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# Peace and security in 2023:

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## The EU's relations with Iraq – State of play

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### IN-DEPTH ANALYSIS

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#### **EPRS | European Parliamentary Research Service**



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This paper presents a regional evaluation in parallel to the EPRS 2023 Peace and Security Outlook. It has been drafted as a contribution to the Normandy World Peace Forum taking place in September 2023.

The analysis provides a background to EU relations with Iraq relations to date. After an overview of the country's current political, economic and social situation, this analysis covers EU policy towards Iraq, recent developments, and the related support mechanisms. It delivers an overview of EU funding, European Parliament resolutions, and Council conclusions since the signing of the EU-Iraq Partnership and Cooperation Agreement in 2012, as well as an outline of some of the findings of recent research on EU-Iraq relations.

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## Executive summary

This paper provides a background to European Union relations with Iraq. After an overview of the country's current political, economic and social situation, this analysis covers EU policy towards Iraq, recent developments, and the related support mechanisms. It delivers an overview of EU funding, European Parliament resolutions, and Council conclusions since the signing of the EU-Iraq Partnership and Cooperation Agreement in 2012, as well as an outline of some of the findings of recent research on EU-Iraq relations.

The situation in Iraq has stabilised somewhat after decades of conflicts and wars that disrupted domestic security and thwarted economic development. The increase in global oil prices in 2022 improved the oil-rich country's economic outlook. However, alongside this stabilisation, Iraq witnessed massive protests against ineffective governance, corruption and foreign/Iranian influences between 2019 and 2021. These protests, often violently suppressed, led to the early parliamentary elections of October 2021. Political factions, unhappy with the outcome, blocked the formation of a government for over a year. In December 2022, a coalition government was finally formed, with Mohammed Shia' al-Sudani, supported by an umbrella organisation of Shiite parties, as Prime Minister.

The challenges Iraq continues to face are immense. Geography and demography mean the country lives in fear of becoming the stage for regional (Iran, Türkiye, Saudi Arabia, Russia) and global (United States, China, India) power struggles. Corruption, unemployment, sectarian and ethnic tensions, and water scarcity, exacerbated further by climate change, all combine to threaten stability. Core contentious issues (territory, control of oil reserves, etc.) between the Federal Government and the Kurdistan Regional Government remain unsolved. Terror attacks are frequent and the consequences of ISIL/Da'esh devastation are still acute, including: reconstruction costs, managing domestic and foreign fighter prisoners, and internally displaced populations remain over 1 million, while 5 million returnees still need reintegration support.

This year, 2023, marks 20 years since the start of the United States (US) and coalition partners' intervention in Iraq. As a European Commission assessment (part of a 2022 financing decision)<sup>1</sup> states, the situation in Iraq has improved significantly after decades of conflict and war that disrupted domestic security and thwarted development. However, challenges – related to governance; corruption; lack of economic opportunities; sectarian and ethnic tensions; and internal displacement; as well as water scarcity, exacerbated further by climate change – still combine to threaten stability.

The 2018 EU strategy for Iraq defined five strategic priorities, which continue to be highly relevant: (1) preserving Iraq's unity, sovereignty and territorial integrity as well as its ethnic and religious diversity; (2) strengthening Iraq's political system through supporting reforms for a democratic system of government and promoting an effective and independent justice system; (3) promoting economic growth; (4) establishing a formal migration dialogue with Iraq; and (5) supporting good relations between Iraq and its neighbours.

The EU made significant financial and technical contributions to support these priorities. It intends to continue to provide development and humanitarian support and recent communications have added digital, energy and transport connectivity as a focus under the EU global gateway initiative.

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<sup>1</sup> [Annex to the Implementing Decision on an Exceptional Assistance Measure regarding Iraq](#), European Commission, 2022.

## Table of frequently used abbreviations and acronyms

Commission	European Commission
Council	Council of the European Union
CSDP	Common security and defence policy
DCI	Development Cooperation Instrument
DG	Directorate-General
EEAS	European External Action Service
EIDHR	European Instrument for Democracy and Human Rights
EU	European Union
EUAM	European Union Advisory Mission
EUJUST LEX	European Union Integrated Rule of Law Mission in Iraq
GDP	Gross domestic product
HR/VP	High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the European Commission
ICC	International Criminal Court
ICPD	International Conference on Population and Development
IcSP	Instrument contributing to Stability and Peace
IDPs	Internally displaced persons
ISIL/Da'esh	Islamic State of Iraq and the Levant
KRG	Kurdistan Regional Government
KRI	Kurdistan Region of Iraq
MENA	Middle East and North Africa region
MIP	Multi-annual indicative programme
NDICI	Global Europe – Neighbourhood, Development and International Cooperation Instrument
PCA	Partnership and Cooperation Agreement
PCC	Parliamentary Cooperation Committee
UK	United Kingdom
US	United States of America

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## 1. Introduction

After a pause of seven years, the Cooperation Council, the highest forum established by the 2012 Partnership and Cooperation Agreement (PCA) signed between the European Union (EU) and Iraq, held its third meeting on 19 March 2023. The meeting was chaired by the High Representative for Foreign Affairs and Security Policy and Vice President of the European Commission (HR/VP) Josep Borrell. On the Iraqi side, the Minister of Foreign Affairs, Fuad Mohammed Hussein, led the delegation. The Cooperation Council discussed developments in Iraq and in the EU, regional affairs and security, and topics ranging from migration, democracy and human rights to trade and energy. The EU-Iraq Cooperation Council also decided to establish a new subcommittee on development cooperation.

Replying to a question on the current state of EU-Iraq relations, Borrell answered:

*Our relations are a powerful driver for prosperity for Iraq because ... we are [Iraq's] most important trade partner<sup>2</sup> ... [It] justifies that, we have to be in a very good relation[s] ... we share the same approaches on many geopolitical problems: fight against terrorism, the need for Iraq to have international support, in order to increase its political stability. Our relations will be for sure a solid contribution to the prosperity and stability of Iraq.<sup>3</sup>*

A North Atlantic Treaty Organization (NATO) report on the future of Iraq,<sup>4</sup> published in December 2021, underlines that the country is located in a region of significant strategic and economic importance, where the international community has a strong stake in stability. The oil-rich country also is of great interest to India while both the USA and China are already deeply engaged in the region. Iraq is also the stage of conflicts over regional influence between Iran, Russia, Türkiye, and Saudi Arabia.

The EU's strategic compass for security and defence, adopted by the Council in March 2022, underlined the importance of increasing the EU's investment in peace and stability in the Middle East and the Gulf.<sup>5</sup> The EU focus on Iraq's stability comes with a clear commitment to Iraq's sovereignty and territorial integrity, in a context of separatist aspirations (mainly but not only from the Kurds) and external threats (military interventions by Türkiye and Iran in the Kurdish Region of Iraq).

With the territorial defeat of ISIL/Da'esh in 2017, general elections in 2018 and in 2021, and two successive governments, the situation in Iraq has improved and stabilised to a point. However, the country still faces extensive challenges. Massive protests between 2019 and 2021 were fuelled by anger at corruption, unemployment, and a sectarian political system under Iranian influence. Core contentions (over territory, control of oil reserves, etc.) between the Federal Government and the Kurdistan Regional Government remain unsolved. Terror attacks, by remnants of ISIL/Da'esh, remain frequent and the consequences of the 2014-2017 ISIL/Da'esh devastation are still acute, with huge reconstruction needs, the difficult management of captive domestic and foreign fighters, and the humanitarian situation of internally displaced populations.

<sup>2</sup> Data provided by the Directorate-General for Trade of the European Commission places the EU as Iraq's third biggest trade partner after China and India. See section 2.4.

<sup>3</sup> [Iraq: Press remarks by HR/VP Borrell before the EU-Iraq Cooperation Council](#), 19 March 2023.

