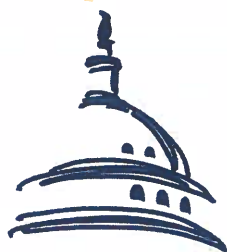


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Iraq: Issues in the 116th Congress

R45633

July 17, 2020

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Eastern Affairs

Iraq's unicameral legislature, the Council of Representatives (COR), voted to approve Prime Minister Mustafa al Kadhim's government program in May 2020 and finished confirmation of his cabinet in June, ending a months-long political vacuum. Al Kadhim has billed his government as transitional, pledging to move to early elections as soon as they can be held safely and fairly. He has acknowledged and begun acting to address the demands of protestors, whose mass demonstrations paralyzed Iraq in late 2019 and early 2020, and led to former prime minister Adel Abd al Mahdi's resignation in November 2019. Kadhim and his cabinet are contending with difficult choices and risks stemming from ongoing U.S.-Iran tensions, diminished oil revenues, resulting fiscal pressures, the Coronavirus Disease 2019 (COVID-19) pandemic, and remnants of the Islamic State organization (IS, aka ISIS/ISIL).

U.S.-Iraqi cooperation has achieved several shared goals in recent years, but joint efforts also have faced significant challenges. U.S. and coalition military assistance aided Iraqi efforts to end IS control of Iraqi territory from 2014 through 2018, and since have continued to support Iraqi counterterrorism operations and efforts to stabilize recovered areas and build the capacity of Iraqi security forces. U.S. military personnel and coalition counterparts remain in Iraq at the government's invitation, subject to bilateral executive-to-executive agreements. Iraqi forces evicted IS forces from urban strongholds with coalition assistance, but IS fighters continue to prosecute attacks from rural and remote areas, with the pace and scope of attacks increasing since mid-2019.

During 2019 and early 2020, deepening U.S.-Iranian-Iraqi security strains amplified underlying political disputes among Iraqis over the leadership of their government and the future of Iraq's international orientation and partnerships. These disputes were a significant factor in the delayed formation of the new Iraqi government. As confrontation between the United States and Iran has intensified, some Iraqis have grown more insistent in demanding an end to the presence of U.S. and other coalition military forces in Iraq.

Tensions increased during 2019 as Iran-backed Iraqi militia targeted U.S. and Iraqi military and civilian personnel in a series of rocket attacks, and as unclaimed airstrikes in Iraq targeted Iranian officials and Iraqi militia facilities and fighters. After a rocket attack killed and wounded U.S. contractors in December 2019, President Donald Trump cited U.S. concerns about the imminent threat of new attacks in ordering the U.S. military to kill Iranian Major General Qasem Soleimani and Iraqi Popular Mobilization Commission leader Abu Mahdi al Muhandis in Iraq on January 2, 2020. Days later, the Iraqi Council of Representatives voted to direct the Iraqi government to end operations by international military forces in Iraq. When another Iraqi militia attack killed and wounded U.S. and United Kingdom (U.K.) forces in March 2020, the U.S. military conducted retaliatory airstrikes. Intermittent rocket attacks have continued, with Iraqi officials taking some steps to disrupt hostile operations by suspects, some of whom are Iran-aligned militia members.

In general, U.S. engagement in Iraq since 2011 has sought to support Iraq's development as a secure, sovereign democracy. Successive Administrations have trained and supported Iraqi security forces (including Kurdish *peshmerga*), while expressing concern about Iranian influence. Mass protests in Iraq have highlighted underlying demands for systemic political change amid intensifying economic and social pressures created by the COVID-19 pandemic. To address security issues and a broader range of shared economic, stabilization, and cultural exchange concerns, U.S. and Iraqi officials began a high-level strategic dialogue in June 2020 pursuant to the 2008 U.S.-Iraq Strategic Framework Agreement. The dialogue is set to address the future of the U.S. military presence in Iraq and develop shared understandings regarding U.S. foreign assistance and Iraqi reform efforts. The Trump Administration repeatedly has extended a temporary waiver of U.S. sanctions to allow Iraq to purchase electricity and natural gas from Iran, but the issue may remain a recurrent irritant until Iraq completes plans to become more energy self-sufficient and diversify its energy partners. In July, Iraqi Finance Minister Ali Allawi announced that Iraq seeks \$5 billion in support from the International Monetary Fund.

In 2019, Congress appropriated additional military and civilian aid for Iraq without certainty about the future of Iraq's governing arrangements or about how change in Iraq and to the U.S. military and civilian presence there might affect U.S. interests. Having appropriated hundreds of millions of dollars more for Iraq programs and authorized continued military assistance efforts through December 2020, Congress may seek to clarify the Trump Administration's intentions toward partnership with Iraq and offer its own perspectives during consideration of the Administration's FY2021 appropriations requests and the FY2021 National Defense Authorization Act. For background on Iraq, see CRS Report R45025, *Iraq: Background and U.S. Policy*.

Iraq: Map and Country Data



Area: 438,317 sq. km (slightly more than three times the size of New York State)

Population: 38,872,655 (July 2020 estimate), ~59% are 24 years of age or under

Internally Displaced Persons: 1.3 million (April 2020)

Religions: Muslim 95-98% (64-69% Shia, 29-34% Sunni), Christian 1%, Yazidi 1-4% (2015 est.)

Ethnic Groups: Arab 75-80%; Kurdish 15-20%; Turkmen, Assyrian, Shabak, Yazidi, other ~5%. (1987 est.)

Gross Domestic Product [GDP; growth rate]: \$227.2 billion (2019); 3.9% (2019 est.)

Budget (revenues; expenditure; balance): \$89 billion, \$112 billion, -\$23 billion (2019 est.)

Percentage of Revenue from Oil Exports: 92% (2018)

Current Account Balance (% of GDP): -4.6% (2019 projected)

Foreign Reserves: \$68 billion (August 2019)

Oil and natural gas reserves: 142.5 billion barrels (2017 est., fifth largest); 3.158 trillion meters³ (2017 est.)

External Debt: \$73.43 billion (2017 est.)

Sources: Graphic created by CRS using data from U.S. State Department and Esri. Country data from CIA, *The World Factbook*, World Bank, International Monetary Fund, Iraq Ministry of Finance, and International Organization for Migration.

Note: Select cities in bold.

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Overview

After more than 17 years of conflict and zero-sum political competition, Iraqis are struggling to redefine their country's future and are reconsidering their relationships with the United States, Iran, and other third parties. Since seeking international military assistance in 2014 to regain territory seized by the Islamic State organization (IS, aka ISIS/ISIL), Iraqi leaders have implored international actors to avoid using Iraq as a battleground for their own rivalries and have attempted to build positive, non-exclusive ties to their neighbors and to global powers.

Nevertheless, Iraq has become a venue for competition and conflict between the United States and Iran, with resulting violence now raising basic questions about the future of the U.S.-Iraqi partnership and regional security. When a new government took office in Baghdad in June 2020 after a months-long delay, U.S. and Iraqi officials opened talks on a new foundation for bilateral ties through a high-level strategic dialogue. In the meantime, Iraqi leaders are grappling with challenges posed by lower oil revenues, the Coronavirus Disease 2019 (COVID-19) pandemic, and the latent demands of protestors whose demonstrations toppled last Iraqi government.

Iraq: Select History and Background

Iraqis have persevered through intermittent wars, internal conflicts, sanctions, displacements, unrest, and terrorism for decades. A 2003 U.S.-led invasion ousted the dictatorial government of Saddam Hussein and ended the decades-long rule of the Baath Party. This created an opportunity for Iraq to establish new democratic, federal political institutions and reconstitute its security forces. It also ushered in a period of chaos, violence, and political transition from which the country is still emerging. Latent tensions among Iraqis that were suppressed and manipulated under the Baath regime were amplified in the wake of its collapse. Political parties, ethnic groups, and religious communities competed with rivals and among themselves for influence in the post-2003 order, amid sectarian violence, insurgency, and terrorism. Misrule, foreign interference, and corruption also took a heavy toll on Iraqi society during this period, and continue to undermine public trust and social cohesion.

In 2011, when the United States completed an agreed military withdrawal, Iraq's gains proved fragile. Security conditions deteriorated from 2012 through 2014, as the insurgent terrorists of the Islamic State organization (IS, also called ISIS/ISIL)—the successor to Al Qaeda-linked groups active during the post-2003 transition—drew strength from conflict in neighboring Syria and seized large areas of northern and western Iraq. From 2014 through 2017, war against the Islamic State dominated events in Iraq, and many pressing social, economic, and governance challenges remain to be addressed (See **Table 1** for a statistical profile of Iraq). Iraqi security forces and their foreign partners wrested control of northern and western Iraq back from the Islamic State, but the group's remnants remain dangerous and Iraqi politics have grown increasingly fraught.

The Kurdistan Region of Iraq (KRI) maintains considerable administrative autonomy under Iraq's 2005 constitution. From mid-2014 through October 2017, Kurdish forces took control of many areas that had been subject to territorial disputes with national authorities prior to the Islamic State's 2014 advance, including much of the oil-rich governorate of Kirkuk. However, after the Kurdistan Regional Government (KRG) held a controversial advisory referendum on independence from Iraq on September 25, 2017, Iraqi government forces reasserted security control in many of these areas, leading to some armed confrontations and casualties on both sides and setting back some Kurds' aspirations for independence (**Figure 7**). A reduced security presence in some disputed territories since then has allowed some IS fighters to regroup and operate.

Across Iraq, including in the KRI, long-standing popular demands for improved service delivery, security, and effective, honest governance remain widespread. Opposition to uninvited foreign political and security interference also is shared broadly. Stabilization and reconstruction needs in areas liberated from the Islamic State are extensive. Paramilitary forces mobilized to fight IS terrorists have grown stronger and more numerous since the Islamic State's rapid advance in 2014, but have yet to be fully integrated into national security institutions. Iraqis are grappling with these political and security issues in an environment shaped by ethnic, religious, regional, and tribal identities, partisan and ideological differences, personal rivalries, economic disparities, and natural resource imbalances. Iraq's neighbors and other international powers are actively pursuing their diplomatic, economic, and security interests in the country. Iraq's strategic location, its economic potential, and its diverse population with ties to neighboring countries underlie its importance to U.S. officials, U.S. partners, and U.S. rivals. For background and additional sources, see CRS Report R45025, *Iraq: Background and U.S. Policy*.

Figure 1. Iraq: Areas of Influence and Operation
As of July 8, 2020



Source: Congressional Research Service using ArcGIS, IHS Markit Conflict Monitor, U.S. government, and United Nations data.

Notes: Areas of influence are approximate and subject to change.

Political Dynamics

Since the U.S.-led ouster of Saddam Hussein in 2003, Iraq's Shia Arab majority has exercised greater national power both in concert and in competition with the country's Sunni Arab and Kurdish minorities. Sunni Arabs led Hussein's regime, which repressed opposition movements drawn from all elements of Iraq's population. Governance in Iraq since 2003 has reflected an informal quota-based distribution of leadership and administrative positions based on ethno-sectarian identity and political affiliation. Extensive negotiations following national elections in 2005, 2010, 2014, and 2018 resulted in prime ministers drawn from Iraq's Shia Arab majority. By agreement, Iraq's presidency has been held by a member of the Kurdish minority, and the speaker of the unicameral legislature, the Council of Representatives (COR), has been a Sunni. Groups in turn have sought ministry and agency positions with ethnic and sectarian considerations in mind.

Voters have elected legislative representatives based on a party list system, but government formation has been determined by deal-making that has often included unelected elites and been influenced by foreign powers, including Iran and the United States. In principle, this apportionment system, referred to in Iraq as *muhassasa*, has deferred most conflict between identity groups and political rivals by dividing influence and access to state resources along negotiated lines that do not completely exclude any major group.¹ In practice, the system has enabled patronage networks to treat administrative functions as a source of private benefit and political sustenance. Government service delivery and economic opportunity have suffered. Corruption has spread, resulting in abuse of power and enabling foreign exploitation.²

Communal identities and rivalries remain politically relevant, but over time, competition among Shia movements and coalition building across communal groups also have become stronger factors in Iraqi politics. Notwithstanding their ethnic and religious diversity and political differences, many Iraqis advance similar demands for improved security, honest and effective government, and greater economic opportunity. Some Iraqi politicians have broadened their outreach to appeal across communal lines, but others continue to pursue power to benefit discrete groups.

Iraq's national election in May 2018 held out the promise of a fresh start for the country after the war with the Islamic State group, but low turnout and an inconclusive result instead produced paralysis. The *Sa'irun* (On the March) coalition led by populist Shia cleric and longtime U.S. antagonist Muqtada al Sadr's *Istiqama* (Integrity) list placed first in the election (54 seats), followed by the predominantly Shia *Fatah* (Conquest) coalition led by Hadi al Ameri of the Badr Organization (48 seats). *Fatah* includes several individuals formerly associated with the Popular Mobilization

Iraq's 2018 National Legislative Election

Seats won by Coalition/Party

Coalition/Party	Seats Won
Sa'irun	54
Fatah	48
Nasr	42
Kurdistan Democratic Party	25
State of Law	25
Wataniya	21
Hikma	19
Patriotic Union of Kurdistan	18
Qarar	14
Others	63

Source: Iraq Independent High Electoral Commission.

¹ Safwan Al Amin, "What 'Inclusivity' Means in Iraq," Atlantic Council – MENASource, March 28, 2016.

² See Ahmed Tabaqchali and Renad Mansour, "Webinar: Will COVID-19 Mark the Endgame for Iraq's Muhasasa Ta'ifia?" Chatham House (UK), April 30, 2020.

Commission (PMC) and the mostly Shia Popular Mobilization Forces (PMF). The Fatah list, as well as former prime minister Nouri al Maliki's separate State of Law list, included figures with ties to Iran. Fatah's rivals secured representation, but did not present unified leadership or a shared alternative agenda. Former Prime Minister Haider al Abadi's *Nasr* (Victory) coalition placed third (42 seats), while Ammar al Hakim's *Hikma* (Wisdom) list and former interim prime minister and Vice President Iyad Allawi's *Wataniya* (National) list also won large blocs of seats.

Among Kurdish parties, the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK) won the most seats, and smaller Kurdish opposition lists protested alleged irregularities. As negotiations continued, *Nasr* and *Sa'irun* members joined with others to form the *Islah* (Reform) bloc in the COR, while *Fatah* and State of Law formed the core of a rival *Bin'a* (Reconstruction) bloc. Months of negotiation in 2018 produced a compromise government under the leadership of Prime Minister Adel Abd al Mahdi, but his lack of an individual political mandate and his reliance on the consensus of fractious political blocs diluted his reform efforts.

Meanwhile, tensions between the United States and Iran increased steadily during this period (see textbox below), as U.S. officials implemented more intense sanctions on Iran and Iranian leaders used proxies to undermine regional security in defiance of the Trump Administration's "maximum pressure" campaign.³ In 2018 and 2019, U.S. officials attributed a series of indirect fire attacks on some U.S. and Iraqi installations to Iranian proxy forces, including a December 2019 rocket attack on an Iraqi military base that killed a U.S. citizen contractor and wounded others. Tensions crested as U.S. retaliatory strikes targeted pro-Iranian militia forces operating as PMF units and armed Iraqi demonstrations surrounded the U.S. Embassy.

After a January 2020, U.S. military strike in Baghdad killed Iranian Major General and Islamic Revolutionary Guards Corps-Qods Force (IRGC-QF) commander Qasem Soleimani and Iraqi PMF leader Jamal Ja'far al Ibrahimi (commonly referred to as Abu Mahdi al Muhandis), the future of U.S. and other foreign forces in Iraq reemerged as a pivotal political issue. Iraqi leaders condemned the U.S. strike and Iranian counterstrikes as violations of Iraqi sovereignty, and the COR voted to direct then-acting Prime Minister Adel Abd Al Mahdi to ask all foreign military forces to leave the country.⁴ Abd Al Mahdi deferred the question of the presence of foreign forces until the seating of the new government, even after a deadly militia attack and U.S. counterstrike in March. Meanwhile, U.S. forces consolidated their presence on fewer bases with enhanced force protection, and the counter-IS coalition has shifted to a more streamlined advising posture.

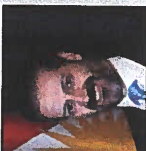
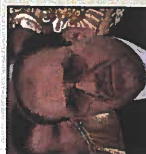
In June 2020, U.S. and Iraqi officials engaged in talks on security, economic cooperation, public health, and other matters under the rubric of a high-level strategic dialogue. Iran-aligned factions continue to insist that the United States withdraw all military forces. Years of conflict, poor service delivery, corruption, sacrifice, and foreign interference have strained the Iraqi population's patience with the status quo, adding to the pressures that their leaders face from the country's uncertain domestic and regional security environment. Some U.S. officials perceive a "growing revulsion for Iraq's political elite by the rest of the population,"⁵ but it is with these divided elites that U.S. officials are now engaged to develop a new vision for bilateral relations.

³ See also, CRS Report R45795, *U.S.-Iran Conflict and Implications for U.S. Policy*.

⁴ Those COR members present adopted by voice vote a parliamentary decision directing the Iraqi government *inter alia* to withdraw its request to the international anti-IS coalition for military support and to remove all foreign forces from Iraq and end the use of Iraq's territory, waters, and airspace by foreign militaries. Under Iraq's constitution, binding legislation originates with the executive and is reviewed and amended by the legislature. Iraqi courts have not consistently considered COR decisions (akin to concurrent resolutions under the U.S. system) to be binding.

⁵ Principal Deputy Assistant Secretary of State Joey Hood, Statement for the Record, Senate Foreign Relations Subcommittee on the Middle East, South Asia, Central Asia, and Counterterrorism (SFRC-ME), December 4, 2019.

