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Indo-Pak Composite Dialogue

An Update

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INDO-PAK COMPOSITE DIALOGUE

AN UPDATE

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An Overview

On 21 May, Indian Foreign Minister Pranab Mukherjee travelled to Islamabad to meet his Pakistani counterpart, Shah Mahmood Qureshi and formally concluded the fourth round of composite dialogue. Before that, on 20 May, foreign secretaries of both the countries held a meeting to review the progress made so far in the peace process. The talks were held in the backdrop of the Jaipur blasts and also India's allegation that the Line of Control (LoC) ceasefire had been violated by Pakistan.

The two sides had concluded talks under the fourth round in October last year. However, for a long time, the domestic situation in Pakistan had stalled completion of this round. This primer seeks to take an overview of the composite dialogue and analyse what issues are expected to figure in the next round of the dialogue.

The current process of composite dialogue began in January 2004 when Pakistani President Pervez Musharraf and Indian Prime Minister Atal Behari Vajpayee met in Islamabad on the sidelines of the SAARC Summit. At that time, the decision to resume the compound dialogue was hailed as a significant step forward in the India-Pakistan peace process because the years preceding this decision had witnessed a constant breakdown in bilateral dialogue due to various crises. More importantly, the decision to resume composite dialogue was taken after an assurance from Islamabad that it would

not allow any territory under Pakistan's control to be used for terrorist activities against India. Accordingly, in September 2004, foreign ministers of both the countries launched a composite dialogue encompassing a range of peace and security concerns, including Confidence Building Measures (CBMs), Jammu and Kashmir, Siachen, Sir Creek, Tulbul Navigation Project/Wullar Barrage, terrorism and drug trafficking, economic and commercial cooperation, and promotion of friendly exchanges in various fields.

Terrorism

The incidents of terrorist attacks in India by Pakistan-based terrorist groups did not cease even after the resumption of dialogue. As a result, whenever a major terrorist attack took place in India, its tremors were simultaneously felt in the composite dialogue. For instance, after a series of bomb blasts in Mumbai in July 2006, the overwhelming domestic opinion forced India to suspend the foreign secretary-level dialogue. However, the process resumed soon after a ground-breaking meeting between Indian Prime Minister Dr. Manmohan Singh and President Musharraf at Havana in September 2006. The major outcome of that visit was the creation of a joint framework to address the issue of terrorism.

The subsequent creation of the **Joint Anti-Terrorism Mechanism (JATM)**, marked a fundamental shift in India's posture that India was the victim and Pakistan the perpetrator of terrorism. It was recognition of the fact that Pakistan too was facing the brunt of terrorism. The

JATM is basically an Additional Secretary-level arrangement, comprising three members from each side. It was supposed to identify and implement counter-terrorism initiatives and investigations. The first meeting of the JATM was held in March 2007, when the fourth round of the composite dialogue was launched. In that meeting, India handed over substantial evidence on the involvement of the Pakistan-based groups in various terrorist incidents in the country. The second meeting of the group was held in October 2007.

While the Indian security establishment is anxious to see the JATM function smoothly, it is also cognizant of the fact that Pakistan will not take any concrete action on India's contentions. But India believes that the spate of terrorist attacks within Pakistan may force the government to take actions against terrorist groups. Recently, both sides exchanged notes to strengthen cooperation against terrorism, as a part of the 7th SAARC Conference on cooperation in police matters. Both the countries have also discussed the idea of establishing a regional police agency on the lines of the Interpol as a part of wider SAARC efforts. It is true that the activation of the JATM will bring a much-needed sense of seriousness to the entire peace process since mere hurling of terrorism charges and accusations will no longer help. They will have to be backed by credible evidences.

Peace and Security CBMs

Perhaps the greatest proof of the institutionalisation of the India-Pakistan peace process is the conventional CBMs which have taken an incremental approach in promoting normalization of relations, by covering ground in small steps. In October 2005, both sides signed an agreement, making it obligatory for either country to notify the

other at least 72 hours before testing ballistic missiles within a 40-km radius of the international boundary and the LoC.

