What Biden and Sudani Need to Start the Next Chapter of U.S.-Iraq Relations

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To move beyond the years-long focus on Iran and the Islamic State, both leaders must commit to actions that set the table for a mutually beneficial relationship and convince skeptical domestic constituencies.

hen Mohammed Shia al-Sudani makes his first visit to Washington as Iraq's prime minister on April 15, the stakes will be high for him and President Biden alike. Sudani seeks to ensure continued U.S. support for Iraq's development, economic growth, and resilience while avoiding a scenario in which his country becomes a perpetual U.S.-Iranian battleground. Yet he is making this case at a time when anti-American criticism https://www.reuters.com/world/middle-east/iraqi-armed-groups-dial-down-us-attacks-request-iran-commander-2024-02-18/) back home due to perceptions that the United States is enabling Israel's military campaign in Gaza. In this sense, his decision to visit Washington before the parties have reached a ceasefire in Gaza is especially notable.

Sudani's goals align well with those of the Biden administration, which has sought to shift away from viewing Iraq through the lens of Iran policy and toward a "360-degree" policy architecture that institutionalizes nonmilitary aspects such as commerce, education, energy, and climate. Yet the president needs to be able to make the case to Congress and an increasingly skeptical public that continued investment in Iraq is worthwhile given increasing Iranian influence, pervasive corruption, and Baghdad's apparent unwillingness to consistently provide a safe

environment for American personnel. Biden could not have welcomed Sudani if Iran-backed groups had continued to attack U.S. forces, and significant behind-the-scenes efforts have been invested to prevent further incidents following the January 28 Iraqi militia strike (January 28 Iraqi militia strike (<a href="https://www.washingtoninstitute.org/policy-analysis/d

(https://www.washingtoninstitute.org/policy-analysis/tracking-anti-us-strikes-iraq-and-syria-during-gaza-crisis), so the two leaders will need to make progress on longer-term solutions for this problem—one of many crucial bilateral issues that require attention.

The Top Priority

The highest stakes lie in how Biden and Sudani navigate the next phase of the U.S. military presence in Iraq. The Higher Military Commission (https://www.defense.gov/News/Releases/Release/Article/3655790/statementby-secretary-of-defense-lloyd-j-austin-iii-on-the-start-of-working-gr/) (HMC) is a forum endorsed by both governments to oversee the transition from fighting the Islamic State (IS) to building a long-term defense partnership. Baghdad believes it can independently manage any residual threat from IS and no longer wishes to host the "Global Coalition" formed to defeat the group a decade ago. Yet IS has not been fully defeated (https://www.washingtoninstitute.org/policy-analysis/islamic-state-five-years-later-persistent-threats-usoptions) - certainly not next door in Syria, and not globally either (https://www.washingtoninstitute.org/policyanalysis/one-year-islamic-state-worldwide-activity-map), as evidenced by its March 22 attack (https://www.washingtoninstitute.org/policy-analysis/putin-no-ally-war-terror-2024) in Moscow. A rushed drawdown of coalition forces would not only put Iraqis at risk, but could further destabilize the region. As commanders-in-chief of their respective militaries, Biden and Sudani must therefore avoid steps that give IS room to reconstitute in Iraq. This means ensuring that the Iraqi security forces attain the necessary capabilities before a coalition withdrawal and take the lead on internal security—a process that will take years if implemented responsibly and requires Sudani to prioritize the regular military over the Iran-aligned (https://www.washingtoninstitute.org/policy-analysis/iraqi-pmf-chief-staff-commits-fulfill-iranian-supreme-

Given these stakes, the days leading up to Sudani's visit may be perilous. If Iran-backed militia attacks resume in Iraq—whether in retaliation (https://www.usatoday.com/story/news/politics/2024/04/05/iran-attack-israel-us-bases-imminent/73223334007/) for the latest Israeli strike on senior Iranian military officials in Syria or simply to undermine Sudani's independence before his trip—then President Biden will face the difficult decision of ordering more strikes in Iraq and canceling the visit or receiving heated criticism for inaction. Accordingly, Sudani's top priority must be to curtail militia influence, double down on protecting U.S. forces, and prevent Tehran from spoiling the next phase of the U.S.-Iraq partnership (more specific prescriptions for which are discussed below).

