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## A REVIEW OF 2020 AND EXPECTATIONS FROM 2021: KRG

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## A REVIEW OF 2020 AND EXPECTATIONS FROM 2021: KRG

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## INTRODUCTION

**T**he year 2020 added new problems to the ongoing problems of the Iraqi Kurdish Regional Government (KRG) that had been started in previous years. Talks on the issues between the federal and regional governments continued with Baghdad, with whom relations embarked on a normalization path in 2018 following the KRG's unilateral independence referendum in 2017.

Iraqi Prime Minister Adil Abdul-Mahdi submitted his resignation to the Iraqi Parliament on 29 November 2019 due to the anti-government protests in Iraq. The Parliament accepted the resignation on 1 December 2019. The absence of a fully authorised prime minister and cabinet for almost seven months until Mustafa al-Kadhimi took office after the confidence vote on 6 May 2020 prevented the two governments from concluding talks with a concrete outcome.

The governmental crisis in Iraq, which ended with the beginning of Kadhimi's term and the formation of the cabinet, led to dissidence among the Kurdish political parties and to the determination of different positions by the Kurdish parties in central politics. There was even a dispute over the position quotas which were created on a continuing basis with the introduction of the new system in 2005 for the posts which also include the ministries in Iraq. Indeed, the nomination of former KRG President Mesud Barzani's General Secretary Fuad Hussein<sup>1</sup> by the Kurdistan Democratic Party (KDP) for the Iraqi presidency, for which the Patriotic Union of Kurdistan (PUK) had been nominating a candidate (Jalal Talabani and Fuad Masum) since 2005, was a sign of the dissidence that would later emerge between the parties. It can be said that the split between the Kurdish political parties, in particular the

<sup>1</sup>"Barzani announces KRG candidate for Iraqi presidency", *Anadolu Agency*, 24 September 2018.



**The nomination of former KRG President Mesud Barzani's General Secretary Fuad Hussein by the Kurdistan Democratic Party (KDP) for the Iraqi presidency, for which the Patriotic Union of Kurdistan (PUK) had been nominating a candidate (Jalal Talabani and Fuad Masum) since 2005, was a sign of the dissidence that would later emerge between the parties.**

KDP and the PUK, has damaged the united Kurdish front in central politics. However it can also be said that the split in central politics among the Kurdish political parties is not only due to a dispute over the distribution of positions in Baghdad, but also to the influence of financial crisis in the KRG that is affecting the central politics.

The continuation of the financial crisis due to falling oil prices and to the budget dispute between Baghdad and Erbil, as well as the emergence of social movements such as protest demonstrations, is shedding light on the developments that could be witnessed in the KRG in 2021. We need to examine the present state of relations between Baghdad and Erbil, the increase in conflicts between the KDP and the terrorist organization PKK after the Sinjar deal, the pressure of the financial crisis on the KRG, the protests in the governorates of Sulaymaniyah and Dohuk, the attempt to create a Sulaymaniyah-based region and the bilateral relations between Turkey and the KRG so that the forecasts match the reality in the region.

## **BAGHDAD-ERBIL RELATIONS**

No concrete output could be achieved in the talks between Baghdad and Erbil owing to the fact that Adil Abdul-Mahdi was an "interim prime minister" until May 2020 and, therefore, the powers of the ministers were limited to "taking care of the daily affairs of the ministry" due to the resignation of the Prime Minister. Nevertheless, the KRG agreed to transfer 250 thousand barrels per day from its oil production to the SOMO (State Organization for Marketing Oil) in exchange for Baghdad paying the salaries of civil servants in the KRG from the federal budget.<sup>2</sup> Under the agreement, Baghdad announced that it would allocate USD 900 million from the budget to fund the salaries of civil servants in the KRG.<sup>3</sup> But Baghdad ceased paying the salaries in May because, despite this agreement, the KRG neither transferred the corresponding oil revenues to Baghdad nor paid the salaries transferred by Baghdad to civil servants.<sup>4</sup> It was alleged that the KRG used the funds transferred by Baghdad for the payment of wages to settle the KRG's debts to multinational oil companies. KRG Planning Minister Dara

<sup>2</sup> "Iraqi parliament approves 2018 budget of \$88 billion", *TRT World*, 3 March 2018.

<sup>3</sup> "What is the fate of Baghdad-Erbil's oil-for-budget agreement amid ongoing protests?", *Al-Monitor*, 12 December 2019.

<sup>4</sup> "Iraq cuts federal budget from KRG, Kurds defy it as political", *Al-Monitor*, 5 May 2020.

