



Iraq

The Republic of Iraq (**Figure 1**) sits at a crossroad in the Middle East region, with ties to Iran, Turkey, the Levant, and the Arabian Peninsula that shape Iraqi interests, create constraints and opportunities, and attract intervention. In May 2026, Shia Arab businessman Ali Al Zaydi was sworn in as Prime Minister after Iraq's parliament approved his government program and 14 of 23 cabinet nominees. A newcomer to government, Al Zaydi was the nominee of the Coordination Framework, a Shia coalition whose members won the most seats in Iraq's November 2025 election.

After a post-election government formation process complicated by regional tensions and the spillover of the U.S./Israel-Iran conflict, Al Zaydi's government faces questions about its strategic orientation, commitment to asserting state control over armed groups, and plans for averting conflict-amplified fiscal and energy crises. Under U.S.-Iraqi agreements, U.S. military forces have mostly withdrawn from central Iraq and consolidated in Iraq's Kurdistan region. U.S.-Iraq security cooperation continues, including on efforts to secure more than 5,700 Islamic State (IS/ISIS) prisoners transferred to Iraq from Syria in 2026.

Since February 2026, Iran-backed Shia Iraqi armed groups have carried out hundreds of attacks on U.S. forces in Iraq and on civilian targets in the Kurdistan region and neighboring countries, drawing counterstrikes and intensifying pressure on Iraq to rein in Iran-backed militias. Al Zaydi's ability to do so may be limited and contingent; the CF coalition that nominated him includes parties with ties to Iran-backed armed groups. Like his predecessors, Al Zaydi may be challenged in asserting Iraqi sovereignty while maintaining Iraq's internal cohesion and balanced relations with competing neighbors and the United States.

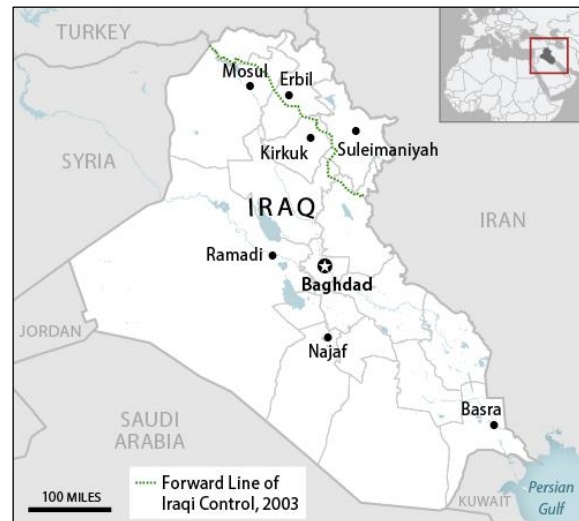
Since 2014, Congress has appropriated more than \$8.4 billion for counter-IS train and equip programs for Iraqis. The 119th Congress may consider developments in Iraq and Iraq's relationships with its neighbors as Members review the Trump Administration's FY2027 requests for security assistance, as well as proposals related to foreign aid, security, and Iraqi religious and ethnic minorities.

Background

Iraqis have persevered through intermittent wars, internal conflicts, sanctions, displacements, terrorism, and political unrest since the 1980s. The legacies of the 2003 U.S.-led invasion of Iraq continue to shape U.S.-Iraq relations: the invasion ended the decades-long, dictatorial rule of Saddam Hussein and the Baath Party but ushered in a long period of chaos, violence, and political transition. U.S. forces withdrew in 2011, but conflict in neighboring Syria and divisive sectarianism in Iraq enabled IS insurgents to seize and exploit much of northwestern Iraq from 2014 to 2018. U.S. military forces and coalition partners returned to Iraq

in 2014 at the government of Iraq's invitation to help defeat the Islamic State group. Iran's influence in Iraq also grew during this period as several Iran-backed Shia militia groups mobilized. Some of these militias were later legally consolidated into Iraq's security sector under the Popular Mobilization Forces (PMF), a state force with an estimated 238,000 personnel and a 2024 budget of about \$3.4 billion.

Figure 1. Iraq



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

Compared to earlier decades marred by conflict, relative stability and prosperity prevailed in Iraq from 2022 through 2025 under then-prime minister Mohammed Shia Al Sudani. Joint U.S.-Iraqi operations targeted IS remnants in remote areas, and IS threats diminished. As conflict inside Iraq receded, new economic opportunities emerged, but regional conflict and unresolved domestic issues threatened to undermine Iraq's gains. The Sudani government rested on an uneasy partnership between most Shia Arab parties and major Sunni Arab and Kurdish parties that enacted expansive public spending laws. Political rivalry and national officials' disputes with Kurdish leaders over security, energy, and revenue sharing limited government effectiveness. Intra-Kurdish divides have enabled national government efforts to re-centralize decisions and processes.

Sudani's challenges now fall to Ali Al Zaydi. Unilateral foreign military operations in Iraq and Iraqi airspace by Israel, Iran, Turkey, and the United States have prompted nationalist demands to assert Iraq's sovereignty. Iran-aligned Iraqi armed groups' attacks contravene Iraqi law, invite retaliation, and jeopardize Iraq's stated desire to cooperate with foreign partners. Iraq's young, growing population creates economic promise and employment pressure. Fiscal dependence on oil export revenue persists

and public sector hiring has grown, while regional conflict and domestic disputes have limited trade and energy output.