Figure 2. Iraq: Select Political and Religious Figures

Iraq: Select Political and Religious Figures	
 Prime Minister Mustafa al Kadhim Mustafa al Kadhim replaced former prime minister Adel Abd al Mahdi in May 2020. Al Kadhim, a former journalist and human rights activist, served as the director of the Iraqi National Intelligence Service from 2016 until his appointment as Prime Minister. A Shia Arab, Al Kadhim has not been active as a member of any major political party. He has pledged to initiate some reforms during a transition to early elections.	 President Barham Salih Kurdish moderate and former prime minister of the Kurdistan Regional Government (KRG), Barham Salih, replaced President Foad Masum on 2 October 2018. Salih was nominated by the Patriotic Union of Kurdistan (PUK). During protests and clashes in 2019 and 2020, Salih took an assertive approach to encouraging the government to protect protestors and to nominating replacement prime ministerial candidates.
 Council of Representatives (COR) Speaker Mohammed al Halbousi The youngest speaker of parliament in Iraq's history, Mohammed al Halbousi (39) was elected in September 2018, with the support of the Bin 'a bloc led by Hadi al Ameri's Fatah list. Halbousi, a Sunni Arab, previously served as governor of Anbar. He replaced previous speaker Salim Jabouri.	 Nechirvan Barzani Nechirvan Barzani became the second president of the KRG in June 2019 after his Kurdistan Democratic Party (KDP) took first place in the Kurdistan region parliamentary elections. He replaced his uncle Masoud Barzani, who held the presidency from 2005 until 2017, when he resigned following a KRG independence referendum. Upon assuming the presidency, the younger Barzani relinquished his post as Prime Minister of the KRG to his cousin, Masrour Barzani (Masoud Barzani's son).
 Grand Ayatollah Ali al Sistani As the most senior, revered Shia Muslim cleric in Iraq, Sistani (89) has played a moderating role since 2003, intervening through periodic statements to criticize corruption, discourage civil violence, and give ethical guidance to security forces. His 2014 call for citizens to defend Iraq from the Islamic State gave rise to the Popular Mobilization forces (PMF) movement. In December 2019 his office expressed support for early elections.	 Muqtada al Sadr Sadr, the son of the late Grand Ayatollah Mohammed Sadiq al Sadr, has variously clashed with and supported leading fellow Shia figures since 2003, maneuvering to maximize his influence. Since 2014, he has advanced populist calls for reform and issued related ultimatums. His Sa'irun List won 54 COR seats. Sadr took a varying approach to the protest movement in 2019 and 2020. After demanding Abd al Mahdi's resignation, his coalition declined to nominate a replacement.
 Masrour Barzani Masrour Barzani has served as Prime Minister of the KRG since June 2019 and has held various positions within the KDP party under his father, former KRG president Masoud Barzani. With service experience in the KDP's <i>peshmarga</i> forces, he has served as Chancellor of the Kurdistan Region Security Council since 2012.	 Hadi al Ameri As Secretary General of the Shia Badr Organization and a former leader/commander in the PMF, Ameri has assumed a more prominent public profile since 2014. He has had close ties to Iran, but frequently engages with other Iraqi factions. He calls for preserving Iraq's territorial integrity but also has supported dialogue with Iraqi Kurds. Ameri's <i>Fatah</i> list won 48 COR seats and he leads the Bin 'a bloc in the COR.
 Qubad Talabani Qubad Talabani has served as Deputy Prime Minister of the KRG since June 2014. He previously served as the KRG Representative to the United States from 2006 to 2012 and has held various positions within the PUK party. His late father, Jalal Talabani, served as President of Iraq from 2006 to 2014.	 Nouri al Maliki Former prime minister and Vice President Nouri al Maliki led Iraq's government from 2006 to 2014. A Shia Arab affiliated with the Dawa Party, Maliki opposed efforts to replace him and was critical of former prime minister Abadi's performance. Maliki opposes the continuation of the U.S. military presence in Iraq, and his State of Law list is aligned with the Bin 'a bloc in the COR.

Sources: Graphic created by CRS, May 2020. Public domain images from U.S. and Iraqi government, Voice of America, and other sources.

U.S.-Iran Confrontation Intensifies in Iraq

Iran's government supported insurgent attacks on U.S. forces in Iraq during the U.S. military presence from 2003 to 2011. From 2012 through 2017, U.S.-Iranian competition in Iraq remained largely contained and relatively nonviolent. However, in 2018 and 2019, U.S. officials attributed a series of indirect fire attacks on some U.S. and Iraqi installations to Iranian proxy forces.

During unrest in southern Iraq during summer 2018, the State Department directed the temporary evacuation of U.S. personnel and the temporary closure of the U.S. Consulate in Basra after indirect fire attacks on the consulate and the U.S. Embassy compound in Baghdad. U.S. officials attributed the attacks to Iran-backed forces and said that the United States would hold Iran accountable and respond directly to future attacks on U.S. facilities or personnel by Iran-backed entities.⁶ In May 2019, the State Department ordered the departure of nonemergency U.S. government personnel from Iraq, citing an "increased threat stream."⁷ The Administration extended the ordered departure through November 2019, and, in December 2019, notified Congress of its plan to reduce personnel levels in Iraq on a permanent basis. In December 2019 and March 2020, U.S. officials reiterated warnings that the United States would respond forcefully to any attacks on U.S. persons or interests in Iraq and the wider region.

After a rocket attack on an Iraqi military base killed a U.S. citizen contractor and wounded others near Kirkuk, Iraq on December 27, 2019, U.S. military forces launched airstrikes against facilities and personnel affiliated with Iran-backed groups in Iraq and Syria. In western Iraq, the U.S. strikes killed and wounded dozens of personnel associated with the U.S.-designated Foreign Terrorist Organization *Kata'ib Hezbollah* (KH, **Figure 3**), who are formally part of Iraq's state-affiliated Popular Mobilization Forces (PMF).

Iraqi officials protested the December 29 U.S. attacks on *Kata'ib Hezbollah* as a violation of Iraqi sovereignty, and, days later, KH members and other figures associated with Iran-linked militias and PMF units marched to the U.S. Embassy in Baghdad and damaged property, setting outer buildings on fire. Iraqi officials and security forces reestablished order outside the embassy, but tensions remained high, with KH supporters and other pro-Iran figures threatening further action and vowing to expel the United States from Iraq by force if necessary.

In the early morning hours of January 3, 2020 (Iraq local time), a U.S. airstrike near Baghdad International Airport hit a convoy carrying Iranian Major General and Islamic Revolutionary Guards Corps-Qods Force (IRGC-QF) commander Qasem Soleimani, killing him and KH founder and Iraqi PMC leader Jamal Ja'far al Ibrahim (commonly referred to as Abu Mahdi al Muhandis). U.S. officials hold Soleimani responsible for a lethal campaign of insurgent attacks on U.S. forces during the U.S. military presence in Iraq from 2003 to 2011 that resulted in the deaths of 603 U.S. soldiers and injuries to many more.⁸ Soleimani and Muhandis have played central roles in Iran's efforts to develop and maintain ties to armed groups in Iraq over the last 20 years, and Soleimani served as a leading Iranian emissary to Iraqi political and security figures. Muhandis had served as PMF Deputy Commander.

The U.S. operation was met with shock in Iraq, and then-Prime Minister Abd al Mahdi and President Barham Salih issued statements condemning the strike as a violation of Iraqi sovereignty. The prime minister called for and then addressed a special session of the Council of Representatives (COR) on January 5, recommending that the quorum of legislators present vote to direct his government to ask all foreign military forces to leave the country.⁹ A subsequent voice vote confirmed the proposed COR decision, which some factions insist is binding.

⁶ Statement by the White House Press Secretary, September 11, 2018; and, Ben Kesling and Michael Gordon, "U.S. to Close Consulate in Iraq, Citing Threats From Iran," *Wall Street Journal*, September 28, 2018.

⁷ Security Alert – U. S. Embassy Baghdad, Iraq, May 15, 2019; and, Chad Garland, "State Department orders evacuation of nonemergency US government employees from Iraq," *Stars and Stripes*, May 15, 2019.

⁸ "Iran killed more US troops in Iraq than previously known, Pentagon says," *Military Times*, April 4, 2019

⁹ Prime Minister Abd al Mahdi's status as a caretaker raised some questions about his mandate. In past instances where the political mandate of key institutions has been in question, executive authorities have at times deferred to legislative directives contained in COR-adopted decisions. For example, amid a dispute over May 2018 national election results the COR passed a decision mandating a recount on certain terms. Then-Prime Minister Hayder al Abadi was not obliged to implement the decision, but did so out of deference to the COR's representative legitimacy. Under normal political circumstances, an Iraqi prime minister would not require any COR action to amend or end Iraq's bilateral security arrangements with the United States or any other international coalition members since the agreements are not based on legislative decisions but are governed by executive-to-executive decisions. In this case, the COR had recognized Prime Minister Abd al Mahdi's resignation in early December 2019. In light of the gravity of the questions involving foreign forces and the fraught security circumstances prevailing in Iraq in January, it appears that he chose to solicit a decision from the COR to bolster the legitimacy of his caretaker government's response.

Protests, Violence, and U.S. Responses

Iraqi citizens' have long expressed frustration with endemic corruption, economic stagnation, poor service delivery, and foreign interference, including through periodic protests. By October 2019, however, broad dissatisfaction ignited a mass protest movement led by young activists demanding fundamental political change. Mass protests paralyzed several urban areas across central and southern Iraq for months in late 2019 and early 2020, including central Baghdad. The movement channeled nationalist, nonsectarian sentiment and a range of frustrations into potent rejections of the post-2003 political order, the creation of which many Iraqis attribute to U.S. intervention in Iraq.¹⁰ Protestors reiterated past demonstrators' concerns and frustrations with the prevailing system's failures while voicing louder, more direct critiques of Iranian political interference than in the past.

Some Iraqi security forces and Iran-backed militias acted to violently suppress protests, killing more than 550 people, wounding thousands, and fueling growing domestic and international anxiety over Iraq's future. Members of some state security bodies that had garnered public trust through the war with the Islamic State perpetrated violence against protestors.

Iraqi political rivals and competing foreign powers appear to have responded to the protest movement based on calculations about how the movement's demands might affect their respective interests. Arguably, Iran-aligned groups have worked to forestall political outcomes that could threaten their power to shape security in Iraq and to entrench pro-Iran figures and militia groups inside Iraq's national security apparatus. U.S. officials embraced some protestors' calls for reform while expressing concern about the empowerment of Iranian proxies and wariness about Iraq's future alignment.¹¹ In response to protestors' demands, Prime Minister Adel Abd al Mahdi resigned in November 2019 after one year in office. He then served in a caretaker role for nearly 6 months while other Iraqi political leaders remained deadlocked over a replacement candidate.

Protestor calls for improved governance, reliable local services, more trustworthy and capable security forces, and greater economic opportunity broadly correspond to stated U.S. goals for Iraq. However, U.S. officials did not endorse demands for an immediate political transition during the height of the protest movement, and stated in December 2019 that they were taking care not to portray protestors "as pro-American."¹² Instead, U.S. officials advocated for protestors' rights to demonstrate and express themselves freely without coercive force or undue restrictions on media and communications.¹³ U.S. officials urged Iraqi leaders to respond seriously to protestors' demands and to avoid attacks against unarmed protestors, while expressing broad U.S. goals for continued partnership with "a free and independent and sovereign Iraq."¹⁴

¹⁰ According to former U.S. Deputy Chief of Mission in Iraq and Principal Deputy Secretary of State for Near East Affairs (PDAS) Joey Hood, "Although many protestors are too young to remember Saddam's tyranny, most are intimately familiar with the shortcomings of political elites that many believe the United States is responsible for bringing to power." PDAS Hood, Statement for the Record, SFRC-ME, op cit.

¹¹ Assistant Secretary of State for Near East Affairs David Schenker called on Iraqi leaders "to investigate and hold accountable" individuals responsible for attacks on protestors and to reject "the distorting influence Iran has exerted on the political process." Assistant Secretary of State for Near Eastern Affairs David Schenker, Special Briefing, Washington, DC, December 2, 2019.

¹² Hood, Statement for the Record, SFRC-ME, op cit.

¹³ Hood, Testimony before SFRC-ME, op cit.

¹⁴ After dozens of protestors were killed in late November 2019, Secretary of State Michael Pompeo and other officials said that the Administration "will not hesitate" to use tools at its disposal, "including designations under the Global

In December, the U.S. Department of the Treasury announced Global Magnitsky sanctions against “three leaders of Iran-backed militias in Iraq that opened fire on peaceful protests” (see “U.S. Policy and the Popular Mobilization Forces” textbox below) and an Iraqi millionaire businessman “for bribing government officials and engaging in corruption at the expense of the Iraqi people.”¹⁵ During the crackdowns, U.S. officials acknowledged that there had been “Iraqi military leaders and units implicated” in some cases of violence, but they also noted that there was uncertainty about responsibility in other cases.¹⁶ U.S. officials have reviewed reports of violence against protestors and have said these reviews will inform decisions about Iraqi military and federal police participation in U.S. security assistance programs.¹⁷

Transitional Government Takes Office as Iraqis Demand Change

The protest movement subsided in early 2020 as public fatigue reportedly grew and in the face of risks and restrictions related to the COVID-19 pandemic. In May 2020, the Council of Representatives approved Mustafa al Kadhimī, the director of the Iraqi National Intelligence Service, as prime minister and endorsed his proposed program and 15 cabinet ministers. Al Kadhimī’s confirmation followed withdrawal from consideration by two previous prime ministers-designate who failed to garner sufficient support from competing blocs. The COR approved the remainder of Al Kadhimī’s cabinet members in June 2020.

Upon taking office, Al Kadhimī declared his government would serve in a transitional capacity until early elections (which are otherwise due in 2022) and would work to improve security and fight corruption. Among the priorities identified in his government program are:

- mobilizing resources to fight the COVID-19 pandemic;
- “restricting weapons to state and military institutions”;
- “submitting a draft budget law to address the economic crisis”; and
- “protecting the sovereignty and security of Iraq, continuing to fight terrorism, and providing a national vision on the future of foreign forces in Iraq.”

Since taking office, Prime Minister Al Kadhimī has pledged to investigate the disappearance of several protest activists, ordered the release of detained demonstrators, and stated his government’s commitment to protecting the interests of poorer Iraqis when considering policies for spending reforms. Since May, pressing concerns related to the COVID-19 pandemic, Iraq’s fiscal crisis, and defiant militia groups have overshadowed discussions of finalizing the 2020 budget and preparing for early elections.

Public Health and COVID-19

Neighboring Iran was the early epicenter of COVID-19 pandemic in the Middle East region, creating significant public health challenges for Iraq’s then-acting government. Acting leaders instituted travel restrictions and strict internal curfews to help contain the early spread of the coronavirus and began mobilizing the limited capacity of Iraq’s public health system to meet

Magnitsky Act, to sanction corrupt individuals who are stealing the public wealth of the Iraqi people and those killing and wounding peaceful protesters.” Remarks by Secretary of State Michael Pompeo, November 18, 2019; Secretary of State Michael Pompeo, Remarks to the Press, November 26, 2019.

¹⁵ Treasury Sanctions Iran-Backed Militia Leaders Who Killed Innocent Demonstrators in Iraq, December 6, 2019.

¹⁶ Hood, Testimony before SFRC-ME, op cit.

¹⁷ Ibid.

expected needs. Kurdistan Regional Government (KRG) officials also instituted local mitigation measures in areas under their jurisdiction. Prime Minister Al Kadhimi's government has amended and extended curfew measures, maintained closures at some points of entry, and institute internal movement restrictions, varying by governorate. KRG officials similarly have limited non-essential movement inside the Kurdistan region on varying terms and amended and extended lockdown measures in some areas for specific periods.¹⁸

Iraq's public and private health systems have significant shortcomings and limited capacity, amplifying risks.¹⁹ Iraq has approximately 0.8 physicians and 1.3 hospital beds per 1,000 people (below the global average of 1.5 and 2.7, respectively), according to World Bank statistics. From April 21 to June 23, Iraqi authorities confirmed an increase in COVID-19 cases from 1,574 to 34,500 and fatalities from 82 to 1,252.²⁰ Limited testing and public health surveillance capacity may be underrepresenting the full incidence of the disease. Upticks in case detection and the number of governorates reporting cases have occurred as testing volume has grown.

The United States has provided \$10 million through the United Nations Development Program's Funding Facility for Stabilization to support emergency health infrastructure improvements related to COVID-19. Additional U.S. financing seeks to assist International Organization for Migration (IOM) programs to address COVID-19 risks among vulnerable populations in Iraq.

Economic and Fiscal Challenges

Among the most pressing effects of the pandemic on Iraq are economic and fiscal consequences: curfews and movement restrictions have suppressed private sector economic activity and lower global demand for oil has contributed to plummeting oil prices, jeopardizing Iraq's public finances. In June, Prime Minister Al Kadhimi said, "We are witnessing the worst economic situation since the formation of the Iraqi state."²¹ Oil exports provide more than 90% of public-sector revenue in Iraq, and insecurity, weak service delivery, and corruption have hindered growth in non-oil sectors over time. In June 2020, Iraq's Finance Minister Ali Allawi raised alarm about the country's resulting fiscal challenges and reform needs, saying, "We are in an existential economic situation. ...If oil prices stay at this level for a year and our expenses stay the same, [then] without a doubt we're going to hit a wall."²²

Prior to the COVID-19 pandemic, strained public finances already were complicating national government and KRG leaders' efforts to address the country's many challenges. The combined effects of periods of lower global oil prices, expansion of public-sector liabilities,²³ and the costs of the military campaign against the Islamic State exacerbated national budget deficits in 2016

¹⁸ The International Organization for Migration (IOM) monitors and reports on evolving movement limits put in place by national and KRG authorities during the COVID-19 emergency. See IOM, "Iraq Mobility Restrictions Due to COVID-19, 16–29 June 2020," June 29, 2020. The United Nations Office for the Coordination of Humanitarian Affairs regularly reports on COVID-19 pandemic conditions and related health measures.

¹⁹ Ahmed Aboulenein and Reade Levinson, "The medical crisis that's aggravating Iraq's unrest," Reuters, March 2, 2020.

²⁰ United Nations High Commissioner for Refugees (UNHCR), COVID-19 Update V, April 19, 2020, and COVID-19 Update XI, June 23, 2020.

²¹ Alissa Rubin, "In Iraq, a New Prime Minister Takes Stock of His Bloodied Land," *New York Times*, June 16, 2020.

²² Maya Gebeily, "Without urgent reform, Iraq economy will face irreparable shocks," AFP, June 22, 2020.

²³ In October 2019, the World Bank summarized this trend as follows: "Repeating past patterns of 'windfall' spending, higher oil revenues have resulted in a rising wage bill and public consumption. ... The fiscal policy stance is expansionary based on a higher wage bill and subsidies to lessen social pressures amidst weak private sector job creation." World Bank Group, *Macro Poverty Outlook – Iraq*, October 2019.

and 2017.²⁴ The Iraqi government borrowed domestically and internationally to meet its financing needs, including through a U.S.-guaranteed bond offering and through a U.S.-promoted Stand-by Arrangement with the International Monetary Fund. Stronger economic performance improved conditions in 2018 and 2019, but leaders made several concessions during the 2019 protests that increased budget costs.

Iraq's overall debt-to-GDP ratio remains relatively low, but lower oil output and revenues in 2020 are expected to drastically reduce annual GDP and increase borrowing needs. Iraq's government needs COR authorization to enter into foreign and domestic borrowing agreements, and the COR approved authorization for new borrowing on June 24, with stipulations requiring the government to pay new employees brought on in response to protests and to submit a reform plan.

Iraq manages its overall oil production in line with mutually agreed output limits set in consultation the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC countries (OPEC+), including Russia. Iraqi output and exports exceeded the OPEC+ agreed levels through May 2020, and in June, Iraqi oil officials announced specific plans to reduce output from major fields and said they "will keep lowering production gradually to comply with OPEC quota."²⁵ A draft 2020 budget considered before the pandemic assumed a \$56 benchmark price, but sales in May brought an average of \$21 per barrel and sales in June brought \$33 per barrel.²⁶ A July report from the World Food Program and World Bank estimated that Iraq would need oil sales at \$76 per barrel to meet its current budget commitments.²⁷

In recent months, government officials have reported significant shortfalls in revenue and announced that the government has initiated a credit arrangement with state banks to provide salaries for state employees. A restructuring committee also has been studying public financial commitments and recommending changes to the Prime Minister. Monthly revenue deficits already have created short-term bottlenecks in debt-service, salary, and benefit payments, with Iraqi leaders discussing deferral of debt payments with the IMF and drawing some citizens' criticism for delays in some benefits to retirees and civil servant salaries.²⁸ Iraq also reportedly has sought concessions from Kuwait on the payment of reparations for the 1990 Iraqi invasion, and is expected to turn to foreign lenders for budget support for the remainder of 2020.²⁹

Until recently, fiscal pressures have been most acute in the federally recognized Kurdistan region, where the fallout from the national government's response to the Kurdistan Regional Government's KRG September 2017 referendum had further strained the KRG's already weakened ability to pay salaries to its public-sector employees and security forces. The KRG's post-referendum loss of control over significant oil resources in Kirkuk governorate, coupled with changes implemented by national government authorities over shipments of oil from those fields via the KRG-controlled export pipeline to Turkey, contributed to a sharp decline in revenue for the KRG during 2018. KRG leaders borrowed funds domestically and internationally to cover costs, delaying and deferring salaries and benefits.