**The crisis continued as the agreement to maintain the KRG's share of the budget in exchange for delivering the revenue of 250 thousand barrels of oil per day to the federal government, which had been agreed upon through diplomatic channels since 2014, did not come into effect.**

Rashid Mahmud, a member of the PUK, even announced that "the KRG is ready to hand over the entire oil revenues to Baghdad, in addition to delivering 250 thousand barrels of oil, provided that salaries are paid regularly."<sup>5</sup> Mahmud's statement concretely showed that there was not only a division between the Kurdish political parties, but also between the parties within the KRG government.

While divisions between the parties were deepening, Kadhimî first visited Erbil about three months after taking over the prime minister's seat. We can say that the aim was to give a new impetus to the talks through a high-profile visit, considering that the visit coincided<sup>6</sup> with the talks of the KRG delegation in Baghdad on oil revenues and the budget. Prime Minister Kadhimî's visit to the Ibrahim Khalil border crossing (Habur border gate), located within the borders of Dohuk, and Sulaymaniyah, in addition to Erbil, indicated that revenues and the control of border gates were also the subject of the talks. After this visit, it was indeed announced that half of the KRG's income from border gates would be transferred to Baghdad.<sup>7</sup> Indeed, the payment of the budget share was reinstated in August before

Kadhimî's visit. However, neither the KRG stopped cutting the salaries of civil servants nor a regular payment schedule could be presented.

It was announced that an agreement on the budget was reached between Erbil and Baghdad to end the financial crisis in the KRG. But the crisis continued as the agreement to maintain the KRG's share of the budget in exchange for delivering the revenue of 250 thousand barrels of oil per day to the federal government, which had been agreed upon through diplomatic channels since 2014, did not come into effect. Owing to the problems caused by the financial crisis in the KRG, KRG President Nechirvan Barzani said: "If Baghdad agrees to give the KRG 900 billion Iraqi dinars (about USD 750 million) per month, let it take all the oil."<sup>8</sup> However, in the aftermath of the KRG's unilateral independence referendum in contravention of the Iraqi constitution, it is fair to say that the sense of distrust of Iraqi political parties towards the KRG continues. On the other hand, the announcement by the Iraqi Ministry of Oil that the oil revenues were not transferred to Baghdad continues to cause distrust despite President Barzani stating that the "KRG government has

<sup>5</sup> "Oil-for-budget war reignites between Erbil and Baghdad", *Rudaw*, 26 April 2020.

<sup>6</sup> "Kadhimî lands in Kurdistan amid Baghdad budget talks", *Rudaw*, 10 September 2020

<sup>7</sup> "Baghdad – Erbil revenue deal back on track", *Iraq Oil Report*, 17 August 2020.

<sup>8</sup> "Barzani: Eđer Bağdat aylık 750 milyon dolar vermeyi kabul ediyorsa buyursun bütün petrolü alsın", *Euronews*, 15 November 2020.

no problem delivering oil to Baghdad. The KRG Prime Minister conveyed to Baghdad a written document confirming that there was no problem. We are ready to fulfil this request also in the future"<sup>9</sup>. On this account, it is fair to say that the initiative lies on the side of the KRG to restore trust between Baghdad and Erbil as it was before 2014, and this could be possible through the delivery of oil sales revenues to the federal government.

Despite these developments, the salary crisis, the reason for which the KRG explained as the lack of regular fund transfers from Baghdad, has reinforced the vulnerabilities in the KRG and caused the KDP, the PUK and the Gorran (Change) Movement to take different positions within the KRG government. Therefore, the parties are trying to open alternative channels of negotiation with Baghdad in addition to the political channels of the KRG.<sup>10</sup> The differentiation in positions of the KRG-based parties has not only hindered the formation of a united Kurdish front in Baghdad, but also raised questions about the future of the KRG government. On the other hand, the early elections to the Iraqi parliament, expected on October 2021, could further exacerbate the divisions among the Kurdish political parties and prepare a suitable ground for the parties to leave the channels between the regional and federal governments and adopt specific budgetary arrangements for the regions where they are effective.

## FINANCIAL CRISIS

After the terrorist organization ISIS captured the major cities in Iraq in 2014 and got into a position to directly threaten Baghdad and Erbil, both the federal and regional governments have increased their defence budgets. Since mid-2014, oil prices have fallen due to an increase in US oil production, a decline in geopolitical concerns and a change in OPEC (Organization of the Petroleum Exporting Countries) policy.<sup>11</sup> The decline in oil<sup>12</sup> prices, which account for a large part of Iraq's budget revenues, increased the country's economic burden. As a result, the budget earmarked for infrastructure and investments throughout the country was stopped. But when Iraqi Prime Minister Haider al-Abadi announced that the military presence of the terrorist organization ISIS in the country had ended<sup>13</sup> at the end of 2017, expectations were raised that the period of reconstruction and investment would begin again. However, there was a free fall in oil prices as Saudi Arabia and Russia reciprocally increased their oil supply after March 2020.<sup>14</sup> This also affected Iraqi oil prices, like the price drop between 2014 and 2016. Consequently, the envisaged reconstruction process was interrupted and the implementation of new investments on the site was stopped as the funds necessary for ongoing investments could not be made available.

