghan military academy to which the Indian and Pakistani militaries could send trainers. Each could conduct their programs separately, but also interact in general planning of training programs.

While many might fear that such an initiative could exponentially increase uncertainty and misperception in Afghanistan, which is a hotbed of rumor like other conflict affected areas, properly handled it could also build confidence amongst Afghans that have begun to attribute their grave insecurity to India-Pakistan tensions. As a necessarily small initiative, it would punch well above its weight as a rare example of Indians and Pakistanis working side by side in Afghanistan.

This idea is floated as a median to long-term proposal rather than one that could gain purchase in the short-term, as is the one that follows.

Finally, the deep estrangement if not hostility between the Afghan and Pakistani, and Indian and Pakistani armies will not gradually dissipate, if the India-Pakistan history of the past half-century is anything to go by. It needs proactive efforts at trust-building. In other parts of the world, joint military exercises have been one means of enforced trust-building.

Such exercises do not have to take place in areas of conflict, and generally should not be in areas where any one of the countries is directly or indirectly engaged. Rather they would be best undertaken in a fourth country in the region. If diplomatically preferable they could be part of a South Asian series of joint military exercises towards better border management.

II. RECONCILIATION

Currently the most important peacemaking issue for all three countries is whether or not the Taliban can, or should, be brought on board a reconciliation

process. In the last six months of 2009, President Karzai issued a series of invitations to the Taliban for talks; at his request the Saudi government arranged a number of meetings between his representatives and high-level go-betweens for Taliban leaders based in Pakistan. (Both initiatives were supported by the Istanbul and London conferences in January 2010, endorsing incentives for rehabilitation and reintegration to Taliban members who lay down arms.) The aim is to target Taliban foot soldiers and local commanders who might be weary of conflict.

Though the Taliban leaders based in Pakistan have rubbished these offers, they have also put out their own feelers, through, for example, statements pledging that if in power they would not let Afghanistan be used for terrorist attacks on other countries.

Some Pakistani policy analysts have also suggested a different kind of “grand bargain”, one in which the Taliban leadership could enter a power-sharing government in Afghanistan, with a Contact Group to monitor security that would comprise all Afghanistan’s neighbors, including closely connected but not border-sharing India. An arrangement of this sort could act as a reassurance to neighbors.

Potential Hitches

Whether Afghan society is prepared for such a “grand bargain” is unclear. Most Afghans, including parliamentarians, would support rehabilitation and reintegration of lower level Taliban; the jury is still out when it comes to figures like Sirajuddin Haqqani or even Mullah Omar. The reintegration of former mujahedeen commander Gulbuddin Hekmatyar is an example of how it can work – today his Hezb e Islami is the premier party in Afghanistan, with a number of members in parliament.

But there is also a sizable Afghan constituency that wants a professional rather than power-sharing government, with the past as a closed chapter. This constituency also supports reconciliation – they argue, however, that reconciliation has to be broad-based and political conciliation is as important as reconciliation with the Taliban. And they point out that there could be

a potentially negative impact for the reconciliation policy, that Afghan disaffection with poor governance will increase if power-sharing entails an increase of warlords in power.

Managing these two divergent trends will be a challenge for the reconciliation policy. The current pledge to focus on good governance is one way to do so, though it is a formidable task given that corruption and accountability are not within the sole control of the Afghanistan government but would require coordinated efforts from all donors and investors.

India's Options

India too would have to consider its policy options carefully, especially in relation to Haqqani, who is held to have engineered both blasts on the Indian embassy in Kabul. At the beginning of 2009, most Indian policymakers and analysts would have been opposed to any deal with the Taliban; today there is a certain degree of tacit acceptance for President Karzai's reconciliation policy, as the Indian Foreign Minister's presence at the London conference suggested (and Indian Ministry of External Affairs officials clarified off the record, according to media reports, with the caveat that rehabilitation opportunities should be offered to *all* mujahedeen).

The current Indian government position is in consonance with long-standing policy towards domestic insurgent groups, in which rehabilitation and reintegration is commonly offered to militants who wish to renounce violence and use constitutional means to achieve their goals. Were the Taliban to join guarantees that India would not be attacked from Afghanistan nor Indians persecuted within Afghanistan, a wider constituency that favors the reconciliation policy could develop.

For India it is a confidence booster that reconciliation will be led by President Karzai, albeit with a major role for Pakistan. Without the latter, it is evident, only partial reconciliation can be achieved.

Pakistan's Role

President Karzai has also called on Pakistan to help his government revive the Afghanistan-Pakistan Peace *Jirga* and bring in key actors who have

not been present at previous sessions. Pakistani policy analysts who were involved in back channel efforts with the Taliban in the early years following 9/11 argue that an important opportunity to involve the Taliban leadership was missed in 2002-3, when the Grand *Loya Jirga* was convened, and Pakistan had worked hard behind the scenes to get the Taliban on board. They suggest that another such opportunity could be created now.

