Iraq: Oil and Gas Revenue Sharing



OIL AND GAS EXPORTS AS A SHARE OF TOTAL IRAQI EXPORTS



OIL AND GAS REVENUE AS A SHARE OF GOVERNMENT REVENUE

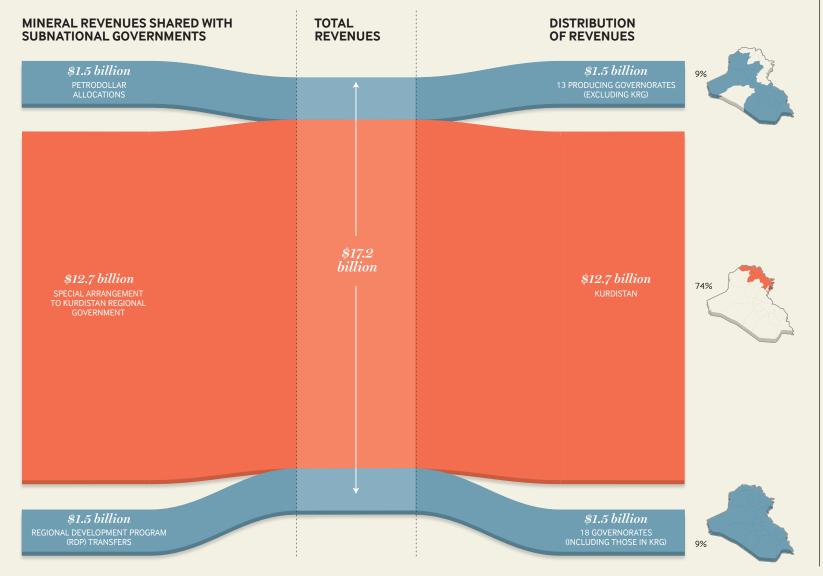
REVENUES AND DISTRIBUTION (2015)

Iraq is a federal country comprising 18 governorates. 15 governorates are administered by provincial governments and three are administered by the Kurdistan Regional Government (KRG). The main source of revenue for the governorates are the RDP transfers, petrodollar allocations, and KRG transfers.

• The petrodollar allocation consists of a transfer of US \$ 1 to governorates for each barrel of oil produced, for each barrel refined, and for each 150 cubic meters of natural gas produced. Excluded from this allocation are the governorates of the KRG, who benefit from a separate share allocated to the region, as

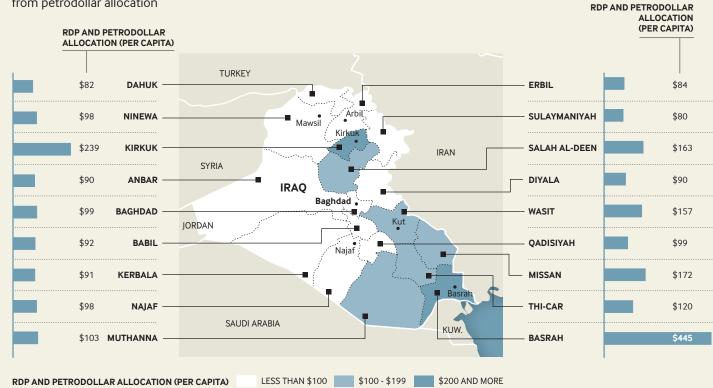
well as non-producing governorates-Diyala and Karbala.

- The RDP is distributed among the eighteen provincial governments, including those within the KRG.
- Transfers to the KRG are supposed to be 17 percent of the total budget.



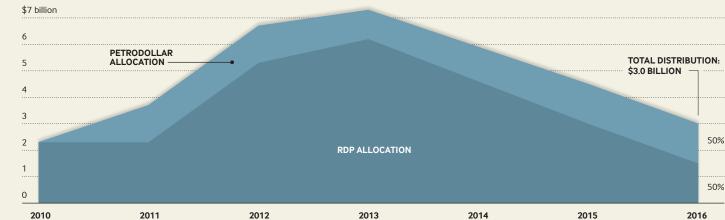
GEOGRAPHIC DISTRIBUTION (2015)

Basrah and Kirkuk are the highest producing governorates outside KRG and benefit the most from petrodollar allocation



PATTERN OF DISTRIBUTION

There is high volatility in total RDP allocation over the years.



HISTORY OF REFORMS

2004 2010 2011 2003 2005 2007 2014 2015 U.S. invasion and ending Establishment Multi-party Oil and Gas Introduction End Oil export agreement Budget law includes \$3 billion of Saddam Hussein's of the Iraqi Law of the between Baghdad and the for the petrodollar program mandate. Beginning of Interim constitutional Kurdistan Petrodollar Iraq KRG which now includes and 17% of actual the Iraq War. government referendum. Region-Irag allocation. War Kirkuk and Halabia expenditure for the KRG SOURCE: Lasa Aresti, M. Oil and Gas Revenue Sharing in Iraq (Natural Resource Governance Institute, 2016). http://www.resourcegovernance.org/analys-s-tools/publications/revenue-sharingcase-study-oil-and-gas-revenue-sharing-iraq