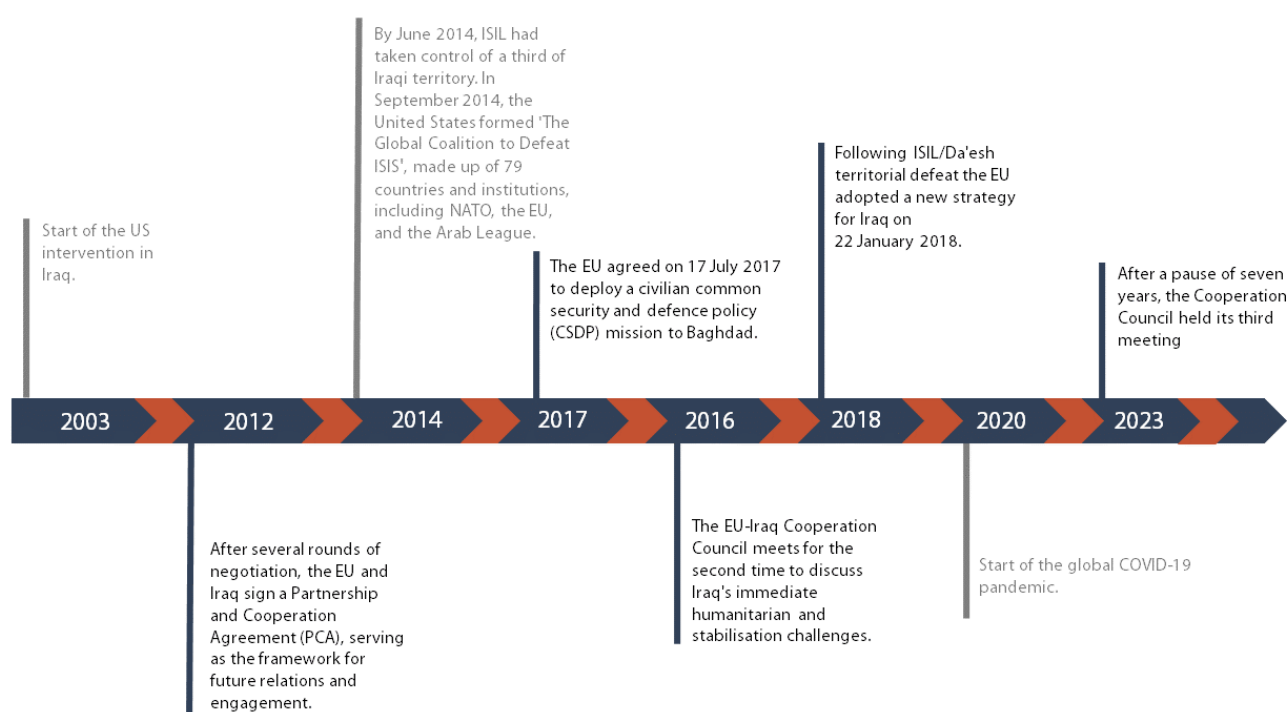
<sup>4</sup> A. B. Çonkar, The Future of Iraq: Security, Stabilisation and Regional Vocation, [Report No 026 GSM 21 E rev. 2 fin](#), NATO Parliamentary Assembly, 5 December 2021.

<sup>5</sup> [A Strategic Compass for Security and Defence](#), European Union External Action Service website, 24 March 2022.

The EU has been present in the country since 2005, through an official delegation in Baghdad. In 2006, the EU and Iraq started negotiations, initially with a view to concluding a trade and cooperation agreement (TCA). However, at the seventh round of negotiations, in February 2009, the EU and Iraq broadened the scope towards a partnership and cooperation agreement (PCA) and included the establishment of a ministerial Cooperation Council. It took two additional rounds to reach a final agreement in 2012, and with the exemption of transitional provisions, the PCA entered fully into force in 2018.

In the context of the recent momentum in EU-Iraq relations and the resumption of high-level dialogue, this paper marks the Normandy World Peace Forum taking place in September 2023, by looking at the state of play of EU-Iraq relations. Following a brief overview of the country's current political, economic and social situation (Section 2), this analysis looks at recent developments and corresponding EU external policy, providing an inventory of the EU's tools and mechanisms (Section 3), and funding provided to encourage stability in Iraq (Section 4). The analysis also provides an overview of European Parliament resolutions (Section 5), and Council conclusions (Section 6) since the signing of the EU-Iraq Partnership and Cooperation Agreement in 2012, as well as an overview of some of the opinions found in recent research on EU-Iraq relations (Section 7). With this, the analysis looks to provide the necessary information for policy actors to be able to assess possible next steps for enhancing EU-Iraq relations.

Figure 1 – Timeline of main events in EU-Iraq relations



Source: Various sources including [EU Delegation to Iraq](#) and [United States Institute of Peace](#); Graphic: H. Ahamad Madatali and T. Jansen, EPRS, June 2023.

## 2. Iraq's current political, economic and social situation

### 2.1. Iraq – 20 years later

This year, 2023, marks 20 years since the start of the United States (US) and coalition partners' intervention in Iraq. As a European Commission assessment (part of a 2022 financing decision)<sup>6</sup> states, the situation in Iraq has improved significantly after decades of conflict and war that disrupted domestic security and thwarted development. However, challenges – related to governance; corruption; lack of economic opportunities; sectarian and ethnic tensions; and internal displacement; as well as water scarcity, exacerbated further by climate change – still combine to threaten stability. There is a strong demand from citizens for their political leaders to build an inclusive and accountable political system that serves all communities, regions and beliefs, preserves the country's diversity, and enhances its democratic order. This is vital to rebuild trust between the people and their government and to avoid a return to divisive sectarianism and separatism.

Iraq has a history of military coups and revolutions dating back to its independence in 1932. When Saddam Hussein seized power in 1979, it began a new chapter of **authoritarianism**, and initiated a series of conflicts to establish regional hegemony, starting with the Iran-Iraq war in 1980.<sup>7</sup> In 1989, Iraq invaded neighbouring Kuwait, triggering the first Gulf War. In the aftermath of the conflict, the international community continued to impose economic sanctions and diplomatic pressure on the country, to which Saddam Hussein responded with increasing domestic repression.

In 2003, claiming Iraq held weapons of mass destruction, the US and coalition partners (including the United Kingdom, Australia and Poland) invaded the country, ended the Hussein regime, and unleashed a power struggle among rival factions in the country that continues today. While US troops left in 2011, they returned in 2014, as part of the US-led 'global coalition against ISIL/Da'esh' that still counts 86 members today. In the months leading up to their December 2021 withdrawal, US troops and interests in Iraq were the target of dozens of attacks, attributed to pro-Iranian Iraqi factions.<sup>8</sup>

#### The rise and fall of ISIL/Da'esh

The Islamic State, ISIL or Da'esh (ISIL/Da'esh) has roots in the al-Qaeda in Iraq group founded in 2004, but only became a major disruptive force after US troops withdrew from Iraq in 2011. The group later took advantage of the disorder in Syria and Iraq to grow its ranks and the territories it controls.

Under the leadership of Abu Bakr al-Baghdadi, ISIL/Da'esh branded themselves as 'the Islamic State of Iraq and Syria (ISIS)' in 2013, and 'Islamic State' in 2014. At their height in 2015, they controlled a third of Syrian territory and 40% of Iraq, including major cities like Mosul, Tikrit, Ramadi and Fallujah. The presence of ISIL/Da'esh has devastated local populations, who suffered ethnic and religious cleansing, and cancelled all previous efforts for stabilisation and reconstruction in Iraq.

A US-led coalition started air strikes against ISIL/Da'esh in 2014 and supported the Iraqi government until it declared victory in December 2017. The loss of Baghouz in Syria in March 2019 marked the end of ISIL/Da'esh claim to any territories.

Iraqi officials estimated the cost of reconstruction after the three-year war against ISIL/Da'esh at US\$88 billion.

<sup>6</sup> [Annex to the Implementing Decision on an Exceptional Assistance Measure regarding Iraq](#), European Commission, 2022.

<sup>7</sup> See B. Immenkamp, [Iraq-Iran relations following the nuclear deal](#), EPRS, European Parliament, May 2016.

<sup>8</sup> See E. Lazarou and B. Stanicek, [Mapping threats to peace and democracy worldwide – Normandy Index 2022](#), EPRS, European Parliament, September 2022.

From 2019 to 2021, Iraq witnessed massive protests against ineffective governance. These protests were often violently suppressed, and in response, early parliamentary elections took place in October 2021. However, political factions unhappy with their outcome succeeded in blocking the process of forming a government, creating political paralysis.

