

Iraq: Oil and Gas Revenue Sharing

99% OIL AND GAS EXPORTS AS A SHARE OF TOTAL IRAQI EXPORTS

84% 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.

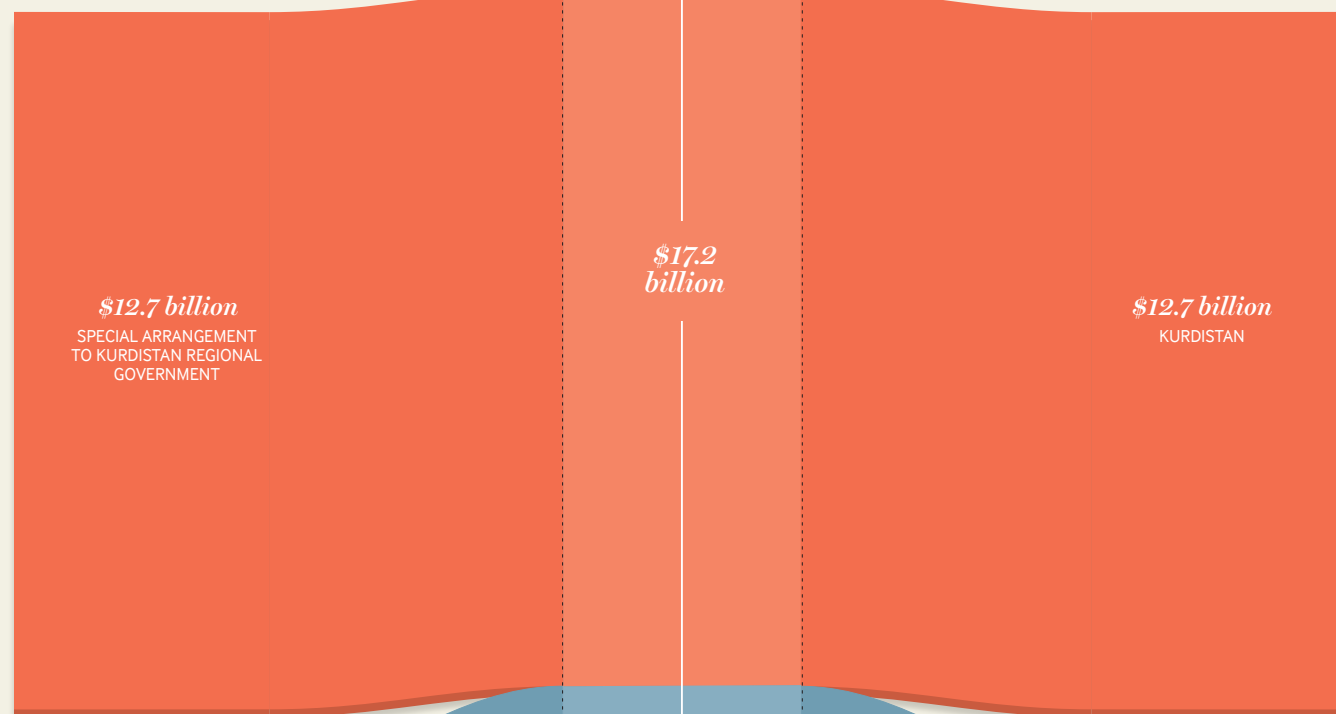
MINERAL REVENUES SHARED WITH SUBNATIONAL GOVERNMENTS

