

United States Senate

WASHINGTON, DC 20510

February 12, 2016

Dear Secretary Kerry:

We are writing to encourage the State Department to enhance its efforts to engage with American allies in Baghdad and the broader Middle East to secure appropriate financial resources for the Kurdistan Regional Government (KRG) in Iraq as it continues to host and care for hundreds of thousands of refugees and Internally Displaced Persons (IDPs) and take the fight directly to the Islamic State of Iraq and Syria (ISIS) on the ground.

As you know, more than four million Syrians have fled their homeland since 2011. According to the KRG, the Kurdistan Region of Iraq currently hosts over 1.6 million refugees and IDPs, including Christians and other religious and ethnic minorities. Moreover, it has been estimated that the vast majority (approximately 97%) of the Syrian refugees in Iraq reside in the Kurdistan Region. As a result, in August 2014, the UN designated the humanitarian crisis in Iraq a “Level 3 Emergency”—the highest level of emergency.

Meanwhile, the KRG’s fighting force—the Peshmerga—continue to serve as one of our most capable, steadfast, and loyal allies in the war against ISIS. Currently, the Peshmerga is defending a 600-mile border with the terrorist group, and in mid-November the Peshmerga, along with Yazidi militias, re-took the ISIS-held city of Sinjar after its residents faced unspeakable crimes at the hands of ISIS for over a year.

As reported by the *Wall Street Journal* in December, “the World Bank has warned that the KRG is desperately in need of a \$2.4 billion bridge loan to remain afloat” and “is facing economic collapse.”¹ The KRG relies on the Iraqi central government in Baghdad to provide its share from the federal budget, but only about \$2 billion of the \$12 billion per year owed by Baghdad was released to the KRG in 2015.² Meanwhile, although the KRG and the refugees and IDPs that it hosts have received support from allied governments and international organizations, both the refugee crisis and the battle against ISIS have exacted a heavy financial burden on the KRG. Confronted with the loss of expected fiscal transfers from Baghdad, a funding shortfall, the refugee and IDP crisis, and the war on ISIS—the KRG cannot maintain its current level of contribution and open-door policy without putting the safety and welfare of the population of the Kurdistan Region of Iraq and the stability of the region at risk. In fact, according to the KRG, their government is already unable to pay the salaries of all of its Peshmerga forces due to the increased economic strain brought by support to refugees and displaced persons.

Despite these fiscal challenges, the character of the Iraqi Kurdish people is an example for others in the region to follow. The U.S. Government must enhance its efforts to work with the KRG, the Iraqi central government in Baghdad, and our international allies to ensure that the KRG receives

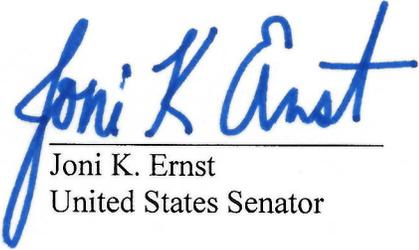
¹ <http://www.wsj.com/articles/stingy-baghdad-harms-the-isis-fight-1450645423>

² *Id.*

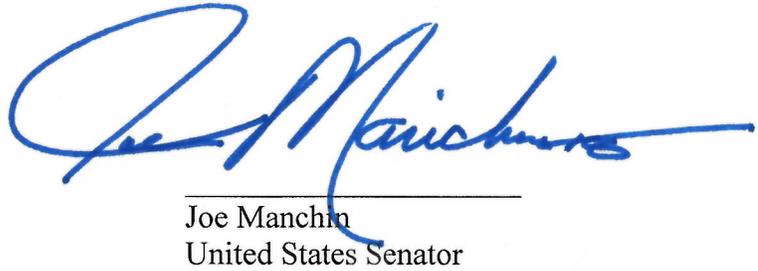
the financial resources it needs to continue to support those fleeing ISIS terror and to defend its territory against ISIS.

We appreciate your attention to this matter and look forward to working with you on this important issue.

Sincerely,



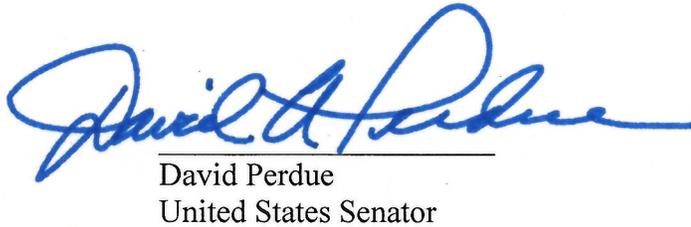
Joni K. Ernst
United States Senator



Joe Manchin
United States Senator



M. Michael Rounds
United States Senator



David Perdue
United States Senator