

Iraq Goes from Zurfi to Kadhimi: U.S. Policy Implications

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Brief Analysis

If Kadhimi's nomination goes through, it would be good news for Iraq, but Washington's troubled relationship with Baghdad still needs a radical strategic reset.

On April 9, Iraqi prime minister-designate Adnan al-Zurfi withdrew from his short campaign to form a cabinet after coming under pressure to step aside. Taking his place is intelligence chief Mustafa al-Kadhimi, a candidate with the pledged support of all major political blocs. Despite radical differences in their personal styles, Zurfi and Kadhimi are both political moderates and Iraqi nationalists with good connections to Baghdad's international partners. Both are also held in deep suspicion by the Iranian security establishment for being too close to the United States.

Yet a critical difference in process gives hope that Kadhimi will succeed where Zurfi failed. While Zurfi's nomination stemmed from a failure to reach Shia consensus and required the intervention of Kurdish president Barham Salih, Kadhimi has been introduced with consensus support and no veto from the Shia blocs. This can be presented as a face-saver for Iran-backed Shia parties who would reject him under normal circumstances.

Kadhimi now has until May 9 to ratify a cabinet—a process that will intersect with at least two U.S. policy steps in Iraq. First, on April 25, Washington must decide whether to issue a new sanctions waiver that lets Baghdad continue importing Iranian natural gas and electricity, and under what conditions. The current waiver was limited to an unprecedentedly short thirty days, an apparent signal that U.S. patience with Iranian meddling in Iraqi politics is wearing thin. Second, the Trump administration has proposed to launch a strategic dialogue with Baghdad in June, with Secretary of State Mike Pompeo aiming to reset the relationship under the rubric of the 2008 Strategic Framework Agreement (SFA).

APPROACHING A BILATERAL CROSSROADS

The U.S.-Iraq relationship is long overdue for a strategic reset. If the 2003-2011 occupation was the first phase of modern relations and the post-2014 effort to defeat the Islamic State (IS) was the second, then the third phase is now beginning. Although the jihadist group is not yet defeated, an accumulation of complicating factors has been pushing the relationship toward this new phase, as shown most clearly when more than a hundred Iraqi parliamentarians called for the eviction of the U.S.-led military coalition in January. Drivers for this shift include:

- **U.S.-Iran competition.** The war against IS has always had a subtext of competition between the coalition and the Iran-backed militias that contribute most of the combat power to Iraq's Popular Mobilization Forces (PMF). The militias have sought to use the war and its aftermath to cement their hold over the political, business, and security sectors (<https://www.washingtoninstitute.org/policy-analysis/view/honored-not-contained-the-future-of-iraqs-popular-mobilization-forces>). Some of them have also acted on their desire to drive U.S. forces out of Iraq by attacking and killing foreign personnel, resulting in retaliatory U.S. strikes such as the January assassination of Iranian general Qasem Soleimani and PMF leader Abu Mahdi al-Muhandis. These developments have created a volatile dynamic in which the Iraqi government is failing to protect its diplomatic and military guests, and the United States is being drawn into an open-ended series of strikes that are unlikely to deter or destroy Iran-backed militias.
- **Evolution of the counter-IS mission.** After IS lost its last bit of territory in Syria in March 2019, the coalition began looking ahead to a late 2020 review that would have coincided with the mission's sixth anniversary. Today, the combination of escalating militia attacks in Iraq and the coronavirus pandemic has accelerated this planned restructuring. Almost all non-American trainers left Iraq last month, while the United States has moved most of its forces away from frontline bases and consolidated them into four hubs: Baghdad International Airport, al-Asad Air Base on the Syrian border, the Kurdistan Region, and the training center at Taji. Many of the programmed budgetary assumptions for security cooperation in fiscal year 2021 will no longer apply under these conditions. Yet the counter-IS fight must endure in some form lest the movement achieve another resurgence (<https://www.washingtoninstitute.org/policy-analysis/view/a-year-since-baghuz-the-islamic-state-is-neither-defeated-nor-resurging-yet>).
- **Potential aid complications.** Due to the coronavirus and other factors, Iraq will likely suffer a severe public health and economic crisis (<https://www.washingtoninstitute.org/policy-analysis/view/iraqs-health-financial-and-security-crises-sharpen-the-urgency-of-forming-a>) in the coming year, including tens of thousands of deaths and a collapse of household incomes. This would typically be a cue for the United States to ramp up aid delivery and coordinate global economic support packages. Today, however, the whole world is going through the same pandemic, much of the Middle East is feeling the pinch of the Saudi-Russian oil price war (<https://www.washingtoninstitute.org/policy-analysis/view/trump-considers-a- cameo-role-in-saudi-russia-oil-price-drama>), and the United States happens to be in the middle of an election year. Thus, while Baghdad has never needed American support more than it currently does, America has never faced a more challenging environment in which to rally additional U.S. and international aid for the country.