Iraq is not only geographically diverse – dominated by the Tigris and Euphrates rivers, with mountains, plains, desert, marshes, and access to the sea – but also demographically. While Shia and Sunni Arabs and Sunni Kurds represent the country's three largest demographic groups, it is home to numerous other communities, including Christians, Turkmen, Farsi Kurds, Shabak, Circassians and Yazidis, among others. Iraq is also characterised by geospatial diversity. Most relevant in today's context, the country's oil wealth is distributed unevenly across the country. The bulk of proven reserves are located in the south, with most of the rest in the north. The uneven geographic distribution of oil resources has critical implications for any discussion about decentralisation in Iraq. Poverty and welfare are also distributed unevenly across the country and conflict has led to more pronounced spatial divergences not only in living standards but also in the delivery of services.<sup>9</sup>

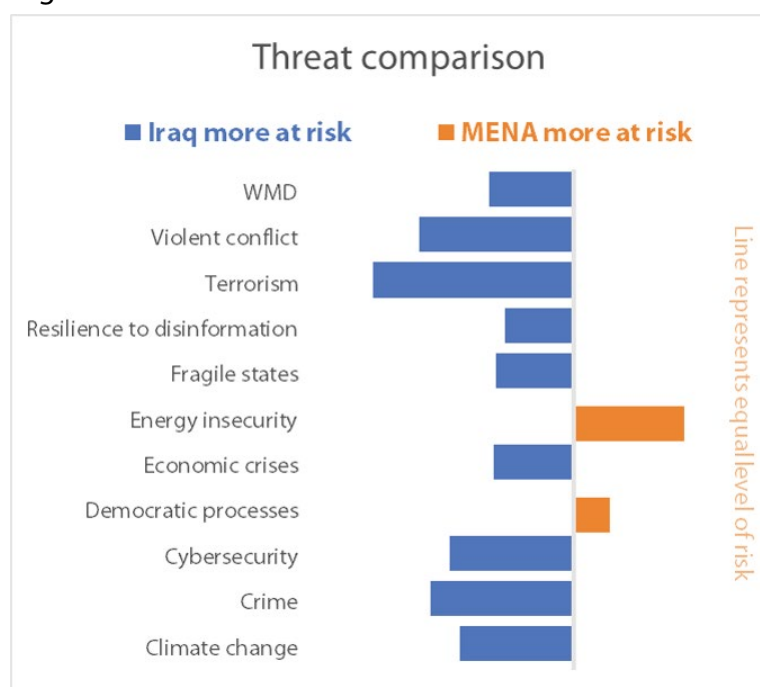
Iraq is also considered one of the Arab countries most vulnerable to climate change, and will likely face reduced water and food availability and extreme temperatures in the future.<sup>10</sup>

## 2.2. Current political situation

According to its 2005 Constitution,<sup>11</sup> the Republic of Iraq is a single federal, independent and fully sovereign state, in which the system of government is republican, representative, parliamentary, and democratic, and where Islam is the official religion of the state and is a foundation source legislation.

The country has a multi-party system with a prime minister as the head of government, a president as the Head of State, and a Council of Representatives holding the legislative power. In practice, the Economist Intelligence Unit ranks Iraq as an 'authoritarian regime' in its annual Democracy Index 2022.<sup>12</sup> In its 2023 Freedom of the World report, Freedom House places the

Figure 2 – Threat comparison: Iraq and the wider MENA region



Source: [Normandy Index](#).

<sup>9</sup> See Iraq - Systematic Country Diagnostics (English), [112333-IQ](#), World Bank Group, 3 February 2017.

<sup>10</sup> [Iraq says reconstruction after war on Islamic State to cost \\$88 billion](#), Reuters, 12 February 2018.

<sup>11</sup> [Iraqi Constitution](#), Republic of Iraq, 2005.

<sup>12</sup> [Democracy Index 2022](#), Economist Intelligence Unit, 2023.

country in the 'not free' category.<sup>13</sup> Out of 137 countries ranked from most to least peaceful, in the 2022 Normandy Index, Iraq came 128th.<sup>14</sup> Iraq's score in the 2023 Normandy Index (published simultaneously with this paper), will be even lower at 133rd out of 137 countries.

On 13 October 2022, the Council of Representatives elected Abdullatif Jamal Rashid as President of Iraq. The election marked an essential constitutional step towards the formation of a government following the national parliamentary elections held a year earlier. President Rashid tasked Mohammed Shia' al-Sudani with forming a government. Al-Sudani had been put forward by the Shia Political Coordination Framework as its nominee for the premiership, making him in principle more acceptable to Teheran than his predecessor Mustafa al-Kadhimi (2020-2022), whose appointment was seen in the West as a blow to Iranian influence. The new government was fully formed and had received the confidence of the Council of Representatives by December 2022.<sup>15</sup>

Introducing his programme on 27 October 2022, Prime Minister al-Sudani noted the 'economic, social, humanitarian and environmental impacts' of the crises facing Iraq and affirmed his future government's responsibility to address them. In his government programme, al-Sudani further outlined priorities on: combatting corruption; addressing unemployment and creating work opportunities; supporting vulnerable and low-income groups; reforming the economic and financial sectors; and enhancing public services.

Al-Sudani reminded parliamentarians of the importance of resolving issues between Baghdad and Erbil, the capital of the Kurdistan Region of Iraq; increasing the capacity and effectiveness of local government; returning internally displaced persons to their places of origin; addressing human rights and women's empowerment; supporting the security forces; preserving judicial independence; and promoting Iraq's regional role.

In the new government programme, al-Sudani expressed a commitment to resolving outstanding issues between the Federal Government and Kurdistan Regional Government (KRG), pursuant to the Constitution, including the adoption of a hydrocarbon law. Other outstanding issues reflected in the programme included the re-establishment of a high committee for the implementation of Article 140 of the Constitution (which pertains to disputed internal boundaries).<sup>16</sup>

The Government of Iraq led by Prime Minister al-Sudani marked its first 100 days in office on 4 February 2023. In May 2023, the United Nations (UN) reported the Iraqi government continues to show resolve in tackling the numerous pressing issues it faces, including corruption, poor governance and an over-reliance on oil. The UN report noted that, while the overall humanitarian situation in Iraq has improved, the pace of returns to areas of origin remains slow, owing to poor basic services, lack of physical safety and security, and limited livelihood opportunities. It further reports that Prime Minister al-Sudani has announced that the Federal Ministry of Oil and the Ministry of Natural Resources of the Kurdistan Regional Government have discussed a draft hydrocarbon law.<sup>17</sup>

<sup>13</sup> [2023 Freedom of the World report](#), Freedom House, 2023.

<sup>14</sup> See E. Lazarou and B. Stanicek, [Mapping threats to peace and democracy worldwide - Normandy Index 2022](#), EPRS, European Parliament, September 2022.

<sup>15</sup> H. Haddad, [Climate of opportunity: Iraq's new government as regional conciliator](#), ECFR, November 2022.

<sup>16</sup> See Implementation of resolution 2631 (2022) - Report of the Secretary-General, [S/2023/58](#), UN Security Council, 25 January 2023.

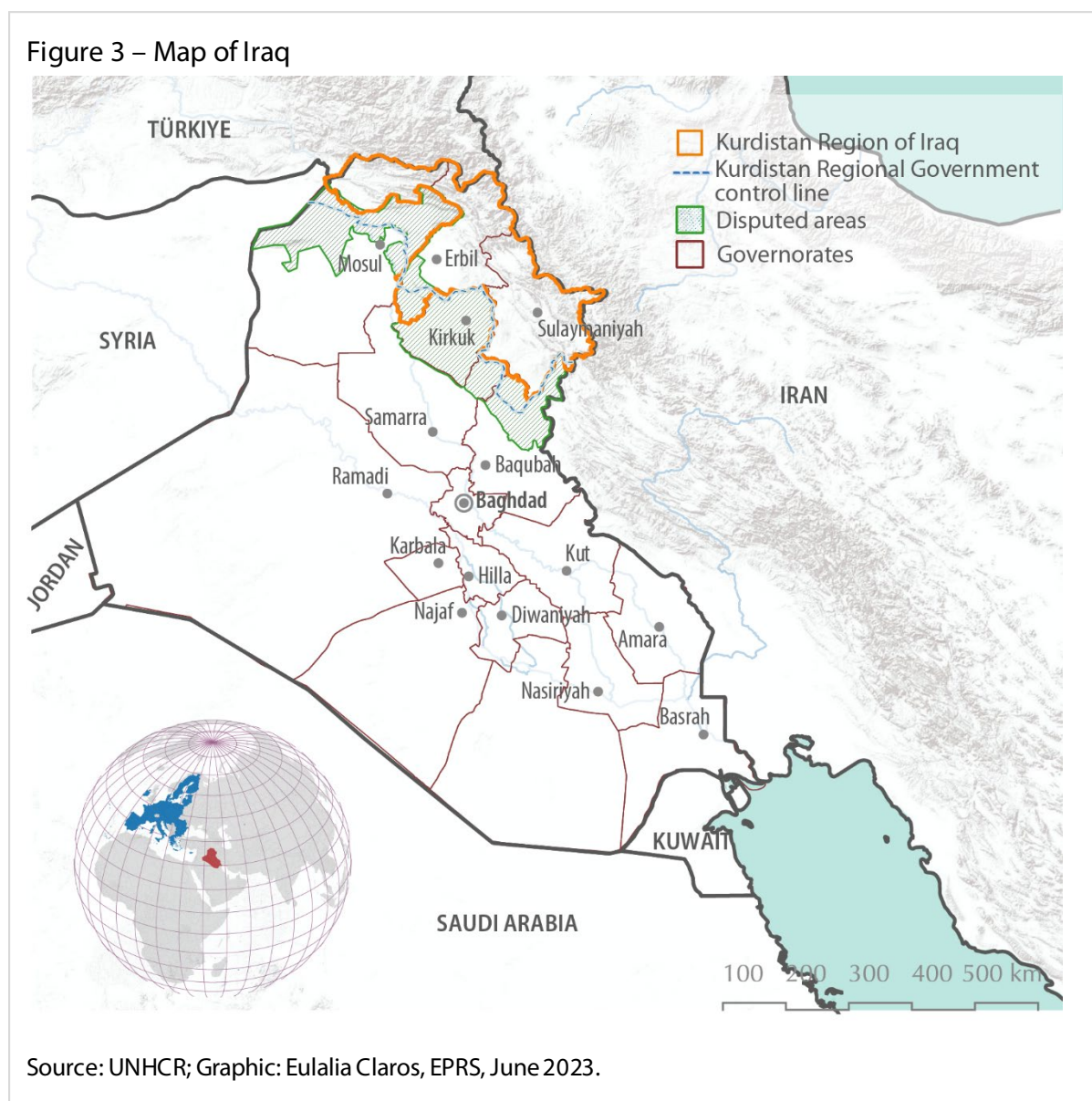
<sup>17</sup> Implementation of resolution 2631 (2022) - Report of the Secretary-General, [S/2023/340](#), UN Security Council, 11 May 2023.