Other Pakistani analysts caution that a focus on the peace *jirga* should not lose sight of the district by district plan for reconciliation, and suggest that local level peace *jirgas* are essential building blocks to reconciliation. Theoretically these could set the stage for an all-Afghan peace *jirga*; though much would depend on how widely they can be organized.

While a section of the Pakistani government believes that their cooperation with the reconciliation policy should be tied to an exclusion or further restriction of India's role, indications are that this could become a minority position. There is a much greater acceptance amongst influential Pakistani civilians of India's presence in Afghanistan, and as initiatives for regional consensus-building grow, the trick is going to be on how to give the yea-sayers a larger public voice than the nay-sayers.

The Internal Issue

If the reconciliation policy takes off, Pakistan will soon face a dilemma on handling the Pakistani Taliban. The Afghan/Pakistani Taliban distinction is one that many Pakistani analysts reject, the implication being that reconciliation might also have to include those that are termed the Pakistani Taliban. Obviously this would entail an expanded reconciliation policy, covering the FATA and NWFP region of Pakistan.

With a bitter history of failed peace agreements in Swat and Waziristan, it is not clear if Pakistani civil society, which ardently backed military operations against the Taliban, or mainstream regional political parties such as the Awami National Party, will support reconciliation with groups they have come to regard as existential foes.

III. TRADE

Most observers agree that intra-regional trade is a critical paving stone for peace and could provide an essential boost to Afghanistan's economic recovery. But attempts to boost trade between Afghanistan, Pakistan and India have been held hostage by mistrust in Pakistan's relations with Afghanistan and India. There are two key issues that have hung fire for close to a decade now:

- The Pakistan-Afghan Transit Trade Agreement; and
- An energy corridor from Central Asia through Afghanistan and Pakistan to India.

Transit Trade

Pakistan and Afghanistan signed a Transit Trade Agreement in 1965. The agreement became an issue after the Bonn agreement, when Afghanistan's new government sought land access through Pakistan for humanitarian aid, and tensions over the agreement gathered storm when India and Afghanistan sought to use it for trade.

In 2009, wrangles over renegotiating elements of the agreement prevented Afghanistan from exporting its bumper crop of fruit and vegetables to India, causing large losses to Afghan farmers and setting back Afghanistan's efforts to revive its non-poppy agricultural economy. Eventually India decided to bypass the problem by airlifting consignments for the Indian market directly from Afghanistan.

In May 2009, Pakistan and Afghanistan signed a Memorandum of Understanding for transit trade at a meeting in Washington. Under the Memorandum, the two countries committed to signing a revised Transit Trade Agreement by the end of December 2009, but talks in December foundered, and it is hoped that the agreement will be negotiated in 2010.

While the issue of trade with India appears to be the major stumbling block to agreeing Afghanistan-Pakistan transit trade, it is not the only issue.

Pakistani business is divided, with oil traders fearing the loss of monopoly, and others arguing that what Pakistan would gain in revenue and trade professionalism would far outweigh any losses.

Other sticking points include differences on the regularization of informal trade, cooperation against smuggling and third country imports to Pakistan via Afghanistan. Some of these points had already been dealt with at the *Third Regional Economic Cooperation Conference on Afghanistan* (Islamabad, 13 – 14 May 2009), at which Afghanistan and its neighbors agreed to “share customs information electronically at designated border crossing points in order to increase revenue collection and pool intelligence on contraband items. A new Customs Academy is being established in Afghanistan and will be linked to similar institutions in the region to “share expertise and best practices on customs collections and systems. Afghanistan and Pakistan have also agreed to modernize border management infrastructure at Torkham and Weish on an urgent basis”. (Islamabad Declaration)

The SAARC Route

As far as transit trade is concerned, Afghan analysts believe that a regional rather than trilateral framework might work best for Pakistan. The *Third Regional Economic Cooperation Conference on Afghanistan* made the point that progress on regional arrangements such as the ECO Trade Agreement (ECOTA) and the South Asia Free Trade Area Agreement (SAFTA), to which Afghanistan is a party was urgently required, and there was a general consensus in both sessions of the dialogue that SAFTA needs to be fast-tracked, especially with Afghanistan as a new SAARC member whose stabilization would benefit greatly from the opening up of regional markets.

There are other opportunities too in SAARC, such as the LDZ provisions. SAARC allows zero tariff provisions for its least developed member countries. Could this provision be expanded to include the least developed zones of countries, such as conflict affected areas? This could help reduce aid dependency in Afghanistan and Pakistan, as well as in the Tamil areas of Sri Lanka.