U.S.-Iran Conflict and U.S.-Iraq Ties

Conflicts involving Iran since 2023 have shaken Iraq's security and have placed a spotlight on the future of Iran-backed armed groups in Iraq. Some of these groups have been integrated into the PMF, whose origins lie in the 2014-2018 war against the Islamic State. Others have remained outside the PMF, working alongside some PMF-integrated forces to oppose the continued presence in Iraq of U.S. and coalition forces and to occasionally or repeatedly attack U.S. forces in Iraq, national and Kurdistan Regional Government (KRG) forces, and Iraq's neighbors.

Following armed group attacks and U.S. counterstrikes during the 2023-2024 Israel-Hamas war, U.S. officials and the Sudani government agreed to end the presence in Iraq of the Global Coalition to Defeat ISIS during 2026, while U.S. forces relocated within and outside Iraq and refocused toward a bilateral security cooperation mission. While these plans were underway, the onset of Operation Epic Fury against Iran in February 2026 and the withdrawal of U.S. forces from Syria prompted an "accelerated transition and force realignment" by U.S. forces in Iraq and a sharp uptick in armed group attacks and U.S. counterstrikes, including some U.S. strikes that killed Iraqi security personnel. Clandestine military operations in Iraq's deserts attributed to Israel and Iranian attacks on Iraq-based Iranian Kurdish groups both contribute to Iraqi sovereignty concerns.

The United States has demanded that Iraq take action to dismantle Iraqi armed groups that have attacked U.S. targets and civilian targets and infrastructure in Iraq and neighboring countries. Iraqi officials and legislators may consider proposals to alter the status of the PMF and its personnel or address PMF ties to specific armed groups. Prime Minister Al Zaydi may face political and diplomatic dilemmas, as the coalition that nominated him includes parties that have been tied to the PMF and armed groups and as Iraq's security sector has sought continued U.S. support. Al Zaydi has welcomed decisions by some groups to disengage from the PMF and/or accede to state control of all arms. According to U.S. defense officials, U.S. plans for long term security cooperation with Iraq envision "counterterrorism-focused training, intelligence sharing, and episodic presence without permanent basing." U.S. forces in Iraq now operate at the U.S. Embassy in Baghdad and from the Kurdistan region.

Views from the Kurdistan Region

Iraqi Kurdish self-government developed after the 1991 Gulf War. In 1992, Iraqi Kurds established a joint administration between two main political movements—the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK)—in areas under their control. Iraq's constitution recognizes KRG federal authority in areas that were under Kurdish control as of March 2003. After a 2017 KRG referendum favoring independence, national forces reasserted control of some disputed territories.

The Erbil-based KDP and the Suleimaniyah-based PUK won the most seats in the October 2024 KRG regional election and are the largest Kurdish parties in Iraq's parliament. Historic KDP-PUK tensions have resurged, delaying formation of a new KRG cabinet since the 2024 regional election. KDP leader and former KRG president Masoud Barzani remains influential; his nephew, Nechirvan, is KRG president, and his son, Masrour, is KRG prime minister. The KDP and PUK retain separate aligned militia and security units, despite U.S. efforts to help unify and depoliticize the KRG security sector.

The United States has cooperated with the KRG and has supported the resolution of long-standing KRG-Baghdad disputes over oil production, the budget, territory, and security. In September 2025, a KRG-Baghdad agreement conditionally resolved disputes that had delayed transfers of funds and contributed to serious KRG fiscal strains. Since 2022, Iraqi court rulings have reduced KRG autonomy, including rulings that have found the KRG oil and gas sector law unconstitutional, invalidated KRG electoral arrangements, and required the transfer of KRG revenue to national authorities for payment of KRG employees.

Iraq opposes Turkey's unilateral military presence and operations in the Kurdistan region, where Turkish forces have targeted the Kurdistan Workers Party (PKK), a U.S.-designated Foreign Terrorist Organization. The PKK's 2025 decision to disarm and steps taken to implement this decision could prompt future changes in Turkey's posture.

U.S. Partnership and the 119th Congress

The U.S. Embassy in Baghdad and U.S. Consulate in Erbil have been attacked in 2026, but remain open. The U.S. Consulate in Basra closed in 2018. The position of U.S. Ambassador to Iraq is vacant, and Joshua Harris has served as chargé d'affaires A.I. since September 2025. On May 31, 2026, President Donald Trump named U.S. Ambassador to Turkey Tom Barrack as Special Presidential Envoy to Iraq.

Congress has authorized counter-IS train and equip programs for Iraq through 2026, and has appropriated related funds available through September 2027. The request for 2027 seeks nearly \$119 million for Iraq's military and Counter Terrorism Service, but does not seek funds for the KRG Ministry of Peshmerga Affairs (MoPA).

The Trump Administration's 2025 foreign aid review ended some U.S. aid programs in Iraq and preserved others. The Trump Administration has not requested a specific amount of Foreign Military Financing foreign assistance for Iraq in FY2027, but seeks \$900,000 to continue International Military Education and Training.

Members may conduct oversight and shape implementation of U.S. policy toward Iraq, including through consideration of the FY2027 defense authorization (H.R. 8800) and appropriations bills and other measures. The House Armed Services Committee-passed version of H.R. 8800 would limit most U.S. defense aid for Iraq until the Administration certifies that Iraq's government has reduced the capacity of Iran-aligned armed groups and improved internal controls.

Christopher M. Blanchard, Specialist in Middle Eastern
Affairs

IF10404

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.