Sudani's Meeting Agenda

leaders-plans) Popular Mobilization Forces (PMF).

A s a former municipal and provincial official, Sudani is domestically focused—in particular on public service initiatives and job creation. A successful visit for him would include <u>attracting American businesses</u>

(https://www.washingtoninstitute.org/policy-analysis/bridging-us-iraq-business-gap) to Iraq's infrastructure and services sectors while securing continued U.S. support for banking and electricity reforms.

Although his national security credentials were not strong before he took office, he is well-tuned to the politics of Iraq's security challenges and seeks to balance between the pushes and pulls he feels from Tehran and Washington. Crucially, however, Sudani—like his predecessors—has not challenged <u>parliament's over-resourcing</u>

(https://www.washingtoninstitute.org/policy-analysis/extraordinary-popular-mobilization-force-expansion-

numbers) of the Iran-aligned PMF at the expense of the regular security forces, even though both entities are

formally under his authority. Sudani recognizes that the security forces lack key capabilities currently provided by the United States, such as higher-end military equipment and targeting expertise. For this and other reasons, he supports the HMC's vision for reducing the U.S. military presence gradually rather than suddenly. Yet he is facing increased pressure from pro-Iran factions within his political alliance to expedite this expulsion.

To demonstrate to a skeptical American audience that Iraq is an important partner, Sudani will likely try to make the case that he controls the militias and is incrementally working to integrate them more fully into the state apparatus. But he will need to back up these assurances with action, such as allocating a greater share of Iraq's security budget to the regular security forces and increasing the transparency of <u>lucrative state contracts</u>

(https://www.washingtoninstitute.org/policy-analysis/profile-muhandis-general-company) to ensure that Iran-backed groups are blocked from capturing more resources.

Sudani will also presumably underscore his government's commitment to protecting American personnel. This includes safeguarding (https://www.rudaw.net/english/middleeast/iraq/091220232) the Baghdad embassy and creating a safe environment for U.S. and coalition military advisors.

Furthermore, Sudani will likely underscore his government's collaboration with international energy firms (e.g., Total, GE) and regional power networks to reduce Iraq's reliance (https://www.washingtoninstitute.org/policy-analysis/iraqs-power-problem-part-1-persistent-financial-and-technical-challenges) on Iranian electricity and natural gas imports. Particular emphasis will be placed on his cooperation with U.S. Treasury and Federal Reserve initiatives (https://home.treasury.gov/news/press-releases/jy2057) aimed at reforming the financial sector and curbing illicit dollar flows to Iran.

Biden's Agenda and Baghdad's Uphill Battle

President Biden's team inherited a fraught relationship with Iraq in 2021: the U.S. embassy was minimally manned (https://www.nbcnews.com/news/world/u-s-draw-down-baghdad-embassy-staff-fearing-iran-retaliation-n1249810) following continuous Iran-backed threats, parliament's nonbinding resolution (https://www.cnn.com/2020/01/06/middleeast/iraq-us-troops-explainer-intl/index.html) to expel U.S. forces had roiled Iraqi politics, substantial numbers of U.S. forces remained on the ground in combat roles against IS, and crucial decisions were being held up by the longest government formation period in Iraq's history. Since then, the Biden team has transitioned the military mission (https://www.state.gov/joint-statement-on-the-u-s-iraq-strategic-dialogue-2/) from combat operations to advisory activities, practically achieved force protection for U.S. and coalition personnel (at least until the regional crisis ushered in by the Gaza war), increased staffing at the U.S. embassy, and expanded engagement in non-defense areas. Efforts to insulate Iraq from U.S.-Iran tensions largely held until the past few months, when the administration ordered strikes on Iran-affiliated militia facilities and personnel in November (https://www.washingtoninstitute.org/policy-analysis/will-iraqi-front-open-hamas-israel-war), January (https://www.washingtoninstitute.org/policy-analysis/who-are-nujaba-and-why-did-us-just-strike-them), and February (https://www.washingtoninstitute.org/policy-analysis/abu-baqr-al-saeedi-kataib-hezbollah-terrorist-serving-pmf-official).

