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The Gas and Oil law in Iraq and solving the outstanding issues between Iraq and KRG

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Executive Summery

Iraq's Oil and Gas Law is a complex legal framework that governs the exploration, production, and distribution of oil and gas resources in the country. The law has undergone several revisions over the years, and its implementation has been the subject of much debate and disagreement. While it is not possible to provide a comprehensive solution to the Iraq Oil and Gas Law, there are several steps that can be taken to improve its effectiveness and address some of the challenges facing the industry to be the ground for Iraq Oil and Gas Law:

1. Increase transparency: One of the major issues with the Gas and Oil law in Iraq is the lack of transparency in the awarding of contracts and the management of oil and gas resources. To address this, the government could introduce measures to increase transparency and accountability, such as publishing all information on contracts and revenues from oil and gas production.

2. Improve governance: The Gas and Oil law in Iraq is administered by several government agencies, including the Ministry of Oil, the Iraqi National Oil Company, and the Oil and Gas Council. Streamlining the governance structure and clarifying the roles and responsibilities of these agencies could help to improve the efficiency of the industry.

3. Attract foreign investment: Iraq's oil and gas reserves are vast, but the country lacks the resources and expertise to develop them fully. Encouraging foreign investment in the industry could help to unlock this potential and bring in much-needed capital and expertise. The Gas and Oil law could be revised to make it more attractive to foreign investors, for example by simplifying the licensing process and reducing bureaucracy.

4. Address security concerns: The security situation in Iraq has improved in recent years, but the industry still faces significant security risks, particularly in the areas where oil and gas reserves are located. The government could work to address these concerns by providing greater security for industry personnel and infrastructure, and by engaging with local communities to address their grievances.

5. Promote environmental sustainability: The oil and gas industry can have significant environmental impacts, and it is important to ensure that these are minimized. The Gas and Oil law could be revised to include measures to promote environmental sustainability, such as requiring companies to adopt best practices for waste management and emissions reduction.

The points above show how to increase transparency and improve the quality of Iraq's oil and gas production to form the basis of the new Iraqi Gas and Oil Law. But between the Iraqi government and the Kurdistan Regional Government (KRG), there are gas and oil disagreements due to the interpretation of the constitution that needs to be resolved. Below are some steps to reach concrete solutions for Iraq to enact a new constitutional oil and gas law.

The oil and gas issue between the Iraqi government and the KRG is a complex and longstanding issue. However, there are some ways to deal with and potentially solve the problem:

1. Negotiation: The two parties can engage in a negotiation process to discuss their respective concerns and come up with a mutually acceptable solution. This could include discussing revenue-sharing arrangements, the management of oil fields, and the allocation of exploration and production contracts.

2. Legal action: The two parties could pursue legal action to enforce their respective claims. The KRG could argue that it has the legal right to develop and export oil from its territory, while the Iraqi government could argue that the KRG's actions are unconstitutional and that oil revenues should be shared among all Iraqis.

3. International mediation: The international community could play a role in mediating the dispute between the Iraqi government and the KRG. The United Nations, for example, could facilitate negotiations and help to establish a framework for resolving the issue.

4. Economic incentives: Economic incentives could be used to encourage both sides to reach an agreement. For example, the Iraqi government could offer financial incentives to the KRG to encourage it to share oil revenues, while the KRG could offer incentives to the Iraqi government to allow it to continue exporting oil.

5. Compromise: Both parties could make concessions to reach a compromise. For example, the KRG could agree to share a greater proportion of its oil revenues with the Iraqi government, while the Iraqi government could agree to recognize the KRG's right to export oil. Also, the Iraqi government can increase the share of KRG in the budget as an encouragement for KRG to true partner to solve this complex issue.

6. Actual Participation: The Iraqi government must involve the Kurdistan Regional Government in all decisions related to the management of Iraq's oil fields and take effective steps to include members from KRG in the SOMO Company.

Ultimately, the key to resolving the issue of oil and gas between the Iraqi government and the KRG is for both parties to be willing to engage in a constructive and collaborative process aimed at reaching a mutually acceptable solution under the Iraqi constitution to serve all Iraqi once and for all.

Overall, the new Gas and Oil law in Iraq is a complex issue that requires a multi-faceted approach to address effectively. By increasing transparency, improving governance, attracting foreign investment, addressing security concerns, promoting environmental sustainability, and solving all the disagreements with KRG, the government can work to create a more stable and prosperous industry that benefits Iraq, KRG, and the international community.

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