Energy Corridor

That Afghanistan, India and Pakistan all need energy is incontrovertible. Some years ago there was considerable hope that pipeline diplomacy might bring India and Pakistan closer together, but negotiations on an Iran-Pakistan-India pipeline have made little progress over the past decade.

Greater hopes are today pinned on a Turkmenistan-Afghanistan-Pakistan-India pipeline (TAPI), which too has been negotiated on and off for years. But this too is dependent on political circumstances. Pakistan's position appears to be that Afghanistan and Pakistan must establish energy cooperation before it can be extended to India.

As far as Afghanistan-Pakistan energy corridors are concerned, prospects are slightly brighter. There has been some progress on the Central Asia–South Asia Regional Electricity Market initiative, under which excess summer electricity from Kyrgyzstan and Tajikistan will be provided to Afghanistan and Pakistan, funded by the World Bank and Islamic Development Bank.

IV. CONCLUSION

Clearly there will be little progress on trilateral issues unless there is progress on the bilateral tracks. The Pakistani government has been urging the Indian government to restart the Composite Dialogue process, and there is little doubt that restarting would have a beneficial impact. Many in India are worried, however, that restarting without taking on the Mumbai-related and Afghanistan concerns will allow a volatile status quo to persist. Possible ways out are:

- Beef up an existing forum (such as the Joint Anti-Terrorism Mechanism) or create a new one – ad hoc or formal – by which real time information on and preparation for the Mumbai trial in Pakistan are shared and other terrorism-related issue can be taken on; and

- Discuss and settle misperceptions on Afghanistan, either as the ninth item on the Composite Dialogue, or through a trilateral *Afghanistan-India-Pakistan Security Dialogue*.

Secondly, trade and economic recovery for both Afghanistan and Pakistan might be more fruitfully boosted through regional arrangements under SAARC than through trilateral transit trade arrangements. The answer is not to scrap the Afghanistan-Pakistan transit trade agreement, which Afghanistan and Pakistan need for access as well as border and customs regulation, but to ensure that SAFTA and APTTA are harmonized.

- Fast-track SAFTA and ensure it covers transit trade arrangements that harmonize with APTTA.

Thirdly, Afghanistan-Pakistan security tensions will not end once (and if) the reconciliation policy gains traction. Trilateral military to military CBMs are key to trust-building and stabilization, and are urgently required. They could take any number of forms, from:

- Parallel bilateral military to military dialogue, at Track I or Track II levels, as a subset of a wider security dialogue or stand-alone;
- Investment and concurrent training programs in an Afghan military academy; to
- Joint peace-building exercises, either trilateral or under a SAARC umbrella, in a fourth country.

Fourthly, initiatives for regional consensus building will not work if they are not inclusive. Not only do they need to be inclusive, regional initiatives also need to be coordinated and/or information about each one shared. The Afghanistan presidency further stress that they would wish coordination of regional initiatives to be through their government.

Finally, this is a rare moment to support democratic trends in each other's countries. Political parties, parliamentarians and civil society groups in each country may have to act unilaterally to push for peacemaking initiatives, if bi- and trilateral coordination is not possible.

Appendix

SECOND AFGHANISTAN-INDIA-PAKISTAN TRIALOGUE KABUL, DECEMBER 8, 2009

Centre for Strategic Studies, Ministry of Foreign Affairs,
Government of Afghanistan
& the
Delhi Policy Group

CONCLUDING DECLARATION

We the participants of this historic Afghanistan-India-Pakistan Trilateral organized by the Centre for Strategic Studies, Ministry of Foreign Affairs of the Islamic Republic of Afghanistan, and the Delhi Policy Group would like to express our gratitude to the government of Afghanistan for their support of this first important step towards improving relations between our three countries and bringing us closer for the welfare of our nations, the region and the wider world.

We heartily welcome President Karzai's message that we must work together for the peace, stability and development of our region. While recognizing that there are continuing obstacles to our cooperation, we stress that there is no alternative to cooperating against terrorism and for the security of our citizens.

As President Karzai, Foreign Minister Spanta, former Minister Jalali and General Azimi said, the causes of our problems are common and regional integration provides the best route to overcoming these problems. We support

all initiatives to liberalize trade, especially transit trade, and freedom of movement for our people.

We recognize that the need for greater and more engagement at different levels and sectors is paramount for the stability and prosperity of Afghanistan, and understand that this requires the support and active cooperation of Afghanistan's neighbors.

In closing, we emphasize the historical and cultural ties between our three countries, which provide a base on which we can work to build peace between us. Our literature and art know no boundaries and they can unite our hearts and minds.

This conference is only a small first step towards affirming our positive opportunities and minimizing negative elements. We pledge to follow up on the ideas and proposals made here with our respective governments and hope to be able to report progress when we meet again next year.

Kabul, December 8, 2009