## 2.3. Kurdish aspirations for autonomy

Kurdish people living in Iraq represent Iraq's largest ethnic minority and have historically sought autonomy.<sup>18</sup> Following the 1990-1991 Gulf War, Iraqi Kurds acquired de-facto autonomy with the first parliamentary and presidential elections held in 1992, which established the Kurdistan Regional Government (KRG).

The Kurdistan Region of Iraq (KRI) was recognised as an autonomous region of Iraq under the 2005 Iraqi Constitution and comprises the governorates of Dohuk, Erbil and Sulaymaniyah in northern Iraq. At the time, the KRG claimed a much larger territory (see disputed area in the map, Figure 3) and today controls a territory behind a control line that was stabilised in 2017.



Iraqi Kurdistan is the only recognised Iraqi 'region', and has its own government, parliament, judicial powers and security forces,<sup>19</sup> as well as a draft constitution that has not yet been ratified by a popular vote. Despite Iraqi Kurdistan's broad autonomy, the federal government retains exclusive powers,

<sup>18</sup> See [Kurds](#), World Directory of Minorities and Indigenous Peoples website, October 2014.

<sup>19</sup> See [Kurdistan Regional Government \(KRG\)](#), European Union Agency for Asylum website, January 2021.

in particular in foreign policy and the distribution of oil revenues. Iraqi Kurdish leaders wish to unravel their ties with Iraq, and consider autonomy the first step towards independence. The KRG has declared its intention to prepare a referendum on independence since 2014.

The referendum finally took place on 25 September 2017. Even though the result was in favour of independence, it is by no means certain that a Kurdish state will emerge in the future. There is currently no legal avenue for succession under the current Convention, and a Kurdish state would likely face internal divisions and poor economic conditions. Internationally, Syria, Türkiye, and Iran strongly condemned the referendum and have taken retaliatory steps.<sup>20</sup>

Parliamentary elections for the Kurdistan Region of Iraq were initially scheduled for 1 October 2022. However, on 9 October 2022, in the absence of an agreement on the electoral framework and on the reactivation of the Region's high electoral commission, the Parliament of the Kurdistan Region voted to extend its four-year term until the end of 2023. The Kurdistan Parliament announced the aim of the extension was to prevent a legal vacuum, ensure continuity of the region's institutions, guarantee public interests and allow for the completion of preparations for the planned legislative elections of the Kurdistan Region of Iraq. Of the 111 members of the Kurdistan Parliament, 80 voted in favour of the extension, with many opposition members not attending the meeting.

On 16 May 2023, the Consulates General and diplomatic representations of the UK, the US, Germany, the Netherlands, Canada, the EU, France, Czechia, Greece, Italy, Bulgaria, Poland and Romania called on the Kurdistan Regional Parliament and the Kurdistan Regional Government to ensure the implementation of free and fair elections without any further delay and under international standards.<sup>21</sup>

## 2.4. Iraq's economy and trade

Iraq is one of the most oil-dependent countries in the world. Over the last decade, oil accounted for more than 99 % of exports and oil revenues made up 85 % of the government's budget, as well as 42 % of gross domestic product (GDP). Russia's full-scale invasion of Ukraine in 2022 significantly increased prices on oil markets, which led to an improved economic outlook for Iraq. In 2022, Iraq's oil revenues exceeded US\$115 billion.

Whereas US and EU oil majors remain present in the country, Iraq has signed many new agreements with Russian and Chinese companies in recent years. In April 2023, University of Oxford-based professor Dr S. Ramani wrote 'Following the imposition of severe Western sanctions against its hydrocarbon industry, Russia sought to secure the future of its three core energy assets in Iraq: Lukoil in West Qurna-2, Gazprom in Badra, and Rosneft in Iraqi Kurdistan. These energy investments are worth US\$10 billion – the majority of Russia's estimated US\$14 billion investment footprint in Iraq'.<sup>22</sup>

Russia's engagement in Iraq should be seen as part of global and regional power dynamics. According to one expert 'Before the Saudi Arabia-Iran deal, everything the China-Russia axis had been doing in the Middle East had been to manoeuvre itself into a better position to usurp the influence of the U.S. and its allies in the oil and natural gas centre of the world, the Middle East. After the Saudi Arabia-Iran deal, China and Russia are where they want to be, and it is gloves off time'.<sup>23</sup>

<sup>20</sup> E. Pichon, [Iraqi Kurdistan's independence referendum](#), EPRS, European Parliament, October 2017.

<sup>21</sup> See: European Union Delegation to the Republic of Iraq, [statement](#) (Twitter), 16 May 2023.

<sup>22</sup> Dr S. Ramani, [Iraq's Partnership with Russia Persists Despite International Pressure](#), 2 April 2023.

<sup>23</sup> S. Watkins, [Western Oil Companies Are Not Welcome In Iraq But Russian And Chinese Ones Are, Oil Price](#), 3 April 2023.

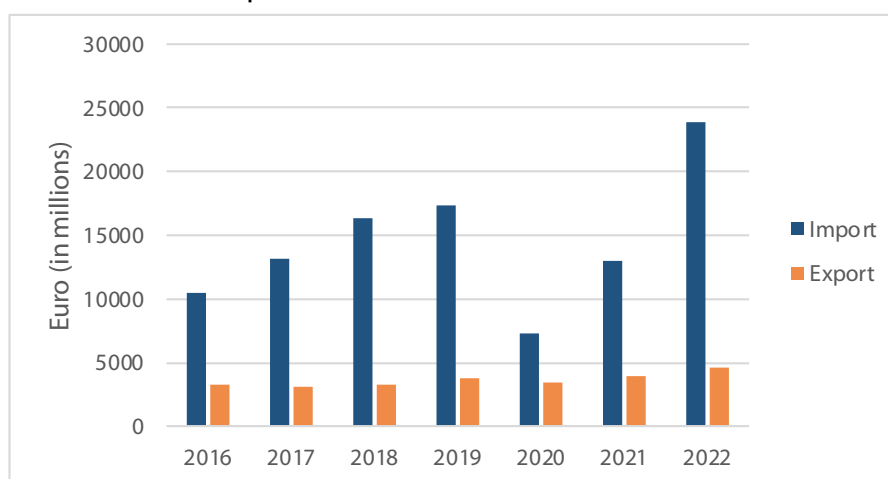
Excessive dependence on oil exposes the country to macroeconomic volatility, as highlighted by Russia's war on Ukraine. While any further oil price hikes would improve Iraq's fiscal balance, rising food prices and disruption to agricultural imports will exacerbate pre-existing poverty trends and increase food security risks.

In the two decades before 2012, Iraq's unemployment rate was constant at between 8 and 9 % of the total workforce. Since then, it has increased and stabilised at around 16 % for the last 3 years.<sup>24</sup> At the same time, Iraq's population keeps growing – from 24.6 million in 2000, almost 34 million in 2012, to 45.5 million people in 2023. Unemployment among young or displaced people, returnees, women, self-employed and informal workers remains highest.

Iraq became an observer of the World Trade Organization (WTO) in 2004, however, it has not been granted full member status since. The country's accession to the WTO could be beneficial to the country's internal reform and could promote its integration into the multilateral trading system.

The EU-Iraq PCA of 2012 guides trade relations between the EU and Iraq. The agreement covers sectors such as trade in goods and trade in services, and the removal of non-tariff barriers to trade (e.g. intellectual property rights, and technical barriers). While the EU makes up 16 % of Iraq's total trade, as Iraq's third biggest trade partner, Iraq represents only 0.3 % of the EU's total trade. Virtually all EU imports from Iraq are oil products, while the EU's exports are more diverse, including machinery and transport equipment (40 %), agriculture and raw materials (20 %), and chemicals (20 %).