Related issues have shaped consideration of recent national budgets in the COR, with Kurdish representatives criticizing the government's proposals to allocate the KRG a smaller percentage

²⁴ IMF Country Report No. 17/251, Iraq: Second Review of the Three-Year Stand-By Arrangement, August 2017.

²⁵ Reuters, "Iraq agrees with oil companies on deeper output cuts in June- sources," June 14, 2020.

²⁶ AFP, "Iraq oil exports sink to comply with OPEC cuts," July 2, 2020.

²⁷ Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), World Food Programme (WFP) and the World Bank, *Food Security in Iraq: Impact of COVID-19, April-June 2020*, July 2020

²⁸ Shaima Rashid, "Iraq is discussing a pause in payments on its debt with the [International] Monetary Fund," *Al Sabah* (Iraq), April 16, 2020; and, AFP, "In Iraq, public outrage over austerity stymies reform plan," June 16, 2020.

²⁹ Stephen Kalin, "Iraq Turns to Neighbors to Ease Economic Strains," *Wall Street Journal*, May 24, 2020.

of funds to the KRG than the 17% benchmark reflected in past budgets. National government objectives reportedly include revision of KRG allocations based on new population estimates and enhanced transparency for the collection of national and regional taxes in the KRG, the payment of administrative charges to oil companies operating in the KRG, KRG public employee verification, and the allocation of KRG oil revenues.

Agreements reached for the national government to pay KRG civil service and *peshmerga* salaries in the 2019 budget were linked to the KRG placing 250,000 barrels per day of oil exports under federal control in exchange for financial allocations for verified expenses. The transfer of national funds to the KRG in 2019 eased some fiscal pressures that had required the KRG to impose payment limits that had fueled protests by Kurdish civil servants and others. However, disputes over export levels and budget transfers remained unresolved, and attempts to reach a new agreement stalled after Prime Minister Abd al Mahdi's resignation.

In April 2020, the Iraqi government announced that it would not transfer an expected round of funding, citing the need to resolve outstanding differences. In May, Prime Minister Al Kadhimi agreed to transfer one additional month's payment in anticipation of renewed high-level talks between KRG and national government officials in Baghdad. Talks were held in June as KRG officials announced plans for some salary and benefit cuts for KRG employees, but reports suggest that the two sides continue to differ over key proposals to resolve the budget dispute.³⁰ Protests have resumed in the Kurdistan region, with civil servants demanding delayed salaries and farmers protesting difficult market conditions.

Iraq, Iran, and U.S. Sanctions

Broad U.S. efforts to put pressure on Iran extend to the Iraqi energy sector, where years of sanctions, conflict, neglect, and mismanagement have left Iraq dependent on purchases of natural gas and electricity from its Iranian neighbors.³¹ Since 2018, Iraqi leaders have sought relief from U.S. sanctions on related transactions with Iran. The Trump Administration has renewed repeated temporary permissions for Iraq to continue these transactions, with the provision that the proceeds are held in escrow in Iraq and not returned to Iran. In May, the Trump Administration issued a 120-day waiver on related sanctions.

Ongoing U.S. initiatives encourage Iraq to diversify its energy ties with its neighbors and develop more independence for its energy sector. U.S. assistance programs have supported electricity interconnection projects in neighboring Jordan, and Iraqi officials have discussed potential energy sector investments with Saudi officials in 2020. U.S. officials promote U.S. companies as potential partners for Iraq through the expansion of domestic electricity generation capacity and the introduction of technology to capture the large amounts of natural gas that are flared (burned at wellheads). As of July 2020, related contracts with U.S. firms had not been finalized.

Ongoing Militia Tensions Influence Domestic Politics and Foreign Ties

Prime Minister Al Kadhimi and his backers remained engaged in a complicated political, bureaucratic, diplomatic, and security contest with rivals and adversaries over the future of Iraqi militia forces and the U.S. and coalition military presence in Iraq.³² One of Prime Minister Al Kadhimi's first acts upon taking office in May 2020 was to personally visit and publicly consult with the heads of Iraq's military, Ministry of Interior, and Counterterrorism Service (CTS), as well as the interim leaders of the Popular Mobilization Commission (PMC) and its associated

³⁰ Lawk Ghafari, "KRG announces salary cuts to cope with economic crisis," Rudaw (Erbil), June 21, 2020.

³¹ Isabel Coles and Ali Nabhan, "Oil-Rich Iraq Can't Keep the Lights On," *Wall Street Journal*, July 21, 2018.

³² See Phillip Smyth, "Iranian Militias in Iraq's Parliament: Political Outcomes and U.S. Response," Washington Institute for Near East Policy, PolicyWatch 2979, June 11, 2018; Michael Knights, "Kadhimi as Commander-in-Chief: First Steps in Iraqi Security Sector Reform," Washington Institute for Near East Policy, May 19, 2020; and, Shahla Al Kli, "Al-Kadhimi and the Kataib Hezbollah raid," Middle East Institute, June 30, 2020.

militias—the Popular Mobilization Forces (PMF). In echoing his predecessors' intention to ensure that armed groups only hold and use weapons with state authorization and through the chain of command to the prime minister's office, Al Kadhimi is challenging the network of Iran-aligned militia actors associated with and outside of the PMC/PMF (see **Figure 3** and textbox below). Some of these actors seek to preserve their autonomy and ties to Iran while continuing to enjoy Iraqi state protection and benefits under the Iraqi law. Others more outwardly challenge the prime minister's authority and include suspects in the murder of Iraqi civilians and ongoing indirect fire attacks against facilities hosting U.S. and coalition personnel and on supply convoys.

The PMC and PMF were founded in 2014 and continue to participate in Iraq's fight against the Islamic State. However, some groups with PMF units have come to present an implicit, and, at times, explicit challenge to the authority of the state, even as the overall PMC/PMF structure has been recognized as a permanent state security force.³³ The PMF are largely but not solely drawn from Iraq's Shia Arab majority: Sunni, Turkmen, and Christian PMF militia also remain active. Among Shia units, groups organized by and associated with certain shrines and clerics in the city of Najaf have struggled for resources and influence in the PMC/PMF with Iran-linked figures.

Prime Minister Al Kadhimi's predecessors attempted to regularize and place bureaucratic guardrails around the PMC/PMF enterprise through a 2016 law and a series of decrees and organizational directives, with mixed results.³⁴ In early June 2020, the prime minister's office issued new implementation guidance for measures intended to strengthen state control of the PMC/PMF.³⁵ The guidance follows up on a July 2019 decree reiterating demands that the PMF and PMC conform to Iraqi law. According to the U.S. Defense Intelligence Agency (DIA), "some PMF brigades followed the [July 2019] decree by shutting down headquarters and turning in weapons, but several Iranian-aligned groups refused to comply."³⁶ The DIA judged in 2019 that "Iranian-affiliated groups within the PMF are unlikely to change their loyalties because of [Abd Al Mahdi's] order."³⁷ The PMC adopted a reorganization plan in September 2019, but the reshuffle left Iran-aligned individuals in key internal PMC/PMF leadership positions.

Following the January 2020 U.S. strike against Qasem Soleimani and PMF Deputy Commander/KH leader Abu Mahdi al Muhandis, several Iraqi militia forces, including some that participate in PMF operations, have vowed revenge against the United States and stated their renewed commitment to expelling U.S. forces. Others called for a measured approach and disavowed potential attacks on non-military targets as a means of fulfilling their objectives. In monitoring U.S.-Iraqi talks, KH and some Fatah leaders continue to insist that U.S. forces depart.

³³ Some Shia forces discussed recruiting militia to resist IS attacks prior to Grand Ayatollah Ali al Sistani's June 2014 call for citizens to help fight the Islamic State. Many Shia volunteers responded to Sistani's call by joining militias that became the PMF. Then-Prime Minister Nouri al Maliki established the PMC in June 2014 to give volunteer forces "a sense of legal justification and a degree of institutionalization." For background, see Fanar Haddad, "Understanding Iraq's Hashd al-Sha'bi," *The Century Foundation*, March 5, 2018; Renad Mansour, "More Than Militias: Iraq's Popular Mobilization Forces Are Here to Stay," *War on the Rocks*, April 3, 2018; Renad Mansour and Faleh Jabar, "The Popular Mobilization Forces and Iraq's Future," *Carnegie Middle East Center*, April 28, 2017.

³⁴ In addition to outlining salary and benefit arrangements important to individual PMF volunteers, the 2016 law and subsequent decrees call for all PMF units to be placed fully under the authority of the commander-in-chief (Prime Minister) and to be subject to military discipline and organization. See Michael Knights, Hamdi Malik, and Aymenn Jawad Al-Tamimi, *Honored, Not Contained: The Future Of Iraq's Popular Mobilization Forces*, Washington Institute for Near East Policy, March 2020.

³⁵ Michael Knights and Hamdi Malik, "Hashd Reforms in Iraq Conceal More Than They Reveal," Washington Institute for Near East Policy, June 9, 2020.

³⁶ Lead Inspector General for Overseas Contingency Operations (LIG-OCO), Report to Congress on Operation Inherent Resolve, July 1, 2019–October 25, 2019.

³⁷ *Ibid.*

Figure 3. Select Iraqi Shia Political Groups, Leaders, and Militias

Iraq: Select Shia Political Groups, Leaders, and Militias	
	Badr Organization The Badr Organization of Reconstruction and Development was founded in Iran in the early 1980s as the militia force of the Supreme Council for Islamic Revolution in Iraq. Then known as the Badr Brigades or Badr Corps, it received training and support from the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) of Iran in its failed efforts to overthrow Saddam Hussein during the 1980s and 1990s. The Badr Organization largely disarmed after Saddam's fall and integrated into the political process, supporting the United States insofar as it facilitated a transition to Shia-majority rule and exercising control over Iraq's interior ministry. Under the administration of Prime Minister Nouri al Maliki, Badr leader Hadi al Ameri served as transportation minister and commanded security forces in Diyala province. In 2014, Badr mobilized approximately 10,000 fighters under the auspices of the Popular Mobilization Forces (PMF) and Ameri assumed a leadership role in the PMF movement. Ameri leveraged this role as the head of the <i>Fatah</i> (Conquest) coalition in the May 2018 national election. <i>Fatah</i> won the second most seats (48) in the Council of Representatives (COR), of which 22 were won by Badr candidates. Ameri withdrew from consideration for prime minister in September 2018, but remains influential. In 2019, reports emerged of disputes within Badr over the movement's direction, leadership, and security issues.
	Kata'ib Hezbollah (Battalions of the Party of God) Also known as the Hezbollah Brigades, Kata'ib Hezbollah (KH) is an Iranian-backed Shia armed group and U.S.-designated Foreign Terrorist Organization (FTO) founded by the late Abu Mahdi al Muhandis in 2006. Muhandis was a Shia opposition operative during Saddam's rule, and was convicted in absentia by Kuwaiti courts for a number of attacks there. After these attacks, he served as leader of the Badr Corps, but broke with the group because of its support for the U.S. invasion of Iraq. Muhandis aligned with the Mahdi Army (see below) from 2004-2006, but then broke with it to form KH. The Treasury Department designated KH and Muhandis as threats to Iraqi stability under Executive Order (E.O.) 13438 in 2009. KH has sent troops to fight with Bashar al Asad's regime in Syria, and, since 2013, KH has been fighting IS forces in Iraq. The group claims to have 30,000 fighters, though other estimates are significantly lower. In September 2018, the State Department described KH as "heavily dependent" on Iranian support. Muhandis was killed in a U.S. strike at Baghdad International Airport on January 3, 2020, alongside Iranian Major General and Islamic Revolutionary Guards-Qods Force commander Qasem Soleimani.
	Asa'ib Ahl al Haq (AAH, "League of the Righteous") Led by Qa'is al Khazali, who previously commanded Mahdi Army "Special Groups" personnel during 2006-2007, until his capture and incarceration by U.S. forces for his role in a 2005 raid that killed five U.S. soldiers. During his imprisonment, his followers formed AAH. After his release in 2010, Khazali took refuge in Iran, returning in 2011 to take resume command of AAH while also converting it into a political movement and social service network. AAH resumed military activities under the auspices of the PMF after the 2014 Islamic State offensive. Khazali and other AAH leaders nominally disassociated themselves from AAH-affiliated PMF units in order to participate in the 2018 election and secured 13 COR seats as part of the <i>Fatah</i> coalition. On January 3, 2020, the State Department designated the group as a Foreign Terrorist Organization and two of the group's leaders, Qa'is Khazali and his brother Laith Khazali, as Specially Designated Global Terrorists under E.O. 13224, as amended by E.O. 13886. These designations follow action taken by the Treasury Department on December 6, 2019, to designate the brothers pursuant to E.O. 13818 for their involvement in serious human rights abuses in Iraq, notably approving lethal force against protestors.
	Saraya al Salaam (Peace Brigades) Established in 2014, Saraya al Salaam, also known as "The Peace Brigades," are one of several successor militias to the "Mahdi Army" movement that the junior Shia cleric Muqtada Al Sadr formed in 2004 to combat the U.S. military presence in Iraq. Sadr's relationship with Iran has evolved over time, and former Mahdi Army elements with close ties to Iranian security services have broken away to form their own groups. As U.S. forces completed their withdrawal from Iraq in 2011, Sadr's movement evolved into a social services network. In response to the Islamic State threat in 2014, Sadr mobilized fighters under the Saraya al Salaam framework. Though part of the PMF network, Sadrist militia have clashed with Badr and other PMF groups. The Sadr-led <i>Sa'irun</i> list won the highest number of seats (54) in the 2018 election.
	Harakat Hezbollah al Nujaba (Movement of the Noble Ones of the Party of God) Harakat Hezbollah al Nujaba (HHN) formed in 2013 and deployed Iraqi volunteers to Syria to assist the Asad regime. HHN forces have participated in a number of Iran-supported operations in Syria, including efforts to recapture city of Aleppo in 2016 and secure areas near the Iraq-Syria border. HHN's leader, Akram al Ka'bi and the group were named Specially Designated Global Terrorists pursuant to E.O. 13224 in March 2019 for their actions and ties to Iran. Ka'bi previously had been designated as a threat to Iraq's stability under E.O. 13438 in 2008, when he was a leader of an Iran-backed Mahdi Army faction referred to by U.S. forces as the "Special Groups." HHN claims a strength of 9,000 fighters, of which around two-thirds are in Iraq, with the remainder in Syria. On March 5, 2019, HHN and its leader al Ka'bi were designated as Specially Designated Global Terrorists under E.O. 13224.

Sources: Graphic created by CRS, January 2020. Information compiled from Iraqi groups' statements and public platforms, U.S. government reports, non-government analyses, and international media accounts.

In March 2020, a new group calling itself *Usbat al Tha'ireen* (League of the Revolutionaries) emerged and since then has claimed responsibility for actual and attempted attacks against U.S. targets, posting aerial surveillance footage of key U.S. installations in Iraq.³⁸ The late Iraqi security analyst Hisham al Hashimi—who was close to government leaders and who gunmen assassinated in Baghdad in July 2020³⁹—described the new group in March “as a faction that revives the ideology of the 2007 Special Groups, which were dubbed the death squads by research experts. These were radical Shia cells who believed that the answer lay in resistance, arms, and fighting U.S. troops via hybrid tactics or guerilla warfare or irregular warfare.”⁴⁰ Al Hashimi judged that the group seeks “to provoke these [U.S.] troops into an uncalculated retaliation that causes killing of Iraqi security or military forces or civilians. This way they can create public resentment against the foreign presence.” Prime Minister Al Kadhimi has vowed to find and punish Al Hashimi’s killers.

In late June, CTS forces arrested fourteen KH members and a foreign national in a highly publicized operation to disrupt rocket fire on U.S. and Iraqi facilities in and around Baghdad.⁴¹ Authorities subsequently released most of the KH detainees, and KH figures responded with their own shows of force and critiques of the prime minister in the wake of the arrests. KH retains PMF units under the PMC’s jurisdiction, and its former secretary general has served as the PMC’s interim chief of staff since February, after a U.S. strike killed his predecessor and mentor, the late Abu Mahdi al Muhandis.⁴²

In July, Prime Minister Al Kadhimi replaced long serving National Security Adviser and National Security Service head Falih al Fayyad with a former Interior Minister and a Badr Organization leader, Qasim al Araj, and Maj. Gen. Abdul Ghani al Asadi, respectively. Al Fayyad retained his position as PMC head. The prime minister in May had restored Lt. Gen. Abdul Wahhab al Saadi as CTS commander; Saadi’s September 2019 dismissal drew protests that contributed to broader popular criticism of the Abd al Mahdi government.⁴³

Further steps to recast the internal leadership of the PMC and/or to reorganize or demobilize specific PMF units could indicate the relative outcome of rivalries within the organizations and between the Prime Minister and Iran-aligned PMC/PMF individuals and units.⁴⁴ Further security force operations against militia members suspected of attacks and assassinations and/or additional attacks by anti-U.S. militia groups could lead to an escalation in tensions and affect the prospects for ongoing U.S.-Iraq dialogue and security cooperation.⁴⁵

³⁸ Louisa Loveluck and Missy Ryan, “Militia attacks on Americans in Iraq are becoming more audacious. The U.S. is wrestling with how to respond,” *Washington Post*, March 28, 2020.

³⁹ Isabel Coles, “Pompeo Urges Iraq to Act Against Killers of Top Security Analyst,” *Wall Street Journal*, July 8, 2020.

⁴⁰ Al Nas News (Baghdad), “Recent Shellings Attributed to Group: Who are the League of the Revolutionaries?” March 19, 2020. The Special Groups were Iran-backed militia forces that targeted U.S. personnel in Iraq. See Michael Knights, “The Evolution of Iran’s Special Groups in Iraq,” *CTC Sentinel*, Vol. 3, Issue 11, November 2010.

⁴¹ Associated Press, “Iraqi Forces Arrest Men Suspected of Attacks Targeting US,” June 26, 2020.

⁴² In February 2020, some PMC/PMF officials named KH official Abd al Aziz al Muhammadawi (aka Abu Fadak) as deputy commander of the PMC/PMF. However, several PMC/PMF officials associated with shrines based in Najaf (and viewed as more independent of Iranian influence) reportedly rejected the appointment, and the prime minister’s office had not confirmed the appointment formally as of July 2020.

⁴³ Al Saadi became nationally prominent for his role in leading CTS operations against the Islamic State. Bassem Mroue, “Iraq’s removal of counterterrorism chief sparks controversy,” Associated Press, September 29, 2019.

⁴⁴ See Ali Alfoneh, “Succession Crisis in Iraq’s Popular Mobilization Forces,” Arab Gulf States Institute in Washington, April 3, 2020.

⁴⁵ Associated Press, “Iran-Backed Militia Says PM’s Actions Could Bring Escalation,” July 8, 2020.

U.S. Policy and the Popular Mobilization Forces

U.S. officials have recognized the contributions that PMF volunteers have made to Iraq's fight against the Islamic State; they have also remained wary for years about Iran-linked elements of the PMF that the U.S. government believes operate as Iranian proxy forces outside formal Iraqi government and military control.⁴⁶ The U.S. Intelligence Community in 2019 described Iran-linked Shia militia—whether PMF or not—as the “primary threat” to U.S. personnel in Iraq, and suggested that the threat posed by Iran-linked groups will grow as they press for the United States to withdraw its forces from Iraq.⁴⁷

In general, the popularity of the PMF and broadly expressed popular respect for the sacrifices made by individual volunteers in the fight against the Islamic State have created vexing political questions for Iraqi leaders and U.S. officials. These issues are complicated further by the apparent involvement of PMF fighters in human rights abuses and attacks on foreign military forces present in Iraq at the invitation of the Iraqi government. Since 2019, U.S. officials have accused some PMF personnel and associated figures of a range of human rights abuses.