<sup>9</sup> Ibid.

<sup>10</sup> "PUK and Change Movement: KRG delegation to visit Baghdad and resolve budgetary issue", *PUK Now*, 29 November 2020.

<sup>11</sup> Marc Stocker, John Baffes and Dana Vorisek, "What triggered the oil price plunge of 2014-2016 and why it failed to deliver an economic impetus in eight charts", *World Bank Blogs*, 18 January 2018.

<sup>12</sup> Robet Tollast, Yaser Al-Maleki and Harry Istepanian, "Iraq's 2019 Draft Budget Law: A Turning Point in Iraq's Reconstruction?", *Iraq Energy Institute, Publication Number: IEI291018*, 29 October 2018.

<sup>13</sup> "Iraq declares final victory over Islamic State", *Reuters*, 9 December 2017.

<sup>14</sup> George Calhoun, "The Saudi-Russia Oil Price War: Historic Blunder #1", *Forbes*, 3 January 2020.



Hence, both the dynamics in Iraq and the developments at the global level have exerted a direct impact on the Iraqi economy. Moreover, the state of the economy during this period could not respond to the demands of the younger generation who did not remember the era of the Baath regime and wanted to enter the workforce after completing their education. This caused the spread of social protests throughout the country, with the participation of unemployed and educated young people. It can be said that the problems in Iraq, in particular the economic ones, have led to a loss of interest in political processes, considering the low voter turnouts, which were 44.5%<sup>15</sup> and 51.4%<sup>16</sup> in the Iraqi and KRG parliamentary elections in 2018, respectively. The inability of people to express themselves through political channels paves the way for them to turn to alternative channels to make their reactions known. Social movements and demonstrations could increase as

the financial crisis continues, preventing the regular payment of salaries.

## DEMONSTRATIONS AND THE DISCUSSIONS ON THE SULAYMANIYAH REGION

Civil servants affected by the salary crisis due to ongoing financial problems in Iraq and the KRG staged several protest demonstrations in the region. Both the teacher-led demonstrations in Dohuk in May 2020 and the demonstrations held by Turkish truck drivers in August over the cessation of the application for the transfer of their goods in the border region were suppressed by the security forces with the use of force. Demonstrations in the KDP-controlled provinces were stopped and did not continue further as result of the asymmetric use of force by the security forces. The course of the demonstrations that began in the Sulaymaniyah governorate on 2 December 2020, however, was different.



A group gathered in Sulaymaniyah province of Iraq protested the KRG government.

<sup>15</sup> Feyzullah Tuna Aygun, "The Vote of Confidence Test of Mustafa al-Kadhimi", *Center for Middle Eastern Studies (ORSAM)*, 27 April 2020.

<sup>16</sup> Resolution Number 63 of the KRG's Independent High Electoral and Referendum Commission.

The Gorran Movement and the New Generation Movement were observed participating in the demonstrations in Sulaymaniyah, where allegedly the PUK prevented the asymmetric intervention of the security forces.

The Gorran Movement and the New Generation Movement were observed participating in the demonstrations in Sulaymaniyah, where allegedly the PUK prevented the asymmetric intervention of the security forces. The reason given for the outbreak of demonstrations in Sulaymaniyah was similar to that in Dohuk, namely the non-payment of wages. Demonstrations were also held in other districts of Sulaymaniyah following the demonstrations in the central district on 2 December 2020.<sup>17</sup> The course of the demonstrations in the districts of Said Sadiq, Chamchamal, Bejween, Kalar, Sharazoor, Darbandikhan and Raniyah in Sulaymaniyah changed and the buildings of political parties and local administrations were targeted by demonstrators. Parallel to the above events, the security forces increased the dose of violence in disrupting demonstrations. It can be said that the PUK had intended to solve the salary crisis by using demonstrations as leverage against the KDP and Baghdad, but then changed its attitude towards demonstrations after attacks on PUK buildings.

