Iraq Situation Report: May 27 - June 2, 2020

Key Takeaway: Economic and diplomatic competition between the United States and Iran is ramping up. Both sides attempt to control the conditions leading up to the US-Iraq Strategic Dialogue in mid-June. Iraq seeks to ensure that Iraq continues to import Iranian energy, a key economic driver for Iran's sanctions-battered economy. Iraq relies on those imports to bolster its under-funded, often-strained electrical grid. The United States is aiming to reduce Iraqi reliance on Iranian imports by encouraging investments by US and allied companies and leveraging its sanctions waivers. Meanwhile, Iraqi Prime Minister Mustafa al-Kadhimi is capitalizing on what appears to be a grace period granted to him by the United States and Iran to work with both sides and secure Iraq's energy and defense requirements.

1 May 27: Demonstrators Attempt to Storm the Shrine of the Martyr Sadr in Najaf.

2 May 27: Iraqi Prime Minister and Cabinet announced it will reopen Basra's Shalamcheh Border Crossing to Imports with Iran to Bolster Iranian Economy.


4 May 28: Prime Minister Kadhimi and President Salih Meet to Discuss Delayed Cabinet Appointments.


6 June 1: US Ambassador Meets with Defense and Electricity Ministers to Discuss Joint Defense Cooperation and US Investment in Iraq.

7 Jun 1: US Ambassador Meets with Defense and Electricity Ministers to Discuss Joint Defense Cooperation and US Investment in Iraq. US Ambassador to Iraq Matthew Tueller met with Iraqi Energy Minister Maud Mahdi at the Ministry of Defense in Baghdad and discussed US support for Iraqi energy and economic investment. Tueller emphasized the willingness of American companies to help Iraq improve its electric networks, which Maud Mahdi emphasized that "the door is open" for companies from all friendly countries to invest in Iraq's "promising" energy sector, according to a readout from the Ministry of Electricity. Mahdi also praised the US sanctions waivers that allow Iran to continue importing "equipment" from Iran. The sanctions waiver is set to expire in September; its renewal is contingent on Iraqi divestments from Iranian energy reliance. Tueller also met with new Iraqi Defense Minister Juma al-Allawi at the Ministry of Defense to discuss the situation in Iraq and Iran.

8 Jun 1: Iraqi Prime Minister and Cabinet announced it will reopen Basra's Shalamcheh Border Crossing to Imports with Iran to Bolster Iranian Economy.

9 Jun 1: Iranian Ambassador Meets with Planning and Finance Ministers to Discuss Energy Cooperation and Economic Ties between Iraq and Iran. Iranian Ambassador to Iraq Majedi met with new Iraqi Planning Minister Khaleel Buti to discuss increasing the volume of trade between Iraq and Iran. They also discussed joint efforts to fight the coronavirus and "economic cooperation," according to a readout from the Ministry of Planning. Majedi also met with Prime Minister Mustafa al-Kadhimi to discuss bolstering economic ties between their countries. Majedi congratulated Allawi on his new government and delivered an invitation to the Kurdistan Regional Government (KRG) for Economic Affairs and Finance Farhad Dasguday and Allawi to visit Iran, according to the Islamic Republic News Agency. Majedi also met with both ministers to lay the groundwork for energy and economic deals.

10 Jun 1: Fifty MPs Reported to Form a New Parliamentary Bloc to Support Prime Minister Kadhimi. Some of Iraq's parliamentarians, including Majid al-Sadr, deputy of Moqtada al-Sadr, were forming a new parliamentary bloc to transcend ethno-sectarian and political divides and provide political support to the government and efforts of new Prime Minister Mustafa al-Kadhimi, independent, has no political base.

11 Jun 1: [RUMINT] Two Balfour Members and One 3rd Party Compete to Direct the Office of the Prime Minister. One of the three candidates is the former head of the Iranian proxy Baha Organization, Mohammad al-Ghabban and Abu Maryam al-Assad, and Rabi al-Jebi, an individual described as close to former Prime Minister and Leader of the Sadr Coalition Nouri al-Maliki. The source said Jocchi is most likely to secure the nomination because he is not explicitly affiliated with a political party.

12 Jun 2: US Ambassador Meets with Kurdistan Regional Government PM and President, Says Kurdistan Region to Participate in US-Iraq Strategic Dialogue. US Ambassador to Iraq Tueller met with the Prime Minister of the Kurdistan Regional Government (KRG), Masroue Barzani, in Arbil, Arbil Province. Tueller confirmed that the KRG will participate in the US-Iraq Strategic Dialogue slated to begin in mid-June. Prime Minister Barzani emphasized in a statement that the plans of the Strategic Dialogue must be "in the public interest of all components of Iraq." Tueller also met with KRG President Nехzar Barzani to discuss the dialogue, security cooperation, and the Kurdish response to the coronavirus. Prime Minister Barzani emphasized in a statement that "the dialogue, the Vogel, and the dialogue, and the swiftly completion of Kadhimi's cabinet."