

ISSUES

- Though the protest movement that began on Oct. 1, 2019 has reduced its activities, its demands of fighting corruption, seeking accountability for the perpetrators of crimes against fellow activists, holding early elections, and minimizing Iranian influence in Iraq still attract the sympathy of large swaths of Iraqis.
- The killing of the commander of Iran's Quds Force, Gen. Qassem Soleimani, and the deputy leader of the Iran-linked Iraqi Popular Mobilization Forces (PMF), Abu Mahdi al-Muhandis, on Iraqi territory followed by Iran's retaliatory missile strike against Iraqi bases housing U.S. soldiers have placed Iraq in the middle of a U.S.-Iranian military escalation.
- Iraqi leaders and citizens are split over the withdrawal of U.S. forces. The parliamentary vote on Jan. 5 to expel U.S. forces primarily involved Shi'a parliamentarians beholden to Iran. Except for a few who showed up for the vote, Sunni and Kurdish leaders are largely opposed to this move.
- Iran-linked Iraqi militias vowed to expel U.S. forces from the country using any means at their disposal, including violent ones. Rocket/mortar attacks on U.S. facilities in Iraq have been escalating, leading to the killing and wounding of American servicemen.
- The government led by Mustafa al-Kadhimi has shown a willingness to rein in militias that are responsible for rocket attacks on U.S. facilities in Iraq and Iraqi bases hosting U.S. and coalition soldiers.
- While relations between Baghdad and Erbil have improved, outstanding issues remain between the two parties concerning oil revenue sharing, the Kurdistan Regional Government's share of the Iraqi budget, and the status of the disputed territories.
- Political interference in anti-corruption bodies, politicization of corruption cases, insecurity, and the growing role of militias in the political and economic spheres have severely limited the government's ability to curb soaring corruption. This state of affairs is unlikely to change in the near term.

US INTERESTS

- Help the Iraqi government defeat ISIS and its affiliates and deal with internal threats emerging from Shiite militias operating outside the government's purview.



- Ensure durable stability of Iraq, which lies at the center of the Middle East.
- Help the Iraqi government manage the twin economic and COVID-19 crises.
- Ensure that Iraq does not become a proxy for Iran in regional conflicts.
- Promote durable solutions to internal displacement in Iraq.
- Support the protesters' demands for an end to corruption, early elections, and accountability of the security forces, including the PMFs.
- Promote partnerships between the Iraqi government and U.S. companies to develop Iraq's oil, gas, and water industries, thus breaking its dependence on Iranian gas and electricity imports.

POLICY RECOMMENDATIONS

- The U.S. is reducing its force level in Iraq. Within the context of the U.S.-Iraq Strategic Dialogue, the two countries should discuss a new framework for a reduced U.S. force presence to work in cooperation with the government of Iraq on counter-terrorism operations and training, advising, and equipping Iraqi security forces, as well as intelligence sharing.
- Disentangle bilateral discussions about the U.S. force presence from other aspects of the U.S.-Iraqi relationship, including diplomatic, economic, and cultural relations and development and humanitarian assistance.
- Assist Iraq with accessing funding from international donors to manage the economic challenges conditional on the Iraqi executive and legislative authorities enacting fundamental economic reforms.
- Identify areas where U.S. civil society organizations can assist in protesters' efforts to fight corruption and promote accountability and good governance.
- Identify Iraqi armed groups that are involved in human rights violations, ensure they are denied access to U.S. aid per U.S. law, and work with European allies to deny these groups' leaders entry to EU capitals and access to EU resources.
- Identify areas where Iraq needs help and the U.S. has a comparative advantage over Iran, such as banking reforms and assistance in the education and technology sectors.

- Discuss in the U.S.-Iraq Strategic Dialogue commercial investment reforms the Iraqi government must engage in, with the U.S. providing technical assistance when asked.
- Sustain funding to help Iraq address internal displacement issues in coordination with international organizations.