Figure 4 – EU trade with Iraq between 2016 and 2022



Data source: [European Union, Trade in goods with Iraq](#), Directorate-General for Trade, European Commission, 19 April 2023

In 2020, the EU imported for €7.2 billion of mostly oil from Iraq, which had more than tripled in value by 2022 at €24 billion, reflecting oil market price rises. According to Eurostat, the volume of oil trade with Iraq in 2022 remained at similar levels or increased marginally compared with the last quarter of 2021. In 2022, between 7 and 12 % of total crude EU imports in volume came from Iraq, which is comparable to the role of Norway and Kazakhstan, and more than the UK or Libya.<sup>25</sup>

<sup>24</sup> See World Bank [page](#), based on International Labour Organization data.

<sup>25</sup> [Crude oil imports and prices: changes in 2022](#), Eurostat, 28 March 2023.



## 2.5. Regional, humanitarian and security challenges

The current existence of a government in Iraq and the recent resumption of high-level dialogue with the EU are signs that Iraq's fragilities can be navigated, not that these fragilities have diminished.

### Regional power politics

The main destabilising issue facing Iraq is the domestic role of its neighbour Iran, with political, military, ethnic and religious ramifications. Iran has a strong interest in ensuring its neighbour does not return to its hostile policy towards it, and trade between the countries is increasing. However, Iran actively interferes in both Iraq's political agenda and militarily, notably against Kurdish opposition groups in Iraq. This meddling is far from consensual on the Iraqi side – the US think-tank Council for Foreign Relations argues that it fuelled the anti-government demonstrations that began in Iraq in 2019 and contributed to the political infighting that created the governmental void after the 2021 general elections.<sup>26</sup>

The EU 2018 Iraq strategy acknowledges that Iraq is caught between a number of different interests in the region, from Iran, Saudi Arabia, Israel, or the US, and seeks to assist the country to reach a position where it could promote stability in the region by adopting an intermediary role.

### Internally displaced populations

The conflict against ISIL/Da'esh has left its mark on Iraq. The destruction of civilian infrastructure and the environment requires massive investment to allow the return of affected populations. In 2018, millions of Iraqis required humanitarian aid, and over 3 million were internally displaced. By 2022, the internally displaced remained at 1.2 million people. Iraq is also estimated to host 263 000 Syrian refugees.<sup>27</sup>

The country also still has to manage prisoner camps holding ISIL/Da'esh fighters and deal with the reintegration of people and organisations that were associated with the group. In addition, Iraq has to reintegrate into society soldiers who joined armed groups in the fight against ISIL/Da'esh, and consolidate the rule of law and law enforcement. These delicate tasks must be carried out in a context where internal tensions create a security vacuum that continues to allow remnants of ISIL/Da'esh to execute small-scale attacks in the country.

Geographically, the region faces environmental challenges due to climate change, leading to soaring temperatures and water scarcity, endangering livelihoods in agriculture and fisheries. This is bound to exacerbate Iraq's challenges linked to its neighbourhood and to internally displaced populations.

#### EU Advisory Mission (EUAM)

In response to a request from the Iraqi authorities for support in reforming the civilian security sector in line with the European Council conclusions on Iraq of 19 June 2017, on 17 July 2017 the EU agreed to deploy a civilian mission to Baghdad under the common security and defence policy (CSDP).

The European Union Advisory Mission (EUAM Iraq) was officially launched on 16 October 2017 and deployed in November 2017. The EUAM Iraq mandate was subsequently extended until 2024 and its staff has nearly doubled, with a total budget amounting to €70 million until 2024.

The mission focuses on assisting the Iraqi authorities in the implementation of the civilian aspects of the Iraqi security strategy. EU experts provide advice and assistance in priority work areas, responding to the needs of the relevant authorities.

Source: [European External Action Service](#).

<sup>26</sup> K. Robinson, [How much influence does Iran have in Iraq?](#), Council on Foreign Relations, 18 October 2022.

<sup>27</sup> [Iraq Factsheet](#), European Civil Protection and Humanitarian Aid Operations, European Commission, 19 December 2022.

### 3. Framework for EU-Iraq relations

In line with its 2018 strategy for Iraq, the EU relations with the country focus on the humanitarian crisis, the need for stabilisation and support for recovery and reconciliation, through financial support and political cooperation.

#### 3.1. EU-Iraq Partnership and Cooperation Agreement

The Partnership and Cooperation Agreement between the EU and Iraq provides the framework for political dialogue. It allows the countries to develop political relations; promote trade and investment and harmonious economic relations, and helps foster their sustainable economic development. It also provides a basis for legislative, economic, social, financial, and cultural cooperation.

Beyond the PCA, the EU adopted the EU strategy for Iraq on 22 January 2018, consisting of the European Commission and High Representative's joint communication proposing elements for an EU strategy for Iraq,<sup>28</sup> and the Council conclusions on Iraq.<sup>29</sup> The strategy establishes a framework for EU engagement with Iraq in light of the challenges Iraq faced after the ISIL/Da'esh defeat. This updated the March 2015 'EU regional strategy for Syria and Iraq, as well as the ISIL/Da'esh threat'.<sup>30</sup>

##### Key areas covered by the EU-Iraq PCA

- **political dialogue and cooperation in foreign and security policy**, including the fight against terrorism; countering the proliferation of nuclear weapons; the illegal arms trade, and Iraq's accession to the Rome Statute of the International Criminal Court;
- **trade and investment**, including incorporating World Trade Organization rules and providing Iraq with market access to the EU and preferential treatment in public procurement, services and investments;
- **areas of cooperation**, including financial and technical assistance; social and human development cooperation; education, training and youth; employment and social development; human rights; energy; transport; and the environment;
- **justice, freedom and security**, including a commitment to the rule of law, to judicial cooperation on civil matters as well as cooperation on migration and asylum, and on combating organised crime, money laundering and terrorist financing;
- **institutional provisions**, establishing a Cooperation Council to meet once a year at ministerial level, along with a Parliamentary Cooperation Committee (PCC) comprised of members of the Iraqi parliament and the European Parliament.

The 2018 EU strategy for Iraq includes the following objectives:<sup>31</sup>

- preserving Iraq's unity, sovereignty and territorial integrity as well as its ethnic and religious diversity;
- strengthening Iraq's political system by supporting reforms for a democratic system of government and promoting an effective and independent justice system;
- promoting economic growth;
- establishing a formal migration dialogue with Iraq;
- supporting relations between Iraq and its neighbours.

<sup>28</sup> Joint Communication to the European Parliament and the Council proposing Elements for an EU strategy for Iraq, [JOIN\(2018\) 1 final](#), European Commission, 8 January 2018.

<sup>29</sup> Council conclusions on Iraq, [5285/18](#), Council of the European Union, 22 January 2018.

<sup>30</sup> The March 2015 EU regional strategy consists of the following two documents: Joint Communication to the European Parliament and the Council proposing elements for an EU regional strategy for Syria and Iraq as well as the Da'esh threat, [JOIN\(2015\) 2 final](#), European Commission, 6 February 2015; Council conclusions on the EU Regional Strategy for Syria and Iraq as well as the ISIL/Da'esh threat, [7267/15](#), Council of the European Union, 16 March 2015.

<sup>31</sup> See: [The European Union and Iraq](#), Delegation of the European Union to Iraq, 18 November 2021.

## 3.2. Monitoring and implementation of the EU-Iraq PCA

Established under the PCA, the EU-Iraq Cooperation Council is tasked with monitoring the implementation of the agreement. Three meetings at ministerial level have taken place to date (January 2014, October 2016, and March 2023).

The Cooperation Council of 19 March 2023 resulted in a joint declaration on sustainable development, green transition, governance, regional connectivity and sustainable finance.<sup>32</sup> Both sides agree on the importance of tackling climate change globally to progress towards the UN Sustainable Development Goals. They identify the need for close cooperation and connectivity through digital, energy and transport networks, which could contribute to stabilisation in the region. Air safety is specifically mentioned, with the EU pursuing its observation of the Iraq Civil Aviation Authority's capacities in safety oversight. These measures are in line with the EU's Green Deal and the global gateway initiatives. However, at the time of writing, global gateway initiatives in the Middle East, Asia and the Pacific do not include any projects directly concerning Iraq.<sup>33</sup> Instead, EU-Asia and the Pacific flagship projects for 2023 focus on Central Asia, Southeast Asia and the Pacific Islands.<sup>34</sup>

Regarding sustainable development and the green transition, both sides stress the importance of reforming the electricity and gas markets in Iraq, especially concerning the modernisation of the electricity grid and the prevention of gas flaring. Furthermore, the EU and Iraq agree on the possible role of decarbonisation pathways for growth and productivity gains. Considering that Iraq is highly vulnerable to the consequences of climate change, the declaration emphasises the need to focus on the most acute issues relating to the reduction of emissions, water management and on adaptation measures to climate change.

