



Iraq and U.S. Policy

COVID-19, Iran-U.S. Confrontation, Protests, and Iraq's Future

Iraqi authorities have instituted curfews and travel restrictions in response to the COVID-19 pandemic, which poses serious public health, economic, and fiscal risks for the country. Public health measures to slow the spread of the disease have diminished participation in the protest movement that has swept central and southern Iraq since October 2019. Security forces and militia members killed hundreds of protestors and wounded thousands in Baghdad and several southern Iraqi cities, fueling calls for the ouster of the ruling elite. While crowds have dispersed, protestors' demands for systemic change and an end to corruption and foreign interference remain unmet. Meanwhile, intense U.S.-Iranian confrontation has reinvigorated some Iraqis' efforts to drive U.S. and other foreign forces out of Iraq.

Following escalating Iran-linked threats to U.S. and Iraqi personnel in 2019, a January 2020 U.S. air strike in Iraq killed Iranian Islamic Revolutionary Guard Corps-Qods Force Commander General Qasem Soleimani and Iraqi Popular Mobilization Forces leader Abu Mahdi al Muhandis. Iran launched missiles at Iraqi bases hosting U.S. personnel in response. The U.S. strike eliminated key figures in Iran's efforts to shape Iraqi security and politics, but the Iran-U.S. violence has further complicated underlying disputes over government leadership and the future of Iraq's security partnerships. Iran-backed militias since have conducted additional rocket attacks, killing U.S. and U.K. personnel in March. U.S. forces retaliated militarily, and further escalation remains possible.

In response to the protests and violence, Prime Minister Adel Abd al Mahdi resigned in November 2019, but he has served in a caretaker role while political blocs and protestors have deadlocked over selecting a replacement prime minister-designate. President Barham Salih's first nominee, former Communications Minister Mohammed Tawfiq Allawi, was unable to garner sufficient political support. In March 2020, Salih nominated the former governor of Najaf, Adnan Al Zurfi, as prime minister-designate. Government formation talks have resumed.

Alongside issues raised by the COVID-19 pandemic, principal questions for Iraqi and U.S. leaders include whether or how to redefine the nature of and framework for bilateral security cooperation. While some Iraqis demand the expulsion of foreign forces, U.S. personnel are assisting Iraqi forces against Islamic State (IS, aka ISIS/ISIL) threats and build Iraqi capabilities. U.S. forces remain in Iraq and are consolidating basing locations. U.S. training has been suspended due to COVID-19 risks, and U.S. officials say future training will use "fewer bases with fewer people."

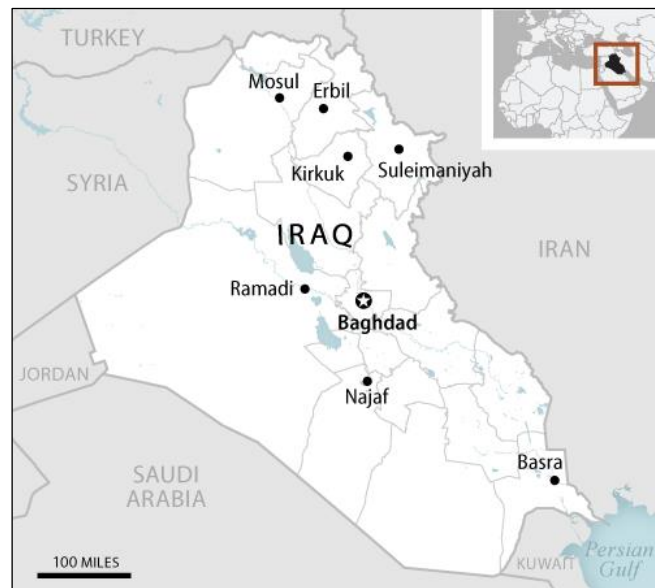
With plans and timing for political transition uncertain, significant public health, economic, and fiscal pressures

relating to the COVID-19 pandemic and plummeting global oil prices are further upending the status quo.

Plans for Political Transition Uncertain

Political differences among leading blocs have precluded the prompt replacement of Prime Minister Abd al Mahdi. Protestors have demanded an independent candidate with a demonstrated record of honest leadership, with many rejecting President Salih's nominees and alternatives proposed by political blocs. Current Prime Minister-designate Adnan Al Zurfi has until April 16, 2020, to propose a cabinet list for approval by the Council of Representatives (COR), Iraq's unicameral legislature.

Figure 1. Iraq



Sources: CRS, using ESRI and U.S. State Department data.

Leaders of Iraq's Shia Muslim religious establishment have expressed solidarity with peaceful protestors, rejected foreign interference, and condemned killings of civilians. On January 31, Shia Grand Ayatollah Ali Al Sistani condemned violence against protestors and called on authorities to hold elections swiftly and independently. Sistani also issued a religious decree in March, calling for collective action to fight the COVID-19 pandemic.

In the current COR, the *Sa'irun* (On the March) coalition led by populist Shia cleric and frequent U.S. antagonist Muqtada al Sadr and the predominantly Shia *Fatah* (Conquest) coalition led by Hadi al Ameri of the Badr Organization hold the largest number of seats. Their respective coalitions have formed the cores of larger rival COR blocs, with *Sa'irun* anchoring the *Islah* (Reform) bloc and *Fatah* anchoring the predominantly Shia Arab *Bin'a* (Reconstruction) bloc—the largest in the COR.