\$1.5 billion
PETRODOLLAR ALLOCATIONS

TOTAL REVENUES

\$17.2 billion

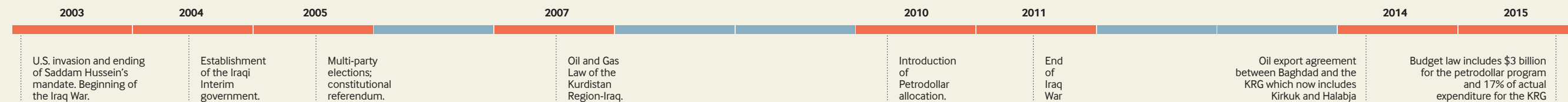
DISTRIBUTION OF REVENUES



\$1.5 billion
REGIONAL DEVELOPMENT PROGRAM (RDP) TRANSFERS

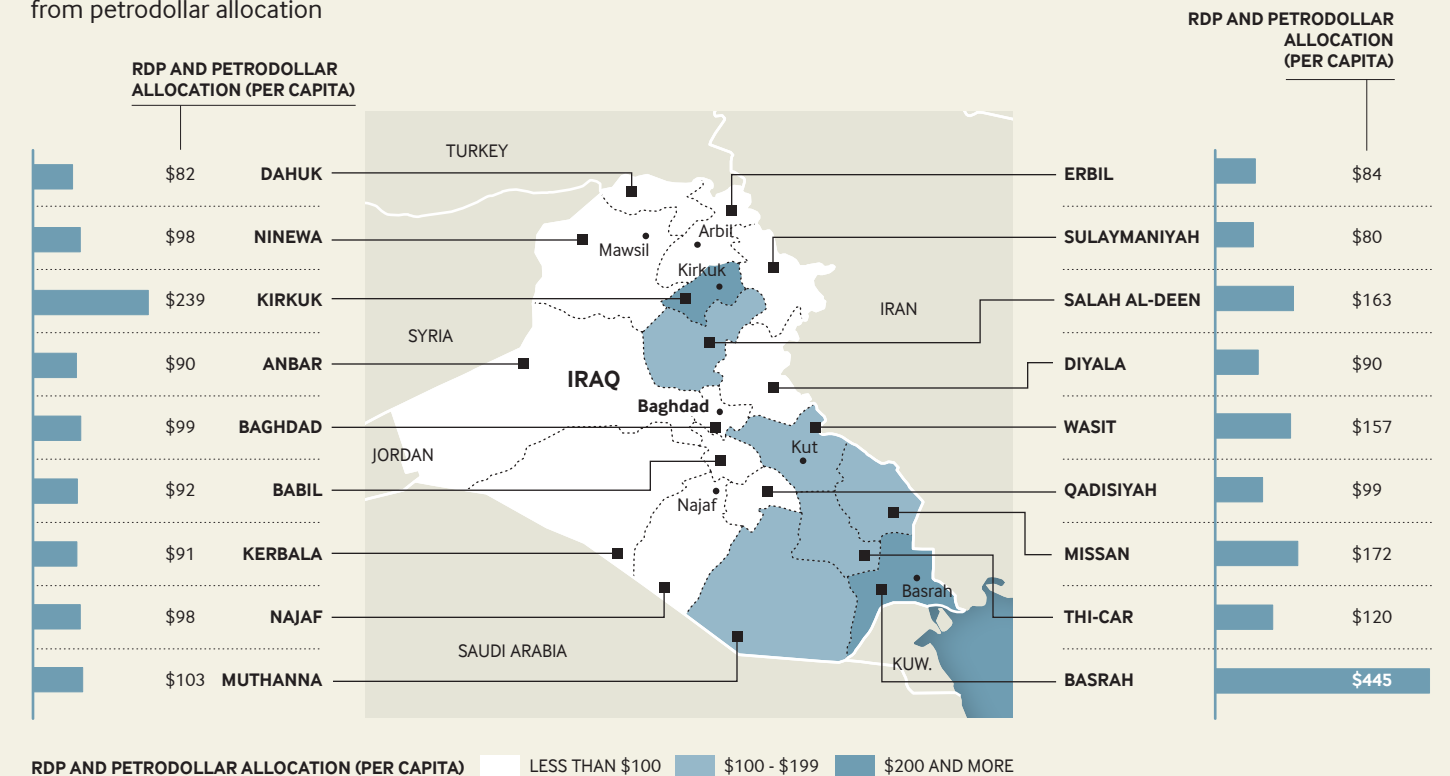
\$1.5 billion
18 GOVERNORATES (INCLUDING THOSE IN KRG)

HISTORY OF REFORMS



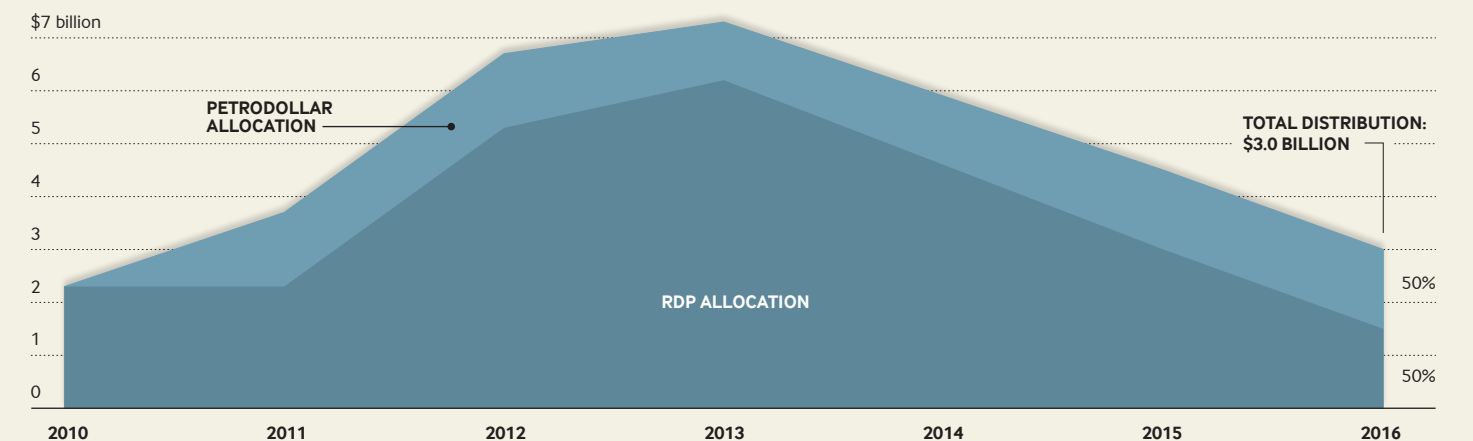
GEOGRAPHIC DISTRIBUTION (2015)

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.



SOURCE: Lasa Aresti, M. Oil and Gas Revenue Sharing in Iraq (Natural Resource Governance Institute, 2016). <http://www.resourcegovernance.org/analysis-tools/publications/revenue-sharingcase-study-oil-and-gas-revenue-sharing-iraq>

