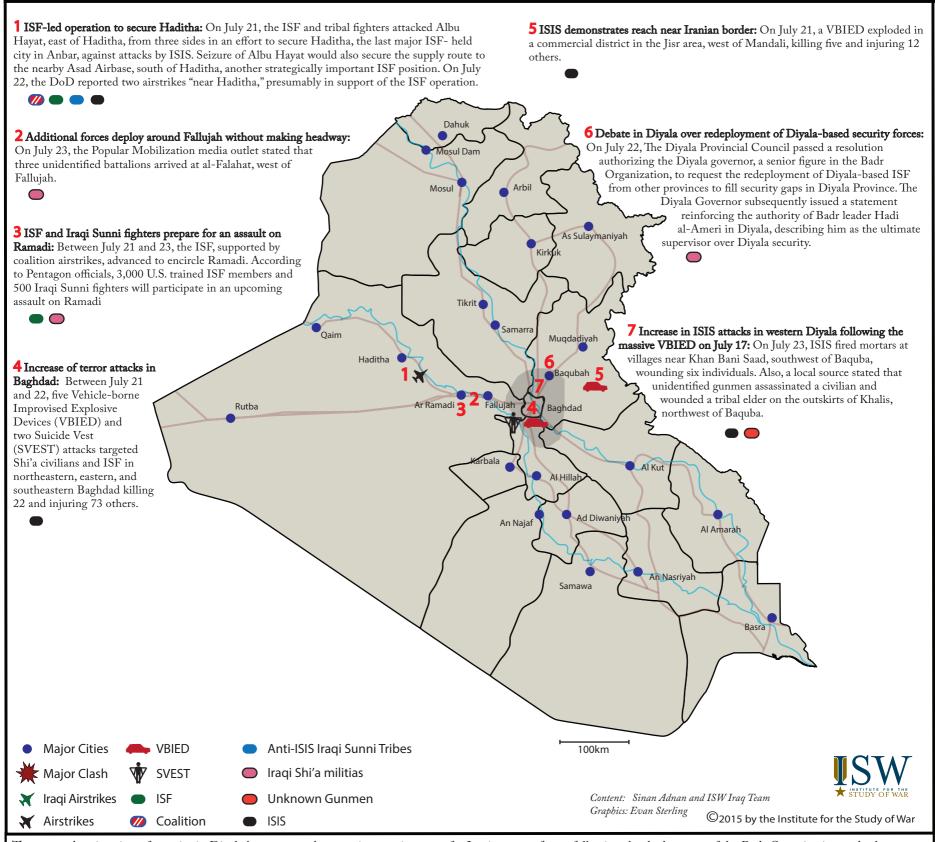
Iraq Situation Report: July 21-23, 2015



The recent deterioration of security in Diyala has generated competing requirements for Iranian proxy forces following the deployment of the Badr Organization and other groups into Anbar, their furthest deployment in Sunni areas of Iraq to date. Badr's control over key positions in Diyala and its overall prominence there will likely cause it to feel pressure to address security gaps in Diyala. However, it is unlikely that Badr and the Diyala-based 5th IA Division can redeploy forces to the province without undermining their ongoing operations in Anbar and Salah ad-Din or exposing recaptured areas to counterattacks by ISIS. If security in Diyala continues to deteriorate, it is also possible that Iran's strategic calculus in Iraq could shift to a more aggressive stance, given that Diyala borders Iran, making ISIS in Diyala a direct threat to Iran's interior. Badr has been an Iranian proxy since the 1980s, and Iran may leverage Badr as a solution for Diyala, possibly with support from southern security forces that may be responsive to Badr's influence; however, if Iran's proxies withdraw from Anbar, they will incur a strategic loss given their objective to expand their influence at the expense of the Iraqi government and the U.S.-led coalition. A withdrawal of the Badr Organization from Anbar to protect Diyala may reduce the strength of anti-ISIS forces in Anbar and thereby increase ISIS's chances of repelling ISF counter-offensives in Ramadi in the short-term. However, it may also clear the way for the ISF and U.S.-led coalition to orchestrate a successful campaign fully led by the ISF there. Currently, the ISF and Iraqi Sunni fighters supported by the U.S.-led anti-ISIS coalition are preparing for an assault on Ramadi, the capital city that ISIS seized in May 2015. While ISIS may be attempting to divert ISF and militia attention from Anbar by attacking in Diyala and Baghdad, an unrelenting ISF campaign in Ramadi with U.S. airstrikes and effective command and control of forces may make important progress in the c