The PUK's desire to strengthen its control over Sulaymaniyah

and Aleppo, as well as the desires of the Gorran Movement and the New Generation Movement to remain permanently in the region, led to demonstrations and debates on paving the way for the creation of self-government in Sulaymaniyah and a federative region for later. Indeed, a commission for establishing self-government was set up in the Sulaymaniyah Provincial Assembly on 30 April 2020. The existence of a nine-member commission with three members each from the Gorran Movement and the PUK, and one member each from the Democracy and Justice Coalition, the Yekgirtu and the KDP, and especially the fact that the Gorran Movement and the PUK are in the KRG government, paves the way for increasing the autonomy of the Sulaymaniyah governorate, including Halabja, in the KRG: it also catalyses the formation of another federative entity despite the opposition of the KDP.<sup>18</sup> However, with the shift in the distribution of power in the KRG in favour of the KDP, the KDP indirectly has a say in Sulaymaniyah where it is not strong. The KDP, by using its weight in the federative government, even has the power to veto decisions although it is only represented by three MPs in the

<sup>17</sup> "Iraqi leader calls for end to violence in Sulaymaniyah protests", *Aljazeera*, 8 December 2020.

<sup>18</sup> Feyzullah Tuna Aygun, "Süleymaniye'de 'Öz Yönetim' ve Bölgeleşme Tartışmaları", *Center for Middle Eastern Studies (ORSAM)*, Report Number 16, July 2020.



Iraqi central government and KRG officials announced that they have started to implement the agreement that will end the PKK's presence in Mosul's Sinjar district.

32-seat Sulaymaniyah Provincial Assembly.<sup>19</sup> The PUK and the Gorran Movement have difficulties in making decisions at the local level because of the veto power of the federative government, despite having a majority of 23 out of 32 seats to pass decisions in the provincial assembly.

In conclusion, the demand for self-government aims to strengthen the influence of the political parties based in Sulaymaniyah by freeing Sulaymaniyah from the control of the KRG government. On the one hand, the demand for self-government and the payment of salaries directly through Baghdad or the sending of the budget directly from Baghdad to Sulaymaniyah is expected to become a popular demand in line with the social dynamics of the demonstrations. This may lead the parties based in Sulaymaniyah to allow or even support the demonstrations as long as they do not take an "anti-system" course in the local sense.

## SINJAR DEAL

Yezidis, who were left defenceless against the ISIS terrorist group when the Peshmerga forces withdrew from the Sinjar district of the Nineveh governorate, were forced to leave the region where they had been living since August 2014 because of the massacres they suffered. In Sinjar, the YPG, the Syrian offshoot of the terrorist organization PKK, created a corridor to allow Yezidis, who had to leave their homes after ISIS took control, to flee the region. The ISIS presence in Sinjar was ended in November 2015 by the operation organized by the "Sinjar Alliance," in which Peshmerga forces and the Sinjar Resistance Units (YBS), an offshoot of the PKK formed by Yezidis, participated.<sup>20</sup> At that moment, the PKK took advantage of this power vacuum and settled in the district centre of Sinjar and on Mount Sinjar.<sup>21</sup>

In January 2016, the terrorist organization PKK announced that it would declare Sin-

<sup>19</sup> Feyzullah Tuna Aygun, "Süleymaniye'den Yükselen "Öz Yönetim" Talepleri" Middle East Analysis, July-August 2020, Volume 11, Issue 94, *Center for Middle Eastern Studies (ORSAM)*.

<sup>20</sup> "Battle for Sinjar: IS-held town in Iraq 'liberated'", *BBC*, 13 November 2015.

<sup>21</sup> "Sinjar'a hava harekati", *Aljazeera*, 25 April 2017.

**The agreement required the federal security forces to take control of the district and all armed groups to leave the region after the administrative posts in Sinjar were renewed.**

jar a canton in order to form a "self-government" in Sinjar.<sup>22</sup> The PKK then formed a local government in Sinjar by establishing a structure called the Assembly for Construction.<sup>23</sup> Thus, the district was divided into two areas, one controlled by the KDP and the other by the PKK. On the other hand, administrative posts in Sinjar were filled following the deployment of security forces of the federal government to the district after 16 October 2017. Among the appointees, the presence of people who served in the YBŞ and the Sinjar Assembly for Construction showed the concrete relationship between the federal government and the PKK.

The presence of the terrorist organization, the PKK, however, has provoked reactions from both the federal and regional governments. Accordingly, the KRG government and the KDP, the main actor in the KRG government, reached an agreement on the status of Sinjar through negotiations with the federal government. The agreement primarily proposed the election of a new district governor to be adopted by both Baghdad and Erbil and then the making of necessary changes in administrative positions in the district. The agreement required the federal

security forces to take control of the district and all armed groups to leave the region after the administrative posts in Sinjar were renewed. As per this agreement, a group of 2,500 people, including 1,000 Yezidis in Sinjar and 1,500 Yezidis in camps, would be armed to form a local security force subordinated to Baghdad in the Sinjar district.<sup>24</sup> We can say from this point of view that Baghdad and Erbil tried to create a suitable ground for the return of Yezidis, who were still in migration, to their homeland.