MAKING THE STRATEGIC DIALOGUE WORK

When U.S. and Iraqi leaders gather under the rubric of the SFA later this year, their first priority should be an honest airing of grievances. This should then give way to recognition of mutual interests, as well as areas where the two countries can agree to disagree. For almost the entirety of Prime Minister Adil Abdulmahdi's tenure—from his appointment in 2018 to his current caretaker status—the United States and other international supporters have lacked an active, clear-eyed partner in Iraq's top office. In contrast, if Kadhimi were prime minister, U.S. officials could rest assured that any concerns he expressed to them would be coming from a respected Iraqi nationalist framing them with an eye squarely on his own country's sovereign interests, not Iran's.

The United States has signaled in the past that any SFA with Iraq is a package deal, meaning Baghdad cannot cherry pick aid benefits while taking (or tolerating) actions that undermine U.S. strategic interests. Although not explicitly transactional, the relationship has to be one of mutual give and take, not simply a one-way flow of aid to Iraq for no observable benefit. To reinforce this message with Iraqi officials, Washington should lay out its most fundamental, reasonable expectations:

- **Protecting American personnel.** Under Abdulmahdi, the Iraqi government has demonstrated an unpardonable failure to safeguard not only forward-deployed U.S. military advisors, but also the U.S. embassy in Baghdad. The latter failure is particularly galling when government forces have been perfectly willing to kill scores (if not hundreds) of young Iraqis just to keep the Iranian embassy safe from months of protests against Tehran's interference. This situation must change—Baghdad must order its forces to take action against any armed factions that attack its international guests.
- **Protecting U.S. currency.** Despite a widening slate of sanctions, U.S. dollars are still being diverted to Iran or to U.S.-designated terrorist groups, including Iraqi actors. Baghdad must continue doing its utmost to prevent such diversions.
- **Keeping U.S. security assistance away from bad actors.** U.S. weapons, training, and logistical sustainment are provided to Iraq under strict conditions regulated by U.S. law, including provisions that exclude those guilty of human rights abuses or association with the Iranian government. If Washington is to move forward with the programmed FY 2021 Counter-ISIS Train and Equip Fund (CTEF), then Iraq's new government must take many corrective actions to put security cooperation on firm footing. These include intensified "Leahy vetting" of commanders, exclusion of U.S.-sanctioned figures from security roles, the renewal of U.S. advisory efforts with the Tribal Mobilization Forces, and explicit Iraqi protection of coalition-trained commanders.

Baghdad will no doubt have ground rules and reasonable expectations of its own, which the United States should observe. For one, unless U.S. forces are attacked inside Iraq, they should not target Iranian operatives and Iran-backed militias there. And absent evidence of Iraqi sanctions violations, Washington should commit to re-extending its waivers in continual 120-day tranches. Likewise, it should keep shielding Iraqi sovereign reserves from international lawsuits and avoid further threats to freeze these funds. Finally, U.S. officials should do everything they can to ensure Iraq gets its fair share of international relief—or **even more** (<https://www.washingtoninstitute.org/policy-analysis/view/how-to-serve-u.s.-interests-by-saving-kurdistan-economy>) considering the remarkable vulnerability of its public health and economic systems, whose stability holds major implications for wider regional security.

A commonsense strategic dialogue under a respectable "Iraq first" prime minister can restore a degree of normality and decorum to the bilateral relationship. Baghdad will sorely need this kind of reset in the coming months, when the full local impact of coronavirus becomes clearer, the oil crash forces it to enact its deepest economic austerity measures since 2003, and IS steps up its efforts to exploit the chaos.

Michael Knights is a senior fellow with The Washington Institute. Since 2003, he has conducted extensive on-the-ground research in Iraq alongside security forces and government ministries. ❖

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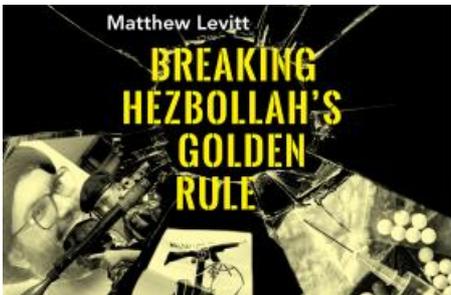
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