ENVIRONMENTAL POLITICS SERIES

REDEFINING THE "JUST ENERGY TRANSITION" FOR IRAQ

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Arab Reform Initiative

IRIS
American University of Iraq, Sulaimani
Institute of Regional & International Studies

Published by:

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About the study

This publication was prepared by the Institute of Regional and International Studies (IRIS) in partnership with the Arab Reform Initiative as part of the Just Transition Green Bridge Project funded by the European Commission and the Swedish International Development Cooperation Agency.

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Cover photo: Bazerkan oil field in the city of Maysan, south of the capital, Baghdad, Iraq.

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November 2025

This paper was produced with funding from the European Commission and the Swedish International Development Cooperation Agency

Funded by the European Union

Civil Society Facility for the Mediterranean
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Introduction

Gas flaring and other forms of oil-related pollution continue to damage air quality and public health in Iraq, yet oil revenues remain the cornerstone of the country's economic activity and household incomes. This tension between economic dependence on oil and environmental harm is widely recognized, and because of this successive governments have promised to reduce flaring, clean up the oil sector, and even integrate renewables. And yet on the ground, citizens and environmental organizations contend that tangible progress in energy sector reform has been limited. The obstacles are not only technical, as they reflect deeper governance problems and raise questions of justice that sit at the center of debates on Iraq's energy future.

Are there plausible ways out of this bind? One way to reenvision Iraq's energy future is through the prism of a just energy transition. Proponents of a just energy transition contend that shifting away from fossil fuels must be structured to protect the livelihoods and well-being of vulnerable groups, including those communities most exposed to environmental harm.[1] In the case of Iraq, the just energy transition vision faces serious challenges. Four decades of war have led to the emergence of a political economy in which oil accounts for 90% of state revenue, much of it distributed through public sector salaries and government contracts.[2] The primary beneficiaries of this arrangement are, without a doubt, the political parties and ruling elite who control oil production and the distribution of rents, in addition to the international oil companies (IOCs) that manage production. Society at large is structurally disadvantaged. Maximizing short-term oil revenues for dominant political parties has incentivized avoidance of the large long-term investments that are required to build up the necessary downstream infrastructure to reduce gas flaring and capture associated gas, not to mention the funding allocations required for basic public services. As a result, citizens live under polluted skies and experience generally poor service provision.

And yet, at the same time, society remains highly dependent on oil-funded salaries for economic security. Even those at the lowest income levels receive some benefit from the circulation of oil revenue in the system, creating a bind where citizens' livelihoods are tied to the very structures that undermine environmental sustainability and public health. Our interviews with environmental activists for this report reveal deep ambivalence: activists are deeply concerned about oil-related pollution, and yet they also acknowledge that oil production is the main driver of economic activity in a country that is still recovering from four decades of war. Oil-backed public salaries and state infrastructure blunt resistance to the status quo of maximizing production levels, even if this economic configuration undermines other aspects of health and well-being. It is within this structural bind that just energy transition principles must be examined and reshaped for the Iraqi context.

When the documentary "Under Poisoned Skies" was released in September 2022,[3] its coverage of a locally led investigation of oil-related pollution in Basra attracted significant attention across the country. However, the publicity did not generate widespread demands for a short-term phase-out of fossil fuels. Instead, Iraqi environmental activists used the film to press for reforms to make the oil sector more accountable and less harmful, acknowledging that oil revenue is and will remain the primary source of economic activity for years to come. Their vision aligns with a phased approach to a just energy transition. In the short term, Iraqi civil society calls for reducing environmental harm and public health impacts, particularly by ending routine gas flaring. Over the medium and long term, they stress the need for improving accountability in the energy sector and eventually building the institutional and technical capacity to integrate renewables into Iraq's energy mix. This report emphasizes that, in Iraq, a just energy transition must begin with harm reduction in the oil sector. Achieving this will depend on greater accountability,

1 Siciliano, G., Wallbott, L., Urban, F., Dang, A. N., & Lederer, M. (2021). "Low-carbon Energy, Sustainable Development, and Justice: Towards a Just Energy Transition for the Society and the Environment".Sustainable Development,29(6), 1049-1061.

2 Amwaj.media. "Iraq Faces Crisis as Plunging Oil Prices Highlight Bloated Public Sector", 15 April 2025 https://amwaj.media/en/media-monitor/iraq-faces-crisis-as-plunging-oil-prices-highlight-bloated-public-sector

3 BBC. "Under Poisoned Skies: Investigating Oil's Deadly Toll in Iraq" [Documentary]. BBC World Service, 28 September 2022. https://www.bbc.co.uk/programmes/w3ct304h

which in turn requires opening the tightly controlled "black box" of energy policymaking to allow for transparency, intra-governmental oversight, and public participation.

The report argues that policymaking in Iraq's energy sector in the post-2003 invasion era has become dominated by a narrow set of political and institutional actors, namely the core political party leaders and key government agencies such as the Ministry of Oil (MoO) and Prime Minister's Office (PMO), excluding not only civil society but also critical state agencies such as the Ministry of Environment (MoEN). This concentration of authority has made it difficult to implement meaningful oversight, let alone broader public engagement. In line with what scholars have dubbed a "Limited Access Order,"[4] political and economic power in Iraq is controlled by a narrow cohort of actors and maintained through elite bargains and controlled access to rents.[5] Whereas the principles of just energy transition emphasize transparency and participatory energy governance, Iraq's Limited Access Order has produced tight control over decision-making – from oil extraction to the rollout of renewables. While the renewable sector remains small, recent solar deals between the Iraqi government and IOCs reflect the same exclusions and lack of transparency as the oil and gas sector. We contend in this report that efforts to reduce harm from the oil sector in the short term and promote sustainability via renewables in the long term will remain stalled unless the tightly controlled energy policymaking process is opened up. This should involve intra-governmental monitoring at the very least, but ideally it would also make space for civil society inputs.

The report is structured in three sections:

- Defining a Just Energy Transition for Iraq lays out the need for a context-specific vision that is grounded in the realities of a rentier political economy and post-conflict recovery. It proposes a framework for understanding what justice means in Iraq's energy context and focuses on health, accountability, and economic justice in the short term and energy diversification/ renewables in the long term.

- Reducing Harm examines gas flaring as a central test case for short-term reform. It assesses the environmental and health costs of flaring and analyzes why meaningful progress on gas capture has remained elusive, despite repeated government commitments. The section shows how the persistence of flaring reflects the structural constraints of Iraq's Limited Access Order.

- Opening the Black Box addresses the governance and accountability dimensions of energy policymaking in Iraq. It argues that technical fixes alone, including gas capture, will not succeed without political reforms that allow broader participation and institutional oversight. Without meaningful inclusion of sidelined actors, including regulatory bodies and civil society, the energy sector will remain too hidden from public scrutiny for reforms to take hold.

The research draws from 60 interviews with members of civil society (e.g., environmental activists, heads of environmental CSOs), government officials from various agencies (e.g., the MoO, the MoEN, and the parliament), and energy experts. Two community consultations with civil society organizations (15 participants each) were conducted in order to establish the priorities for the research. Though the report lays out a broader just energy transition policy framework for the entire country, data collection was concentrated in two oil-producing provinces – Basra and Kirkuk – to establish connections between national policy and local conditions. Names of activists and interviews are mentioned only when permission was given. The study conforms with research ethics and the guidelines set by the Institutional Review Board at the American University of Iraq, Sulaimani.

4 North, D. C., Wallis, J. J., Webb, S. B., & Weingast, B. R.. "Limited Access Orders: An Introduction to the Conceptual Framework", in North, D. C., Wallis, J. J., Webb, S. B., & Weingast, B. R. ed In the Shadow of Violence: Politics, Economics, and the Problems of Development, 2013.

5 Hamilton, Alexander. "The Political Economy of Economic Policy in Iraq". LSE Middle East Centre Paper Series (32), 2020.

I. Defining a Just Energy Transition for Iraq

This report approaches a just energy transition in Iraq through two interlinked dimensions: accountability and economic justice. Accountability concerns how energy governance is conducted – whether decision-making is transparent, whether those most affected by energy production can shape outcomes, and whether public institutions and grassroots actors can hold powerful actors to account. Economic justice addresses how to protect livelihoods in an oil-dependent economy while ensuring that environmental and public health burdens are not disproportionately borne by vulnerable communities. Interviews conducted for this study with a wide cross-section of civil society actors, local authorities, and national officials point to a broad recognition that a rapid transition away from oil is neither politically likely nor socially desirable in the near term. Oil revenues account for 90% of the state's income and provide the funds for millions of public salaries. Abruptly reducing production would have severe consequences for household incomes and economic stability. Yet, this shared understanding of the risks of rapid change does not translate into acceptance of the current levels of environmental harm. Many civil society actors are actively engaged in developing a phased vision for a just energy transition – one that starts with reducing harm within the fossil fuel sector itself and building the institutional conditions for longer-term diversification.