Some in Washington viewed these strikes as necessary but insufficient, arguing that Sudani and his political partners are allowing Iraq to be used as a platform for expanding Iranian influence across the region. Force protection remains a key concern as well—there is diminishing U.S. support for sending military advisors and hundreds of millions of dollars to Iraq's security forces if the government is unwilling or unable to defend them. Furthermore, officials in the Kurdistan Regional Government allege (https://www.whitehouse.gov/briefing-room/statements-releases/2024/02/29/readout-of-national-security-advisor-jake-sullivans-meeting-with-the-prime-minister-of-iraqs-kurdistan-regional-government-krg-masrour-barzani/) that Sudani has tolerated

direct Iranian ballistic missile attacks in northern Iraq and is actively eroding

(https://www.washingtoninstitute.org/policy-analysis/how-stop-iraqi-kurdistans-bleeding) the KRG's federal autonomy. Sudani's government has also been accused of doing little to stand up to aggressive Chinese and Russian moves in key sectors, raising questions about the strategic orientation of Iraq's international partnerships. For example, Washington has had to repeatedly warn Baghdad that it will face sanctions if it moves forward with significant purchases of Russian weaponry; red flags have likewise been raised about the repercussions of allowing Chinese companies to manage two-thirds (https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/oil/021524-iraq-looks-to-chinese-investors-to-meet-ambitious-output-growth-plans) of Iraq's oil output.

To make the case for advancing the partnership, President Biden will need to articulate how it serves America's overarching interest in a more stable and secure Middle East. Specifically, he should consider the following points:

- That U.S. interests are well-served by continuing to invest in professional, capable Iraqi security forces, and that this investment requires assurances from Sudani that U.S. equipment, intelligence, and other benefits will be protected from Iranian access.
- That Iraq has an action plan to blunt Iranian influence, and that this plan includes accelerating energy self-sufficiency while receiving continued sanctions relief, reforming its banking sector (e.g., by establishing more correspondent relationships with foreign banks), and taking steps to confront armed groups that receive funding, weapons, and/or orders from Tehran (e.g., further reducing Iranian access to U.S. currency).
- That strategic patience is necessary because the structural challenges of Iraqi corruption, federalism, and competition with China and Russia will not be fixed overnight. Consistent, steady engagement to integrate Iraq with the rest of the Middle East and with the U.S. network of allies and partners is necessary to promote a more stable, secure, and resilient region.

Writing the Next Chapter

The only way to move beyond Washington's focus on IS and Iran is to insist that both of these challenges are meaningfully addressed in any plans for reconfiguring the U.S.-Iraqi relationship. For instance, the HMC process should proceed, but Washington and Baghdad must bear in mind that rushing this transition would have regional and global ramifications. U.S. officials should demand that Iraqi leaders commit to a conditions-based timeline based on a strategic assessment of the Islamic State's current status—from the strength of its fighting forces in the region to the ongoing challenge of repatriating the thousands of Iraqi fighters and families who joined IS in Syria and remain there today (https://www.washingtoninstitute.org/policy-analysis/five-years-after-caliphate-too-much-remains-same-northeast-syria). Moreover, the Iraqi security forces must be empowered and resourced to take the lead on internal security, while the political, economic, and sectarian fissures that enabled IS to rise a decade ago must be addressed through effective governance.

As for Iranian influence, Sudani should be pressed to ensure that Tehran-backed groups do not hijack Iraqi territory to launch missiles and drones at Israel, Jordan, Syria, and other countries or otherwise project terror across the region. U.S. officials should also ask him to call out Iranian actions that infringe on Iraqi sovereignty and hold back the Iraqi people, such as arming and directing groups outside Baghdad's command-and-control, engaging in corruption that siphons Iraqi state resources to Iran-affiliated contractors, and interfering in Iraqi politics in ways that undermine its constitution and system of federal autonomy. These are high expectations, and Washington should recognize that meaningful systemic change is a years-long endeavor.

Finally, this next chapter is not a grand finale, it is two partners entering a new phase of relations. As such, expectations for monumental deliverables or historic gestures should be lowered—both leaders can win just by

publicly and decisively standing up in favor of deepening the strategic partnership.

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