The provisions of the agreement on Sinjar also stipulate an end to the presence of the terrorist organization PKK in the district. The terrorist organization declared the agreement reached on the status of Sinjar, a transitional zone between the PKK presence in northern Syria and the regions in Iraq with PKK presence, such as Qandil and Makhmour, "unacceptable". The presence in Sinjar is vital for the PKK, whose radius of action is limited as a result of the Operation Claw conducted by Turkey in northern Iraq.

On the other hand, the KDP's activities outside Erbil and Dohuk have been largely curtailed as the federal security forces took control in the Nineveh

<sup>22</sup> "PKK declares so-called 'autonomy' in Peshmerga-controlled Shingal", *Kurdistan 24*, 20 August 2017.

<sup>23</sup> Bilgay Duman, "Dimensions of PKK Threat in Iraq", *Center for Middle Eastern Studies (ORSAM)*, 26 September 2016.

<sup>24</sup> Agreement on Sinjar Article 2(2).



The increasing PKK aggressiveness in Iraq and the KRG raises awareness of and reaction against the terrorist organization among both the Iraqi and KRG publics.

governorate from the terrorist organization ISIS and took over security services in the disputed areas from the KRG-affiliated forces on 16 October 2017.<sup>25</sup> In this sense, we can say that the KDP wants to operate politically in Nineveh again, while Baghdad wants to establish sovereignty in Sinjar by ending the existence of the terrorist organization PKK, which pushes the PKK to increase its actions that threaten the territorial integrity of Iraq.

### KDP-PKK CONFLICT

Operations Claw-Eagle and Claw-Tiger were organized in 2020 as a continuation of the Operation Claw<sup>26</sup> launched by the Turkish Armed Forces on 28 May 2019. The terrorist organization PKK has tended to increase its activities in Iraq due to the tensions between the KDP-PUK and the PKK in the Zini Verde region between the governorates of Erbil and Sulaymaniyah, the limitation of its radius of action by Turkey's operations and the agreement inked between Baghdad and Erbil on the status of Sinjar. Thus, the tension concretised with Zini Verde has turned into a growing conflict with the agreement on Sinjar. Indeed, the assassination of Ghazi Salih Ilhan, the security director of the Serzer border crossing

and a former Peshmerga, by the PKK just one day after the signing of the agreement was an example of the growing tension.<sup>27</sup>

The deployment of new Peshmerga forces by the KRG in the areas with PKK existence in the Dohuk governorate due to the PKK's attacks on the oil pipelines were to relieve the pressure on it because of its limited radius of action and made the terrorist organization even more aggressive. There could be further PKK attacks against KDP-affiliated Peshmergas, similar to the one in which a Peshmerga was killed.<sup>28</sup> The PKK may turn to sensational actions such as the assassination of Osman Kose, a Turkish diplomat, in Erbil on 17 July 2019, in addition to attacks on federal and regional security forces after reaching an impasse in Turkey and coming under pressure in Iraq.

On the other hand, the increasing PKK aggressiveness in Iraq and the KRG raises awareness of and reaction against the terrorist organization among both the Iraqi and KRG publics. Both the public and the local political parties reacted to the participation of the members of the PKK in the demonstrations held in the Sulaymaniyah governorate and their efforts to turn

<sup>25</sup> "Iraq takes disputed areas as Kurds 'withdraw to 2014 lines'", *BBC*, 18 October 2017.

<sup>26</sup> "Turkey launched counter-terror operation in north Iraq", *Anadolu Agency*, 28 May 2019.

<sup>27</sup> "What to know about tensions between Iraq's KRG and PKK", *TRT World*, 2 November 2020.

<sup>28</sup> "One reported dead in fight between Kurdish groups in Iraq", *Al-Monitor*, 14 December 2020.



It can be said that the main item in Turkey-KRG relations in 2020 were security matters and cooperation in the fight against terrorism, but the potential for economic cooperation came second on the agenda after security.

the demonstrations from a protest against the financial crisis and the lack of public services into an anti-system protest. KRG Prime Minister Masrour Barzani's statement that the PKK was not withdrawing from Sinjar<sup>29</sup> and KRG President Nechirvan Barzani's statement reacting against the PKK presence in the KRG<sup>30</sup> are concrete examples of the KRG authorities' increasing reaction to the PKK. So, we can say that the fact that the terrorist organization PKK is a concrete threat not only to Turkey but also to Iraq and the KRG is now better understood.