Falah Alameri, head of an environmental NGO in the oil-rich city of Basra, said that his group advocates for "an oil industry that operates in a manner sensitive to environmental protection, human health, and other vital sectors such as agriculture."[6] Civil society leaders like al-Ameeri insist on making the existing industry more accountable and less damaging. He clarified that this harm reduction agenda should not be confused with advocating near-term cuts in oil production: "The government often assumes that our demands and activities are aimed at cutting oil production levels or challenging its authority, which is a misunderstanding."[7]

Fadwa Tuama, an activist working in southern Iraq, concurred. "I am against stopping oil production and everyone becoming poorer as a result, right after we have emerged from war," she said. "We can't tell the government to reduce oil production and exports and therefore destroy the livelihoods of millions. But we try to make the international oil companies that operate in Iraq's oil sector stick to their standards and reduce pollution."[8]

These perspectives indicate that key actors in Iraq's environmental civil society organizations seek to reframe the energy transition conversation around harm reduction and accountability as the necessary groundwork for longer-term diversification. For a country that has endured decades of war and depends on oil as the primary pillar of its economy, pushing a rapid phase-out of fossil fuels at a moment when citizens are only beginning to experience stability and material gains would undermine the very principles of justice that a just energy transition is meant to uphold.

The elimination of gas flaring is the cornerstone of the harm reduction agenda. Iraq ranked third globally in volume of gas flared in 2024.[9] It currently flares approximately 16 billion cubic meters (bcm) of associated gas each year, equivalent to approximately 0.5 percent of global gas production.[10] Recent satellite data released by the US National Oceanic and Atmospheric Administration further underscores how the problem is growing.[11] In 2011, two years after the first licensing rounds with IOCs, Iraq's oilfields were flaring approximately 12 bcm of gas annually.[12] Iraq hosts over 1,400 active

6 Interview with Falah Al-Ameeri, head of an environmental NGO in Basra. May 2025.

7 Ibid.

8 Interview with Fadwa Tuama, member of an environmentalist NGO in Basra. April 2025.

9 World Bank, Global Gas Flaring Tracker Report, December 2024, available at https://thedocs.worldbank.org/en/doc/d01b4aebd8a10513c0e341de5e1f652e-0400072024/original/Global-Gas-Flaring-Tracker-Report-June-20-2024.pdf.

10 World Bank, Global Gas Flaring Tracker Report, April 2021, available at https://thedocs.worldbank.org/en/doc/1f7221545bf1b7c89b850dd85cb409b0-0400072021/original/WB-GGFR-Report-Design-05a.pdf

11 World Bank, "New Data Reveals Uptick in Global Gas Flaring", [Press release], 12 December 2016, available at https://www.worldbank.org/en/news/press-release/2016/12/12/new-data-reveals-uptick-in-global-gas-flaring

12 Enabling Peace in Iraq Center, "Issue Brief: The Flaring of Natural Gas in Iraq", July 2024, available at https://enablingpeace.org/wp-content/uploads/2024/07/EPIC_Brief_on_Flaring_in_Iraq.pdf

flaring sites.[13] It loses billions of dollars in potential revenue annually while deepening environmental degradation and public health risks.[14]

Civil society activists underscored that gas flaring pollutes the environment and harms public health, while forfeiting a major opportunity to generate electricity domestically. As Dania al-Khafaji, an environmental activist in Basra, put it: "Gas flaring causes both pollution and cancer… It's wasting billions and billions of dollars that can be used to generate electricity. Iraq should invest in gas capturing across all oilfields because gas flaring is a major waste of money."[15] Activists frame the harm reduction agenda not only as an environmental priority but also as an opportunity to increase energy independence and generate new forms of employment. "We can utilize gas from oil fields for electricity generation, and IOCs can continue working while reducing their effects on the environment and the population,"[16] explained Estabraq al-Ali, an activist from Basra. Similarly, Fatima Ra'ad, a program coordinator at the Basra-based NGO al-Firdaws, noted: "Although Iraq depends on oil, many things can be fixed… We shouldn't flare the gas, waste it, and cause pollution, as it could be utilized to produce electricity."[17]

While eliminating gas flaring certainly represents a goal that is far more modest than a broader shift to renewables, achieving it will not come without major structural challenges. Each new oil production project brings about a frenzy over the distribution of jobs and rents, diminishing attention to upholding environmental standards. One civil society activist from the oil-producing city of Kirkuk noted: "Let me tell you about the new BP project that's been signed with the North Oil Company in Kirkuk. Local politicians are using their influence only to secure government jobs tied to the project, and all they talk about is employment opportunities. None of that effort is going into developing strategies and plans for how we can reduce gas flaring."[18] This fixation on jobs reflects a broader political economy in which oil is viewed primarily as a source of employment and patronage. The harm reduction agenda must therefore be reframed not only as an environmental imperative but also as a development strategy that can benefit the economic prospects of ordinary Iraqis. Hajer al-Muhi, an engineer from Basra, emphasized that capturing associated gas could benefit ordinary citizens' livelihoods. "If implemented and expanded," she added, "gas capture will generate both energy and greater numbers of job opportunities."[19]

While civil society actors participating in community consultations and interviews overwhelmingly agree that Iraq's short-term energy priorities must focus on reducing harm from oil production, particularly through gas flaring mitigation, many also view renewable energy as an essential component of Iraq's diversification pathway – albeit along a longer timescale. They do not frame solar as a substitute for oil in the near term, but rather as one component of a diversification effort. The emphasis is not on immediate transformation: it is about laying the foundation for a gradual shift that is aligned with the country's political, economic, and social conditions.

Skepticism towards a rapid embrace of renewables rests on two concerns. First, oil production at scale will not decrease in the foreseeable future, and the environmental and health consequences of gas flaring remain the country's most urgent energy challenge. Building the infrastructure required to capture and utilize associated gas will demand substantial investment. Many activists argue that public resources and political will should be directed toward this priority instead of being diverted into large-scale renewable projects. From this perspective, renewables risk becoming a distraction from the more immediate problem of harm reduction within the oil sector.

Second, renewables themselves are not free of social and environmental risks. Land acquisition for solar projects has already generated controversy, for example. Without meaningful transparency and accountability mechanisms, these projects could replicate many of the same justice concerns that

13 Shuker, Z., *Gas Flaring in Iraq: Structural Issues, Geopolitical Players, and Policy Implications*, Emirates Policy Center, April 2022, available at https://epc.ae/en/details/featured/gas-flaring-in-iraq-structural-issues-geopolitical-players-and-policy-implications#_edn2

14 Interviews with Iraq energy observers and analysts. March-June, 2025.

15 Interview with Dania Al-Khafaji, environmental activist from Basra. July 2025.

16 Interview with Estbraq al-Ali, environmental activist from Basra. July 2025.

17 Interview with Fatima Ra'ad, program coordinator at the Basra-based NGO al-Firdaws. July 2025.

18 Interview with a civil society activist from Kirkuk. April 2025.

19 Interview with Hajer al-Muhi, a well-design engineer from Basra. July 2025.

plague Iraq's oil and gas sector. Until governance reforms open the energy sector to scrutiny and oversight, it is difficult to imagine renewables advancing in ways that avoid reproducing the very inequalities and harms that just energy transition principles are meant to resolve.

This report explores three policy priorities to support a just energy transition in Iraq:

- Mitigating against the public health and environmental harm of the oil sector through gas capture: The most immediate and broadly supported priority is reducing the environmental and public health impacts of oil production, particularly through gas flaring mitigation. Gas capture addresses air pollution and health burdens, while simultaneously providing a domestic energy source and generating employment.
- Investing in renewable diversification: Civil society actors advocate targeted investments in renewable sources of energy as a means of diversifying Iraq's energy portfolio and contributing to the harm reduction agenda. Such investments will only be effective if they are embedded within broader reforms to institutional capacity and political accountability.
- Prioritizing accountability and transparency: The harm reduction agenda will fail without greater transparency and accountability across the government and business actors involved in the oil sector. Government institutions such as the MoO and IOCs such as BP and Total are largely insulated from scrutiny and monitoring. The MoEN's role as a monitor of the oil sector exists on paper, but it is ignored in practice. Enhancing transparency, expanding intra-governmental oversight, and institutionalizing civil society participation are essential to shift the sector from elite negotiation toward more accountable and inclusive governance.