The agreement was signed in Islamabad by the then Indian Foreign Secretary, Shyam Saran and his Pakistani counterpart Riaz Mohammad Khan. Both the sides have also begun to explore the possibilities of signing a Memorandum of Understanding (MoU) on measures to reduce the risks of accidental or unauthorised use of nuclear weapons. To reduce such threats, a 'nuclear hotline' between the foreign secretaries of both countries, was established, following a meeting in June 2004. At the meeting it was also decided to continue the self-declared moratorium on nuclear testing. Similarly, the ceasefire that was announced by both the countries on the LoC has remained in place for the past five years, barring the recent violation of 13 May, when India alleged that Pakistani troops opened fire in the Tangdhar sector. Nonetheless, the ceasefire has brought much-needed relief for the residents of the border areas.

These CBMs have continued even when the bilateral relationship experienced moments of crisis. For instance, even when the foreign secretary-level dialogue was suspended in the wake of the Mumbai blasts, the Pakistan Rangers and the Border Security Force of India officials held their quarterly joint meeting in September 2006 and discussed joint patrolling and demarcation of disputed points along the border, defence construction, security lights adjustment, cross-border infiltration, and drug-trafficking. As part of the increasing security cooperation between both countries, the naval agencies in charge of coastal management have also established a hotline to facilitate direct communication, chiefly to avoid the arrest of fishermen of both countries who might

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accidentally stray into each other's waters. The hotline has been in operation since November 2007 and has considerably reduced arrests of Indian and Pakistani fishermen. The coast guard agencies of both the countries are now discussing the feasibility of holding joint search and rescue operations and collaborating in marine pollution control.

Apart from CBMs that deal with security issues, many other CBMs have also been put in place. The focus of these CBMs is to increase people-to-people interaction. Launching of bus services has been one part of this agenda. Before the composite dialogue began, there was only one bus service between India and Pakistan, namely the Delhi-Lahore bus service, launched in 1999. After this, a trans-LoC bus service was launched, beginning with Srinagar and Muzaffarabad in 2005. It was followed by the Poonch-Rawalkot bus service in 2006. The Srinagar-Muzaffarabad service was suspended for four months in the wake of the Kashmir earthquake in October 2005. These bus services have helped many families which had been divided due to the 1947 partition, to visit each other. With the launching of the Amritsar-Nankana Sahib bus service, another new bus route has been opened up in Punjab, besides Amritsar and Lahore. Nankana Sahib is a holy place for Sikhs, as it is the birth place of Guru Nanak Dev, the founder of Sikhism. Recently, the frequency of the Delhi-Lahore bus service was increased from the current two trips per week to three trips per week from each side. Fares too have been rationalised to enable a greater number of people to access the service.

Besides bus services, train services have also been started between the two countries. The first, called the Samjhauta Express, links Amritsar and Lahore. The

second rail link is the Thar Express which connects Khokhrapar in Pakistan's Sindh province with Munabao in Rajasthan. Air links between the two countries too are on the rise. In February this year, an agreement was signed in Islamabad to double up the number of weekly passenger flights between the two countries, primarily to increase business and trade activities. Further, in their meeting in 2006 on Conventional CBMs, both sides had agreed on a number of CBMs aimed at avoidance of conflict. These included finalisation of Border Ground Rules for implementation along the international border; modalities for holding quarterly flag meetings and on a need-basis - at sector-level commanders in already agreed sectors; developing no new posts and not undertaking any defence work along the LoC; and finalisation of an agreement on speedy return of inadvertent line-crossers. As for the prisoners from both the countries in each other's jails, a joint judicial committee on prisoners has already been set up by both the countries to recommend steps for their humane treatment and expeditious release.