- In January 2020, the U.S. government designated *Asa'ib Ahl al Haq* (AAH) as a Foreign Terrorist Organization, and named two of its leaders, Qais and Laith al Khazali, as Specially Designated Global Terrorists (SDGTs).
- In December 2019, the U.S. government designated the Khazalis for Global Magnitsky human rights-related sanctions. According to the U.S. Treasury Department, “during the late 2019 protests in many cities in Iraq, AAH has opened fire on and killed protesters.”⁴⁸
- The U.S. government similarly designated for human rights sanctions Husayn Fali al Aziz (aka Abu Zaynab) al Lami, the security director for the PMF.⁴⁹ According to the human rights designation notices, Qais al Khazali and Al Lami were “part of a committee of Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) proxies that approved the use of lethal violence against protesters for the purpose of public intimidation.”
- Earlier in 2019, the U.S. government listed *Harakat Hezbollah al Nujaba* and its leader, Akram al Kabi, as SDGTs, and designated the commanders of the PMF 30th and 50th brigades for Global Magnitsky sanctions.

U.S. policy seeks to support the long-term development of Iraq's military, counterterrorism, and police services as alternatives to the continued use of PMF units to secure Iraq's borders, communities, and territory recaptured from the Islamic State. PMF units continue to conduct operations against IS fighters in some areas, and redeployments or demobilization of PMF units could create new opportunities for IS fighters to exploit. U.S. military officials predicted in early 2019 that “competition over areas to operate and influence between the PMF and the ISF will likely result in violence, abuse, and tension in areas where both entities operate.”⁵⁰

Planning for New Elections

Among protestors' demands was a call for early elections before those expected in 2022. For early elections to occur, two-thirds of the COR would have to vote to dissolve its current membership or the prime minister and president would have to jointly call for early elections, to be held within 60 days. Both Prime Minister Al Kadhimi and President Salih have signaled their support for early elections. Amid protestor appeals, the COR adopted a new electoral law in December 2019 that would replace Iraq's list-based election system with an individual candidate- and district-based system.⁵¹ However, the legislation did not fully define the terms and boundaries

⁴⁶ See, U.S. Embassy Baghdad, “Arming Ceremony at Al-Taqqaddum Air Base in al-Habbaniya,” September 5, 2017; and, Ambassador Matthew H. Tueller, Statement for the Record, Senate Foreign Relations Committee, March 6, 2019.

⁴⁷ Worldwide Threat Assessment of the U.S. Intelligence Community, February 13, 2018. In January 2019, the U.S. intelligence community assessed that the PMC/PMF “plan to use newfound political power gained through positions in the new government to reduce or remove the U.S. military presence while competing with the Iraqi security forces for state resources.” Worldwide Threat Assessment of the U.S. Intelligence Community, January 29, 2019.

⁴⁸ Treasury Sanctions Iran-Backed Militia Leaders Who Killed Innocent Demonstrators in Iraq, December 6, 2019.

⁴⁹ See Reuters, “Exclusive: Iran-backed militias deployed snipers in Iraq protests – sources,” October 17, 2019; Michael Knights, “Punishing Iran's Triggermen in Iraq: Opening Moves in a Long Campaign,” Washington Institute for Near East Policy, PolicyWatch 3223, December 6, 2019.

⁵⁰ LIG-OCO, Report to Congress on Operation Inherent Resolve, October 1–December 31, 2018.

⁵¹ In May, the U.N. Assistance Mission in Iraq reported to the Security Council that, “The final text of the electoral law,

for electoral districts or set out how the new system would provide for existing gender and ethnicity membership quotas.⁵² Some Sunni and Kurdish groups rejected the proposed law. As debate over refinement or amendment of the legislation continues, Iraqi leaders have not yet agreed on specific plans for holding an early national election. A new law for the Independent High Electoral Commission (IHEC) also adopted in December 2019 calls for a panel of judges to lead expanded IHEC operations, creating new capacity and funding needs. The United Nations Assistance Mission in Iraq (UNAMI) works closely with IHEC, with U.S. support.

Observers expect that Iraq could hold elections in 2021 at the earliest, but differ over whether elections before the current early 2022 deadline should be a priority for Iraqis. In April and May, the Atlantic Council's Abbas Khadim argued that "a snap election ...would not be held and introduce another government before the second half of 2021 at best." Citing constitutional concerns, preparation costs, and political considerations, Khadim judged that "there would be no gain from such a process."⁵³ Writing in support of holding elections at the end of 2021, former U.S. National Security Council Director for Iraq Douglas Ollivant argued that an early election would "have the virtue of a) giving the government time to prepare, b) costing the existing power structure little, by leaving power only four-six months early, and c) giving a small win to the protesters, who can truthfully say they pushed elections into the preceding year."⁵⁴

Early elections under a revamped system could introduce new political currents and leaders, but fiscal pressures, political rivalries, and the limited capacity of some state institutions may present lasting hurdles to reform. The Administration told Senators in December that,

...nothing will change [in Iraq] until political leaders decide that government agencies should provide public services rather than serve as ATM machines for their parties. Until that happens, the people's demands for a clean and effective government will not be met, no matter who serves as Prime Minister or in Cabinet positions.⁵⁵

Following any new election—early or otherwise—government formation negotiations would recur, taking into consideration domestic and international developments over the interim period. Iraqi domestic debates over corruption, governance, and security, as well as the ongoing regional struggle between Iran and the United States, have shaped the government formation and bilateral strategic dialogue in 2020 and would likely shape any forthcoming election in 2021 or beyond.

Counterinsurgency and Stabilization Challenges

Combatting Islamic State Insurgents

Although the Islamic State's exclusive control over distinct territories in Iraq ended in 2017, the U.S. intelligence community assessed in 2018 that the Islamic State had "started—and probably

approved by the parliament in December 2019, has yet to be published in the official parliamentary gazette in the absence of a parliamentary decision on the delineation of constituencies and the apportionment of parliamentary seats among constituencies." A consistent, nationwide districting process could require a census, which Iraq has not conducted since 1997. Census plans discussed since 2003 have been accompanied by significant political tensions.

⁵² See IFES, *Elections in Iraq 2018: Council of Representatives Elections - Frequently Asked Questions*, 2018.

⁵³ Abbas Khadim, "New Iraqi government must face a pandemic and oil price drop," Atlantic Council – MENASource, May 7, 2020; Khadim, "Challenges for Iraq's new government under Mustafa Al-Kadhimi," Atlantic Council – MENASource, April 22, 2020.

⁵⁴ Douglas Ollivant, "Keep Expectations Modest for Iraq's New Government," War on the Rocks, May 13, 2020.

⁵⁵ Hood, Statement for the Record, SFRC-ME, op cit.

will maintain—a robust insurgency in Iraq and Syria as part of a long-term strategy to ultimately enable the reemergence of its so-called caliphate.”⁵⁶ In January 2019, then-Director of National Intelligence Dan Coats told Congress that the Islamic State “remains a terrorist and insurgent threat and will seek to exploit Sunni grievances with Baghdad and societal instability to eventually regain Iraqi territory against Iraqi security forces that are stretched thin.”⁵⁷

IS leader Abu Bakr al Baghdadi killed himself to avoid capture by U.S. forces in an October 2019 operation against his compound in Idlib, Syria, though according to defense officials, his death “did not result in any immediate degradation to ISIS’s capabilities.”⁵⁸ His replacement, Amir Mohammed Said Abd al Rahman al Mawla (aka al Mawla), has not established a comparable international profile. Thousands of IS fighters have dispersed in rural and remote areas of Syria and Iraq, posing a threat to local security forces, U.S. and coalition forces, and civilians. In May 2020, Combined Joint Task Force- Operation Inherent Resolve (CJTF-OIR) reported that the Islamic State continues to wage “a low-level insurgency” but cannot hold territory in Iraq and Syria.⁵⁹ In March 2020, CENTCOM reported to Congress that “most of the U.S. intelligence community predicts that without sustained pressure levied against it, ISIS has the potential to reconstitute in Iraq and Syria in short order, beyond the current capabilities of the U.S. to neutralize it without a capable, partnered ground force.”⁶⁰ In July, U.S. CENTCOM Commander Gen. Kenneth McKenzie predicted that a low-level IS threat would remain “endemic.”⁶¹

U.S. officials have noted the ability of Islamic State insurgents to exploit weak security and governance in territory disputed between the Kurdistan region and the rest of Iraq. In July 2020, Iraqi national government officials announced that they would establish cooperative security centers with KRG counterparts to monitor security in some disputed areas.⁶²

At the Iraqi government’s invitation, U.S. and other international military forces have remained in Iraq in the wake of the Islamic State’s 2017 defeat in order to help Iraqi forces combat remaining IS fighters and build the capacity of Iraqi partner forces (see “Security Cooperation and U.S. Training” below). U.S. military officials stopped officially reporting the size of the U.S. force in Iraq in 2017, but have confirmed that there has been a reduction in the number of U.S. military personnel and changes in U.S. capabilities in Iraq since that time.⁶³ Oversight reporting in 2020 has referred to “roughly 5,000 troops” in Iraq.⁶⁴ As of July 2020, 96 U.S. troops have been killed or have died as part of Operation Inherent Resolve (OIR), and 230 have been wounded.⁶⁵

⁵⁶ Worldwide Threat Assessment of the U.S. Intelligence Community, February 13, 2018.

⁵⁷ Worldwide Threat Assessment of the U.S. Intelligence Community, January 29, 2019.

⁵⁸ LIG-OCO, Report to Congress on Operation Inherent Resolve, October 1—December 31, 2019.

⁵⁹ LIG-OCO, Report to Congress on Operation Inherent Resolve, January 1—March 31, 2020.

⁶⁰ U.S. CENTCOM Commander Gen. Kenneth McKenzie, House Armed Services Committee, March 10, 2020.

⁶¹ Jeff Seldin, “U.S. Efforts to Deal Islamic State ‘Enduring Defeat’ on Hold,” Voice of America, July 16, 2020.

⁶² Lawk Ghafari, “Security gap in some of Iraq’s disputed territories reaches up to 13 square kilometers in size: Iraqi military official,” Rudaw (Erbil), July 10, 2020.

⁶³ In February 2019, outgoing U.S. Ambassador to Iraq Douglas Silliman said, “At the request of the Iraqi Government and in full cooperation with Baghdad, just over 5,000 American forces continue to partner with the Iraqi Security Forces on their bases to advise, train, and equip them to ensure the lasting defeat of *Daesh* and to defend Iraq’s borders.” See Gen. Votel, Testimony before the House Armed Services Committee, February 27, 2018; and U.S. Embassy Baghdad, “Ambassador Silliman bids Farewell to Iraq,” February 5, 2019.

⁶⁴ LIG-OCO, Report to Congress on Operation Inherent Resolve, October 1—December 31, 2019.

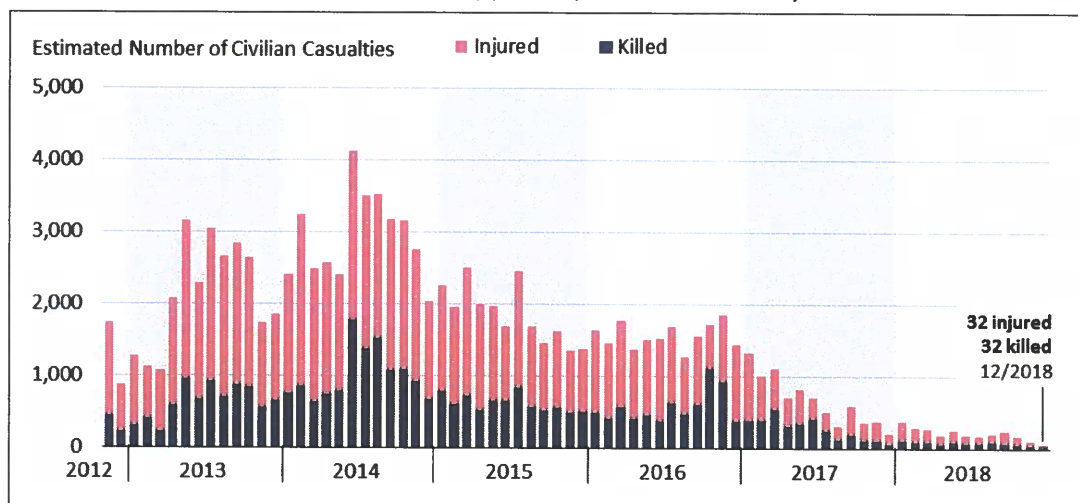
⁶⁵ Department of Defense Casualty Analysis System, U.S. Military Casualties - Operation Inherent Resolve (OIR) Military Deaths and Wounded in Action, July 10, 2020. Among military deaths, 21 were the result of hostile action.

U.S. military officials credit their Iraqi partners with conducting increasingly independent counterterrorism and counterinsurgency operations. As noted above, U.S.-Iran tensions and violence led to the temporary suspension of U.S. and Coalition counter-IS operations and related training in January 2020 for force-protection reasons. Cooperation later resumed, but training has remained limited due to distancing imposed by COVID-19 transmission concerns.

Iraqi operations seek to disrupt IS fighters' efforts to reestablish themselves as an organized threat, keep them separated from population centers, and pursue them in remote redoubts. Press accounts and U.S. government reports describe continuing IS attacks on Iraqi Security Forces and Popular Mobilization Forces, particularly in rural areas. Independent analysts have described dynamics in parts of these governorates in which IS fighters threaten, intimidate, and kill citizens in areas at night or where Iraq's national security forces are absent.⁶⁶ In some areas, new displacement has occurred as civilians have fled IS attacks.

Violence against civilians dropped considerably from its 2014 highs through the end of 2018 (**Figure 4**), but some independent analysts argue that the Islamic State is showing "very significant resilience" in Iraq and warn that the effects of COVID-19 and U.S.-Iran tensions may create "unexpectedly favorable conditions in which to continue—or even accelerate—its recovery."⁶⁷ Press reports and IS claims suggest that attacks increased relative to 2019 (**Figure 5**) during the period before and during Ramadan in 2020, with most attacks and security operations occurring in Kirkuk, Diyala, Salah al-Din, Ninewa, and Anbar governorates (**Figure 6**).

Figure 4. Estimated Iraqi Civilian Casualties from Conflict and Terrorism
United Nations Assistance Mission in Iraq (UNAMI) Estimates of Monthly Casualties, 2012-2018



Source: United Nations Assistance Mission in Iraq.

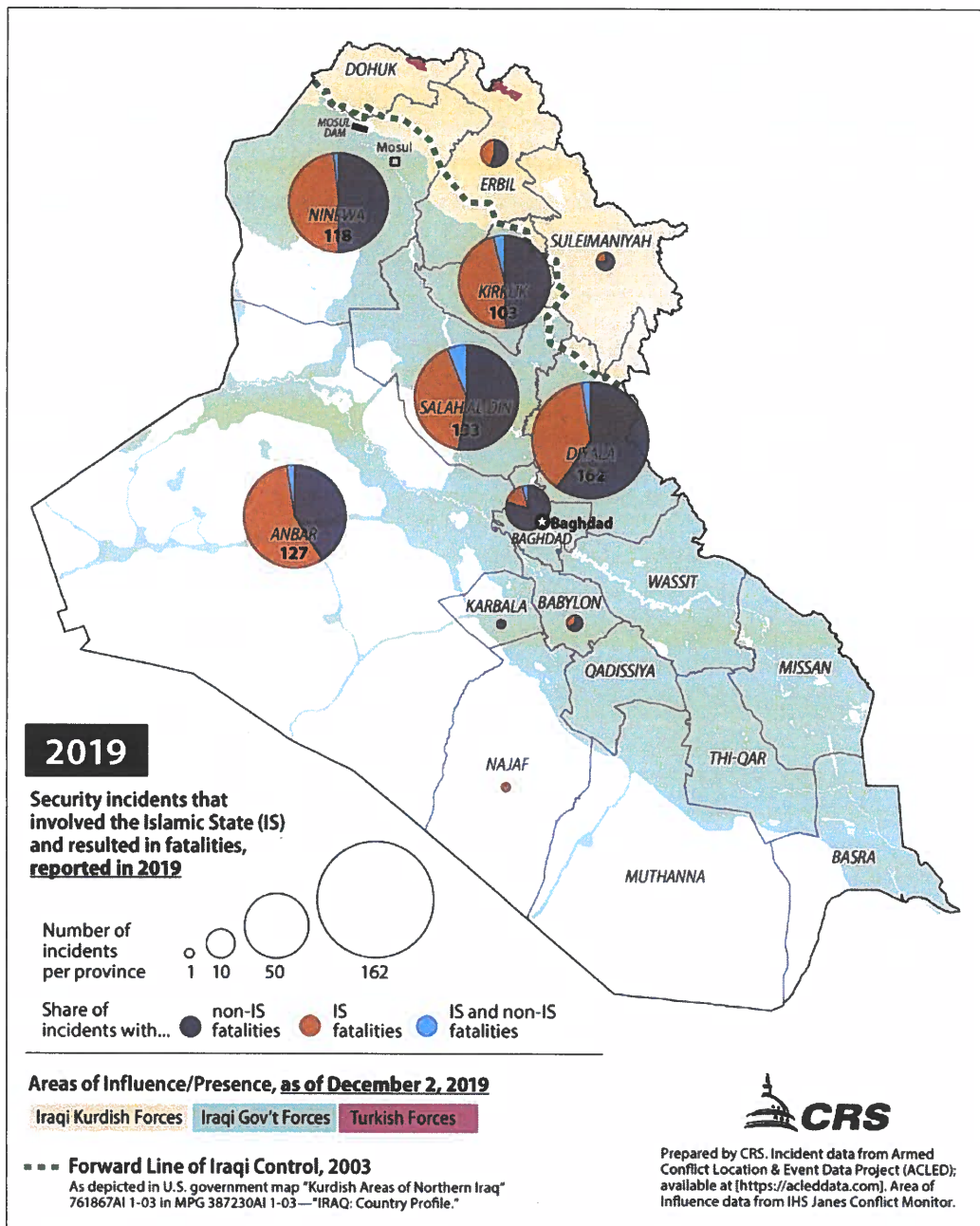
Notes: Some months lack data from some governorates. UNAMI stopped metric reporting in December 2018.

⁶⁶ See Hassan Hassan, "Insurgents Again: The Islamic State's Calculated Reversion to Attrition in the Syria-Iraq Border Region and Beyond," *CTC Sentinel*, Vol. 10, Issue 11, December 2017; Derek Henry Flood, "From Caliphate to Caves: The Islamic State's Asymmetric War in Northern Iraq," *USMA CTC Sentinel*, Vol. 11, Issue 8, September 2018; Anthony H. Cordesman, Abdullah Toukan, and Max Molot, *The Return of ISIS in Iraq, Syria, and the Middle East*, Center for Strategic and International Studies, September 3, 2019; and Louisa Loveluck and Mustafa Salim, "ISIS exploits Iraq's coronavirus lockdown to step up attacks," *Washington Post*, May 8, 2020.