II. Reducing Harm

Iraq's framing of gas capture as a national priority has extended across the terms of multiple administrations. In 2017, Iraq endorsed the World Bank's "Zero Routine Flaring by 2030" initiative, pledging to include gas flaring in future contracts and cease all flaring at existing oil fields.[20] Iraq has also joined the UN Global Methane Pledge to cut down methane emissions, the most damaging component of gas flaring.[21] Iraq joined the Climate and Clean Air Coalition initiative by UNEP in 2015, emphasizing its commitment to reducing emissions and air pollution.[22] As a consequence, gas capture was integrated into Iraq's national strategies, including the National Development Plan 2024-2028[23] and Iraq's Vision for Sustainable Development 2030.[24] Current Prime Minister Mohammed Shia al-Sudani has repeatedly emphasized his commitment to expanding gas capture capacity.[25] However, as the forthcoming section will show, civil society actors believe that these efforts have not borne sufficiently tangible results yet. Indeed, gas flaring continues to imperil the health and well-being of communities in both the south and north of the country.

The environmental harms of gas flaring are particularly severe in southern governorates like Basra, where oil infrastructure intersects directly with residential areas. In violation of Iraqi law mandating a 10-kilometer buffer between flare stacks and inhabited zones, some sites operate

20 World Bank Group, "Amid Ongoing Conflict, Iraq to Begin Snuffing Out Flares." 9May 2017, available at https://www.worldbank.org/en/news/feature/2017/05/09/amid-ongoing-conflict-iraq-to-begin-snuffing-out-flares

21 Global Methane Pledge. "Pledges," available at https://globalmethanepledge.ccacoalition.org/#pledges

22 Abdalla, Kovan, Wim Zwijnenburg, Nynke Schaap, and Teba Alani, PAX "Gasping for Air: The Need to Tackle's Iraq's Air Pollution Crisis", June 2025, available at https://paxforpeace.nl/publications/gasping-for-air

23 Iraqi Ministry of Planning, "National Development Plan 2024-2028." May 2024, available at https://www.mop.gov.iq/documents/economic-policies/development-plans/%20خطة%202024-2028%20الوطنية%20التنمية.pdf

24 Ministry of Planning, "Iraq's Vision for Sustainable Development 2030," 2019, available at https://mop.gov.iq/wp-content/uploads/2022/02/...-2030رؤية-العراق-للتنمية-المستدامة-المستقبل-الذي-نصبو-اليه.pdf

25 Al Housni, A., "Sudani Urges End to Gas Flaring, Orders Review of Oil Contracts", *The New Region*, April 20, 2025, available at https://thenewregion.com/posts/2058/-sudani-urges-end-to-gas-flaring-orders-review-of-oil-contracts

within a radius of just over 3 kilometers.[26] Residents living near flaring sites report high incidences of respiratory illness, skin conditions, and cancers, though a lack of robust epidemiological and health data infrastructure limits causal attribution.[27] Iraq's fragmented health and environmental governance has complicated efforts to generate reliable assessments, though it is widely accepted that pollutants released through gas flaring – such as benzene, sulfur dioxide, and fine particulates – carry significant health risks. Iraq is actively stifling conversation about potential health impacts. A 2018 internal government memo instructed officials against discussing pollution-related health effects in public.[28] Such policies hamper accountability and the development of targeted public health responses.

Community Perspectives

Viewed through the lens of a just energy transition, Iraq's national commitments on gas capture highlight both the possibilities and the gaps in current policy. Successive governments have endorsed international initiatives and incorporated flaring reduction into national strategies, recognizing that the practice is environmentally and economically untenable. The credibility of these commitments rests on the principles that define a just energy transition in Iraq, namely, economic justice.

The communities that live closest to oilfields and flare sites are often among the most economically disadvantaged. In some cases, tribal leaders have secured limited employment for their members in ancillary roles such as site security, but this remains rare. For most residents, proximity to oil operations means high exposure to pollution combined with limited economic means to cope with its consequences. Families already struggling with low incomes must shoulder the cost of respiratory illness and other health needs in a context where public healthcare has been weakened by conflict, and much of the care is only available through private providers. Gas flaring, therefore, reinforces inequality. Revenues and rents flow upward to political elites, while health and financial costs accumulate among the poorest households. Assessing Iraq's energy policies against the principles of a just energy transition requires close attention to whether harm reduction in the oil sector can begin to address these inequalities.

Community perspectives illustrate these dynamics with clarity. For residents of oil-rich regions like Kirkuk and Basra, gas flaring constitutes a daily and immediate threat to well-being. These communities consistently describe exposure to visible pollution, respiratory illness, and a growing prevalence of cancer. As one resident of Sekanian, a neighborhood in Kirkuk surrounded by more than 60 active oil wells, explained: "This concentration leads to significant gas emissions, which raises concerns for me, especially regarding their impact on newborn children and the risk of acid rain."[29] Civil society actors in Kirkuk emphasize the spatial expansion of the city into formerly industrial zones, where informal housing now abuts refinery infrastructure.[30] "Some houses are being built right next to the oil refineries," one activist noted. The activist added, "the majority of people living in these areas are suffering from respiratory diseases. I often see them in the hospital. And a friend who works in the oncology hospital told me most of the cancer patients admitted there come from communities near the oil wells."[31] Another activist, involved in investigative journalism, observed: "The black smoke caused by gas flaring enters people's homes. Clothes hung to dry turn black within hours. Soot settles on rooftops and in their yards." She also cited direct testimony from hospital staff who have "noted a marked increase in cancer cases among those living near flare sites."[32]

Environmental groups working in Kirkuk draw a direct line between the distribution of pollution

26 Enabling Peace in Iraq Center, "Issue brief".

27 Human rights Watch, "Iraq Gas Flaring Tied to Cancer Surge: Death of Ali Hussein Jaloud Highlights Harm of Fossil Fuels", May 2023, available at https://www.hrw.org/news/2023/05/03/iraq-gas-flaring-tied-cancer-surge

28 BBC, "Under Poisoned Skies", 28 September 2022, available at https://www.bbc.com/mediacentre/proginfo/2022/39/under-poisoned-skies

29 Interview with a resident of Sekanian Neighborhood in Kirkuk. April 2025.

30 Following the 2003 invasion, thousands of Kurds – previously displaced by the Ba'ath regime through its Arabization policy – returned and built houses on public lands with the support of the PUK/KDP. State authorities have decided to formalize the status of the illegal residential areas but the process has not been completed. See : KirkukNow, Ahmad, L. "90,000 Kirkukis Applied to Register Illegally-Built Housing Units", June 12, 2023 available at https://www.kirkuknow.com/en/news/69497

31 Interview with an environmental activist from Kirkuk. March 2025.

32 Interview with an investigative journalist from Kirkuk. March 2025.

from gas flaring and the burden of illness. "Other sources of pollution, like cars and generators, don't come close to what flaring contributes," one civil society leader reported. "We've seen data from the Oncology Hospital in Kirkuk showing a rise in cancer, especially in informal housing areas near the oil and gas fields. Shuraw and Panja Ali in the northern part of the city are toxic residential zones, completely unfit for habitation."[33] Activists in Basra used similar language: "When you enter Basra, the first thing you see is the smoke from gas flaring," explained one leader of an environmental NGO. "It's visible to everyone, and everyone is concerned about it. People near the oilfields complain that their clothes turn black in the sun. I've visited communities near the Rumaila oilfield where many residents suffer from respiratory illness, and one person we met during our mobile clinic project had died of cancer."[34] Another civil society representative who works on women's health described a sharp rise in breast cancer cases in rural communities near oil operations: "The IOCs focus on things like refurbishing schools, but that does nothing to reduce emissions or protect public health. Gas flaring is a major cause of cancer in Basra."[35]

Communities affected by gas flaring frame health and economic harm as intertwined, viewing pollution not only as a threat to wellbeing but also as a waste of valuable national resources. One Basra activist noted: "I know families with cancer and other diseases who stay silent because they don't know how to claim their rights. If we solve this problem, we won't just be protecting people, we'll be reclaiming a wasted source of energy."[36] Another community member in Basra added, "We need to stop gas flaring entirely. Not only for health and environmental reasons, but also because the gas can be captured and used to produce electricity. This is not just pollution. It's a loss of national resources." These perspectives sharpen the case for the harm reduction agenda focused on gas flaring. They make clear that gas flaring is not only a climate and infrastructure issue, but also a social justice and public health concern. As one interviewee put it succinctly: "The problem is visible. The suffering is real. The response is still missing."[37]

Political Economy of Gas Flaring

The failure to develop gas capture infrastructure is embedded in the institutional structure of Iraq's post-2003 state, shaped by what scholars have described as a Limited Access Order.[38] Under this kind of arrangement, policymaking is not the product of broad-based institutional processes or open political competition. Instead, control over rents, including those derived from natural resources, is concentrated in the hands of a narrow coalition of actors, typically those with access to coercive power. Rather than ushering in a robust participatory democracy, the fall of the former regime in 2003 created space for a small set of political factions and armed groups to capture the state. These actors captured state institutions and public revenues to serve their own political survival and coalition management.[39] Within this context, energy policy was shaped less by long-term planning or regulatory oversight than by the immediate imperative to generate and control rents. Legal, bureaucratic, and environmental checks on oil-sector development were systematically subordinated to this political logic.