Concerning governance, both actors reiterate their willingness to cooperate on the implementation of Iraq's broad range of intended reforms regarding regulatory frameworks, support for the private sector, governance, the provision of basic services, increased transparency and the fight against corruption. Regarding sustainable finance, the EU confirmed its assistance for Iraq's intended reforms on economic diversification, the strengthening of the public sector, the economic empowerment of women and to make investment in the country more attractive.

In a debate on 18 April 2023,<sup>35</sup> the European Parliament discussed the nature and future of EU relations with Iraq. European Commissioner for Budget and Administration Johannes Hahn (speaking on behalf of Josep Borrell) stressed the EU's determination to develop the EU-Iraq partnership at all levels and formats: 'In this regard, the Union's strategic policy frameworks such as REPowerEU, the European Green Deal and the Global Gateway offer additional opportunities for enhanced cooperation and investment in Iraq'. Several Members of Parliament encouraged a deepening of the EU-Iraq relationship, and welcomed the seventh EU-Iraq inter-parliamentary meeting, as well as the pending establishment of the Joint Parliamentary Committee.

## 3.3. EU-Iraq parliamentary cooperation

Beyond its adopted texts, the Parliament has actively engaged with Iraqi representatives via two main channels – regularly scheduled meetings of the delegation for relations with Iraq and inter-

<sup>32</sup> EU-Iraq Joint Declaration on sustainable development, green transition, governance, regional connectivity and sustainable finance, [UE-IQ 375/23](#), 19 March 2023.

<sup>33</sup> See [Global Gateway in the Middle East, Asia and the Pacific](#), European Commission website, not dated.

<sup>34</sup> See [EU-Asia and the Pacific flagship projects for 2023](#), European Commission website, March 2023.

<sup>35</sup> [Debate](#) of 18 April 2023 on EU relations with Iraq, European Parliament.

parliamentary meetings between the European Parliament and the Council of Representatives of Iraq.

During the 2019-2024 parliamentary term, the delegation has held 16 meetings, 3 in 2023.<sup>36</sup> On 12 January 2023, the delegation met in the presence of the Iraqi Ambassador to the EU to exchange views on the political situation in Iraq. On 27 February 2023, the delegation again discussed the political situation in Iraq and exchanged views with Ville Varjola, EU Ambassador to the Republic of Iraq. In its most recent meeting on 2 May 2023, the delegation discussed the prospects of economic cooperation and support for foreign direct investments to Iraq in an exchange with representatives from the Commission and the EEAS.<sup>37</sup>

On 20 March 2023, the Bureau of the European Parliament (the Parliament's President and its 14 Vice-Presidents) met with Deputy Prime Minister and Minister of Foreign Affairs of Iraq, Fuad Mohammed Hussein.

The European Parliament and the Council of Representatives of Iraq cooperate through inter-parliamentary meetings. In total, seven such inter-parliamentary meetings have taken place since the first one on 11 September 2008 in Brussels.<sup>38</sup> While meetings were held relatively regularly until 2015, there was a gap of almost eight years until the most recent meeting (6-9 March 2023). This inter-parliamentary meeting, the first in the current European parliamentary term and the first held in Baghdad since 2011, was carried out in conjunction with a visit by the European Parliament's delegation for relations with Iraq.<sup>39</sup> The meeting 'marked the formal restart of joint parliamentary activities after the dark years characterised by the rise and the decline of the ISIL/Da'esh'.<sup>40</sup> Political, economic and security developments in Iraq as well as 'ways to proceed with the establishment of a working Joint Parliamentary Committee as foreseen in the EU-Iraq Partnership and Cooperation Agreement' were discussed.<sup>41</sup> While Article 113 of the PCA formally establishes the EU-Iraq PCC, there had been no discussion on the setting-up of such a Joint Parliamentary Committee.

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<sup>36</sup> See [Overview](#) of meetings of the Delegation for relations with Iraq, European Parliament website, not dated.

<sup>37</sup> See Draft Agenda for the meeting of the Delegation on 2 May 2023, [D-IQ\\_OJ\(2023\)0502](#), European Parliament.

<sup>38</sup> See [Overview](#) of inter-parliamentary meetings, European Parliament website, not dated.

<sup>39</sup> See [Inter-parliamentary meeting EP-Council of Representatives Iraq on 6-9 March 2023](#), European Parliament website, not dated.

<sup>40</sup> [Mission report](#) of 16 March 2023 on the Delegation visit to Iraq of 6-9 March 2023, European Parliament.

<sup>41</sup> The European Parliament Delegation for Relations with the Republic of Iraq visit to Baghdad, Erbil and Mosul, [press release](#), European Parliament, 14 March 2023.

## 4. Past and future EU financial assistance

According to the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), Iraq is eligible to receive official development assistance (ODA). The DAC categorises Iraq as an upper middle-income country (with per capita GNI of US\$4 096-12 695 in 2020).<sup>42</sup> The EU has assisted Iraq with both development and humanitarian aid.

### 4.1. 2014-2020

Between 2014 and 2019, the EU provided over €1 billion in aid to Iraq, including: €435 million in humanitarian aid; €320 million in development funding; €150 million from the EU Regional Trust Fund in Response to the Syrian crisis (MADAD fund); €42 million in crisis response assistance from the Instrument contributing to Stability and Peace (IcSP) and €6.5 million from the European Instrument for Democracy and Human Rights (EIDHR) and civil society organisations.<sup>43</sup> For 2014-2020, EU development aid was delivered to Iraq under the Development Cooperation Instrument (DCI).<sup>44</sup> Part of the DCI's geographic programming, the 2014-2020 multiannual indicative programme (MIP) for Iraq was initially allocated €78 million.<sup>45</sup> However, the rise of ISIL/Da'esh after 2014 and the horror and destruction it brought to the country required a profound revision of the 2014-2020 MIP. The Commission adjusted the allocations to provide annual complementary funding between 2016 and 2020; these 'special measures' amounted to €407 million.<sup>46</sup>

The EU and its Member States created the MADAD fund in 2014 to pool resources in support for countries hosting Syrian refugees. Iraq hosts around a quarter of a million Syrian refugees, mostly in the KRI. By 2019, the EU had allocated €150.9 million to Iraq through the MADAD fund.<sup>47</sup> However, not all of these funds were 'new money', since €62.5 million came from the special measures noted above.

The Instrument contributing to Stability and Peace (IcSP) is one of the external financing instruments (EFIs) adopted as a package in 2014 to create a more explicit link between security and development policies. By 2019, the EU had provided €42.6 million to Iraq under the IcSP.<sup>48</sup> The EU has led the international humanitarian effort to assist Iraq, providing €547.5 million between 2014 and 2022, to respond to the humanitarian crisis in the country.

### 4.2. 2021-2027

#### 4.2.1. Development aid

Under the EU's 2021-2027 programming, development and cooperation funds were incorporated into a single instrument, the Global Europe – Neighbourhood, Development and International Cooperation Instrument (NDICI). Funds set aside for Iraq under the 2021-2027 MIP will provide reduced financing to the country compared to previous years, a reflection of the gradual

<sup>42</sup> The [DAC List of ODA Recipients](#) comprises four categories, ranging from poorest to wealthiest, namely least developed countries, low-income countries, lower middle-income countries and territories and upper middle-income countries and territories. Iraq is included in the latter.

<sup>43</sup> [The EU and Iraq Factsheet](#), European External Action Service, 2019.

<sup>44</sup> M. Parry with E. Segantini, [Development Cooperation Instrument](#), EPRS, European Parliament, 2017.

<sup>45</sup> [Multiannual Indicative Programme for Iraq 2014-2017](#), European Commission, 2014.

<sup>46</sup> Ibid.

<sup>47</sup> [The EU and Iraq Factsheet](#), 2019.

<sup>48</sup> Ibid.

stabilisation. The EU seeks to align the MIP with Iraq's 2018-2022 National Development Plan (NDP).<sup>49</sup>

The 2021-2024 phase of this MIP, which totals €114 million, focuses on three priority areas: green job creation and economic diversification (€49 million, 43%), human development and social contract (€50 million, 44%), and digital participatory governance and democracy' (€10 million, 9%), along with other 'support measures' (€5 million, 4%).<sup>50</sup> Assuming allocations remain the same for the final three years (2025-2027). This would mean a total allocation of €199.5 million for 2021-2027.