## TURKEY-KRG RELATIONS

KRG President Nechirvan Barzani and KRG Prime Minister Masrour Barzani paid visits to Turkey in the last months of 2019. Foreign Minister Mevlut Cavusoglu spoke on the phone with both President Barzani and Prime Minister Barzani before his one-day visit to Baghdad in early 2020.<sup>31</sup> This showed that Turkey-KRG relations would gain momentum in 2020, as would Turkey's relations with Iraq. Minister Cavusoglu and President Barzani held their first face-to-

face meeting of the year in Davos, Switzerland, on the occasion of the 50<sup>th</sup> World Economic Forum. After the closed-door meeting, it was announced that Turkey would continue to stand in solidarity with Iraq, that Iraq's integrity needed to be protected and that Turkey would continue to support Iraq's stability.<sup>32</sup>

High-level face-to-face talks came to a halt after this meeting as the outbreak caused by a new type of coronavirus (Covid-19) gained momentum. However, with the start of the new normal practices, President Barzani came to Istanbul and was received by President Erdogan.<sup>33</sup> After this meeting, a meeting between Minister Cavusoglu and Barzani took place in Ankara. Reactions against the presence of the terrorist organization PKK in the KRG were voiced after the meeting. Minister Cavusoglu's statement that "the worst enemies of the Kurds are the PKK, the YPG and terrorist organizations. Our Kurdish brothers should make the greatest contribution to the fight against them. We say everywhere what is necessary to preserve the rights of our Kurdish brothers, but we must also fight together against

<sup>29</sup> "Barzani: PKK, Sincar'dan çekilmedi", *TRT News*, 9 December 2020.

<sup>30</sup> "IKBY Başkanı Barzani'den Türkiye'nin SiHA'larına övgü: Hedefleri çok kolay tespit edebiliyorlar", *Anadolu Agency*, 20 April 2020.

<sup>31</sup> "Dışişleri Bakanı Çavuşoğlu'ndan IKBY yöneticilerine 'Irak'ın yanındayız' mesajı", *Anadolu Agency*, 10 January 2020.

<sup>32</sup> "Minister Cavusoglu met with KRG Prime Minister Nechirvan Barzani", *Anadolu Agency*, 21 January 2020.

<sup>33</sup> "Erdogan received KRG President Barzani", *Sputnik News*, 4 September 2020.



President of the Republic of Turkey, Recep Tayyip Erdogan meets with the KRG President Nechirvan Barzani.

**Tensions over resource sharing between Baghdad and Erbil due to falling oil prices and the financial crisis are also leading to disputes over the sharing of scarce resources between Erbil and Sulaymaniyah at a secondary level.**

the terrorist organization. We discussed these during Nechirvan's visit"<sup>34</sup> is an example of how important security and the fight against terrorism are in relations between Turkey and the KRG.

From this perspective, it can be said that the main item in Turkey-KRG relations in 2020 were security matters and cooperation in the fight against terrorism, but the potential for economic cooperation came second on the agenda after security. It is worth noting that the KRG has the largest share in Turkey's exports to Iraq worth USD 9 billion, with a 70% share in imports from Turkey to Iraq and an 80% share in Turkish contracting services provided in Iraq, according to 2019 figures.<sup>35</sup> The increase in trade volume from USD 12.2 bil-

lion in 2019 to USD 18 billion in 2020<sup>36</sup> can also be seen as an increase in imports into the KRG from Turkey.

## **FORECASTS FOR 2021**

The military operations targeting the territorial domination of the terrorist organization ISIS in Iraq and the associated increase in defence budgets continue to have financial implications for both Baghdad and Erbil. In addition, the budget deficit is increasing further due to falling oil prices, and the dispute between Baghdad and Erbil over the sharing of limited resources is affecting the payment of civil servants' salaries, fundamentally affecting social life and leading to the creation or expansion of social movements. So, we can

<sup>34</sup> "Cavusoglu: If Greece is confident in itself, then it sits at the table", *Sputnik News*, 8 September 2020.

<sup>35</sup> "Iraq Country Profile", *Republic of Turkey Ministry of Trade, Directorate General for Representations in Foreign Countries and International Activities*, 2020.

<sup>36</sup> Ibid.

say that the difficulties in paying civil servants' salaries will remain the KRG's Achilles' heel in 2021. We can also assess that protests similar to those in Dohuk and Sulaymaniyah, for which economic reasons were cited as the starting point, may also take place in 2021 if the financial crisis is not resolved.