This dynamic was clearly visible in the design and rollout of Iraq's initial international oil contracts. During the first and second licensing rounds, launched in 2009 and 2010, respectively, the government prioritized rapid increases in oil production over environmental safeguards.[40] The technical service contracts (TSCs) signed with IOCs

33 Interview with a head of a civil society organization from Kirkuk. May 2025.

34 Interview with the head of an environmental NGO in Basra. June 2025.

35 Interview with the director of a public health NGO in Basra. June 2025.

36 Interview with an environmental activist from Basra. June 2025.

37 Interview with a community leader living near Rumaila oilfield in Basra. June 2025.

38 North, D. C., Wallis, J. J., Webb, S. B., & Weingast, B. R., Limited Access Orders; North, D. C., "Limited Access Orders in the Developing World: A New Approach to the Problems of Development", World Bank Publications. Vol. 4359, (2007); North, D. C., Wallis, J. J., & Weingast, B. R.. "Violence and the Rise of Open-Access Orders", Journal of Democracy, 20(1), 55-68, (2009).

39 Hamilton, Alexander, "The Political Economy of Economic Policy in Iraq". LSE Middle East Centre Paper Series (32), (2020) available at https://eprints.lse.ac.uk/104086/4/Hamilton_political_economy_of_economic_policy_iraq_published.pdf

40 Mehdi, A., Iraqi Oil: Industry Evolution and Short and Medium-Term Prospects, The Oxford Institute for Energy Studies October 2018, available at https://www.oxfordenergy.org/wpcms/wp-content/uploads/2018/10/Iraqi-Oil-industry-evolution-and-short-and-medium-term-prospects-WPM-79.pdf

were narrowly focused on upstream development and placed no binding requirements on gas flaring mitigation. These contracts paid IOCs a fixed per-barrel fee for production. Some industry observers point to the fee-based structure itself as flawed, arguing that it disincentivizes long-term investment.[41] However, a more compelling interpretation is that the problem lies not in the fee structure per se, but in the absence of any contractual provisions related to gas capture – an omission that reflects broader state priorities at the time.

To understand why gas flaring was effectively excluded from Iraq's energy governance framework, one must return to the political economy of the post-2003 era. When Nouri al-Maliki became prime minister in 2006, he faced an urgent need to consolidate state revenues. Ongoing insurgency, deepening sectarian violence, and the cost of state reconstruction placed enormous fiscal pressure on the central government. At the same time, al-Maliki's hold on power depended on his ability to distribute rents to a constellation of political factions and clientelist networks.[42] Expanding oil production offered the easiest path to stabilize the budget and sustain the patronage system on which governance increasingly relied.

Two competing visions existed within the Iraqi state at that time. One faction within the MoO and among many parliamentarians favored rebuilding Iraq's oil sector through public investment and national control, following a state-led model. However, this approach was deemed too slow, particularly in light of fragile security conditions and long-term damage to infrastructure from years of sanctions and war. Instead, al-Maliki and then-Oil Minister, Hussein al-Shahristani, opted to fast-track production by inviting IOCs to operate under a form of technical service contract that nominally preserved state sovereignty over resources while outsourcing production capacity.[43]

By pursuing this IOC-based approach in the absence of parliamentary approval and without a national oil and gas law, al-Maliki and al-Sharistani assumed exclusive control over the oil sector, effectively boxing out everyone else. Henceforth, the PMO and the MoO would hold the keys to the oil sector, and no other government actor would have the authority to question this. The only actors with meaningful influence over the sector are the heads of dominant political parties, who would, in turn, look to the PMO and MoO as guarantors of their interests. This is the core structure of the Limited Access Order, which will be elaborated further in the final section of this paper.

During the first licensing round with IOCs, al-Shahrastani kept contracts simple and structured around fixed fees, sidestepping profit-sharing terms that could have fomented further grievances around resource nationalism. The focus was on minimizing cost and moving revenue quickly. Flaring provisions were left out entirely – adding them would have meant higher per-barrel costs and more layers of oversight. As one industry analyst put it, they were "threading the needle between two competing imperatives: nationalist sentiment and the pressure to simply move forward."[44] By excluding gas flaring from the licensing terms and offering no mechanisms to compel reinvestment in capture infrastructure, the early contracts locked in a structure of production that prioritized volume over value. The result was a decade-long expansion of oil output with little parallel development in gas capture and utilization.[45] Even today, while some capture projects have begun at select fields, they remain fragmented, underdeveloped, and constrained by both contract legacy issues and ongoing political fragmentation.[46]

The Limited Access Order framework sheds light on why Iraqi state institutions have repeatedly failed to change course. Ministries responsible for environmental oversight often lack the authority and autonomy needed to enforce compliance. Even at the MoO, technocrats who push for reform are routinely sidelined, just like the civil society advocates who call for harm reduction from the outside. The limited progress on gas capture is not, at its core, a technical failure. It stems from the structures of Iraq's rentier political economy, which is shaped by exclusion and elite bargaining.

Though this report focuses primarily on federal

41 Interviews with Iraq energy experts. May-July 2025.

42 O'Sullivan, M. L., "Iraqi Politics and Implications for Oil and Energy", HKS Faculty Research Working Paper Series, August 2011, available at https://www.hks.harvard.edu/publications/iraqi-politics-and-implications-oil-and-energy

43 Interviews with Iraq energy experts. May-July 2025.

44 Interview with an Iraq oil industry analyst. May 2025.

45 Mehdi, A., Iraqi Oil

46 Mohammad, R., "Iraq's Challenging Path to Becoming a Gas Exporter", Emirates Policy Center, August 2023, available at https://epc.ae/en/details/brief/iraq-s-challenging-path-to-becoming-a-gas-exporter

Iraq, it is important to underscore that the energy sector in areas controlled by the Kurdistan Regional Government (KRG) operates under similar structural constraints. Energy policy is shaped almost exclusively by the two dominant parties – the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK) – with minimal involvement from formal state institutions or civil society actors. Strategic decisions regarding the energy sector have been predominantly directed by the KDP's top leadership, which directly controls the KRG Ministry of Natural Resources (MNR).[47] Environmental NGOs and government oversight bodies, such as provincial councils and the regional parliament, are largely excluded from participation in oil-related decision-making. Over the past decade, the regional parliament has been effectively paralyzed by inter-party rivalry and elite capture, while politically unaffiliated civil society organizations face significant barriers in challenging party dominance over this critical sector.[48] The result of this narrowing of control is that no one can hold the MNR accountable for energy policy and implementation, including gas flaring. In 2021, then-MNR minister Kamal Atroshi issued a directive stating that gas flaring had to be ended by 2025; however, little progress has been made to date.[49]

The Role of IOCs in Gas Flaring

To what degree are IOCs to blame for the lack of progress on gas capture? This section will examine competing perspectives on this question, one from the oil industry itself and one from Iraqi civil society. According to several technical advisers and former officials involved in the early stages of Iraq's oil sector redevelopment, the problem begins with the original TSCs signed during the first and second licensing rounds, which laid out the roles and responsibilities of IOCs. These contracts, designed by the MoO with external consultancy support, including from firms like Gaffney, Cline & Associates, focused narrowly on boosting crude production volumes. "Those contracts included zero responsibility or incentive for the IOCs to capture gas," one oil industry expert explained. "That decision set the stage for the disastrous levels of gas flaring we've seen from these fields. It's one of the key reasons Iraq has become one of the worst polluters in the world on a per-barrel basis."[50]

The logic of the TSCs was straightforward: Iraq would retain ownership of its oil while outsourcing production operations to IOCs for a fixed fee per barrel, but these contracts neglected politically sensitive profit-sharing structures and also failed to account for the downstream investments required to capture and monetize associated gas. "Gas capture, in and of itself, is about more than just capturing," another adviser noted. "It's about where you move the gas, how you store it, and how you use it. And none of that was addressed in the original contracts."[51] As a result, the rapid build-out of upstream infrastructure since 2009 has occurred largely without parallel investment in the pipelines, processing plants, or storage capacity needed to manage associated gas. The result has been sustained – and in some cases, growing – levels of gas flaring, even as Iraq's overall oil production has increased.

Several industry experts argued that while the original TSCs lacked environmental provisions, subsequent efforts have been made to address the gap. "There has been a lot of progress," one noted, pointing to projects like the Basra Gas Company (BGC), which captures gas from Rumaila, West Qurna 1, and Zubair, as well as gas processing initiatives in Maysan, Dhi Qar, and Basra launched under various administrations. However, the MoO has forged these gas capture deals with IOCs as standalone agreements outside the framework of the original oil development contracts. "What's improved isn't the main contract structure," one oil industry analyst clarified. "It's the state's ability to negotiate parallel deals for gas."[52] The most recent licensing rounds (fifth-plus and sixth) have begun to include explicit gas capture requirements, but these contracts cover only a fraction of Iraq's total oil production and will take years to yield results.