⁶⁷ Michael Knights and Alex Almeida, "Remaining and Expanding: The Recovery of Islamic State Operations in Iraq in 2019-2020," *CTC Sentinel*, Vol. 13, Issue 5, May 2020.

Figure 5. Iraq: Reported Islamic State-Related Security Incidents with Fatalities, 2019

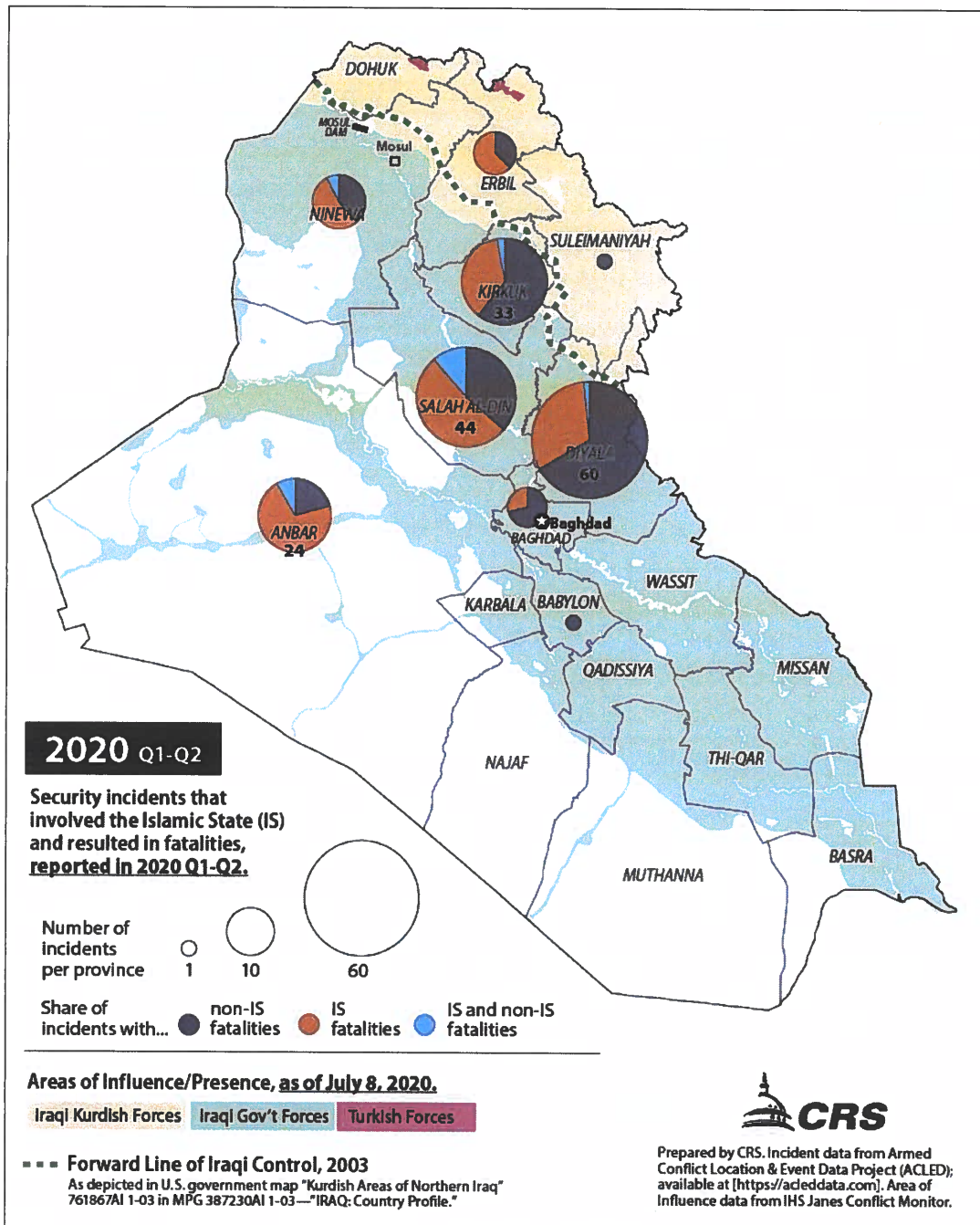
January 1, 2019 to December 31, 2019



Source: Prepared by CRS. Incident data from Armed Conflict Location and Event Data Project (ACLED). Available at <https://acleddata.com>. Area of Influence data from IHS Janes Conflict Monitor, December 2, 2019.

Figure 6. Iraq: Reported Islamic State-Related Security Incidents with Fatalities, 2020

January 1, 2020 to June 30, 2020



Source: Prepared by CRS. Incident data from Armed Conflict Location and Event Data Project (ACLED). Available at <https://acleddata.com>. Area of Influence data from IHS Janes Conflict Monitor, July 8, 2020.

U.S. Assessments of the Iraqi Security Forces

U.S. assessments of the Iraqi Security Forces (ISF) in 2020 have emphasized the “increasingly independent” nature of Iraqi operations, stating that Iraqi forces can now “handle most aspects of a counter-insurgency autonomously.”⁶⁸ U.S. tactical assistance to Iraqi operations appears limited to joint special operations missions, intelligence sharing, and some combat air support. Iraqi commanders’ use of their own air assets for intelligence, surveillance, and reconnaissance (ISR) remains limited, according to U.S. officials.⁶⁹ In July 2020, the coalition announced a transition of its Task Force-Iraq advising element to a smaller Military Advisor Group centrally located in and around Baghdad to advise Iraqi commanders on operational-level planning.⁷⁰

U.S. assessments in late 2019 had emphasized limitations in the will and capability of ISF units to “find and fix” targets or exploit intelligence without assistance from coalition partners.⁷¹ More recent assessments note increased ISF efforts to clear remote areas where IS fighters operate, but judge that “the ISF continued to struggle to integrate the use of ISR and fires assets into their operations.”⁷² Similarly, U.S. assessments acknowledge the intelligence and reconnaissance capabilities of specialized Counterterrorism Service (CTS) units, but judge that “most CTS units” in early 2020 “were limited in their capacity to coordinate the maneuver of multiple subordinate elements in complex operations.”⁷³ PMF units continue to conduct anti-IS operations in areas of eastern Iraq, and frequently suffer casualties in clashes with IS fighters and from IS attacks.

These conditions and trends suggest that while the capabilities of IS fighters remain limited at present, IS personnel and other armed groups could exploit persistent weaknesses in ISF and/or CTS/PMF capabilities to gradually reconstitute the IS threat to Iraq and neighboring countries. This may be particularly true with regard to remote areas of Iraq or under circumstances where security forces face additional crowd control or force-protection duties that divert personnel or limited ISR assets.

NATO Mission Iraq

In parallel to coalition efforts, NATO agreed in 2018 to launch NATO Mission Iraq (NMI) to support Iraqi security sector reform and military professional development. NMI’s 500 personnel advise Iraq’s Ministry of Defense, Office of the National Security Advisor, and the Prime Minister’s National Operations Centre among others, and provide “train-the-trainer” programs at Iraqi military academies.⁷⁴

⁶⁸ LIG-OCO, Report to Congress on Operation Inherent Resolve, January 1–March 31, 2020.

⁶⁹ Ibid.

⁷⁰ CJTF-OIR, Coalition Task Force-Iraq transitions to Military Advisor Group, July 4, 2020.

⁷¹ LIG-OCO, Report to Congress on Operation Inherent Resolve, July 1–October 25, 2019. “CJTF-OIR said that most commands within the ISF will not conduct operations to clear ISIS insurgents in mountainous and desert terrain without Coalition air cover, intelligence, surveillance, and reconnaissance (ISR), and coordination. Instead, ISF commands rely on the Coalition to monitor “points of interest” and collect ISR for them. Despite ongoing training, CJTF-OIR said that the ISF has not changed its level of reliance on Coalition forces for the last 9 months and that Iraqi commanders continue to request Coalition assets instead of utilizing their own systems.”

⁷² LIG-OCO, Report to Congress on Operation Inherent Resolve, January 1–March 31, 2020.

⁷³ Ibid.

⁷⁴ NATO Mission Iraq, Fact Sheet, June 2020.

Stabilization and Reconstruction

U.S. Support for U.N. Stabilization

Stabilizing areas formerly held by the Islamic State group and/or damaged in counter-operations has required investments in infrastructure and housing along with support for economic development and communal dialogue. In a June 2020 visit to Mosul, Prime Minister Al Kadhimi solicited opinions from citizens on the region's most pressing reconstruction needs, in turn articulating his own list of needs, including government revenue, a reconstruction ethos free from corruption, and reconciliation within the community. The U.S. government directs most stabilization assistance to areas of Iraq liberated from the Islamic State through the United Nations Development Program (UNDP)-administered Funding Facility for Stabilization (FFS).⁷⁵ According to UNDP data as of April 2020, the FFS has received \$1.29 billion in resources since its inception in mid-2015, with 2,320 projects reported completed with the support of UNDP-managed funding.⁷⁶ Looking forward, UNDP is proposing a second phase of its stabilization efforts in Iraq—*Stabilization Plus*—which would extend the mandate of FFS until December 2023, to fulfill stabilization needs within the same geographic areas and sector under its mandate.

According to UNDP, a steering committee chaired by the government of Iraq sets overall stabilization priorities for the FFS program, with governorate-level Iraqi authorities directly responsible for implementation. In January 2019, UNDP identified \$426 million in stabilization program funding shortfalls in five priority areas in Ninewa, Anbar, and Salah al Din governorates “deemed to be the most at risk to future conflict” and “integral for the broader stabilization of Iraq.”⁷⁷ By the end of 2019, that funding gap had narrowed to \$205 million.⁷⁸ While the 2019 mass protests did not take place in areas where FFS operates, UNDP noted that greater programmatic agility was required to adapt to a changing security and political context.⁷⁹ UNDP officials have reported that earmarking of funding by donors “can result in funding being directed away from areas highlighted by the Iraqi authorities as being in great need.”⁸⁰

Trump Administration requests to Congress for FY2018-FY2021 monies for Iraq programs included proposals to fund continued U.S. contributions to post-IS stabilization. The Trump Administration has notified Congress of foreign aid obligations for U.N.-managed stabilization programs during 2018, 2019, and 2020. This included funds to support stabilization in Anbar governorate, beyond the areas of Ninewa governorate where the Administration has directed most U.S. stabilization assistance since 2017 (see “Issues Affecting Religious and Ethnic Minorities” below). U.S. officials continue to seek greater Iraqi and international contributions to stabilization efforts in both Iraq and Syria.

⁷⁵ FFS includes a Funding Facility for Immediate Stabilization (FFIS), a Funding Facility for Expanded Stabilization (FFES), and Economic Reform Facilities for the national government and the KRI. U.S. contributions to FFIS support stabilization activities under each of its “Four Windows”: (1) light infrastructure rehabilitation, (2) livelihoods support, (3) local official capacity building, and (4) community reconciliation programs.

⁷⁶ UNDP-Iraq, Funding Facility for Stabilization Annual Report 2019, April 15, 2020.

⁷⁷ UNDP-Iraq, Funding Facility for Stabilization Quarter III Report - 2018, January 3, 2019.

⁷⁸ UNDP-Iraq, Funding Facility for Stabilization Annual Report 2019, April 15, 2020.

⁷⁹ UNDP also cited challenges in 2019 arising from “the inherently complex and unpredictable nature of large-scale rehabilitation work.” Past UNDP FFS self-assessments highlighted rapid growth in the number of projects undertaken nationwide since 2016 and resulting strains created on program systems including procurement, management, and monitoring. UNDP-Iraq, Funding Facility for Stabilization Annual Report 2019, April 15, 2020.

⁸⁰ UNDP response to CRS inquiry, May 2018.

Donor Support and Development Prospects

At a February 2018 reconstruction conference in Kuwait, Iraqi authorities described more than \$88 billion in short- and medium-term reconstruction needs, spanning various sectors and different areas of the country.⁸¹ Countries participating in the conference offered approximately \$30 billion worth of loans, investment pledges, export credit arrangements, and grants in response. The Trump Administration actively supported the participation of U.S. companies in the conference and announced its intent to pursue \$3 billion in Export-Import Bank support for Iraq. In October 2019, Iraq and the United States signed a memorandum of understanding increasing this potential support to \$5 billion.⁸²

Iraqi leaders have hoped to attract considerable private sector investment to help finance reconstruction needs and underwrite a new economic chapter for the country, but investment has not met hopes for levels since the Islamic State's defeat at the end of 2017. The size of Iraq's internal market and its advantages as a low-cost energy producer with identified infrastructure investment needs help make it attractive to investors. However, overcoming persistent concerns about security, service reliability, and corruption has proven challenging. Foreign firms active in Iraq's oil sector evacuated some foreign personnel during U.S.-Iran confrontations in December 2019 and January 2020, and further departures have accompanied the onset of the COVID-19 pandemic. Parties exploring investment opportunities may consider the security situation, Iraqi government's ongoing response to the demands of protestors, COVID-19 outcomes, and the success or failure of new authorities in pursuing reforms.

Is the United States Considering Sanctions on Iraq?⁸³

In January 2020, President Trump threatened to impose sanctions on Iraq if Iraqi leaders force U.S. troops to withdraw on unfriendly terms.⁸⁴ U.S. and Iraqi officials since have engaged in strategic dialogue that U.S. military officials expect will result in a sustained, if reduced U.S. presence. The United States government has waived existing Iran-related sanctions on Iraqi energy transactions, but not permanently. U.S. officials have sanctioned some Iran-linked Iraqi groups and individuals for threatening Iraq's stability, for violating the human rights of Iraqis, and for involvement in terrorism. Some analysts have argued "the timing and sequencing" of sanctions "is critical to maximizing desired effects and minimizing Tehran's ability to exploit Iraqi blowback."⁸⁵ This logic may similarly apply to any forceful U.S. responses to attacks or provocations by Iran-aligned Iraqis.

On May 20, 2020, the Trump Administration renewed the national emergency with respect to the stabilization of Iraq declared in Executive Order 13303 (2003) as modified by subsequent executive orders.⁸⁶ Any future sanctions could be based on the national emergency declared in the 2003 Executive Order, or the President could declare that related events constitute a new, separate emergency under authorities stated in the National Emergency Act and International Emergency Economic Powers Act (NEA and IEEPA, respectively). Sanctions under IEEPA target U.S.-based assets and transactions with designated individuals; while a designation might not reap significant economic disruption, it can send a significant signal to the international community about an individual or entity. The National Emergencies Act, at 50 U.S.C. 1622, provides a legislative mechanism for Congress to terminate a national emergency with enactment of a joint resolution of disapproval.

⁸¹ Iraq Ministry of Planning, Reconstruction and Development Framework, February 2018.

⁸² Export-Import Bank of the United States, October 16, 2019.

⁸³ Dianne Rennack, Specialist in Foreign Policy Legislation contributed to this section.

⁸⁴ Maggie Haberman, "Trump Threatens Iranian Cultural Sites, and Warns of Sanctions on Iraq," *New York Times*, January 5, 2020. Some press reporting suggests that Administration officials have begun preparing to implement the President's sanctions threat if necessary and considering potential effects and consequences. Jeff Stein and Josh Dawsey, "After Trump's threat, administration begins drafting possible sanctions on Iraq," *Washington Post*, January 6, 2019.

⁸⁵ Michael Knights, et al., "The Smart Way to Sanction Iranian-Backed Militias in Iraq," Washington Institute for Near East Policy, September 17, 2018.

⁸⁶ Notice of May 20, 2020: Continuation of the National Emergency With Respect to the Stabilization of Iraq.

Short of declaring a national emergency, however, the President has broad authority to curtail foreign assistance (throughout the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), and related authorizations and appropriations), sales and leases of defense articles and services (particularly section 3 of the Arms Export Control Act; 22 U.S.C. 2753), and entry into the United States of Iraqi nationals (Immigration and Nationality Act; particularly at 8 U.S.C. 1189).

Should U.S.-Iraqi negotiations fail or future discord reemerge, any new punitive U.S. sanctions could complicate Iraq's economic ties to its neighbors and to U.S. partners in Europe and Asia. Broad sanctions could elicit reciprocal hostility from Iraq. If denied opportunities to build economic ties to the United States and U.S. partners, Iraqis could instead move closer to Iran, Russia, and/or China with whom they already have established economic ties.

The Kurdistan Region and Relations with Baghdad

Kurdistan Region Legislative Election Seats won by Coalition/Party	
Coalition/Party	Seats Won
Kurdistan Democratic Party	45
Patriotic Union of Kurdistan	21
Gorran (Change) Movement	12
New Generation	8
Komal	7
Reform List	
[Kurdistan Islamic Union (KIU)-Islamic Movement of Kurdistan (IMK)]	5
Azadi List (Communist Party)	1
Modern Coalition	1
Turkmen Parties	5
Christian Parties	5
Armenian Independent	1
Source: Kurdistan Region Electoral Commission.	

The Kurdistan Region of northern Iraq (KRI) enjoys considerable administrative autonomy under the terms of Iraq's 2005 federal constitution, but issues concerning territory, security, energy, and revenue sharing continue to strain ties between the Kurdistan Regional Government (KRG) and the government in Baghdad. In September 2017, the KRG held a controversial advisory referendum on independence; amplifying political tensions with the national government (see textbox below).⁸⁷

The referendum was followed by a security crisis as Iraqi Security Forces and PMF fighters reentered some disputed territories that had been held by KRG *peshmerga* forces. *Peshmerga* fighters also withdrew from the city of Kirkuk and much of the governorate. Baghdad and the KRG have since agreed on a number of issues, including some border and customs controls issues, but have differed over the export of oil from some KRG-controlled fields and the transfer of funds to pay the salaries of some KRG civil servants. While talks have continued,

the ISF and *peshmerga* have remained deployed across from each other at various fronts throughout the disputed territories (**Figure 7**). In June 2020, Iraq protested Turkish violations of its airspace and territory in connection with ongoing Turkish military operations against Kurdistan Workers Party (PKK) forces inside northern Iraq. The KRI's leading political movements have distinct relationships with the Turkish and Iranian governments, and anti-PKK operations may create domestic political challenges for them.

The KRG delayed overdue legislative elections for the Kurdistan National Assembly in the wake of the referendum crisis and held them on September 30, 2018. The KDP won a plurality (45) of

⁸⁷ For background on the Kurdistan region, see CRS Report R45025, *Iraq: Background and U.S. Policy*.

the 111 KNA seats, with the Patriotic Union of Kurdistan (PUK) and smaller opposition and Islamist parties splitting the balance. With longtime KDP leader Masoud Barzani's term as president having expired in 2015, his nephew, KRG Prime Minister Nechirvan Barzani succeeded him in June 2019 (**Figure 2**). Masoud Barzani's son, security official Masrour Barzani, assumed the KRG prime ministership.

After the election, factions within the PUK appeared to differ over KRG cabinet formation, while KDP and PUK differences were apparent at the national level. During 2018 government formation talks in Baghdad, the KDP sought to name the Kurdish candidate for the Iraqi national presidency, but a majority of COR members instead chose Barham Salih, a PUK member.

