



Post-ISIS Iraq: A Gathering Storm

The Islamic State's defeat is looming, and with it a host of diverse challenges overshadow Iraq's future, ranging from outright confrontation between Erbil and Baghdad to the demobilisation, disarmament and reintegration of myriad armed groups previously involved in the anti-ISIS campaign. In this excerpt from the Watch List 2017 – Third Update early warning report for European policy makers, Crisis Group urges the European Union and its member states to support the Erbil government to exit the current political crisis and encourage security sector reform in Iraq as a whole.

With the military defeat of the Islamic State (ISIS) drawing near, Iraq faces dramatic new challenges. On 16 October, Iraqi federal forces marched onto Kirkuk, helped by a deal with one of the Kurdish parties, and retook the city and Kirkuk's oil fields. The action was prompted by a referendum on Kurdish independence staged by the Kurdistan Regional Government (KRG) on 25 September within its territory and in areas disputed with Baghdad. The "yes" vote was overwhelming, and thus held out the threat of eventual secession. In its aftermath, the government of Prime Minister Haider al-Abadi saw the need to reassert Iraqi sovereignty over the disputed territories, including Kirkuk, ahead of (still unscheduled) legislative elections next year. This is because of an intra-Shiite competition that has been unfolding in Baghdad, involving military and political factions with longstanding ties to Iran that were empowered by the fight against ISIS. The Kurdish-Arab standoff and the intra-Shiite rivalry intersect and reinforce each other.

The involvement of a plethora of armed groups in the fight against ISIS, alongside state agencies that respond to different chains of command, has created a hyper-militarised environment that further undermines Iraq's

already weak legal framework. Political actors jockeying for power in the post-ISIS environment may be tempted to exploit this fragmentation and to expand their leverage by pushing toward further escalation. To prevent a collapse of Iraq's post-2003 political system, substantial reforms are required. The EU can play a key role in such an effort. While the anti-ISIS campaign operated primarily on the military level and was largely conducted in the framework of the U.S.-led coalition, the next steps involve areas where the EU has strong expertise and capacities, namely reconstruction and security sector reform.

A messy governing and security framework

Despite its military achievements, the anti-ISIS campaign has had the unintended effect of arming and training security forces that operate outside formal institutions in both Iraq and the Kurdistan region. Western countries' largely unconditional military support and lack of a common and clear political roadmap for the post-ISIS period have not helped. The control that various militarised groups exercise over parts of the country challenges Baghdad's authority and sovereignty. Without

conditionality, reconstruction aid to ravaged areas may be hijacked by the militias that control them, further entrenching their rule, with adverse effects for the return of internally displaced persons (IDPs) and governance.

Baghdad-Erbil: From standstill to standoff to violence

The Kurdish independence referendum raised the Kurds' expectations of statehood while severely damaging relations between Erbil and Baghdad. It led Baghdad to shift from a lukewarm-cooperative to an openly confrontational approach as a way to show resolve in defending Iraq's territorial integrity. Abadi felt he could move to regain control of the disputed territories because he realised he had the support of both Iran and Turkey (an ally of the KRG until the referendum), as well as the U.S. All three were angered by Barzani's rejection of their repeated requests that he agree to delay the referendum. The challenge now will be to return to political talks about the future of the disputed territories; settling the internal-boundary question will be critical to bringing long-term stability to these troubled areas.

A blocked political system

Political tensions and institutional weakness will remain endemic as long as Iraq fails to reduce corruption and refresh a leadership that has ruled since 2003. To shore up declining popular support, leaders engage in confrontational rhetoric and strategies, exacerbating ethnic and sectarian tension and inviting external interference. This stands as the largest obstacle to addressing outstanding issues, such as the conflict between Erbil and Baghdad, the Sunnis' crisis of representation, and the broken trust in Iraq's legal framework, institutions and formal politics. In particular among young Iraqis, this adds to the urge to either join armed groups or leave the country altogether. (See Crisis Group MENA Report N°169, *Fight or Flight: The Desperate Plight of Iraq's "Generation 2000"*, 8 August 2016)

An EU role in reshaping the post-ISIS period

At its June 2017 Foreign Affairs Council the EU reiterated its commitment to support Iraq during the post-ISIS period. Beyond responding to the immediate humanitarian crisis, the EU should seek to tailor this support in ways that help address the underlying causes of the current political malaise, notably the corruption and dysfunction of the Baghdad government, the corruption and succession quarrel within the Kurdistan regional government, the crisis of Sunni representation, and the Baghdad-Erbil standoff. Through its upcoming EU Strategy for engagement with Iraq and subsequent action, the EU should pursue:

Humanitarian and reconstruction aid as part of a political strategy: EU assistance should be guided by the overarching political goal to transform a militia-dominated environment into more effective governance by state institutions. To this end, aid and reconstruction should aim to break local communities' security and financial dependence on the various militia leaderships that emerged from the anti-ISIS campaign. Local governance institutions linked to and funded by the central state or the Kurdistan regional government should be partners of first choice. Strengthening those institutions may also make it possible to integrate local armed factions (of Sunnis as well as minority groups) into the local police and other security forces, thus breaking Shiite militias' monopoly over security, which has fuelled resentment and could reignite support for jihadists who are currently lying low. In the disputed territories, EU reconstruction assistance could be conditioned upon acceptance by both Erbil and Baghdad of a renewed UN-led process (see below) to resolve the questions of these territories' status and the sharing of revenues generated from the oil extracted there. The way forward should include a return to a shared security mechanism between Erbil's peshmerga ministry and Baghdad's defence ministry in the most sensitive areas.

Reorganisation of the security sector: In the post-ISIS phase, the EU should assist Iraq and the Kurdistan region in integrating chains of command and bringing the range of formal and informal armed groups under the purview of the Iraqi security forces and the Kurdish peshmerga ministry. Through its new Advisory Mission for security sector reform (EUAM), the EU can contribute its member states' extensive experience in this field to enhance efforts by other international actors (NATO, UNDP) to help the federal government and Kurdistan Regional Government reorganise their respective security forces. In particular, the duties and purview of various security bodies (Counter-terrorism Forces, Iraqi Army, National Police, Kurdish peshmerga forces and Kurdish Asayesh security police), as well as the status of new outfits such as the Shiite militias, need to be defined.

Leadership regeneration: Post-ISIS stabilisation also hinges on a renewal of the political leadership in Baghdad and Erbil by committing both capitals to free, fair and timely elections. Thanks to its established network in civil society organisations, the EU can encourage

the participation of new political actors by engaging in leadership training for members of informal, non-violent protest movements, who have challenged the political elite in the recent past, and identify new youth-led civil society groups and volunteer organisations – even if they have emerged under the umbrella of, or enjoy ties to, the Shiite militias – and facilitate their integration into local governance institutions and established political parties.

Iraq's Territorial Integrity. The EU should use its diplomatic and economic weight to help revive negotiations between Baghdad and Erbil over the Disputed Internal Boundaries (DIBs) question. Settling the endemic instability in these areas is crucial to both sides regardless of the ultimate disposition of Kurdistan. Talks should be led by the UN Assistance Mission in Iraq (UNAMI) based on its important but still unused 2009 study and proposals on that subject. To this end it should work to refocus UNAMI's mandate (through a Security Council resolution). This is also an issue that Turkey, a support of the earlier UNAMI effort, has found of great interest and would almost certainly wish to engage Erbil on.