47 Ali Saleem, Zmkan and Skelton, Mac, "Assessing Iraqi Kurdistan's Stability: How Patronage Shapes Conflict", LSE Middle East Centre Paper Series (38), (2020), available at https://eprints.lse.ac.uk/105775/1/MEC_assessing_iraqi_kurdistans_stability_published.pdf

48 Winthrop Rodgers, "Kurdish Elections Arrive – Finally, and With Challenges", Middle East Institute, 17 October 2024, available at https://www.mei.edu/publications/kurdish-elections-arrive-finally-and-challenges

49 Interview with an observer of KRG oil sector. April 2025.

50 Interview with an Iraq oil industry expert. July 2025.

51 Interview with an advisor to private oil firms operating in Iraq. June 2025.

52 Interview with an expert in Iraq's oil industry. July 2025

The industry framing – centered on the absence of commercial incentives and limitations of the original contracts – tends to downplay corporate responsibility for environmental harm. Yet, civil society actors offer a different reading. As one environmental activist working in Basra put it: “The IOCs that operate in Iraq are very much aware of the environmental and health impacts of gas flaring. When they operate elsewhere, they follow strict procedures to protect the environment and public health. But in Iraq, they don’t follow those procedures because there’s no follow-up or accountability from the government.”[53]

From this perspective, the issue is not simply contractual but has to do with the lack of adherence to standards from the IOC side and the lack of oversight from the Iraqi government side. Iraq’s MoEN, the body nominally responsible for regulating pollution and ensuring compliance with environmental standards, is effectively subordinate to the MoO. “The Ministry of Oil has banned the Ministry of Environment from issuing penalties against IOCs or taking any enforcement action,” the same activist explained. She asserted, “in the eyes of the oil ministry, the IOCs and their production are where the money is. So there’s no interest in oversight.”[54] In this environment, international companies face little pressure to adhere to the environmental and health standards they would be obligated to follow in other countries. The weakness of Iraq’s regulatory institutions – and the prioritization of short-term revenue extraction over long-term sustainability – allows flaring practices to persist unchecked.

The contrast between these two positions – the industry’s focus on contractual limitations and civil society’s emphasis on accountability and double standards – is instructive. While it is true that the early licensing rounds failed to create the right incentives for gas capture, it is also clear that many IOCs operating in Iraq have chosen not to internalize global environmental norms across all their operations. That choice is enabled by Iraq’s limited enforcement capacity and the structure of its rentier political economy, where the imperative to deliver short-term oil revenues routinely overrides environmental and social concerns. This dynamic has only intensified in moments of fiscal crisis. Following the oil price collapse in 2014, Iraq’s public revenues fell dramatically, pushing environmental priorities even further down the agenda. Downstream infrastructure became an even lower priority, and the de facto policy was to maintain or increase production volumes at any cost.

Understanding the role of IOCs in Iraq also requires situating them within a wider global ecosystem of advisers and contractors. The TSCs were not designed by the MoO alone, but with the input of international consultancy firms and legal advisers whose business model is built around structuring deals that maximize production while limiting liability. This architecture reflects a broader pattern in which oil companies and their advisers benefit collectively from arrangements that prioritize rapid output and externalize costs.

In Iraq, this global dynamic converges with the country’s Limited Access Order to insulate IOCs from public scrutiny. Companies apply stricter environmental standards elsewhere because host governments enforce them and because they face reputational and shareholder pressure. In Iraq, where oversight institutions are weak and closed to public accountability, firms face little incentive to move beyond the minimum requirements written into contracts. The persistence of gas flaring is therefore not only a symptom of Iraq’s domestic political economy but also a product of how international industry practices exploit institutional fragility. A just energy transition requires accountability not only from Iraqi institutions but also from international actors whose practices in Iraq fall short of the standards they follow elsewhere.

Harm Reduction & Renewables

Civil society actors have emphasized the importance of integrating renewables into the harm reduction agenda. Solar energy is not viewed as a substitute for oil in the near term, but as one of several tools that can reduce exposure to pollution and improve energy access if carefully implemented. Hajer al-Muhi, an engineer in Basra, underscored this gradualist perspective: “I do not think a transition will happen in which we suddenly abandon oil and move on to clean energy, but renewables will reduce pollution and will bring a lot of socio-economic benefits.” But some Iraqi environmental groups cautioned against launching into renewable

53 Interview with a civil society activist in Basra. April 2025

54 Interview with a civil society activist in Basra. April 2025.

projects without fully considering the social and environmental consequences and without adequate engagement with local communities. One leader of an environmental organization in Basra emphasized that TotalEnergies acquired a significant stretch of land in the province to install solar panels for electricity generation, and that this acquisition involved "minimal engagement with local concerns around the potential disruption involved." He added that communities still do not have a clear understanding of what the project will deliver in practice or whether the anticipated gains in energy production justify the area taken. In sum, large-scale solar projects require greater transparency and meaningful consultation with communities.

One Basra activist saw greater value in the small-scale solar projects that would reduce reliance on generators, which are heavy polluters: "We should focus on houses, smaller industries and schools and encourage the use of solar energy in these sectors." Another activist emphasized the need for accessible local initiatives: "Iraq is a very good candidate for solar energy production, and we should also pay attention not only to mega projects like the one TotalEnergies is working on in Basra but also projects on a smaller scale – households, schools, universities."[55] Yet, even small-scale interventions require oversight: "Loans intended for small-scale renewables projects often end up not being used for their intended purposes," activist Estabraq al-Ali warned. "They might take the loans without buying the equipment. Monitoring is crucial." Within the framework of harm reduction, renewable energy should proceed where it can reduce pollution and improve public well-being. But if poorly designed or misallocated without oversight, these projects risk compounding existing harms rather than alleviating them. Huda Alasadi, an environmental advocate in Basra, linked this vision explicitly to the need for planning and public engagement: "We need to have a plan for activating other sources of energy so that we have a balance between reliance on oil and cleaner sources of energy… Society needs to be made aware of the changes that will happen due to this transition."[56]

These debates over renewables show how Iraqi civil society understands the energy transition in justice terms, rather than purely technical ones. Solar is seen as useful for reducing pollution and expanding access to electricity, but only if projects are planned and overseen in ways that prevent harm and deliver real benefits to communities. Large-scale schemes that consume land or divert scarce resources away from urgent priorities like gas capture are often regarded with suspicion, while smaller projects linked to households, schools, or local industries are viewed more positively. From the perspective of a just energy transition, the question is whether renewables advance accountability and economic justice. Without stronger safeguards, renewable projects risk reproducing the same problems that define the oil sector, concentrating benefits among elites while leaving vulnerable communities to bear the costs.

III. Opening the Black Box

A core principle of a just energy transition is the inclusion of a broad cross-section of actors – particularly from civil society – in policy deliberation and monitoring. In Iraq, however, CSOs working on environmental and health issues face systematic exclusion from energy governance. The oil and gas sector is widely perceived as off-limits to civil society engagement, despite the fact that it is a cause of many of the country's most serious environmental harms, including gas flaring. As Khalaf and Vizoso argue, "given the importance of oil to reproducing power in Iraq, the red lines around discussions of its potential environmental harms are harshly guarded."[57] While CSOs have been able to engage government institutions on water pollution, waste management, and public health awareness, oil-related activities remain closed behind institutional and physical barriers. The exclusion of CSOs from oil governance reflects not only sectoral exceptionalism but the broader political logic of Iraq's post-2003 political order, where influence is restricted to a narrow coalition of actors and shields resource governance from external oversight.

