

Federal Petroleum Policy in Iraq: Feasibility and Challenges

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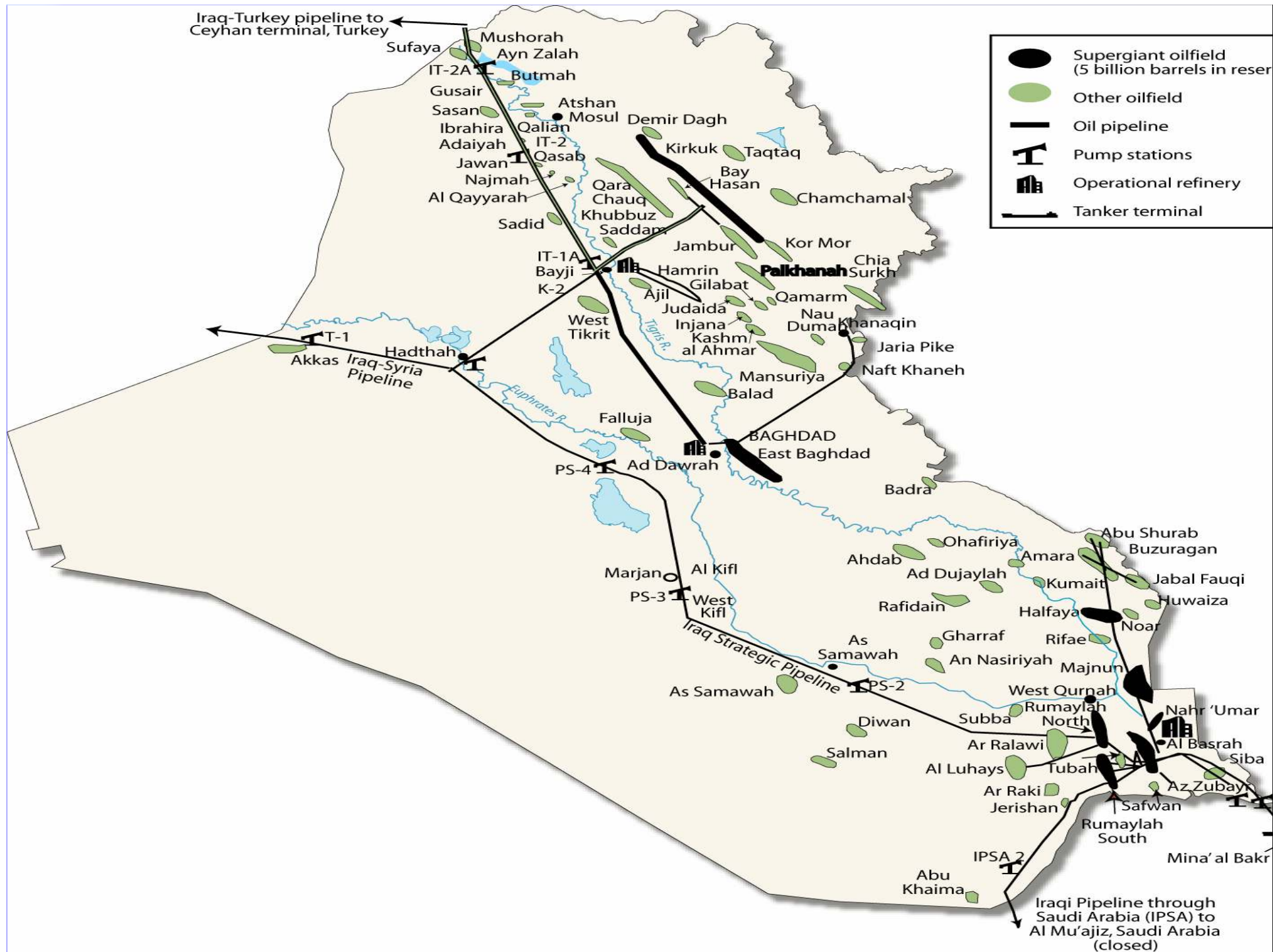
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Structure of the Presentation

- **Basic Premises**
- **The Federal Petroleum Policy**
- **Key Issues**
- **Concluding Remarks**

Basic Premises

- ✓ ***Structural Dependency on Oil:*** *Causes, Manifestation & Irreversibility.*
- ✓ ***Hydrocarbons Depletion:*** *Replacement through SD, Future Generations' Rights, Orderly & Premature Depletion,*
- ✓ ***Consequences of “Economic Rent”:***
“Absorptive capacity”, “Dutch disease” & “Resource curse”
- ✓ ***Geo-politics of semi-landlockedness:***
Multiple Export Outlets, Location Rent Claim, Vulnerability and Border-Fields.



The Federal Petroleum Policy

- ❑ *Mandatory Framework and Guiding Principles*
- ❑ *Institutions, Stakeholders and Partnerships*
- ❑ *Macro-economy contribution*
- ❑ *The “sector specific” role*

I- Mandatory Framework and Guiding Principles

❖ Pyramid of Legal & Regulatory Frameworks:

Federal, Sectoral, **Ministerial**, **Execution**

❖ “Core” and “Operational” principles:

3CPs: **Ownership principle**,

Highest benefit principle and

Co-management principle

II- Institutions, Stakeholders and Partnerships

Institutions, Stakeholders and Partnership	Role & Responsibility	TAD Governance
National-Governmental I- Federal Level (CoR, CoM, FOGC, MoO, INOC, SOMO, etc) II- Regional Level III- Governorate Level		Built-in, Nation-wide, Internationally recognised.
National- Public (1- CSOs/ NGOs, 2- Academia 3- Media)		Informative/ CD,
International (1-Multilateral, 2- Bilateral, 3-TNCs /IOCs)		Preventive, Punitive.

III- Macro-economy contribution of FPP

- ☞ **Integral component of sustainable development strategy and planning ?;**
- ☞ **Generating revenues & Financing development;**
- ☞ Provide inputs/linkages especially to the downstream industries: refineries, power generation, domestic and industrial sector, and petrochemicals.

VI- “Sector-Specific” Role

	Situation Analysis	Goals & Targets	Implementation Process
Upstream			
Midstream			
Downstream			

Key issues before FPP and possible scenarios

- FRP co-management: revision, coherence and capacity development;
- Production capacity: development requirement vs. swing producer;
- Prioritisation and sequencing: Exploration & production
- Border fields: unilateral or bilateral cooperation;
- National and international efforts: entrenched dependency & “enclaved” external operators;
- The international efforts: Simple formula; Partnership Diversity; Dynamic threshold formula; Model contracts & CoR approval.

Concluding Remarks

The era of cheap energy is over, and for good;

**The “fundamentals”, “speculation”, *weak \$*
& slim residual capacity.**

Supply-driven & higher prices.

Iraq's comparative advantages: cost & reserves,
negotiation leverage.

A large, 3D graphic of the words "Thank you" in a cursive font. The text is rendered with a green-to-yellow gradient and a 3D effect, appearing to be extruded from a blue and black background. The letters are thick and have a slight shadow, giving them a three-dimensional appearance. The background consists of a dark blue gradient on the right and a lighter blue gradient on the left, with a thin white arc separating them.

Thank you

Ahmed M. Jiyad- IACIS-London-
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