In March 2019, KDP and PUK leaders announced a four-year political agreement that allowed for the formation of the KRG cabinet and set joint positions on the national cabinet and the governorship of Kirkuk.⁸⁸ During mass protests in central and southern Iraq during 2019 and 2020, Kurdish leaders recognized Arab Iraqi protestors' concerns and criticized repressive violence, while convening to unify positions on proposed reforms that some Kurds fear could undermine the federally recognized Kurdistan region's rights under Iraq's constitution.⁸⁹

Prior to Prime Minister Abd al Mahdi's November 2019 resignation announcement, KRG leaders reportedly planned to visit Baghdad to finalize an agreement over the export of 250,000 barrels per day of oil from the Kurdistan region under the national government's marketing authority.⁹⁰ In exchange, Baghdad was to continue to make budget transfers in 2020 that pay KRG salaries. Disagreement over this issue had lingered throughout 2019 in light of the KRG's apparent failure to comply with previously agreed export arrangements. KRG officials and Abd al Mahdi did not finalize their nascent agreement during Abd al Mahdi's tenure as caretaker prime minister, and prospects for negotiations over exports and financial transfers appeared to shape Kurdish leaders' positions with regard to the formation of the current national cabinet. KRG-Baghdad fiscal issues remain outstanding (see "Economic and Fiscal Challenges" above).

U.S. and U.N. officials encourage Kurds and other Iraqis to engage on issues of dispute and to avoid unilateral military actions.⁹¹ U.S. officials also encourage improved security cooperation between the KRG and Baghdad, especially since IS remnants appear to be exploiting gaps created by the standoff in the disputed territories. KRG officials continue to express concern about the potential for an IS resurgence and chafe at operations by some PMF units in areas adjacent to the KRI. In July 2020, Iraqi military officials announced plans to establish some security coordination centers to jointly monitor security conditions in disputed areas with Kurdish *peshmerga*. This may include Regional Guard Brigades that receive U.S. military assistance (see "Security Cooperation and U.S. Training" below).

⁸⁸ "Gov't formation in Iraq Kurdish region closer after KDP-PUK deal," *Al Jazeera English*, March 4, 2019.

⁸⁹ Dana Taib Menmy, "As Iraqi calls to amend constitution rise, Kurds fear loss of political gains," *Al Monitor*, November 18, 2019.

⁹⁰ Associated Press, "Iraqi Officials Cite Progress on Oil Deal With Kurds," November 25, 2019.

⁹¹ Halgurd Sherwani, "Kurdistan PM, UN envoy discuss Erbil-Baghdad disputes," *K24 News (Erbil)*, July 7, 2020.

Figure 7. Disputed Territories in Iraq
Areas of Influence as of July 8, 2020



Sources: Congressional Research Service using ArcGIS, IHS Markit Conflict Monitor, U.S. government, and United Nations data.

The Kurdistan Region's September 2017 Referendum on Independence

The Kurdistan Regional Government (KRG) held an official advisory referendum on independence from Iraq on September 25, 2017, despite requests from the national government of Iraq, the United States, and other external actors to delay or cancel it. More than 72% of eligible voters participated and roughly 92% voted "Yes." The referendum was held across the KRI and in other areas that were then under the control of Kurdish forces. These include areas subject to territorial disputes between the KRG and the national government, such as the multiethnic city of Kirkuk, adjacent oil-rich areas, and parts of Ninewa governorate populated by religious and ethnic minorities. Kurdish forces had secured many of these areas following the retreat of national government forces in the face of the Islamic State's rapid advance across northern Iraq in 2014.

After the referendum, Iraqi national government leaders imposed a ban on international flights to and from the Kurdistan region. In October 2017, Prime Minister Abadi ordered Iraqi forces to return to the disputed territories that had been under the control of national forces prior to the Islamic State's 2014 advance. Much of the oil-rich governorate of Kirkuk—long claimed by Iraqi Kurds—returned to national government control, and resulting controversies have riven Kurdish politics. Iraqi authorities rescinded the international flight ban in 2018 after reaching some agreements on border control, customs, and security at Kurdistan's international airports.

Humanitarian Issues and Iraqi Minorities

Humanitarian Conditions

U.N. officials report several issues of ongoing humanitarian and protection concerns for displaced and returning populations and the host communities assisting them. With a range of needs and vulnerabilities, these populations require different forms of support, from immediate humanitarian assistance to resources for early recovery. Protection is a key priority in areas of displacement, where for example, harassment of displaced persons by armed actors and threats of forced return have occurred, as well as in areas of return. The U.N. Office for the Coordination of Humanitarian Affairs (UNOCHA) 2020 humanitarian needs assessment anticipates that as many as 4.1 million Iraqis will need some form of humanitarian assistance in 2020. In June, Iraq's Ministry of Planning estimated that an additional 4.5 million Iraqis are at risk of falling below the poverty line because of socio-economic disruptions attributable to the COVID-19 pandemic.⁹²

As of April 2020, the International Organization for Migration (IOM) estimated that more than 4.7 million Iraqis displaced after 2014 had returned to their districts, while nearly 1.4 million individuals remained as displaced persons (IDPs).⁹³ Ninewa and Dohuk governorates host the most IDPs (more than 40 percent of the total), reflecting the lingering effects of intense military operations against the Islamic State in Mosul and other areas of Ninewa during 2017 (**Figure 8**).⁹⁴

IOM estimates that the Kurdistan region hosts nearly 700,000 IDPs (close to 50 percent of the remaining IDPs nationwide). IDP numbers in the KRI have declined since 2017, though not as rapidly as elsewhere. UNDP reported in June 2020 that "68 percent of IDPs and 59 percent of refugees across the KRI live in private residences outside of camp settings" and warned that "As protracted displacement drives more IDPs and refugees into private residences, community

⁹² UNAMI, Children make up the majority of up to 4.5 million Iraqis at risk of falling into poverty and deprivation due to the impact of covid-19, June 6, 2020.

⁹³ IOM, Iraq Displacement Tracking Monitor, Master List Report 115, March-April 2020.

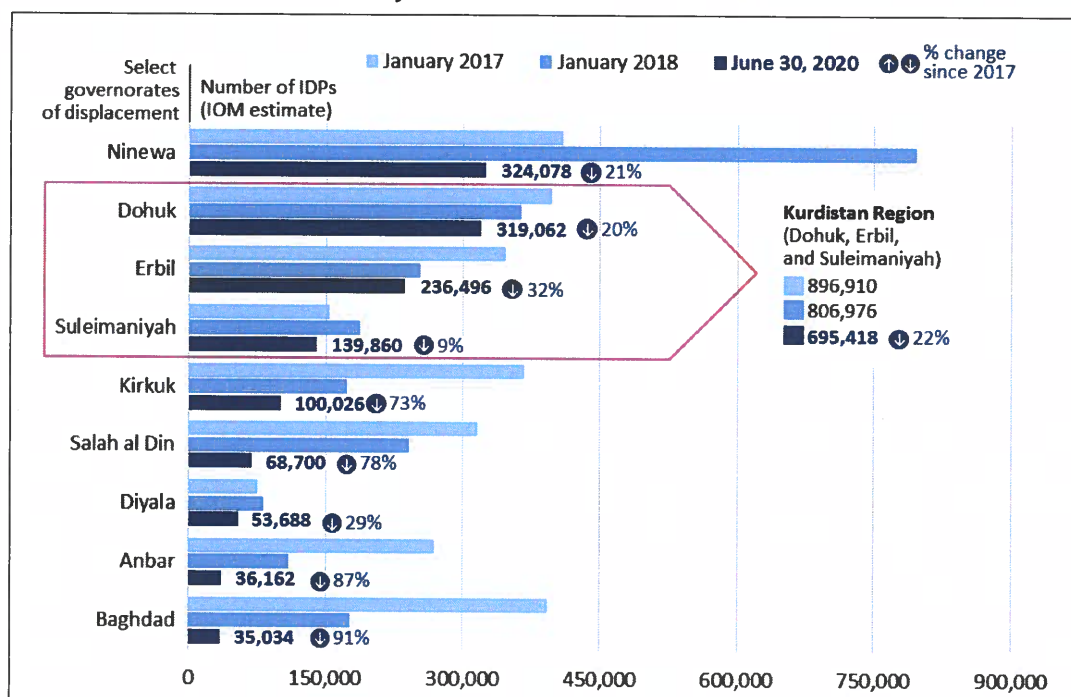
⁹⁴ Estimates suggest thousands of civilians were killed or wounded during the Mosul battle, which displaced more than 1 million people.

infrastructure is stretched, and the quality of access to water, sewerage networks and sealed roads diminishes.”⁹⁵

The 2020 Iraq Humanitarian Response Plan (HRP) seeks \$660.7 million and as of July 2020, the appeal had received \$188.2 million, with an additional \$160.8 million received outside the plan.⁹⁶ The United States was the top donor to the 2018 and 2019 Iraq HRPs. Since 2014, the United States has contributed nearly \$2.7 billion to humanitarian relief efforts in Iraq, including more than \$470 million in humanitarian support in FY2019 and \$32 million in FY2020.⁹⁷

Figure 8. IOM Estimates of IDPs by Location in Iraq

As of June 30, 2020, Select Governorates



Source: CRS. International Organization for Migration (IOM), Iraq Displacement Tracking Monitor Data.

Factors Influencing Return Decisions

Overall, returns by the displaced to their home areas increased in late 2017 and by December 2017, more Iraqis had returned to their home areas than those who had remained as IDPs or who were becoming newly displaced. Nevertheless, rates of return “slowed significantly in 2019, leading to a substantial proportion of the internally displaced population in Iraq experiencing prolonged displacement.”⁹⁸ In some areas, acute health, electricity, and water sector needs remain

⁹⁵ UNDP, Iraq Crisis Response and Resilience Program (ICRRP), Annual Report 2019, June 2020.

⁹⁶ United Nations Financial Tracking Service, Iraq 2020 (Humanitarian Response Plan), July 9, 2020.

⁹⁷ U.S. humanitarian assistance has comprised a range of support such as emergency food and nutrition assistance, safe drinking water and hygiene kits, emergency shelter, medical services, and protection for displaced Iraqis. See USAID, Iraq: Complex Emergency Fact Sheet #2, Fiscal Year (FY) 2020, May 8, 2020.

⁹⁸ U.N. Document S/2020/363, Report of UNAMI on Implementation of Resolution 2470, May 6, 2020.

to be addressed, and, in others, protection concerns remain high, and have been amplified by the impact of COVID-19 and related economic pressures.⁹⁹ Retaliation against people associated with (or perceived to be affiliated with) IS and sectarian-related violence also remains a complicated problem.¹⁰⁰

Those choosing to return have cited “improvements in the security situation, the provision of services, and the rehabilitation of houses in areas of origin”¹⁰¹ as facilitating factors, although COVID-19 related restrictions have erected new barriers to movement between some governorates. In November 2019, the U.N. Secretary General reported to the Security Council and emphasized that returns of internally displaced persons to their districts of origin should be “informed, safe, dignified, and voluntary.”¹⁰² However, according to UNOCHA, in late 2019 the Iraqi government affected “a rapid consolidation and closure of IDP camps, particularly in Ninewa. During that period, many IDPs left camps fearing security screening and/or involuntary relocation, often becoming secondarily displaced in out-of-camp settings due to an inability to successfully return to their areas of origin.”¹⁰³

Issues Affecting Religious and Ethnic Minorities

State Department reports on human rights conditions and religious freedom in Iraq have documented the difficulties faced by religious and ethnic minorities in the country for years. Violent extremist groups have targeted members of some Iraqi religious and ethnic minority groups aggressively. From 2014 through 2017, the Islamic State waged a particularly brutal campaign against Yezidis, Christians, and Shia Muslims in northern Iraq, which both the Obama and Trump Administrations have described as constituting genocide.¹⁰⁴ Related difficulties and security risks have continuously driven members of minority groups to flee Iraq or to take shelter in areas perceived as safer, whether with fellow group members or in new communities.

The State Department reports that some minority groups have declined as a relative share of the country’s population since 2003 because of attacks, displacement, and discrimination. Estimates suggest that the Iraqi Christian population has declined particularly precipitously since the 2003 U.S. invasion, with hundreds of thousands of Christians having fled the country. In June 2019, the U.S. State Department reported that

⁹⁹ UNOCHA, *Iraq: Humanitarian Bulletin*, May 2020. See also, Special Representative of the United Nations Secretary-General for Iraq Jeanine Hennis-Plasschaert, Briefing to the Security Council, August 28, 2019.

¹⁰⁰ Hisham al Hashimi, “ISIS in Iraq: The Challenge of Reintegrating ‘ISIS Families’” Center for Global Policy, July 7, 2020. The State Department’s 2019 International Religious Freedom Report on Iraq states that “According to multiple sources, many alleged Sunni ISIS sympathizers or their families whom government forces and militia groups had expelled in 2018 from their homes in several provinces had not returned home by year’s end. Some of these IDPs said PMF groups, including Saraya al-Khorasani and Kata’ib Hezbollah, continued to block their return.”

¹⁰¹ IOM, *Iraq Displacement Tracking Monitor, Master List Report 115*, March-April 2020.

¹⁰² U.N. Document S/2019/903, Report of the Secretary-General pursuant to Resolution 2470 (2019), November 22, 2019. In October 2018, the U.N. Secretary General reported to the Security Council that many remaining IDPs then expressed “an unwillingness to return to their areas of origin owing to concerns regarding security and community reconciliation, the destruction of property, insufficient services and livelihoods and the lack of progress in clearing explosive hazards.” U.N. Document S/2018/975, Report of the Secretary-General pursuant to Resolution 2421 (2018), October 31, 2018.

¹⁰³ UNOCHA, *Iraq: Humanitarian Bulletin*, April 2020.

¹⁰⁴ Secretary of State John Kerry, “Remarks on *Daesh* and Genocide,” March 17, 2016; and, Assistant Secretary of State for Near Eastern Affairs David Schenker, Special Briefing On the U.S.-Iraq Dialogue, June 11, 2020.

Christian leaders estimate there are fewer than 250,000 Christians remaining in the country, with the largest population – at least 200,000 – living in the Ninewa Plain and the IKR [Kurdistan Region of Iraq, or KRI]. The Christian population has declined over the past 16 years from a pre-2002 population estimate of between 800,000 and 1.4 million persons.¹⁰⁵

Islamic State threats compounded these trends and spurred mass displacement among other groups. The State Department reported in 2019 that of the 400-500,000 Yezidis estimated by community leaders to remain in Iraq, approximately 360,000 were displaced at the end of 2018.

The State Department reported in June 2020 that, “Restrictions on freedom of religion, as well as violence against and harassment of minority groups committed by government security forces, remained widespread outside the Iraqi Kurdistan Region (IKR), according to religious leaders and representatives of nongovernmental organizations (NGOs).”¹⁰⁶ Christian and Yezidi leaders have claimed that their communities experience politically and territorially motivated movement restrictions in both the Ninewa Plains area (aka Nineveh Plain)¹⁰⁷ and the KRI as a result of decisions by KRG officials, Kurdish *peshmerga* and *asayish* (special police) forces, and PMF).¹⁰⁸ According to the U.S. Commission on International Religious Freedom, “religious minorities, including the Yazidi and Christian communities, are skeptical of the Iraqi government’s willingness and capability to protect them from both Shi’a and Sunni violent armed groups, including ISIS and sectarian elements of the PMF.”¹⁰⁹ In August 2019, U.S. officials urged Iraq’s government “to make urgent progress” in supporting threatened religious and ethnic communities, “including by preventing armed groups from blocking their return to their homes and villages.”¹¹⁰

One complicating factor is the overlay of intra-Iraqi politics and competition over territory in areas where Christians and other minority groups have historically resided. Minority groups that live in areas subject to long-running territorial disputes between Iraq’s national government and the Kurdistan Regional Government (KRG) face additional interference and exploitation by larger groups for political, economic, or security reasons. Members of diverse minority communities express a variety of territorial claims and administrative preferences, both among and within their own groups. While much attention is focused on potential intimidation or coercion of minorities by majority groups, disputes within minority communities over various options also have the potential to generate intra-group tension and violence.¹¹¹ In June 2020, the

¹⁰⁵ State Department, Report on International Religious Freedom, June 2019. “Approximately 67 percent of Christians are Chaldean Catholics (an Eastern Rite of the Roman Catholic Church), and nearly 20 percent are members of the Assyrian Church of the East. The remainder are Syriac Orthodox, Syriac Catholic, Armenian Catholic, Armenian Apostolic, and Anglican and other Protestants. There are approximately 2,000 registered members of evangelical Christian churches in the IKR, while an unknown number, mostly converts from Islam, practice the religion secretly.”

¹⁰⁶ State Department, Report on International Religious Freedom, June 2020. The 2017 report said that such harassment took place “particularly inside the Iraqi Kurdistan Region (IKR).”

¹⁰⁷ Ninewa Governorate and the Ninewa Plain also are referred to as *Nineveh* Governorate and the *Nineveh* Plain. The Arabic spelling and pronunciation is Ninewa, and pronunciations of the Kurdish and Syriac names mirror the Arabic. The alternate English transliteration *Nineveh* is a historical reference to the ancient Assyrian city of the same name, the Latin word for which was *Ninive*. According to the Oxford English Dictionary, English usage evolved from Niniue to Nineveh in the 17th century.

¹⁰⁸ Ibid.

¹⁰⁹ U.S. Commission on International Religious Freedom, *Iraq Annual Report 2019*.

¹¹⁰ Acting U.S. Permanent Representative to the United Nations Ambassador Jonathan Cohen, Remarks at a UN Security Council Meeting on the Situation in Iraq (UNAMI), August 28, 2019.

¹¹¹ See Yousif Kallian, “The Nineveh Plains and the Future of Minorities in Iraq,” Washington Institute for Near East Policy, February 7, 2016; Bryant Harris, “Congress fuels Christian rivalries with bid to arm Iraqi militias,” *Al Monitor*, September 15, 2017; Mac Skelton and Karam Bahnam, “The Bishop and the Prime Minister: Mediating Conflict in the

State Department reported that “Some Yazidi and Christian leaders continued to report physical abuse and verbal harassment by KRG Peshmerga and Asayish forces in the KRG-controlled portion of Ninewa; some [minority group] leaders said the majority of such cases were motivated more by territorial disputes rather than religious discrimination.”¹¹²

In April 2020, IOM reported that more than 262,000 individuals had returned to the Ninewa Plain districts of Hamdaniya and Telkaif east of Mosul out of an overall returnee population in Ninewa governorate of more than 1.76 million.¹¹³ These districts have historically been home to large communities of Iraqi Christians. IOM rated conditions for returnees in Hamdaniya and Telkaif as considerably less severe than districts further west that are home to Yazidi and Shia minorities such as Sinjar and Telafar. This may reflect some results of the prioritized stabilization assistance the Ninewa Plains areas have received with U.S. direction.

In October 2017, Vice President Mike Pence said the U.S. government would direct more support to persecuted religious minority groups in the Middle East, including in Iraq.¹¹⁴ As part of this initiative, the Trump Administration negotiated with UNDP to direct U.S. contributions to the UNDP Funding Facility for Stabilization to the Ninewa Plains and other minority-populated areas of northern Iraq. In January 2018, USAID officials announced a “renegotiated” contribution agreement with UNDP so that U.S. contributions would “address the needs of vulnerable religious and ethnic minority communities in Ninewa Province, especially those who have been victims of atrocities by ISIS” with a focus on “restoring services such as water, electricity, sewage, health, and education.”¹¹⁵ As noted above, subsequent U.S. contributions to the FFS have sought to address stabilization needs in Anbar governorate and aid in supporting the Iraqi health system’s response to the COVID-19 pandemic.

The United Nations Security Council and Iraq

The United Nations Security Council voted unanimously in May 2020 to extend the mandate for the U.N. Assistance Mission in Iraq (UNAMI) through May 2021. Resolution 2522 (2020) outlines priority issues for UNAMI to address in response to the Al Kadhimi government’s request. Special Representative of the U.N. Secretary-General Jeanine Hennis-Plasschaert of the Netherlands leads UNAMI.