The NDICI human rights and democracy thematic programme<sup>51</sup> succeeds the European Instrument for Democracy and Human Rights (EIDHR). The allocations for Iraq are a total of €2.45 million for 2022-2024.<sup>52</sup>

The 2021-2027 Asia and the Pacific regional MIP has a total allocation of €2.3 billion, including a multitude of regional programmes that cover Iraq, amongst other beneficiaries. Outside the shared regional programming, this MIP also allocates €25 million for Syrian refugees in Iraq.<sup>53</sup>

### 4.2.2. Humanitarian aid

Until its territorial defeat, ISIL/Da'esh plunged Iraq in an acute, humanitarian crisis with over 6 million internally displaced people. It is estimated that 5 million have returned to their homes (but many still face significant challenges), while 1.2 million remain displaced, including some 180 000 people still living in camps.

The EU's annual allocation to humanitarian aid was at its highest in 2015-2017, peaking at €160 million in 2016. Since then, a slow downward trend has emerged, with annual allocations between €24 million and €35 million in 2020-2022.<sup>54</sup> In 2023, the EU allocated €17 million for humanitarian programmes in Iraq. According to the Commission, this funding primarily focuses on supporting the most vulnerable internally displaced people living in camps and informal settlements. The EU humanitarian aid strategy also aims to focus on protection services for particularly vulnerable people within the Iraqi legal system.

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<sup>49</sup> [National Development Plan 2018-2022](#), Ministry of Planning, Republic of Iraq, 2018.

<sup>50</sup> [Press release](#), European Commission, 19 March 2021.

<sup>51</sup> [Thematic Programme on Human Rights and Democracy - MIP 2021-2027](#), European Commission, 2022.

<sup>52</sup> [Multiannual action plan 2022-2024 for the thematic programme on human rights and democracy](#), Annex 1 – Country Allocations, European Commission, 2022.

<sup>53</sup> [Asia and the Pacific Regional MIP 2021-2027](#), European Commission, not dated.

<sup>54</sup> See [2014](#), [2015](#), [2016](#), [2017](#), [2018](#), [2019](#), [2020](#), [2021](#), [2022](#) Humanitarian Implementation Plans, European Civil Protection and Humanitarian Aid Operations, European Commission.



## 5. European Parliament and EU-Iraq relations

### 5.1. Texts adopted by the European Parliament

Following the conclusion of the EU-Iraq PCA on 31 July 2012 and until the end of the 8th legislative term in 2019, the European Parliament adopted no less than 80 texts mentioning Iraq, 34 of which were resolutions following own-initiative reports. This section presents an overview of the most relevant texts adopted by the Parliament during the period considered.

On 17 January 2013, the Parliament adopted a key resolution on the EU-Iraq PCA.<sup>55</sup> The Parliament appreciated the establishment of the Parliamentary Cooperation Committee, the Cooperation Council and the Cooperation Committee, as means to bring new momentum to EU-Iraq relations. The resolution stressed that cooperation and dialogue should centre on 'strict conditionality' that Iraq progresses in its implementation of human rights. Furthermore, Parliament supported Iraq's commitment to join the Rome Statute of the International Criminal Court (ICC) within the framework of the PCA.

In the current term, Parliament has adopted 24 texts mentioning Iraq, 12 of which under the own-initiative procedure. The following section presents an overview of those focusing on EU-Iraq relations.

On 11 March 2021, the Parliament adopted a resolution on the Syrian conflict 10 years after the uprising, in which it voiced concerns about the increased tensions in Iraqi Kurdistan.<sup>56</sup> Parliament applauded the solidarity and assistance neighbouring states provided to Syrian refugees, including Iraq, and encouraged EU Member States to continue their assistance programmes. The resolution further focused on access to employment, health services, education, and civic documentation to support the self-reliance of refugees.

In its own-initiative report of 23 November 2022 on promoting regional stability and security in the Middle East,<sup>57</sup> the Parliament applauds several actors, inter alia Iraq, on their role in promoting intra-regional diplomatic engagement. It called on the EU to support these diplomatic actions with a view to fostering regional ownership and the de-escalation of regional tensions. At the same time, the Parliament voiced concerns about the rising tensions in Iraq and the effects on state institutions. It encouraged the EU and Member States to support Iraq's stability, for example through post-conflict reconstruction or reconciliation, and reiterated its support for the security, stability and sovereignty of Iraq. While the Parliament took note of the relevance of the EU Advisory Mission (EUAM) Iraq, it stressed the need to reform cooperation with the Iraqi authorities. Furthermore, the Parliament criticised interference on the part of neighbouring countries. The Parliament specifically mentioned Türkiye's ongoing violation of the sovereignty and territorial integrity of Iraq and condemned Iran's ballistic missiles and drone attacks against the Iraqi Kurdistan Region.

The Parliament also voiced concern regarding gender-based violence in Iraq. In its resolution of 24 June 2021 on the 25th anniversary of the International Conference on Population and Development,<sup>58</sup> it called for the investigation of war crimes involving violence against women and

<sup>55</sup> [Resolution](#) of 17 January 2013 on the EU-Iraq PCA (2012/2850(RSP)), European Parliament.

<sup>56</sup> [Resolution](#) of 11 March 2021 on the Syrian conflict (2021/2576(RSP)), European Parliament.

<sup>57</sup> [Resolution](#) of 23 November 2022 on promoting regional stability and security in the Middle East (2020/2113(RSP)), European Parliament.

<sup>58</sup> [Resolution](#) of 24 June 2021 on the ICPD25 (2019/2850(RSP)), European Parliament.

mentioned instances of such violence by ISIL/Da'esh against members of the Christian and Yazidi population in northern Iraq.

Moreover, the Parliament has considered the importance of protecting cultural heritage in Iraq and beyond. In two own-initiative reports on the annual 2021 and 2022 reports on the implementation of the CSDP,<sup>59</sup> the Parliament recalled the EUAM Iraq mission as the only CSDP mission to include the protection of cultural heritage. Both texts adopted call on the Council and the EEAS to include similar provisions in other missions and operations.

## 5.2. Plenary debates in the European Parliament

In addition to its resolutions, the European Parliament has discussed Iraq in plenary throughout the current parliamentary term. The following section presents an overview of debates that focused on the EU-Iraq relationship.

Members have several times called attention to the nation-wide protests in Iraq that started in 2019. On 23 October 2019<sup>60</sup> and 27 November 2019,<sup>61</sup> a majority of Members condemned acts of violence against protestors in Iraq and the broader region.

In its debate of 27 November 2019,<sup>62</sup> the Parliament discussed the protests in the wider context of the security situation in the Middle East region and supported then HR/VP Federica Mogherini. According to the HR/VP, protests in the Middle East have common causes between them, such as the fight against inequality, sectarianism and corruption. Several Members called for a regional approach to address these common causes of conflict, and many Members also insisted on a concrete response from the EU to the violence against protestors and the need for the security sector reform.

On 13 December 2022, the Parliament also voiced concern about Türkiye's military operation in northeast Syria and the Kurdistan Region of Iraq.<sup>63</sup> Members condemned the airstrikes, focusing mostly on the security situation in Syria and that of the Kurdish community. Some Members echoed the Commission's commitment to Iraq's unity, sovereignty and territorial integrity. Several contributions expressed disappointment with the lack of decisiveness in the Commission's and the EU's reaction to the airstrikes and the consequences for Kurdish civilians in Syria and Iraq.

On 14 January 2020, the Parliament held a debate on the situation in Iran and Iraq.<sup>64</sup> While the debate was mostly about the role of the US in US-Iran relations and the escalation of violence following the killing of Iranian General Qasem Soleimani,<sup>65</sup> several Members highlighted the effects of Iran's involvement in Iraq. Beyond condemning any violence against Iraqi civilians, Members called for continued EU engagement in the region and increased support for Iraq.

In 2016, Parliament awarded the Sakharov Prize for Freedom of Thought to two Iraqi Yazidi activists, Nadia Murad and Lamiya Aji Bashar, for their work against ISIL/Da'esh enslavement of women.

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<sup>59</sup> [Resolution](#) of 17 February 2022 on the implementation of the CSDP (2021/2183(INI)), European Parliament; [Resolution](#) of 18 January 2023 on the implementation of the CSDP (2022/2050(INI)), European Parliament.

<sup>60</sup> [Debate](#) of 23 October 2019 on the situation in Iraq, European Parliament.

<sup>61</sup> [Debate](#) of 27 November 2019 on the situation in the broader Middle East region, European Parliament.

<sup>62</sup> [Debate](#) of 27 November 2019 on the situation in the broader Middle East region, European Parliament.

<sup>63</sup> [Debate](#) of 13 December 2022 on Turkish airstrikes on northern Syria and the Kurdistan Region of Iraq, European Parliament.

<sup>64</sup> [Debate](#) of 14 January 2020 on the situation in Iran and Iraq, European Parliament.