Tensions over resource sharing between Baghdad and Erbil due to falling oil prices and the financial crisis are also leading to disputes over the sharing of scarce resources between Erbil and Sulaymaniyah at a secondary level. It is therefore to be expected that the holding of demonstrations against the KRG in 2021 will continue to deepen the division on the Erbil-Sulaymaniyah axis. Furthermore, the non-implementation of the agreement on the transfer of financial resources in the amount of 250 thousand barrels of oil per day to the SOMO before, despite that an agreement was announced, causes hesitation in its implementation in 2021. It is expected that the ongoing difficulties in the payment of wages due to the non-implementation of the agreement and the demand for self-government in

Sulaymaniyah will catalyse the popular demands for the establishment of a Sulaymaniyah-based federative government. In addition to all these developments, it is fair to say that the tensions on the Erbil-Sulaymaniyah axis have also caused internal tensions within the KRG government, which involves both the Erbil-based KDP and the Sulaymaniyah-based PUK and Gorran Movement, and that these tensions may increase further in 2021 and could lead to the break-up of the government or the loss of its ability to function.

The tensions between KRG provinces as well as their political parties also cause division between the Kurdish parties in central politics. The Gorran Movement positions itself against the KDP and the PUK in Baghdad, although it is involved in the KRG government, and even acts in partnership with the New Generation Movement which consists of the opposition parties in the KRG. On the other hand, the KDP and the PUK, although being closely positioned in Baghdad in terms of discourse, do not hold back from openly taking positions against each other, based on their



After the loss of life in the demonstrations in Sulaymaniyah, the demonstrators burned tires and closed the roads.

**If, as expected, early elections are held on October 2021, a secondary level of electoral tension will also affect the relations between the Kurdish parties without alleviating the problems between them and cause a rift in Kurdish politics in the KRG and Baghdad.**

regional interests concerning the KRG, or in order to get the posts that are considered Kurdish quotas in Baghdad. After the 2018 general elections, the nomination of Fuad Hussein by the KDP for the presidency, a post for which the PUK is expected to nominate a candidate, and the distribution of ministries during the formation of Kadhimi's government clearly show that both parties nominate their own candidates for the posts for which the other party is expected to propose a candidate. It can be said from this point of view that the early elections expected to take place in 2021 could lead to a new rift between the Kurdish political parties. Moreover, the new electoral law, which stipulates that whoever receives the most votes has the right to represent instead of representation based on a list average, will not prevent competition between the Kurdish political parties in the elections, although the law increases the expectation that the Kurdish parties will somehow form a joint list in the disputed areas or the KRG. Therefore, the establishment of a joint list without a full political compromise between the Kurdish parties could decrease the influence of the Kurdish vote because of competition between the Kurdish candidates, although this would give the impression that the Kurdish parties are acting together.

However, the elections are expected to be postponed in line with debates among the Iraqi public about early elections. In a manner that belies these expectations, Abdul Hussein al-Hindawi, an advisor to the Iraqi Prime Minister on electoral affairs, stated that "there is no reason to postpone the elections and all the conditions for holding early elections are in place."<sup>37</sup> If, as expected, early elections are held on October 2021, a secondary level of electoral tension will also affect the relations between the Kurdish parties without alleviating the problems between them and cause a rift in Kurdish politics in the KRG and Baghdad. It is alleged that, during the budget talks in Baghdad, KRG Deputy Prime Minister Qubad Talabani, a member of the PUK, paid special attention to the Sulaymaniyah region and requested support from the political sides in Baghdad for Sulaymaniyah in the Erbil-Sulaymaniyah tension. It is fair to say that if these demands receive a response in federal politics, this will weaken Erbil before Baghdad, as well as create a natural political support for Sulaymaniyah's efforts to form a self-government and a new federative entity.

In addition to the tensions caused by politics and the financial crisis in the country and the KRG, new problems have arisen

<sup>37</sup> "Iraq government: 'No reason to postpone early elections'", *The Baghdad Post*, 2 January 2021.



**In addition to the PKK-affiliated YBŞ and YJŞ operating in Sinjar, there are also terrorists affiliated with the HPG, YPG and YPJ.**

with regards to the security dimension due to the existence of the terrorist organization, the PKK. Politicians in both Baghdad and the KRG spoke out against the terrorist organization, the PKK, after the clashes between the KRG-affiliated Peshmerga forces and the PKK. Any action by the terrorist organization, whose radius of action is limited, will provoke a reaction in the region. Indeed, the statement by Iraqi Defence Minister Jumaah Enad that "the main cause of terrorist attacks in the country stems from the neglect of security"<sup>38</sup> suggests that the activities of joint monitoring and coordination centres between the federal and regional governments can be strengthened. This will be a driving force in 2021 to develop cooperation with Iraq's neighbours, in particular Turkey, to maintain security and stability in Iraq. Minister Enad's visit to Ankara in the last days of 2020 and the face-to-face meeting and inter-delegation talks with Hulusi Akar, Minister of Defence, are concrete examples of this.<sup>39</sup> In the statement issued by the Ministry of National Defence of the Republic of Turkey after the meeting, Minister Akar said that: "Turkey respects the political unity and territorial integrity of all