Resolution 2379 (2017) established an Investigative Team to Promote Accountability for Crimes Committed by Da’esh/ISIL (UNITAD). Led by Karim A. A. Khan QC of the United Kingdom, UNITAD continues to consult with Iraqi authorities on related accountability issues involving IS crimes and victims. His June 2020 report to the Council cited “close collaboration with national and local authorities across the country.”¹¹⁶

Pursuant to Resolution 2107 (2013), UNAMI continues to support Iraq-Kuwait cooperation on “developments pertaining to missing Kuwaiti and third-country nationals and missing Kuwaiti property, including the national archives” dating to the 1990 Iraqi invasion of Kuwait.

A sanctions committee established pursuant to Resolution 1518 (2003) continues to monitor and administer a list of individuals and entities subject to sanctions under Resolution 1483 (2003), which targets members of the former Saddam Hussein regime.

Iraq remains liable for \$2.8 billion in outstanding payments to Kuwait under claims submitted to the United Nations Compensation Commission (UNCC) related to the 1990 invasion.

Nineveh Plains,” London School of Economics Middle East Centre, January 25, 2019; and Saad Salloum, “Iraqi decision to remove Shabak PMU from Ninevah Plains stirs conflict,” *Al Monitor*, August 31, 2019.

¹¹² State Department, Report on International Religious Freedom in Iraq, June 2020.

¹¹³ IOM, Displacement Tracking Monitor: Iraq, *Return Index Governorate Profile: Return Dynamics in Ninewa Governorate*, April 2020.

¹¹⁴ Remarks by the Vice President at *In Defense of Christians* Solidarity Dinner, October 25, 2017.

¹¹⁵ USAID, “Continued U.S. Assistance to Better Meet the Needs of Minorities in Iraq,” January 8, 2018.

¹¹⁶ U.N. Document S/2020/547, June 23, 2020.

U.S. Policy and Issues in the 116th Congress

The United States has long faced difficult choices in Iraq, and recent U.S.-Iran violence there appears to be complicating U.S. choices further. Even as the 2003 invasion unseated an adversarial regime, it unleashed more than a decade of violent insurgency and terrorism that divided Iraqis. This created opportunities for Iran to strengthen its influence in Iraq and across the region. Since 2003, the United States has invested both militarily and financially in stabilizing Iraq, but successive Administrations and Congresses have expressed frustration with the results of U.S. efforts. The U.S. government withdrew military forces from Iraq in accordance with Iraq's sovereign requests in 2011, but deteriorating security conditions soon led Iraqi leaders to request that U.S. and other international forces return.

Since 2014, U.S. policy toward Iraq has focused on ensuring the defeat of the Islamic State as a transnational insurgent and terrorist threat, while laying the groundwork for what successive U.S. Administrations have expressed hope could be a long-term bilateral security, diplomatic, and economic partnership with Iraqis. U.S. and other foreign troops have operated in Iraq at the invitation of the Iraqi government to conduct operations against Islamic State fighters, advise and assist Iraqi operations, and train and equip Iraqi security forces, including *peshmerga* forces associated with the Kurdistan Regional Government. Cooperative efforts have reduced the Islamic State threat, but Iraqi security needs remain considerable.

Security cooperation has been the cornerstone of U.S.-Iraqi relations since 2014, but leaders in both countries have faced pressure to reexamine the impetus and terms for continued bilateral partnership. Some Iraqi political groups—including some with ties to Iran—pushed for U.S. and other foreign troops to depart in 2019, launching a campaign in the COR for a vote to evict U.S. forces. However, leading Iraqi officials rebuffed their efforts, citing the continued importance of foreign support to Iraq's security and the government's desire for security training for Iraqi forces. The U.S.-Iran confrontation in December 2019 and January 2020 and the subsequent COR vote directing the expulsion of foreign forces illustrated the potential stakes of conflict involving Iran and the United States in Iraq for these issues.

As the Trump Administration has sought proactively to challenge, contain, and roll back Iran's regional influence, in Iraq it has reduced U.S. commitments while exploring possibilities for a long-term partnership with the Iraqi government. U.S. officials have continued to declare U.S. support for Iraq's sovereignty, unity, security, and economic stability.¹¹⁷ These parallel (and sometimes competing) goals may raise several policy questions for, including with regard to

- the makeup and viability of Iraq's governing coalitions;
- Iraqi leaders' approaches to Iran-backed groups and the future of militia forces;
- Iraq's compliance with U.S. sanctions on Iran;
- the future extent and roles of the U.S. military presence in Iraq;
- the terms and conditions associated with U.S. security assistance to Iraqi forces;
- U.S. relations with Iraqi constituent groups such as the Kurds; and
- potential responses to U.S. efforts to contain or confront Iran-aligned entities in Iraq or elsewhere in the region.

¹¹⁷ Briefing with Special Representative for Iran and Senior Advisor to the Secretary of State Brian Hook, December 5, 2019; and, Principal Deputy Secretary of State for Near East Affairs (PDAS) Joey Hood, Statement for the Record, Senate Foreign Relations Subcommittee on the Middle East, South Asia, Central Asia, and Counterterrorism (SFRC-ME), December 4, 2019.

U.S.-Iraq Strategic Dialogue

On June 11, 2020, U.S. and Iraqi officials met virtually to begin a high level strategic dialogue “in accordance with the 2008 Strategic Framework Agreement.” The talks are structured to address four principal areas: security and counterterrorism, economics and energy, political issues, and cultural relations. According to a joint statement, officials in the June meeting “reaffirmed the principles agreed upon by the two sides in the Strategic Framework Agreement (SFA), as well as the principles in the exchange of diplomatic notes and the letters of the Republic of Iraq to the United Nations Security Council dated 25 June 2014 (S/2014/440) and 20 September 2014 [S/2014/691] respectively. The United States reaffirmed its respect for Iraq’s sovereignty, territorial integrity, and relevant decisions of the Iraqi legislative and executive authorities.”¹¹⁸

While other policy issues are relevant to the bilateral relationship, most attention in Iraq’s media and political debates focuses on whether or how the dialogue will clarify questions surrounding the future of U.S. military forces and operations in Iraq. Commander, U.S. Central Command Gen. Kenneth McKenzie visited Iraq in July 2020 and afterward stated his expectation that Iraq will seek to sustain a coalition military presence in the country, notwithstanding the Iraqi COR’s January 2020 vote directing the government to affect the withdrawal of foreign personnel.¹¹⁹ Praising the government of Iraq’s recent steps to improve force protection, McKenzie described his conversations with Iraqi leaders, saying,

we established a good back and forth that whatever the future posture is for us in Iraq and for our NATO and coalition partners as well, it’s going to be in collaboration with the government of Iraq. We all agree that’s the case, and we all agree we’re going to be focused on finishing the final victory again. So the final final conclusion of the campaign against Da’esh, they’re no longer holding ground. We just need to finish the insurgency. ...It is my belief that the government of Iraq recognizes the value that we bring for them in their fight against Da’esh. They’re going to want us to stay.

As discussed above, several anti-U.S. factions in Iraq continue to insist on the departure of U.S. and coalition forces. Commenting on McKenzie’s statement, Fatah/AAH-affiliated COR member Sa’ad al Sa’adi said

The decision of the Iraqi Council of Representatives dictating the expulsion of all foreign forces, and principally the U.S. forces, is compulsory for Mustafa al Kadhimi’s government and all the government bodies concerned with this issue. It is not possible for any personality or body to procrastinate in implementing this decision, regardless of the pretexts or excuse. ...The government is obligated to implement this matter. ...There can be no accepting any occupying forces remaining in Iraq, especially since we are in no need of any foreign forces on the ground.¹²⁰

Possible Issues for Congress

Although current policy questions relate to the potential reduction or elimination of ongoing U.S. military efforts in Iraq, successive U.S. Administrations already have sought to keep U.S. involvement and investment minimal relative to the 2003-2011 era. The Obama and Trump Administrations have pursued U.S. interests through partnership with various entities in Iraq and the development of those partners’ capabilities, rather than through extensive U.S. military deployments or outsized U.S. aid investments. That said, the United States remains the leading provider of security and humanitarian assistance to Iraq and supports post-IS stabilization activities across the country through grants to United Nations agencies and other entities. According to inspectors general reporting, reductions in the size of the U.S. civilian presence in Iraq during 2019 affected the ability of U.S. agencies to implement and monitor U.S. programs.¹²¹ Significant further reductions in U.S. civilian or military personnel levels could have additional

¹¹⁸ U.S. State Department and Iraqi Ministry of Foreign Affairs, Joint Statement on the U.S.-Iraq Strategic Dialogue, June 11, 2020.

¹¹⁹ CENTCOM, Gen McKenzie Interview Transcript with Lolita Baldor, Luis Martinez, and Missy Ryan, July 8, 2020.

¹²⁰ “Strongly Worded Iraqi Parliamentary Response to the U.S. Central Command’s Announcement of the Iraqis’ Desire for Its Forces to Stay in the Country,” Baghdad Today, July 8, 2020.

¹²¹ LIG-OCO, Report to Congress on Operation Inherent Resolve, July 1–October 25, 2019.

implications for U.S. programs, and conditions in Iraq and may require U.S. and Iraqi leaders to consider and pursue alternatives.

Congress has continued to authorize and appropriate aid for Iraq, but has not enacted comprehensive legislation defining its views on Iraq or offering alternative frameworks for bilateral partnership. Several enacted provisions have encouraged or required the executive branch to submit strategy and spending plans with regard to Iraq since 2017. The Trump Administration has requested appropriation of additional U.S. assistance since 2017, but also has called on Iraq to increase its contributions to security and stabilization efforts, while reorienting U.S. train and equip efforts to prioritize minimally viable counterterrorism capabilities and deemphasizing comprehensive goals for strengthening Iraq's security forces. The consolidation of U.S. forces to a smaller number of bases in Iraq concentrated remaining forces in anticipation of further diplomatic and security discussions between U.S. and Iraqi officials about the future of the bilateral partnership.

In December 2019, Congress enacted appropriations (P.L. 116-93 and P.L. 116-94) and authorization (P.L. 116-92) legislation providing for continued defense and civilian aid and partnership programs in Iraq in response to the Trump Administration's FY2020 requests. Appropriated funds in some cases are set to remain available through September 2021 to support military and civilian assistance should U.S.-Iraqi negotiations allow.

Members of Congress monitoring developments in Iraq, considering new Administration aid requests, and/or conducting oversight of executive branch initiatives may consider a range of related questions, including:

- What are U.S. interests in Iraq, and how can they best be secured?
- How necessary is a continued U.S. military presence in Iraq? What alternatives exist? What tradeoffs and benefits might these alternatives pose?
- What effect might a precipitous U.S. withdrawal from Iraq have on the security of Iraq? How might the redeployment of Iraq-based forces to other countries in the CENTCOM area of responsibility affect regional perceptions and security?
- How might the withdrawal of U.S. and other international forces shape Iraqi political dynamics, including the behavior of government and militia forces toward protestors and the relationships between majority and minority communities across the country?
- If U.S.-Iraqi security cooperation were to end, how might Iraq compensate? If the United States were to impose sanctions on Iraq or defy Iraqi orders to leave, how might Iraq respond? How might related scenarios affect U.S. security interests?

Authorities for Military Operations and Assistance

The Trump Administration, like the Obama Administration, has cited the 2001 Authorization for Use of Military Force (AUMF, P.L. 107-40) and the 2002 Authorization for Use of Force in Iraq (P.L. 107-243) as domestic legal authorizations for U.S. military operations against the Islamic State in Iraq.¹²² Successive Presidents have notified Congress of operations against the Islamic State in periodic reports on the 2002 Iraq AUMF and in letters to Congress concerning war powers. Iraq requested international military intervention to address the threat posed by the

¹²² Reports on the Legal and Policy Frameworks Guiding the United States' Use of Military Force and Related National Security Operations, December 2016 and March 2018.

Islamic State group in 2014.¹²³ The U.S. government has referred to both collective and individual self-defense provisions of the U.N. Charter as the relevant international legal justifications for ongoing U.S. operations in Iraq and Syria.¹²⁴

On a bilateral basis, the U.S. military presence in Iraq is governed by an exchange of diplomatic notes that reference the security provisions of the 2008 bilateral Strategic Framework Agreement.¹²⁵ To date, this arrangement has not required the approval of a separate security agreement by Iraq's Council of Representatives. According to former Special Presidential Envoy for the Global Coalition to Counter ISIL Brett McGurk, the 2014 U.S.-Iraq diplomatic notes, which are not public, contain a one-year cancellation clause.¹²⁶

U.S. and coalition training efforts for various Iraqi security forces have been implemented at different locations, including in the Kurdistan region, with U.S. training activities carried out pursuant to the authorities granted by Congress for the Iraq Train and Equip Program and the Office of Security Cooperation at the U.S. Embassy in Baghdad (OSC-I).¹²⁷ OSC-I helps administer training and support programs funded through Foreign Military Sales and Foreign Military Financing assistance.¹²⁸

Congress has authorized the continuation of train and equip program activities through December 2020 and appropriated funding for related programs that remains available through FY2021. House and Senate versions of the National Defense Authorization Act for FY2021 would extend the program authorization through December 2021 on different terms (H.R. 6395 and S. 4049).

U.S. arms transfers and security assistance to Iraq and counter-IS partners in Syria are provided with the understanding that U.S. equipment will be responsibly used by its intended recipients. As of May 2020, the coalition had provided Iraqi and Syria partners "more than \$4 billion worth of armored trucks, weapons, body armor, heavy engineering equipment, as well as conditions-based stipends."¹²⁹ The 115th Congress was informed about the unintended or inappropriate use of U.S.-origin defense equipment, including a now-resolved case involving the possession and use of U.S.-origin tanks by elements of the Popular Mobilization Forces.¹³⁰

¹²³ U.N. Documents S/2014/691 annex and S/2014/440 annex, Letters from the Ministers of Foreign Affairs of Iraq Addressed to the President of the Security Council, September 20, 2014 and June 25, 2014.

¹²⁴ U.N. Document S/2014/695, Letter Dated 23 September 201 from the Permanent Representative of the United States of America to the United Nations Addressed to the Secretary General, September 23, 2014.

¹²⁵ Section III of the agreement states: "In order to strengthen security and stability in Iraq, and thereby contribute to international peace and stability, and to enhance the ability of the Republic of Iraq to deter all threats against its sovereignty, security, and territorial integrity, the Parties shall continue to foster close cooperation concerning defense and security arrangements without prejudice to Iraqi sovereignty over its land, sea, and air territory."

¹²⁶ Brett McGurk (@brett_mcgurk), Twitter, January 8, 2020, 10:07 AM.

¹²⁷ Specific authority for the Iraq train and equip program is provided in Section 1236 of the FY2015 National Defense Authorization Act (P.L. 113-291), as amended. OSC-I activities are authorized by Section 1215 of the FY2012 National Defense Authorization Act (P.L. 112-81), as amended.

¹²⁸ See description in LIG-OCO, Report to Congress on Operation Inherent Resolve, January 1—March 31, 2020.

¹²⁹ Special Briefing - Lieutenant General Pat White, Commanding Gen., CJTF-OIR, May 8, 2020.

¹³⁰ LIG-OCO, Report to Congress on Operation Inherent Resolve and Operation Pacific Eagle—Philippines for the period October 1–December 31, 2017.

Appropriations for Military Operations and Assistance

Through September 2019, OIR operations in Iraq and Syria since August 2014 had cost \$40.5 billion, with \$11.8 billion spent in FY2019.¹³¹ This includes some of the more than \$6.5 billion Congress authorized and appropriated for train and equip assistance in Iraq from FY2015 through FY2020 (**Table 1**). In FY2020, Congress appropriated \$745 million in defense funding for Iraq programs under the Counter-ISIS Train and Equip Fund (CTEF). The Administration's FY2021 request for \$650 million in defense funding proposes support to the Iraqi Army, Counterterrorism Service (CTS), Special Forces (*Qwat Khasah*), Ministry of Interior Emergency Response Battalions, Federal Police (FP), and Territorial Interdiction Forces (TIF); and KRG Ministry of Peshmerga Regional Guard Brigades (see textbox on "Assistance to the Kurdistan Regional Government" below).¹³²

Congress also authorized \$30 million in FY2020 funding for OSC-I, but limited the availability of some OSC-I funding until the Administration certifies that it has, among other things, initiated a "bilateral engagement... with the objective of establishing a joint mechanism for security assistance planning, including a five-year security assistance roadmap for developing sustainable military capacity and capabilities and enabling defense institution building and reform."

Table 1. Iraq Train and Equip Program: FY2015-FY2020 Appropriations and FY 2021 Request

	in millions of dollars						
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 Request
Iraq Train and Equip Fund (ITEF)	1,618	715	630 289.5 (FY17 CR)	-	-	-	-
Counter-ISIS Train and Equip Fund (CTEF)—Iraq Allocation	-	-	446.4	1,269	850	745	650
Total	1,618	715	1,365.9	1,269	850	745	650

Source: Executive branch appropriations requests and appropriations legislation.

Security Cooperation and U.S. Training

The U.S.-Iran confrontation in Iraq has raised fundamental questions about the future of U.S. and coalition operations and training programs in Iraq. As discussed above ("Combating Islamic State Insurgents"), Iraqi military and counterterrorism operations against remnants of the Islamic State group are ongoing, and the United States military and its coalition partners in the Combined Joint Task Force-Operation Inherent Resolve (CJTF-OIR) have continued to provide support to those efforts at the request of the Iraqi government.¹³³

¹³¹ LIG-OCO, Report to Congress on Operation Inherent Resolve, January 1—March 31, 2020.

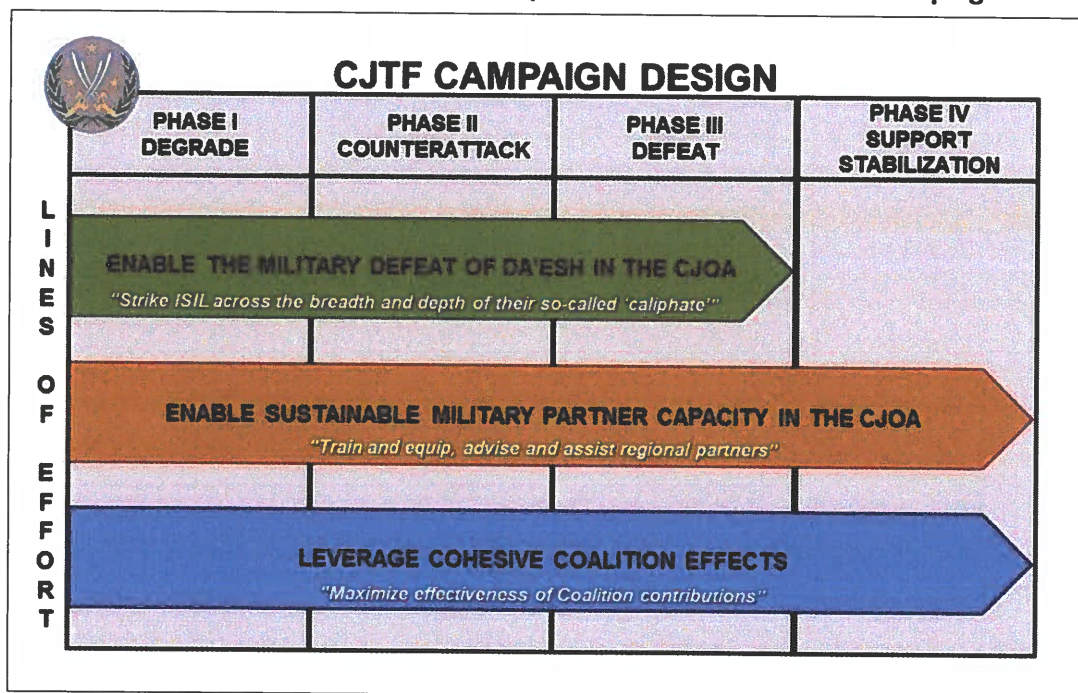
¹³² DOD Justification for FY 2020 Counter-Islamic State of Iraq and Syria Train and Equip Fund (CTEF), March 2019.