<sup>65</sup> B. Immenkamp, [Escalating US-Iran conflict: The EU's priorities](#), EPRS, European Parliament, 2020.



## 6. Conclusions of the Council of the European Union

The Middle East is of strategic interest to the EU, considering its peace, security and economic interests in the region and their consequences for Europe, as reflected in the March 2022 Strategic Compass. EU-Iraq relations and the security situation in Iraq remain of great importance for the EU and its Member States. However, the fact that Iraq is not specifically mentioned in the 2022 Strategic Compass, in contrast to other countries in the Middle East such as Iran or Syria, is a reflection of the country's relative stability.

Since the 2012 EU and Iraq PCA, the Council has adopted several conclusions on Iraq, where it continuously committed to the strengthening of the EU-Iraq relationship.

In its most recent conclusions on Iraq of 15 July 2019,<sup>66</sup> the Council reaffirmed EU support for Iraq's reforms in the political, social, economic, and security sector, while reaffirming that respect for human rights, inclusive citizenship, gender equality and the participation of women, youth and minorities, need to be advanced. The Council reiterated its commitment to the implementation of the PCA and welcomed the dialogue on migration, in line with the PCA Article 105 on cooperation on migration and asylum, emphasising the obligation on Iraqi authorities to readmit Iraqi nationals.<sup>67</sup>

Beyond its conclusions on Iraq, the Council adopted two conclusions: on the Commission's EU regional strategy for Syria and Iraq, and on the ISIL/Da'esh threat on 6 February 2015.<sup>68</sup> In its conclusions of 16 March 2015,<sup>69</sup> the Council welcomed and adopted the regional strategy. Specifically regarding Iraq, the Council reiterated its support for Iraq's unity, sovereignty and territorial integrity and confirmed the EU's support for the country's political reforms. However, the conclusions called on all actors to accelerate reform measures, specifically in the security sector. The Council condemned the presence and violence of ISIL/Da'esh in Iraq.

On 23 May 2016,<sup>70</sup> the Council reaffirmed its support for the regional strategy, but voiced concern about the worsening political and humanitarian situation. The conclusions criticised the stalled progress in implementation of political reform and called on all actors to respect the importance of inclusive public institutions. To increase the functioning of Iraqi institutions, the EU and its Member States were to supply technical support in several areas, including security, the rule of law, and the fight against corruption. Additionally, the Council highlighted the EU's intention to investigate further measures for economic and financial support, especially regarding public finance and macroeconomic management systems. The Council voiced concerns about the declining humanitarian situation and called on all conflict parties to respect international law and enable access for humanitarian assistance.

<sup>66</sup> Council conclusions on Iraq, [11026/19](#), Council of the European Union, 15 July 2019.

<sup>67</sup> The EU deploys a [European Return Liaison Officer](#) to Iraq. In May 2023, the EU Delegation to Iraq welcomed the new deployment of the European Return Liaison Officer to Iraq; see: [European Union Delegation to the Republic of Iraq](#), 7 May 2023.

<sup>68</sup> Elements for an EU regional strategy for Syria and Iraq as well as the Da'esh threat, [JOIN\(2015\)2 final](#), European Commission, 6 February 2015.

<sup>69</sup> Council conclusions on the EU Regional Strategy for Syria and Iraq as well as the ISIL/Da'esh threat, [7267/15](#), Council of the European Union, 16 March 2015.

<sup>70</sup> Council conclusions on the EU Regional Strategy for Syria and Iraq as well as the ISIL/Da'esh threat, [9105/16](#), Council of the European Union, 23 May 2016.

## 7. What think-tanks are thinking

Internal and geopolitical developments linked to Iraq remain in a focus for think-tanks. In this section, we highlight some recent publications.

In February 2021, the Clingendael institute published a report in which it stated, 'the EU's political strategy for Iraq appears to be limited and lacking in acknowledgement of the key domestic political dynamics that led to war and crisis'. The report noted that, although the EU was effective in mobilising humanitarian assistance to Iraq from 2014 onwards, EU support has little political and social visibility in parts of Iraq (KRI especially), which has reinforced the perception of the EU as a 'payer' and not a 'player' in the country. Better mobilisation of EU political influence could help to push the issue of internal reconciliation more firmly onto the national political agenda as a crucial 'soft' aspect of post-conflict recovery – in addition to the EU's own programmes.<sup>71</sup>

In May 2023, an article from the European Council on Foreign Relations stated that demographic shifts in certain regions of Iraq – resulting from ISIL occupation,<sup>72</sup> the internally displaced populations and returnees – might create more ethno-sectarian violence in the future. In this regard, strategic planning is necessary to curb both the immediate and the structural causes of terrorism and violence. Additionally, the author argues Europeans are well placed to advise on security vacuums between the various security forces in Baghdad-controlled Iraq and Iraqi Kurdistan. This should be of particular concern for the EU, as these gaps are an important cause of outward migration from Iraq, largely to Europe.<sup>73</sup>

The Institute for Security and Development Policy indicated in December 2021 that the majority of migrants crossing the border from Belarus to the EU are from Iraq, and that Iraq is still home to nearly 2 million internally displaced persons and 300 000 refugees. In November, the Kurdistan Regional Government (KRG) estimated that between 7 500 to 8 000 of the migrants stuck in the EU-Belarus border region are from the KRI, representing almost half of all people at the border.<sup>74</sup> As the Danish Refugee Council points out, this matter might be aggravated as parts of the country could become unliveable by the end of the century. Rising temperatures, growing numbers of dust storms, and drought are causing instability in parts of the country.<sup>75</sup>

Alleviating Iraq's oil dependency is another common concern among experts. In March 2023, an article published by the Stockholm International Peace Research Institute noted that crude oil exports accounted for an estimated 95 % of federal revenues in 2020. According to the authors, governments have done little regarding the dependency on oil rents. This has, in turn, led to a public sector characterised by patronage and to a shortage of jobs for new graduates – especially those without the necessary connections and networks. The dependency on oil rent also exposes the Iraqi

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<sup>71</sup> E. van Veen, A. Di Pietrantonio Pellise, N. Ezzeddine and P. Napolitano, [EU institutional policies and interventions in the Iraqi civil war](#), in Band-aids, not bullets, EU policies and interventions in the Syrian and Iraqi civil wars, Clingendael, February 2021, chapter 5, pp. 40-46.

<sup>72</sup> See B. Immekamp, [Syrian crisis: Impact on Iraq](#), EPRS, April 2017.

<sup>73</sup> H. Hadad, [From Shock and Awe to Stability and Flaws: Iraq's Post-Invasion Journey](#), European Council on Foreign Relations, 25 May 2023.

<sup>74</sup> V. Pulkkinen, [Notes from a Country of Origin: Iraq's Position in the EU-Belarus Border Crisis](#), Institute for Security and Development Policy, 16 December 2021.

<sup>75</sup> L. Thapa, [Iraq is at a crossroads – the EU's engagement in 2023 can help set the course](#), Danish Refugee Council, 12 January 2023.

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economy to fluctuations in global oil prices. As a result, in 2020, when global oil prices plunged, the government was left unable to fund basic services or even pay public-sector salaries and pensions.<sup>76</sup>

However, as noted by the European Council on Foreign Relations, European governments are increasingly hesitant to engage with the Iraqi state on major economic investment other than oil – to a large degree because of Iraq's relations with Iran. As European-Iranian relations have taken a downturn in recent months, European governments increasingly worry that helping Iraq will in turn help Iran's economy. A 2019 EPRS paper notes the full extent of Iran's strong influence in Iraq was confirmed through leaked Iranian intelligence reports. These documents provided evidence of 'Tehran's vast influence in Iraq, detailing years of painstaking work... to co-opt the country's leaders ... and infiltrate every aspect of Iraq's political, economic and religious life', turning Iraq into 'a gateway for Iranian power'.<sup>77</sup> Nevertheless, the European Council on Foreign Relations has stated that while Iraq shares a long border with Iran and the two countries are closely tied by culture, politics, and religion – the Iraqi State remains deeply nationalist and has always attempted to carefully balance its relations with the United States and Iran.

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<sup>76</sup> S. Fazil and A. Tartir, [Iraq in 2023: Challenges and prospects for peace and human security](#), commentary, Stockholm International Peace Research Institute, 17 March 2023.

<sup>77</sup> B. Immekamp with J. Claustre, [EU relations with Iran](#), briefing, EPRS, January 2023.

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The paper provides the background to EU relations with Iraq. After providing a brief overview of the country's current political, economic and social situation, the analysis provides an inventory of the tools and mechanisms and funding put in place by the EU, looks at recent developments and corresponding EU external policy.

It also provides an overview of European Parliament resolutions, and Council conclusions since the 2012 EU-Iraq Partnership and Cooperation Agreement, as well as a selection of the opinions found in recent research on EU-Iraq relations.

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