Civil society groups report that they are not able to interact directly with the MoO or its affiliated

55 Interview with a Basra-based activist. June 2025.

56 Interview with Huda Alasadi, a Basra-based activist. July 2025.

57 Khalaf, S., & Choucair Vizoso, J., "Mobilizing for the environment in Iraq", October 2024, Arab Reform Initiative available at https://www.arab-reform.net/publication/mobilizing-for-the-environment-in-iraq

companies. Instead, their engagement with government is limited to peripheral offices or subnational institutions. As one environmental advocate from Basra explained: "We don't interact directly with the Ministry of Oil or Basra Oil Company, but through other offices like environment, agriculture, local council, and local government. The Ministry of Oil doesn't allow space for us to engage them."[58] This pattern is repeated in the north. An activist in Kirkuk described the sector as entirely off limits: "As for the North Oil Company and other oil companies, they don't want to work with us either. They think our activities will eventually lead to the shutdown of their operations or hurt their business."[59]

There is a widespread perception that oil is a politically sensitive or even dangerous topic. Several interviewees described the risks of speaking publicly about gas flaring or pollution caused by oil operations. One civil society figure in Kirkuk explained, "Honestly, many people warn us when we talk about oil companies. Every time I bring it up, people say, "This is bigger than you." They believe it's safer to criticize the local government, but criticizing the North Oil Company could become a disaster. We are honestly afraid to speak out or engage with them."[60] Another activist added, "In Iraq, anything related to oil is considered a national security issue. Our economy relies solely on oil… Activists working on oil-related issues are often told to back off."[61] Even well-established environmental consultants working with international partners report significant limitations. As one activist noted, "the oilfields in Basra and Iraq are closed in the face of the NGOs. These are secured premises that unauthorized individuals and entities cannot enter. People with access to the oilfields have to have official authorizations and permissions, which are simply not accessible."[62]

The institutional barriers facing CSOs are matched by legal and procedural constraints. Iraq has no formal mechanism that enables civil society to monitor environmental compliance in the oil sector. While a number of NGOs carry out awareness campaigns or small-scale monitoring activities, their efforts rarely translate into policy change or enforcement. One civil society leader in Basra noted: "In fact, CSOs don't have any meaningful authority. There should be a law that allows CSOs to monitor pollution and violations. There should also be more coordination between the Ministry of Environment and CSOs. But access to oilfields is not easy. No company will allow a CSO to visit their sites."[63] One activist involved in health-focused civil society work commented that "most environmental CSOs work on water pollution but don't come near IOCs because it's too sensitive."[64]

CSOs in Iraq are not merely struggling with limited information. They are structurally excluded from the processes where energy decisions are made. Policy analysts have highlighted the constraints imposed by the government's repressive approach toward civil society – particularly in the aftermath of the 2019 anti-government Tishreen protests – on environmental activism and mobilization.[65] Al-Khudary, for instance, observed: "To navigate the increased authoritarianism of the Iraqi state… environmentalists tend to adopt small, carefully framed initiatives that are usually presented as supporting the government in solving some of the environmental issues it faces, as opposed to being overtly adversarial."[66] A just energy transition requires not only that the public be informed, but that they be empowered to shape decisions and monitor outcomes. In Iraq, that space does not currently exist. Without structural reforms that guarantee access and public consultation, civil society will remain outside the energy governance framework and unable to influence outcomes in a sector that affects every aspect of daily life.

58 Interview with an environmental activist from Basra. July 2025.

59 Interview with an environmental activist from Kirkuk. March 2025.

60 Interview with the head of a civil society organization from Kirkuk. April 2025.

61 Interview with an environmental activist from Basra. June 2025.

62 Interview with an environmental consultants working with an international energy company from Basra. July 2025.

63 Interview with the head of an environmental NGO in Basra. June 2025.

64 Interview with an environmental activist from Basra. July 2025.

65 Mobilizing for the environment in Iraq, p.5.

66 Alkhudary, T., "Navigating the challenges of environmentalism in an increasingly authoritarian Iraq", Arab Reform Initiative, February 2025, available at https://www.arab-reform.net/publication/navigating-the-challenges-of-environmentalism-in-an-increasingly-authoritarian-iraq

Intra-governmental Exclusions

While local environmental advocates report significant barriers to accessing information about gas flaring, this exclusion extends far beyond civil society. Even within the state, ministries tasked with monitoring and enforcement roles are frequently sidelined. The MoEN is formally mandated to oversee environmental harm associated with the oil sector, but, in practice, it lacks both the access and authority to monitor oil production sites or enforce compliance with environmental standards. As one engineer based in Basra noted, "in my work in the private sector, I have never worked with the Ministry of Environment. They are not part of the process. The Ministry of Oil claims that Basra Oil Company and Basra Gas Company are responsible for oil extraction, so no other agencies need to be involved."[67]

This siloing is not merely a matter of institutional weakness that can be resolved through enhanced coordination mechanisms. It reflects the political logic of the rentier state under a Limited Access Order. Control over oil production and associated revenues is monopolized by the MoO and a small set of affiliated national oil companies, which operate as quasi-sovereign entities. These companies do not answer to provincial governments, parliament, or oversight agencies. In oil-producing regions such as Kirkuk and Basra, provincial officials report having no role in energy governance and no access to operational data. One member of the Kirkuk Provincial Council described how the North Oil Company, operating in the governorate, refuses to engage with local authorities. "They act like they are a province of their own," he said. "They take emergency electricity from Kirkuk without compensation and do not respond to any of our inquiries."[68]

This pattern is replicated across Iraq's oil-producing provinces. In Basra, local authorities have little to no involvement in gas flaring mitigation, project planning, or contract negotiations. Their role is largely reduced to mediating employment requests or facilitating patronage networks. According to one local oil engineer, "the local government's priority is not reducing gas flaring to protect people's health or the environment. Their priority is to receive money from Baghdad and redirect it toward infrastructure projects that benefit them and their political allies."[69] Others echoed the view that provincial governments are completely outside the energy policymaking framework and are involved only when it serves the political or financial interests of the dominant parties.

National-level oversight is similarly constrained. Iraq's Council of Representatives has formal authority to review laws and oversee the executive, but in practice plays a minimal role in energy governance. Licensing rounds, infrastructure deals, and borrowing arrangements are routinely concluded through the Cabinet or PMO, with parliament sidelined. As one adviser familiar with recent deals put it, "parliament is basically a non-player. Unless it's a politically charged issue, like the KRG budget, energy deals don't go through parliament at all."[70] This exclusion is not limited to legislative procedure. It reflects a broader institutional design in which energy policymaking is removed from contested political arenas and concentrated in the hands of a select few.

The structure of the contracts themselves reinforces this concentration of authority. As noted in previous sections, the early TSCs signed with IOCs were negotiated with little public input and no parliamentary approval. They were treated as matters of sovereign discretion. Today, even when side deals or gas capture agreements are negotiated, they often bypass formal mechanisms of accountability. The result is a dual governance system: one in which oil revenues are centralized and distributed through opaque networks and another in which environmental and health harms are managed – if at all – by underfunded and politically marginalized institutions.

Under a Limited Access Order, these patterns are not anomalies. They are features of a system in which rent allocation and institutional control are used to maintain elite stability. Making gas flaring data public, disclosing contract terms, or enabling parliamentary review would challenge the core mechanisms through which power is exercised and

67 Interview with an oil engineer working in Basra's oil sector. July 2025.

68 Interview with a member of Kirkuk's provincial council. April 2025.

69 Interview with an oil engineer working in Basra's oil sector. July 2025.

70 Interview with an advisor to private oil firms operating in Iraq. June 2025.

preserved. This explains why transparency reforms have struggled to gain traction despite repeated public commitments to accountability and good governance. It also helps explain why actors within the system resist collaboration. Regulatory bodies like the MoEN are not just under-resourced but actively blocked from engaging. As one consultant noted, "there needs to be stronger laws that specify penalties for violations. Right now, there's no meaningful consequence for environmental harm, and the Ministry of Environment cannot really act on its mandate."[71]

The absence of institutional access means that even when gas capture projects are initiated, it is very difficult to evaluate their implementation or effectiveness. Without transparency, it is unclear whether flaring volumes are actually decreasing and whether promised investments in downstream infrastructure are being fulfilled. In effect, Iraq's energy sector operates as a black box. Decisions are made and deals with IOCs are signed, but neither the public nor most government actors are able to observe or influence the process. Breaking this pattern will require shifting the underlying political incentives that govern Iraq's energy system. This includes redefining the roles of oversight institutions and empowering provincial and regulatory actors. Reforms should focus on including accountability mechanisms in contractual design and mandating the monitoring of environmental and health outcomes, in addition to making space for civil society participation in energy policymaking.

Iv. Conclusions

A just energy transition in Iraq requires a policy framework that prioritizes harm reduction and promotes accountability, in addition to creating conditions necessary for gradual diversification. Iraq's commitments under the Paris Agreement, including its Nationally Determined Contribution, set benchmarks intended to orient the Iraqi government towards such a pathway. The climate plan pledged to cut emissions by 1–2%, reduce flaring from the oil and gas sector, and expand the share of renewable energy from 1% to 6.3% by 2030, which would add an estimated 12 GW of new capacity. While these commitments are voluntary, they reflect an official recognition on the part of the Iraqi government that the status quo cannot remain. The challenge lies in moving from stated ambition to implementation. Despite repeated pledges to reduce flaring over the past decade, progress has been slow. The TSCs that shaped Iraq's post-2003 oil sector created little incentive for IOCs to invest in gas capture, while weak oversight from the MoEN and other regulatory bodies has allowed harmful practices to continue unchecked. IOCs have operated according to less stringent environmental practices in Iraq than in other contexts, enabled by uneven regulatory enforcement and the political priority placed on short-term revenue.