Jammu and Kashmir

Kashmir too has seen the spill over effect of the generally cordial relations between the two countries since 2004. The continuance of ceasefire along the LoC has brought tremendous opportunities to the region. Tourists have begun to return to the valley. The generally peaceful atmosphere has also revived hopes for an economic turnaround of the region. The beginning of the trans-LoC bus services and their successful running has also demonstrated the willingness of both countries to work together on this contested issue. In their bilateral meetings, both the countries have expressed their resolve to continue talking on the issue till they find an acceptable solution. The domestic peace

process launched by India has also begun to yield results in terms of greater integration of the state in the national mainstream. Hence, even though no noticeable progress is visible on the Kashmir issue, the implementation of the CBMs has brought greater goodwill among the Kashmiris. President Musharraf, in an attempt to seek an early resolution of the issue had put forth a four-point proposal in 2006, involving de-militarisation, self-governance, softening of borders, and development of linkages between the Kashmiris. However, India responded unenthusiastically to this proposal. India has made it clear time and again that demilitarisation can take place only when the threat of terrorism fades away from the region. More importantly, the five working groups appointed by the Prime Minister, Dr. Singh, have already focused on the issues of self-governance, economic development and other such issues raised by President Musharraf.

Recently, the Pakistan People's Party Co-Chairman, Asif Ali Zardari had stated that the differences over the issue of Kashmir should not prevent Pakistan and India from reaping benefits of trade and other bilateral cooperative relationships. The model enunciated by Zardari distinctly resembles what India and China have done in their process of rapprochement in the last few years. However, other ruling elites of Pakistan quickly shot down the proposal, seeking to repel the impression that Pakistan was sacrificing its interests in Kashmir to get economic benefits from the booming Indian economy.

Siachen

Demilitarisation in Siachen constitutes an important element of the current peace process, more so after Dr. Singh expressed hope in June 2005, that Siachen would be converted into a

'mountain of peace'. According to informal sources, both India and Pakistan have come to an understanding on the issue of Siachen to resolve the dispute. While there are no two views on the pullout from the glacier, the only sticking point is India's insistence that any agreement would have to proceed from the recognition of the Actual Ground Position Line. Pakistan is unwilling to accept this, since it would mean giving up the Salto ridge. Guiding India's position is its weariness of a repeat of the Kargil intrusions in 1999, when the Pakistani troops had captured mountain heights which had been vacated by India during the winter. Besides, Pakistan joining hands with China cannot be ruled out.

Last year, India took an important step in the normalisation of the glacier region. For the first time, a civilian trek to Siachen was hosted by the Indian Army which sought to promote Siachen as a tourist destination. Pakistan had strongly opposed the move. Pakistan had argued that since the area was a conflict zone, India's moves to open the area for civilian activities had the potential to vitiate the atmosphere of the peace process.

Pakistan's rigid position on the issue has meant that there would not be any forward movement in talks over the issue. From being the highest battlefield to the prospects of becoming a zone of peace, the resolution of the Siachen glacier dispute indeed offers a good opportunity for both India and Pakistan.

Sir Creek

On the issue of Sir Creek, both sides in 2004 agreed on the need for a speedy resolution of the dispute. Driving their concerns on the issue, is also their international obligation under the UN Convention on the Law of the Sea

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(UNLCOS). Any further delay in delineating the maritime boundary, may lead to a situation where the continental shelf areas of both countries could come under the purview of the International Seabed Authority.

Realising this, both sides have undertaken concerted efforts to resolve the issue. In 2005, a joint survey was launched in the marshy strip by both the countries to ascertain their respective claims. The survey covered the horizontal section of the creek. The second month-long survey took place in January 2007 in which hydrographers along with the ships of the two navies participated. The two surveys covered the land as well as the coast, to verify the outermost points of the coastlines in the disputed area, on the principle of equidistance.

Both the sides disagree on how to proceed forward in delineating the border. India's position on the issue is that the maritime boundary should be in the middle of the estuary, while Pakistan argues that the border should lie on the South-east bank. Although, after the completion of the joint survey, officials on both sides had noted that there has been a convergence to a great degree among both the countries on the delineation of the boundary.

