



Member of the European Parliament

Thursday 3rd March 2016

Dear High Representative/Vice President,

We are writing in our capacity as friends of Kurdistan in the European Parliament regarding the pressing financial problems facing the Kurdistan Regional Government of Iraq.

Since the ISIS offensive in Iraq in June of 2014 the Kurdish Peshmerga forces under the control of the Kurdistan Regional Government have taken a lead in defending their constitutionally defined autonomous region and further parts of Northern Iraq. Their troops are now defending a border against ISIS that stands at just over one thousand kilometres. In addition to the heavy burden of these military requirements the region is also hosting over two million persons of refugee and IDP status.

As has been much publicised, relations between the regional government and the central government in Baghdad have been strained, particularly regarding finance, disputes often centring on the pooling of oil revenues and the transfer of funds allocated to the KRG as defined by the constitution. These disputes have led to the KRG being far more heavily dependent on oil revenues as opposed to central funds for the funding of government expenditure.

The recent collapse in the price of oil has put huge strains on such resources and is making it impossible for the government to meet all of its funding commitments. This is particularly concerning when it comes to the salaries of Peshmergas and the allotting of resources to refugees and IDPs.

We understand that these concerns have been put to you directly by President Barzani but we are keen, as parliamentarians, to underscore our concern at the situation and to underline our belief that the EU and its Member States must offer financial assistance where possible, particularly by means of development aid. Any disruption to the Peshmergas' ability to fight ISIS and defend its border, as well as the Government's ability to support its hosting of refugees and IDPs would be of serious detriment to our interests and policy objectives in Europe.

Whilst we appreciate that concerns exist within Member State Governments regarding the ongoing impasse on the issue of President Barzani's mandate and the need for more active and effective action from political forces to fight against corruption in the region, we believe that these issues cannot distract us from recognising the important role played by the Peshmergas and the humanitarian needs of the refugees and IDPs as described above.

Any initiatives that you could support would be of interest to us and we look forward to further news and engagement on these matters. We would also hope that you would see fit to raise this very important issue in the Foreign Affairs Council, as is your prerogative as High Representative.

Yours faithfully,

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