¹³³ See CJTF-OIR, "Coalition" at <http://www.inherentresolve.mil/About-CJTF-OIR/Coalition/>.

To date, the coalition campaign plan has sought to assist Iraqi forces in defeating IS forces, maintain security in recaptured areas, and pursue remaining IS insurgents. Oversight reporting to Congress in 2018 suggested that DOD then-estimated that the Iraq Security Forces were “years, if not decades” away from ending their “reliance on Coalition assistance,” and DOD expected “a generation of Iraqi officers with continuous exposure to Coalition advisers” would be required to establish a self-reliant Iraqi fighting force.¹³⁴ At the time, the Lead Inspector General for Overseas Contingency Operations (LIG-OCO) judged that these conditions raised “questions about the duration of the OIR mission since the goal of that mission is defined as the ‘enduring defeat’ of ISIS.”¹³⁵ More recent oversight reporting citing U.S. officials emphasizes the independent capabilities and operations of some Iraqi units relative to the reduced IS threats they face.

As of October 2019, U.S. and coalition forces had trained more than 200,000 Iraqi security personnel since 2014, including more than 30,000 Kurdish *peshmerga*.¹³⁶ More than 50,000 Iraqis participated in coalition training during 2019.¹³⁷ While remaining Iraqi capability gaps identified by U.S. officials reflect longstanding weaknesses that in some cases date back to the U.S. military’s 2003-2011 presence in Iraq, this reporting states that officials believe conditions for transition toward higher level and more long term capacity building effort—“Phase IV” of coalition campaign plan (Figure 9)—is now possible.

Figure 9. Combined Joint Task Force-Operation Inherent Resolve Campaign Plan



Source: CJTF-OIR, July 2020. CJOA – Combined Joint Operations Area.

¹³⁴ LIG-OCO, Report to Congress on Operation Inherent Resolve, July 1–September 30, 2018.

¹³⁵ Ibid.

¹³⁶ LIG-OCO, Report to Congress on Operation Inherent Resolve, July 1–October 25, 2019.

¹³⁷ CJTF-OIR, CJTF-OIR reflects on significant gains in 2019, February 9, 2020.

Ongoing changes in the scope, footprint, and missions of U.S. and coalition personnel in Iraq may reflect reported improvements in Iraqi capabilities, but also may be influenced by health and security-related force protection concerns and evolving political conditions in the country. As noted above, in July 2020, the coalition announced a transition of its Task Force-Iraq advising element to a smaller Military Advisor Group that will be centrally located in Baghdad and advise Iraqi commanders on operational-level planning.¹³⁸

Counter-IS operations and trainings were paused for force-protection reasons during heightened U.S.-Iran confrontations in January 2020, and training was again paused with the onset of COVID-19 pandemic in March 2020. Any future increases in force-protection concerns could similarly disrupt or delay U.S. and coalition partnership activities.

Assistance to the Kurdistan Regional Government and in the Kurdistan Region

Congress has authorized the President to provide U.S. assistance to the Kurdish *peshmerga* (and certain Sunni and other local security forces with a national security mission) in coordination with the Iraqi government, and to do so directly under certain circumstances. Pursuant to a 2016 U.S.-KRG memorandum of understanding (MOU), the United States has funded stipends, training, and in-kind support to the Kurdistan Regional Government of Iraq. Successive Administrations have requested funding for these purposes, and Congress has directed defense and foreign assistance spending for programs with the KRG and for the benefit of populations in the Kurdistan Region.

- The December 2016 continuing resolution (P.L. 114-254) included \$289.5 million in FY2017 Iraq training program funds to continue support for *peshmerga* forces.
- In 2017, the Trump Administration requested an additional \$365 million in defense funding to support programs with the KRG and KRG-Baghdad cooperation as part of the FY2018 train and equip request. The Administration also proposed a sale of infantry and artillery equipment for *peshmerga* forces that Iraq agreed to finance using a portion of its U.S.-subsidized Foreign Military Financing loan proceeds. The Department of Defense paused stipend payments to *peshmerga* personnel in units aligned with the Ministry of Peshmerga following the September 2017 independence referendum, but resumed them thereafter.
- The Administration's FY2019 Iraq Train and Equip program funding request referred to the *peshmerga* as a component of the ISF and discussed the *peshmerga* in the context of a \$290 million request for potential ISF-wide sustainment aid. The conference report (H.Rept. 115-952) accompanying the FY2019 Defense Appropriations Act (Division A of P.L. 115-245) said the United States "should" provide this amount for "operational sustainment" for Ministry of Peshmerga forces.
- The Administration's FY2020 Iraq Train and Equip funding request sought more than \$249 million to continue U.S. support to KRG *peshmerga* reform efforts, including the continued equipping and organization of Ministry of Peshmerga Regional Guard Brigades (RGBs) "equivalent to a U.S. light infantry brigade standard" and the payment of RGB stipends and logistical support.¹³⁹
- The Administration's FY2021 request seeks to complete the force generation of the twelve planned 1,500-person *peshmerga* RGBs. Equipping of the forces would be completed through FY2022. The request notes that "CTEF is not used to provide support to any of the other Kurdish security services other than the RGBs because of their politically aligned nature,"¹⁴⁰ and states that although stipend support is set to end in FY2020, U.S. forces plan to continue "training, equipment divestitures, and sustainment support" for the RGBs.

Kurdish officials report that U.S. training support and consultation on plans to reform the KRG Ministry of Peshmerga and its forces continue. As discussed below, Congress also has directed in recent years that U.S. foreign assistance, humanitarian aid, and loan guarantees be implemented in Iraq in ways that benefit Iraqis in all areas of the country, including in the Kurdistan region.

¹³⁸ CJTF-OIR, Coalition Task Force-Iraq transitions to Military Advisor Group, July 4, 2020.

¹³⁹ DOD Justification for FY2020 OCO Counter-Islamic State of Iraq and Syria (ISIS) Train and Equip Fund (CTEF).

¹⁴⁰ DOD Justification for FY2021 OCO Counter-Islamic State of Iraq and Syria (ISIS) Train and Equip Fund (CTEF).

U.S. Foreign Assistance

Since 2014, the U.S. government has provided Iraq with State Department- and USAID-administered assistance to support a range of security and economic objectives (in addition to the humanitarian assistance mentioned above). U.S. Foreign Military Financing (FMF) funds have supported the costs of continued loan-funded purchases of U.S. defense equipment and have helped fund other Iraqi acquisitions, training, and defense institution-building efforts. U.S. loan guarantees also have supported Iraqi bond issues to help Baghdad cover its fiscal deficits. The Trump Administration requested \$124.5 million for foreign assistance programs in Iraq for FY2021 (**Table 2**). Congress allocated \$451.6 million for Iraq programs in FY2020. The Trump Administration continues to notify congressional committees of jurisdiction about plans for obligating funds appropriated for foreign assistance activities in Iraq.

Table 2. U.S. Assistance to Iraq: Select Obligations, Allocations, and Requests
(in millions of dollars)

Account	FMF	ESF/ESDF	INCLE	NADR	DF	IMET	Total
FY2012 Obligated	79.56	275.90	309.35	16.55	0.54	1.99	683.90
FY2013 Obligated	37.29	128.04	-	9.46	26.36	1.12	202.27
FY2014 Obligated	300.00	61.24	11.20	18.32	18.11	1.47	410.33
FY2015 Obligated	150.00	50.28	3.53	4.04	-	0.90	208.75
FY2016 Obligated	250.00	116.45	-	38.31	0.03	0.99	405.78
FY2017 Actual	250.00	553.50	0.20	56.92	-	0.70	1061.12
FY2018 Actual	250.00	100.00	5.60	46.86	-	0.82	403.28
FY2019 Allocation	250.00	150.00	5.60	45.00	-	0.91	451.51
FY2020 Allocation	250.00	150.00	5.60	45.00	-	1.00	451.60
FY2021 Request	-	75.00	1.00	47.50	-	1.00	124.50

Sources: Obligations data derived from U.S. Overseas Loans and Grants (Greenbook), January 2017. FY2017-FY2021 data from joint explanatory statements and State Department Congressional Budget Justifications.

Notes: FMF = Foreign Military Financing; ESF/ESDF = Economic Support Fund/Economic Support and Development Fund; INCLE = International Narcotics Control and Law Enforcement; NADR = Nonproliferation, Antiterrorism, Demining, and Related Programs; DF = Democracy Fund; IMET = International Military Education and Training.

Since 2014, the United States also has contributed nearly \$2.7 billion to humanitarian relief efforts in Iraq, including more than \$470 million in humanitarian support in FY2019.¹⁴¹ The Trump Administration also has directed additional support since 2017 to persecuted religious minority groups in Iraq, negotiating with UNDP to direct U.S. contributions to the UNDP Funding Facility for Stabilization to the Ninewa Plains and other minority populated areas of northern Iraq (see “Issues Affecting Religious and Ethnic Minorities” above).

U.S. funding supported Iraqi programs to stabilize the Mosul Dam on the Tigris River, which remains at risk of collapse due to structural flaws and its compromised underlying geology. Collapse of the dam could cause deadly, catastrophic damage downstream. Major U.S.-supported efforts to stabilize the dam reached completion in 2019, but the State Department continues to warn that “it is impossible to accurately predict the likelihood of the dam’s failing.”¹⁴²

Changes to the U.S. Civilian Presence in Iraq in 2019 and 2020

In early 2019, the State Department conducted a “zero-based” review of the U.S. citizen direct hire and contractor personnel footprint at the U.S. Embassy in Baghdad. The review considered options for maintaining then-current U.S. policy efforts in Iraq while reducing costs, decreasing U.S. citizen deployments, and increasing the use of Iraqi and other third-country national personnel.¹⁴³ In May 2019, the State Department ordered the departure of nonemergency U.S. government personnel from Iraq, citing an “increased threat stream.”¹⁴⁴ This order resulted in the departure of personnel from the State Department, U.S. Agency for International Development (USAID), and other federal agencies. The Administration extended the ordered departure through November 2019, and, in December 2019, notified Congress of plans to reduce personnel levels permanently.

According to USAID officials’ reports to the USAID OIG, “staff reductions associated with the ordered departure have had significant adverse effects on program planning, management, and oversight activities in Iraq.”¹⁴⁵ In December 2019, Principal Deputy Assistant Secretary of State Joey Hood stated the Administration’s view that the then-current posture was “exactly what we need—no more, no less—to get the mission accomplished.”¹⁴⁶

The FY2020 Foreign Operations appropriations act states that “any change in the status of operations at United States Consulate General Basrah, including the return of Consulate property located adjacent to the Basrah International Airport to the Government of Iraq, shall be subject to prior consultation with the appropriate congressional committees and the regular notification procedures of the Committees on Appropriations.”

On March 25, 2020, the State Department ordered the departure of designated U.S. government employees from the U.S. Embassy, the Baghdad Diplomatic Support Center, and the U.S. Consulate General in Erbil due to security conditions and restricted means of international travel as a result of the COVID-19 pandemic.

Outlook

Systemic change, foreign ties, and core issues of sovereignty remain under review in Iraq, and continuity in U.S.-Iraqi cooperation is not guaranteed. New bilateral consensus through strategic dialogue and systemic reform in Iraq might present new opportunities for partnership, but political and economic upheaval in Iraq also might further empower groups seeking to minimize U.S. influence and/or weaken bilateral ties. The Iraqi government is engaged with U.S. officials to define the future of the U.S. military presence in Iraq, amid continuing calls from other Iraqis,

¹⁴¹ Iraq-Complex Emergency Fact Sheet #5, Fiscal Year (FY) 2019, September 30, 2019.

¹⁴² State Department Bureau of Consular Affairs, Iraq Country Information Page: Iraq, July 2020.

¹⁴³ Executive branch communications to Congress, May 2019.

¹⁴⁴ Security Alert – U. S. Embassy Baghdad, Iraq, May 15, 2019; and, Chad Garland, “State Department orders evacuation of non-emergency US government employees from Iraq,” *Stars and Stripes*, May 15, 2019.

¹⁴⁵ LIG-OCO, Report to Congress on Operation Inherent Resolve, July 1—October 25, 2019, pp. 59-60.

¹⁴⁶ SFRC-ME, December 4, 2019.

especially Iran-aligned voices, for the withdrawal of U.S. forces. The United States has sought Iraq's cooperation in its maximum pressure campaign against Iran, but has acknowledged limits on Iraq's ability to reduce some ties to its neighbor. U.S. officials welcome Iraqi efforts to assert more state control over militias and have insisted that Iraq fulfil its responsibilities to protect U.S. personnel, but have not publicly encouraged Iraqi counterparts to use force against pro-Iranian armed groups comprehensively.

As Iraqis debated government formation after the 2018 elections, the Trump Administration signaled that decisions about future U.S. assistance efforts would be shaped by the outcome of government formation negotiations. Specifically, the Administration stated at the time that if Iraqis they viewed as close to or controlled by Iran were to assume authority in the new government, then the United States would reconsider its support for and approach to Iraq.¹⁴⁷ In the end, Iraqis excluded figures with close ties to Iran from cabinet positions. Nevertheless, Prime Minister Abd al Mahdi's tenure was a product of consensus among leading Iraqi parties, and its failures reflected the limits of status quo approaches to decision making. Prime Minister Mustafa Al Kadhimi's cabinet similarly reflects political consensus, but the pressures created by U.S.-Iran confrontation, COVID-19, and Iraq's economic and fiscal crises may create opportunities for and demand different approaches.

U.S. officials have argued that the United States government does not seek to compel Iraq to sever all of its relationships with neighboring Iran, but striking a balance in competing with Iran-linked Iraqi groups and respecting Iraq's independence may continue to pose challenges for U.S. policymakers.¹⁴⁸ New or existing U.S. attempts to sideline Iran-backed Iraqi groups, via sanctions or other means, might challenge Iran's influence in Iraq in ways that could serve stated U.S. government goals vis-a-vis Iran, but also might entail risk inside Iraq and internationally (see textbox "Is the United States Considering Sanctions on Iraq?" above). While a wide range of Iraqi actors have ties to Iran, the nature of those ties differs, and treating these diverse groups uniformly risks ostracizing potential U.S. partners or neglecting opportunities to create divisions between these groups and Iran.

U.S. efforts to counter Iranian activities in Iraq and elsewhere in the region also have the potential to complicate the pursuit of other U.S. objectives in Iraq; including U.S. counter-IS operations and training. When President Trump in a February 2019 interview referred to the U.S. presence in Iraq as a tool to monitor Iranian activity, several Iraqi leaders raised concerns.¹⁴⁹ Iran-aligned Iraqi groups then referred to President Trump's statements in their 2019 political campaign to force a U.S. withdrawal. As discussed above, U.S. strikes against Iranian and Iranian-aligned personnel in Iraq have precipitated a renewed effort to force Iraq's government to rescind its invitation to foreign militaries to operate in Iraq. More broadly, future U.S. conflict with Iran and

¹⁴⁷ "U.S. Official: We May Cut Support for Iraq If New Government Seats Pro-Iran Politicians," *Defense One*, Sept. 26, 2018.

¹⁴⁸ Ambassador Matthew H. Tueller, Statement for the Record, Senate Foreign Relations Committee, March 6, 2019.

¹⁴⁹ Alissa J. Rubin and Eric Schmitt, "Trump's Plan for U.S. Forces in Iraq Met With Unified Rejection in Baghdad," *New York Times*, February 4, 2019. In an interview with CBS News correspondent Margaret Brennan, President Trump said, "We spent a fortune on building this incredible base [Iraq's Al Asad Air Base]. We might as well keep it. [Note: The base belongs to the government of Iraq. U.S. forces operate from the base at the invitation of the Iraqi government.] And one of the reasons I want to keep it is because I want to be looking a little bit at Iran because Iran is a real problem." When Brennan asked the President if he wants to keep troops in Iraq because he wants to be able to strike Iran, the President replied "No, because I want to be able to watch Iran. All I want to do is be able to watch. We have an unbelievable and expensive military base built in Iraq. It's perfectly situated for looking at all over different parts of the troubled Middle East rather than pulling up. ... We're going to keep watching and we're going to keep seeing and if there's trouble, if somebody is looking to do nuclear weapons or other things, we're going to know it before they do." Transcript: President Trump on "Face the Nation," CBS News, February 3, 2019.

its allies in Iraq could disrupt relations among parties to the transitional government in Baghdad, or even contribute to conditions leading to civil conflict among Iraqis, undermining the U.S. goal of ensuring the stability and authority of the Iraqi government. Iran also may seek to avoid these outcomes, concerned that conflict in Iraq could threaten its security.

The U.S.-Iraq strategic dialogue may produce a new understanding that allows U.S. military advisers and forces to remain in Iraq, but supporters of Iran and others who oppose a continued U.S. and foreign military presence could seek to re-litigate the issue of withdrawal and assert related demands as a condition of cooperation with political rivals or support for future governments. Armed groups could adopt a more actively hostile posture under circumstances in which the United States is perceived to be ignoring or defying requests from Iraqi authorities or to be violating Iraq's sovereignty. More broadly, current or future U.S. threats to withhold or terminate assistance may not influence Iraqis seeking to ensure a U.S. departure in any case.

A reduced and redefined U.S. military presence—if acceptable to Iraqis—could pursue a limited and less controversial mission set (e.g., more proscribed military operations or a focus solely on training), but also might still entail considerable force-protection requirements if prevailing security conditions persist or confrontation recurs. Other international actors appear more willing and capable of contributing to training efforts than to active counterterrorism operations and could compensate for that component of any reduced U.S. presence if Iraq's government endorses new arrangements. However, foreign troop contributors rely implicitly on force protection from the United States and Iraq, and persistent threats could limit contributions.

Recent U.S. assessments of the counter-IS campaign and the capabilities of Iraqi forces suggest that a reduced or training-only presence could create security risks. U.S. officials judge that the Islamic State poses a continuing and reorganizing threat in Iraq, while Iraqi forces continue to use international intelligence and air support to conduct effective operations. Islamic State fighters and other armed groups presumably could take advantage of any reduced operating capacity or tempo by Iraqi security forces associated with changes in coalition support or presence. A precipitous withdrawal of most or all U.S. and/or coalition military forces, whether preemptive or required, could carry greater security risks.

Under circumstances in which Iraqi authorities insist on changes or reductions in U.S. and coalition posture, compliance might have some diplomatic and strategic benefits. While Iranian allies might welcome such changes, other nationalist Iraqis might see the United States and other international actors as respecting Iraqi sovereignty and thus remain open to further partnership. As noted above, U.S. defiance, whether real or perceived, could invite backlash.

Iraqis are likely to continue to assess and respond to U.S. initiatives (and those of other outsiders) primarily through the lenses of their own domestic political rivalries, anxieties, hopes, and agendas. Reconciling U.S. preferences and interests with Iraq's evolving politics and security conditions may require continued creativity, flexibility, and patience.

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