In May 2007, in the first formal meeting on this issue, under the fourth round of composite dialogue, both sides, led by the Surveyor General of India, Major General M. Gopal Rao and Additional Defence Secretary of Pakistan, Rear Admiral Tanveer Faiz, exchanged maps marked with their respective claims over the marshy area as well as the maritime boundary. The two sides also explained the basis for their respective claims on the boundary. The officials on both sides have now presented the outcome of their talks to their respective governments with

their recommendations. In fact, the officials believe that a resolution on Sir Creek will clear the way for the Indian Prime Minister's visit to Pakistan which has been due for a long time. Dr. Singh has made it clear that unless there is a notable breakthrough on any of the contentious issues, he would not like to waste such an important opportunity.

Tulbul Navigation Project/ Wullar Barrage

The Tulbul Navigation Project located on the Jhelum river in Jammu and Kashmir has been the bone of contention between both the countries since 1984 when India proposed to build a barrage at the mouth of Wullar lake, near Sopore town in the Kashmir Valley. However, Pakistan alleged that the construction of a barrage would impede the flow of water to Pakistan. Moreover, in its opinion, it also constituted a violation of the Indus Water Treaty, 1960. India refuted these allegations and claimed that construction of the barrage would make the river navigable in summer.

Pakistan went to the Indus Water Commission in 1986, but failed to prove its case. Following this, India immediately stepped up construction on the project. So far, both sides have held more than ten rounds of talks on the issue, with the last three rounds held under the aegis of the composite dialogue. However, nothing substantial has been achieved. The last round of dialogue on the issue was held at Islamabad between 22-23 June 2006. The two sides agreed to continue discussions during the next round of composite dialogue with a view to resolving the issue in accordance with the provisions of the treaty.

More important for both sides was the Baglihar dam project in which they had locked their horns. Pakistan claimed that India's construction of the run-of-the-river

project on the Chenab river was a violation of the Indus Water Treaty. After failing to resolve their differences through negotiations, Pakistan raised the matter in the World Bank, which appointed Professor Raymond Lafitte, a Swiss civil engineer as adjudicator. In his verdict in February 2007, Lafitte partially upheld Pakistan's objections. Both the countries have since then agreed to abide by Lafitte's verdict. The compromise on this front is expected to impact the discussions on the Tulbul navigation project/ Wullar Barrage. During the meeting with Mukherjee, Pakistan is also expected to raise some of the other violations of the treaty.

Drug Trafficking

Illegal trafficking of narcotics constitutes a major concern in the bilateral relationship. Both sides resumed dialogue on the issue on 10-11 August 2004. In that meeting, both the sides discussed the modalities of sharing information and increasing cooperation between Narcotics Control Authorities of the two countries and agreed to sign a Memorandum of Understanding (MoU) to institutionalise cooperation in this area. In July 2007, officials of both the countries reiterated their commitment.

Despite these efforts however, the situation has indeed worsened. The annual report for the year 2007, released by the International Narcotics Control Bureau has indicated that the quantity of heroin entering India from Pakistan has increased. The law enforcement agencies in the north-western parts of India have seized ever-increasing quantities of heroin, originating in Afghanistan and Pakistan. Not only this, the report also goes on to say that India is increasingly becoming a transit hub for drug trafficking from Afghanistan and Pakistan to Bangladesh and other Southeast Asian countries. The

establishment of a regional police agency on the lines of Interpol, as suggested in the 7th SAARC Conference on cooperation in police matters therefore, is expected to boost the bilateral and regional efforts in analysing and monitoring narcotics trafficking and other drug-related offenses.