Strengthening transparency and oversight over the energy sector must be a key priority of Iraq's just energy transition. The MoEN must be empowered to inspect sites, publish compliance reports, and issue penalties. Parliament should institutionalize monitoring of environmental and social outcomes, and provincial councils should have access to site-level data and be consulted on projects that affect local health and livelihoods. Equally important is a legal framework that protects civil society engagement in energy oversight. Civil society actors, who have been sidelined from Iraq's energy governance, need guaranteed access to information, the ability to participate in consultations, and a recognized role in monitoring harms. These reforms are not only about environmental protection; they are also about advancing economic justice, since communities living closest to oil fields and flaring sites are often the most economically disadvantaged and bear disproportionate health and financial burdens.

Renewable energy will play a role in Iraq's transition, but civil society members included in this study stress that it must be pursued carefully. Large-scale solar projects have already raised concerns about land acquisition and limited consultation. Small-scale solar for households may yield greater immediate benefits, but even these projects require monitoring. For renewables to contribute to a just transition, they must be subject to the same transparency and oversight requirements as the oil and gas sector. If not, they risk reproducing the same failures that have plagued fossil fuel production.

Placing these questions in Iraq's wider context highlights why the pursuit of economic justice cannot be separated from the country's war legacy. Decades of conflict have eroded public infrastructure, destroyed livelihoods, and left the

71 Interview with a consultant with IOCs operating in Iraq. May 2025.

state reliant on oil as the backbone of economic recovery. Asking a society still emerging from war to strip away its principal source of revenue is neither just nor realistic. The task, instead, is to confront the health and environmental harms of oil production while gradually building credible alternatives that deliver tangible benefits for local communities. This report has shown that Iraq’s just energy transition does not consist of a near-term departure from fossil fuels that ignores the country’s history of war and the structural inequalities emerging from these conflicts. In Iraq, a just energy transition requires a phased process of reducing the harms of oil production and establishing effective systems of transparency and oversight, which will lay the groundwork for diversifying the energy sector in ways that acknowledge both the enduring impacts of war and the imperative of economic justice.

Annex: Mapping the Enegery Actors

High-Influence Actors

Any discussion of a just energy transition (JET) in Iraq must begin with the actors that hold the greatest influence over energy policy. The structure of Iraq’s post-2003 political order means that decision-making power is concentrated in the hands of a few institutions and the parties behind them, while other ministries and stakeholders remain peripheral. What is striking is that, despite deep rivalries and fragmentation, Iraq’s dominant actors converge around a common imperative to maximize oil production and sustain the revenues that underpin the state budget and their patronage networks. The Ministry of Oil (MoO) and the Prime Minister’s Office (PMO) provide the institutional vehicles through which these policies are executed, while the political parties use these offices to secure access to rents and consolidate their authority. This political economy creates both the possibilities and the limits for a JET in Iraq. Efforts to curb gas flaring, expand renewables, or introduce stricter environmental oversight are often framed as secondary to the overriding priority of maintaining revenue flows. Initiatives that appear promising on paper may falter if they reduce the short-term pie that fuels the political system. Understanding the dynamics of these high-influence actors is therefore essential to identifying where reform is possible and where resistance is likely to be strongest.

1. Dominant political parties and patronage networks

The dominant political parties remain the ultimate arbiters of Iraq’s energy system, though they exert their influence through state institutions rather than direct management. The Shia Islamist parties and armed factions under the banner of the Coordination Framework, the Kurdish parties (KDP and PUK), and increasingly Sunni factions all depend on oil rents to finance their political power. Revenues underwrite public sector salaries, contracts, and subsidies, sustaining patronage networks that are essential to political survival. This explains why even otherwise divided actors converge on the goal of maximizing output. The Ministry of Oil (MoO) and the Prime Minister’s Office (PMO) serve as the joint interface with international oil companies (IOCs), and parties have generally allowed these institutions to manage the negotiation and implementation of contracts. There is a broad recognition that IOCs require a government counterpart and that production levels would collapse if these contracts were disrupted. This consensus extends even to MoO contracts with American companies, despite the presence of pro-Iran figures across both the MoO and PMO. Parties recognize that American firms cannot be excluded from Iraq’s oil sector, given their role in global energy markets and the capital and expertise they bring, making these deals politically acceptable even for groups otherwise aligned with Iran. The political consensus breaks down only when it comes to dividing revenues – through appointments, projects, and budget allocations – rather than the overall strategy of maximizing oil at all costs.

Key parties and figures

- Coordination Framework (CF): State of Law (Nouri al-Maliki); Fatah Alliance (Badr Organization and Asaib Ahl al-Haq); Aqd Al-Watan (Falaih Al-Fayyadh), Hoquq Movement (Kataib Hizbullah); with Hikma and Nasir (Haider al-Abadi).
- Kurdish parties: KDP (Masrour Barzani, Nechirvan Barzani); PUK (Bafel Talabani).
- Sunni blocs: historically marginalized since the US-led invasion of 2003, but increasingly integrated into revenue-sharing. Key Sunni Arab parties and figures include: Taqadum party (Mohammed Halbousi), Sovereignty Alliance (Khamis Khanjar), and Al-Azm Front (Muthana Al-Samaraee).
- Current prime minister: Mohammed Shia al-Sudani (appointed with CF agreement in 2022).

2. Ministry of Oil (MoO)

The Ministry of Oil is the most powerful line ministry in Iraq and the institutional foundation of its oil-based economy. It directs upstream policy, oversees licensing rounds, and manages the national oil companies that control producing fields. Its leadership is tightly linked to political parties, with

senior appointments allocated through partisan bargains following each national election cycle. Authority is centralized and dissent is discouraged, allowing the ministry to maintain continuity across shifting governments. The MoO has long resisted scrutiny from other state institutions, such as the Ministry of Environment, and has treated environmental and public health concerns as marginal. The MoO’s state-run companies (e.g., Basra Oil Company) are the partners through which IOCs carry out projects under licensing contracts. These state-run companies retain control over all oilfields and facilities while IOCs provide the capital and technical expertise. Communities often view the MoO and its state companies as opaque and unaccountable, reinforcing the perception that the energy sector is insulated from meaningful oversight. The MoO is the primary vehicle through which Iraq’s political parties secure and distribute oil rents, maintaining production levels that sustain the political order.

Importantly, the MoO does not directly control oilfields in the Kurdistan Region of Iraq (KRI), which fall under the authority of the KRG Ministry of Natural Resources, though the status of the KRG’s oilfields has always been hotly contested.

Key institutions (State-Owned Oil Companies within the MoO)

- Basra Oil Company: Rumaila, Majnoon, West Qurna 1/2, Zubair, Luhais, Nahr Umr
- North Oil Company: Kirkuk fields; BP partnership with gas-capture provisions
- Midland Oil Company: East Baghdad, Ahdab (WaHA/China), Badra (Gazprom), Akkaz gas, Diyala blocks with Crescent Petroleum
- Maysan Oil Company: Halfaya (PetroChina, Petronas, Total), Buzurgan, Fakka, Abu Gharab
- Dhi Qar Oil Company: Nasiriyah, Saba, Garraf; 2025 HOA with KBR, Dragon Oil, Al Hurra

3. Prime Minister’s Office (PMO)

The Prime Minister’s Office plays a decisive role in Iraq’s energy governance by authorizing and publicizing major contracts. While the Ministry of Oil manages the technical and operational side, the PMO is the political body through which strategic agreements with IOCs are finalized and framed. This reflects the reliance of Iraq’s ruling parties on the premiership to guarantee the flow of revenues that sustain the broader political order. The weight of the PMO in the energy sector has shifted with successive prime ministers. Though no subsequent premier has rivalled the influence of Nouri Al-Maliki (2006-2014) due to his role in spearheading the initial licensing rounds, the current administration under Mohammed Shia al-Sudani has been increasingly active in initiating and announcing energy agreements, particularly those related to gas capture, which have been negotiated under pressure from the United States to reduce Iraq’s dependence on Iranian gas.

Key actors

- Prime Minister Mohammed Shia al-Sudani (in office since 2022, backed by the Coordination Framework).
- PMO advisers and negotiators involved in energy contracts and external relations.
- Precedents: Nouri al-Maliki (led centralization of the MoO, Technical Service Contracts); Haider al-Abadi (continuity during ISIS war).

Moderate-Influence Actors

Moderate influence actors occupy a middle ground in Iraq’s energy governance. They are not at the center of production policy, yet they have institutional weight and cannot be dismissed outright. Ministries such as Electricity, Planning, and Finance shape how energy is delivered, budgeted, and integrated into broader development strategies. Their decisions affect gas-to-power capacity, renewable integration, and long-term investment in infrastructure, even if they remain subordinate to the Ministry of Oil and the Prime Minister’s Office. The Council of Representatives, though fragmented, retains the authority to question ministers and set legal frameworks, while the Ministry of Natural Resources in the Kurdistan Region exercises strong authority within its territory, albeit increasingly constrained by Baghdad.