its neighbours, and Iraq in particular, they appreciate the coordination established with the Iraqi government to fight terrorism and attach importance to its continuation, and that the Turkish Armed Forces are committed to maintaining the security of our noble nation and borders and ending the scourge of terrorism."<sup>40</sup> With this meeting, we can conclude that there is a political will to continue the coordination and cooperation between the two countries in 2021.

At this point, we need to open a separate bracket for the statement on the status of Sinjar in the context of the relations between Turkey and Iraq and the KRG. This is because the terrorist organization PKK is also listed among the armed groups requested to withdraw from Sinjar according to the provisions of the agreement on Sinjar. However, the lack of a specific provision for the Sinjar Resistance Units (YBŞ) and Sinjar Women's Protection Units (YJŞ), which are made up of Yazidis and are included in the structure of the terrorist organization PKK in Sinjar, creates ambiguity about the Yazidi extensions of this terrorist organization. The YBŞ, one of the offshoots of the PKK, alone is said to have an armed terrorist force

<sup>38</sup> "Irak Savunma Bakanı: Güvenlik güçlerinin ihmalkarlığı terör saldırılarına neden oluyor", *Anadolu Agency*, 24 November 2020.

<sup>39</sup> "Irak Savunma Bakanı İnad ile Türkiye Savunma Bakanı Akar bir araya geldi", *Iraq News Agency*, 28 Aralık 2020.

<sup>40</sup> "Milli Savunma Bakanı Hulusi Akar, Irak Savunma Bakanı Jumaah Enad Saadoon ile Görüştü", *Republic of Turkey Ministry of National Defence*, 28 December 2020.



of around 3,000 people.<sup>41</sup> In addition to the PKK-affiliated YBŞ and YJŞ operating in Sinjar, there are also terrorists affiliated with the HPG, YPG and YPJ. The agreement also did not contain any provision on the activities of the Yezidi Freedom and Democracy Party (Hizb al-Hurriya wa al-Dimuqratiya al-Ezidi – PADÊ / Partiya Azadî û Demokrasiyê ya Êzidiyan), a political extension of the terrorist organization PKK in Sinjar. The PADE created by the merger of the TEVDA (Tevgera Demokrasi û Azadiyê / Yezidi Democratic Liberation Movement) and the Free Ezidi Community (Komeleya Êzidiyên Azad) in 2016, was registered as a political party by Iraqi authorities on 19 April 2017, but its organic ties with the terrorist organization PKK can be seen as its members are openly expressing that they are operating under the umbrella KCK (Koma Civakên Kurdistan / Kurdistan Communities Union). An important problem will be solved for Turkey with the complete termination of the existence of the terrorist organization PKK in Iraq by the Iraqi and KRG authorities.

Both the hard security problems created by the terrorist organizations that exist in Iraq and the problems that have become a security issue due to the Covid-19 epidemic are expected to persist in 2021. This is because, although it is claimed that a large part of Iraqi society has increased social immunity as a result of contracting Covid-19, uncertainty about the course of the disease and epidemic is creating uncertainties about Iraq's future in terms



Sulaymaniyah province, which is affected by the new type of coronavirus, allegedly does not have enough equipment to fight the outbreak.

of the disease. Turkey's medical assistance to Iraq<sup>42</sup> and the KRG<sup>43</sup> to reduce the problems this uncertainty can cause can be seen as a concrete indicator of the importance Turkey attaches to the stability of Iraq.

We can expect Turkey's relations with Iraq and the KRG to gain further momentum in 2021. Coordination between the Iraqi and KRG security institutions and the Turkish Armed Forces will continue to increase as the reaction against the terrorist organization PKK is also growing in the KRG public with the identification of the PKK as a threat to the integrity of the KRG. It would not be wrong to say that joint military operations could also be added to the agenda in this context.

<sup>41</sup> "Yezidi forces form alliance against IS", *EzidiPress*, 31 October 2015.

<sup>42</sup> "Türkiye'den Irak'a tıbbi yardım", *Anadolu Agency*, 1 July 2020.

<sup>43</sup> "Türk Kızılaydan koronavirüsle mücadelede Erbil'e 30 bin maske yardımı", *Anadolu Agency*, 19 March 2020.

## NOTES

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