Economic and Commercial Cooperation

On the trade front, both sides are stuck on the South Asia Free Trade Area (SAFTA). The figures for the year 2007 show that bilateral trade stood at \$ 1.7 billion. The balance of trade remains in India's favour. Pakistan has made it clear that it will operationalise SAFTA in concurrence with its existing bilateral trade policy. This implies that Pakistan-India trade continues to be conducted on the basis of the 'positive list' which allows only 1078 items to be imported from India. Moreover, Pakistan has not yet given India the Most Favoured Nation (MFN) status which India extended to Pakistan several years ago. Under these circumstances, realising the ambitious target of \$ 10 billion of bilateral trade would be a gargantuan task. The continued denial of MFN status to India by Pakistan however, has frustrated Indian officials. Recently, India's Commerce Minister Kamal Nath warned Pakistan that India may be compelled to withdraw trade concessions given to Pakistan if Islamabad fails to reciprocate. The ascension of the new government is expected to resolve the issue. The statements made by Zardari on Kashmir and trade issues are expected to set the tone for greater bilateral trade.

Yet not everything is grim on this front. In October 2007, a landmark development in bilateral trade took place when sixty years after their independence, both countries allowed cargo trucks to carry

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goods into each other's territories. As per the agreement between both the countries, trucks from either side will be allowed to cross the international border and upload their cargo at the customs house office of the other country. This route is expected to mainly benefit agricultural products, as currently, only perishable items are allowed on this route. Also, in recent times, both countries have opened banks on each other's territories. The National Bank of Pakistan is set to open its first branch in India. The Reserve Bank of India has already proposed the names of the State Bank of India and Bank of India for opening branches in Pakistan.

Another important milestone in the bilateral commercial cooperation has been the 2,600 kilometer-long Iran-Pakistan-India gas pipeline. In recent years, since the proposal originated, there has been much talk of this project having the potential to bridge the bilateral trust deficit. However, the regional-international political situation pertaining to Iran, domestic upheaval in Pakistan, and India's uncertain outlook on the issue, prevented any progress on the issue. But of late, there has been movement on this front. Earlier, India had asked Pakistan to resolve the transit fee issue first, to ensure the safety of the pipeline. India had offered a rate of \$ 0.15 per million British Thermal Unit (mBtu), as against the Pakistani demand of 0.493 per mBtu. Recently, both the countries agreed to resolve the issue. Technical teams from both countries met in the month of April in Islamabad to thrash out the details. Further meetings were held by the Indian Petroleum Minister Murli Deora and his Pakistani counterpart Khwaja Asif on 25 April, where both countries agreed in principle on matters such as the formation of a structure committee, transit fee and tariffs relating to the pipeline. Both the sides have also agreed to complete the

project, which is expected to cost \$ 7.5 billion, by 2012. The spill-over of the goodwill from this front to other projects, has resulted in India becoming a formal partner in the Turkmenistan-Afghanistan-Pakistan-India gas pipeline project. This pipeline, funded by the Asian Development Bank, is expected to give India 45 million cubic meters per day of gas.

Many also believe that the thrust of the bilateral trade negotiations should be on bringing in unofficial trade within the ambit of official trade. Some studies also suggest reducing the transaction costs of trading between both countries as a way forward.

Promotion of Friendly Exchanges

People-to-people interaction between the two countries has grown tremendously. The opening of bus services and train routes have given more opportunities for people to meet their loved ones across the border. This flow has not stopped despite terrorist events such as the bomb blast in the Samjhauta Express and assassination of former Pakistani Prime Minister Benazir Bhutto. The visits of leaders and civil society members between both countries have contributed a great deal in relaxing the tensions. In particular, the emphasis of both governments to facilitate more exchanges in the fields of sports, arts and culture are expected to go a long way in furthering the peace process.

Conclusion

Much has been achieved in the composite dialogue so far. Yet, many more CBMs can be initiated to lend momentum to the peace process. The issue of the hundreds of Indian and Pakistani prisoners who continue to languish in prisons on either side is one such example. Their release will create significant goodwill among

the people on both sides. Also, the relaxation of the visa regime will contribute immensely to facilitate greater people-to-people contact. The willingness of the new government to keep aside the Kashmir issue and work on other aspects of the peace process definitely implies an attempt to address the 'trust deficit' and move from mere CBMs to actual conflict-resolution.

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