Sadr's supporters staged a mass protest demanding the withdrawal of foreign forces in January 2020. They have alternately extended and withdrawn support from other protestors. Fatah includes individuals formerly associated with Shia Popular Mobilization Forces (PMF) units and other militias with ties to Iran. A July 2019 prime ministerial decree ordered the PMF to comply with a 2016 law calling for PMF consolidation under state command structures. Implementation remains incomplete.

Iraq last held national elections in May 2018 for the 328-seat COR. In October 2018, a pan-ethnic and pan-sectarian coalition of interest groups agreed to support the Abd al Mahdi government, though differences over policy and leadership extended cabinet approval into 2019 and delayed progress on several key issues relevant to protestors. As protests intensified in late 2019, the COR adopted a new election law that would replace Iraq's list-based system with an individual candidate- and district-based system; implementation could require authorities to administer a controversial census amid continuing unrest, security disruptions, and unprecedented public health challenges.

Early elections under a revamped system could introduce new political leadership, but fiscal pressures, political rivalries, and the limited capacity of some state institutions may present lasting hurdles to reform. Whether or not leaders implement reforms in response to protestors' demands, the Islamic State threat, security force management, reconstruction needs, demographic pressures, COVID-19, and lower oil prices will present continuing challenges. Security has improved since 2017, but thousands of IS fighters in Iraq and Syria are still active. Nearly 1.4 million Iraqis remain internally displaced and many more are in need of various forms of assistance.

Views from the Kurdistan Region

Leaders of Iraq's federal Kurdistan Regional Government (KRG) have recognized protestors' concerns and criticized repressive violence, while convening to unify positions on proposed reforms that some Kurds fear could undermine the Kurdistan region's rights under Iraq's constitution. The two largest Kurdish parties, the Erbil-based Kurdistan Democratic Party (KDP) and the Suleimaniyah-based Patriotic Union of Kurdistan (PUK), hold significant numbers of COR seats and won the most seats in the KRG's September 2018 election. KDP leader Masrour Barzani serves as KRG Prime Minister. His cousin Nechirvan Barzani is KRG President. The KRG has instituted curfews and closures to mitigate COVID-19 risks. KRG leaders have discussed several oil export and budget issues with Baghdad but differences remain to be resolved.

COVID-19 and Fiscal Pressure

With neighboring Iran hard-hit by COVID-19 and links between the two countries diverse and deep, Iraq has faced a multifaceted challenge in containing the spread of the virus. Iraq's public and private health systems have significant shortcomings and limited capacity, amplifying risks. Iraq has approximately .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.

In parallel, oil prices have dropped precipitously as global economic demand has contracted and as the Organization of

the Petroleum Exporting Countries (OPEC) and non-OPEC countries (OPEC+), including Russia, did not agree on a recommendation to reduce oil production. Iraq's draft 2020 budget assumed an oil export price of \$56 per barrel. Economic projections vary, but it appears likely that Iraq will need to draw on reserves, cut salaries, limit benefits, and/or borrow to meet salary and budget needs. Already-low levels of investment spending will likely decline, including in sectors where failures have fueled protests.

Partnership with the United States

Since 2017, the Trump Administration has sought to promote Iraqi unity and stability, prevent an IS resurgence, and limit Iranian influence in Iraq. Iraqi protestors' calls for improved governance, reliable local services, more trustworthy and capable security forces, and greater economic opportunity broadly correspond to stated U.S. goals. U.S. officials have advocated for Iraqi protestors' rights to demonstrate and express themselves freely, while signaling U.S. willingness to work with any Iraqi leaders who will move forward on shared reform priorities. In a series of statements since October 2019, U.S. officials have 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."

"Iraqis want a government that upholds Iraq's sovereignty, provides basic needs, is free of corruption, and protects their human rights. If Iraq's newly selected Prime Minister-designate, Adnan Zurfi puts these interests first, he will have U.S. and international support."

Secretary of State Michael Pompeo - March 2020

The United States provides foreign aid and security assistance to Iraq in support of Iraqi counter-IS operations, security force development, de-mining, public financial management reform, U.N.-coordinated stabilization, and other objectives. More than \$365 million in U.S. stabilization aid has flowed to liberated areas of Iraq since 2016, including funds to aid religious and ethnic minority communities. The United States is the top humanitarian funding donor for Iraq and has provided more than \$2.7 billion in humanitarian aid for Iraq programs since 2014.

U.S. military personnel are present in Iraq pursuant to a 2014 exchange of diplomatic notes under the 2008 U.S.-Iraq Strategic Framework Agreement. Congress has authorized U.S. train and equip programs for Iraq through December 2020, including aid to KRG forces, and has appropriated defense funds for these purposes through September 2021. Since 2014, Congress has appropriated more than \$6.5 billion for U.S. military train and equip programs for Iraqis. The FY2020 National Defense Authorization Act (P.L. 116-92) limits the availability of 50% of FY2020 train and equip funding until the Administration submits assessments and plans, including for "a plan for normalizing assistance ... beginning in fiscal year 2020." The act states training programs may "only be exercised in consultation with" Iraq's government.

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