1. Ministries of Electricity, Planning, and Finance

The Ministry of Electricity, the Ministry of Planning, and the Ministry of Finance collectively play important but limited roles in energy governance. The Ministry of Electricity is responsible for power distribution and is therefore central to using captured gas in power plants and integrating renewables into the grid. Yet it is dependent on the Ministry of Oil for fuel supply and upstream investment decisions. The Ministry of Planning and the Ministry of Finance hold the formal authority to allocate budgets and plan long-term infrastructure investments. This includes the possibility of directing capital toward solar projects, grid modernization, or gas capture. In practice, their role is constrained by the political bargains of the ruling parties and the fiscal priorities of the Prime Minister’s Office. For the JET agenda, these ministries can either be enablers or bottlenecks, depending on whether political actors allow them to channel resources toward harm reduction and/or renewables.

Key institutions

- Ministry of Electricity (MoE)
- Ministry of Planning (MoP)
- Ministry of Finance (MoF)

2. Council of Representatives (CoR)

The Iraqi parliament has a constitutional mandate to legislate and oversee the oil and gas sector, but, in practice, it has been sidelined. Most members adhere to the priorities of their parties, which emphasize revenue maximization. The failure to pass a national oil and gas law in 2006 symbolized this marginalization. Oversight committees exist, but their interventions rarely constrain the MoO or international oil companies. Parliamentary debates on energy tend to be reactive and fragmented, and proposed reforms often stall due to factional rivalries. At the same time, the CoR has demonstrated more openness than the MoO to engaging with civil society organizations concerned with flaring and pollution. This makes parliament a potential forum for introducing environmental and health issues into political debate, though legislative follow-through remains weak. For JET, the CoR’s role will remain secondary unless stronger cross-party coalitions emerge around energy governance reform.

Key institutions

- Oil, Gas, and Natural Resources Committee
- Electricity and Energy Committee
- Environment and Health Committee

3. Ministry of Natural Resources (MoNR – Kurdistan Regional Government)

As the Kurdistan Region consolidated control over oil production in its territory following the US-led invasion of 2003, the KRG Ministry of Natural Resources largely mirrored the behavior of the federal Ministry of Oil. Its overriding priority has been to maximize production and channel revenues into the patronage networks of the two dominant Kurdish parties, the KDP and the PUK, while sidelining environmental considerations. Like the federal MoO, the MoNR has managed energy policy as a closed arena, with little transparency or engagement with civil society, and has resisted integrating health or environmental safeguards into its contracts with international companies. At the same time, the MoNR’s authority has been eroded in recent years by Baghdad’s successful assertion of federal power. The closure of the Iraq–Turkey pipeline and the legal suspension of the KRG’s autonomous oil exports have sharply reduced revenues, leaving the ministry without the resources that previously underwrote contracts and modest investments in flaring reduction. The constraints have also curtailed the KRG’s ability to pursue gas capture or renewable projects that had been floated in earlier years, since there is no longer a dedicated stream of export revenue to fund them. In this vacuum, the illicit smuggling of oil to Turkey and Iran has expanded, which often involves environmentally damaging extraction and transport.

Key institutions and figures

- Ministry of Natural Resources (MoNR – KRG), controlled by the KDP
- KDP leadership: Masrour Barzani, Nechirvan Barzani
- KRG Supreme Energy Committee

Limited-Influence Actors

Limited influence actors include the Ministry of Environment, provincial and district councils, governors’ offices, and civil society organizations. These institutions are closest to the social and ecological consequences of Iraq’s energy system, yet they are consistently blocked from upstream decision-making. Their exclusion is rooted in the way oil has been securitized and managed as a closed arena, leaving little space for regulatory or social accountability. Officials in the Ministry of Environment privately admit that their mandates are hollow, since they lack the authority to inspect or sanction the Ministry of Oil or international oil companies. Civil society groups describe similar experiences, with monitoring reports routinely ignored and attempts at dialogue deflected. In the south, particularly in Basra, Missan, and Dhi Qar, networks of NGOs have become active conveners and at times supported draft legislation aimed at holding companies accountable, but their efforts remain constrained by the black-box politics of the sector. In Baghdad, organizations often engage through cautious policy dialogue and capacity-building, balancing the need to maintain access with the risk of being shut down. In the Kurdistan Region, CSOs have focused on water and biodiversity while steering clear of energy, given the dominance of the Ministry of Natural Resources and the political sensitivities around oil revenues. These actors cannot shape production policy, but they articulate the health and environmental costs of current practices. For a just energy transition to take hold, strengthening the role of the Ministry of Environment and civil society is essential, since they carry accountability mandates absent elsewhere in Iraq’s energy governance.

1. Ministry of Environment (MoEn)

The Ministry of Environment is emblematic of the limits placed on regulatory oversight in Iraq. It has a formal mandate to monitor and regulate environmental harm, but lacks the power to inspect oil sites or enforce penalties against the Ministry of Oil or international oil companies. The ministry operates with a small budget and weak political backing, leaving its interventions confined to reports and statements that rarely influence policy. Its role in JET could come through partnerships with international donors and technical agencies that want to raise awareness or build local monitoring capacity, but within the Iraqi state, it remains sidelined.

2. Local Governments

Local governments are formally excluded from oil policy, which is treated as a sovereign competency of the central state. Yet governors, provincial councils, and district councils all play roles as intermediaries between communities and higher-level decision-makers. Governors have no legal authority over oil production, but they use meetings with the Prime Minister to advocate for greater shares of oil revenues and jobs for local residents. Their priorities are distributive rather than regulatory. Provincial councils, especially in Basra and Kirkuk, are closer to affected communities. Their proximity to flaring sites has encouraged some members to collaborate with health and environmental activists. While they cannot compel the Ministry of Oil or its state-run companies to act, they can amplify community concerns and act as conveners for dialogue. District councils are even weaker institutionally, but are often the first political contact point for communities living adjacent to oil sites. They have facilitated local forums with civil society organizations and activists, offering a platform for grievances, even if they cannot produce binding outcomes. In the context of JET, these local institutions could serve as critical convening spaces for state-society engagement. Their value lies less in formal authority than in their ability to connect communities, civil society, and state representatives.

Key institutions

- Governors of oil-rich provinces (Basra, Dhi Qar, Kirkuk, Maysan)
- Provincial councils in producing areas
- District councils in oil-producing localities

3. Civil Society and Non-Governmental Actors

Civil society actors have little formal power in Iraq’s energy sector, but they have carved out influence in adjacent environmental spaces, particularly water management, biodiversity protection, and pollution monitoring. This reflects both opportunity and constraint. Ministries such as the Ministry of Water Resources and the Ministry of Environment have proven more open to advocacy, while the Ministry of Oil has treated production as untouchable. As a result, CSOs have developed government-facing experience but remain structurally excluded from the policy core that controls oil and gas. The role of civil society is therefore indirect but important for a just energy transition. These organizations consistently articulate the costs of flaring, pollution, and ecological degradation, framing them in terms of health, livelihoods, and justice. They are most effective when working at the intersection of local grievance and national advocacy, convening communities that are directly affected by oil production and pollution. Their strategies vary: in the south, they operate within a dense, collaborative network; in Baghdad, they tread carefully to avoid being shut down; in the Kurdistan Region, they focus on water and ecological resilience while steering clear of the politically sensitive energy sector.

Southern Network (Basra, Missan, Dhi Qar)

Southern Iraq is the most active hub of environmental civil society, anchored in Basra. A Basra-based network led by Falah al-Ameeri connects organizations across Basra, Missan, and Dhi Qar, creating a coordinated bloc that amplifies their collective voice. These groups often prefer collaboration with government institutions but have also shown a willingness to take risks on high-stakes issues. Falah’s leadership in supporting draft legislation to hold international oil companies accountable for environmental damages illustrates this dual role. Their activism is shaped by Basra’s unique politics as Iraq’s oil capital—an oil-rich province that often feels shortchanged by Baghdad. This adversarial yet interdependent relationship with the central government creates openings for CSOs to push environmental concerns into public debate.

- Basra Environmental Network (Basra)– leads the southern coalition of CSOs, and has influenced parliamentary debates on environmental law.
- Ozon NGO for Sustainability (Basra) – active in environmental justice campaigns, engages regularly with local authorities.
- Abna’a Al-Ahwar Association (Missan) – focuses on marshland preservation, frames oil pollution as a cultural and ecological threat.
- Community of Water Friends Volunteers (Dhi Qar) – grassroots group working on marsh protection and community resilience.
- Khatawat Foundation (Basra) – newer group linking environmental justice with local development initiatives.
- Al-Namaa Al-Akhder (Basra) – combines environmental scholarship with activism, active on agriculture and marshlands.

Central (Baghdad / National)

In Baghdad, civil society has greater proximity to national policy but operates under tight constraints. Organizations here maintain channels to ministries and parliament but are careful not to be perceived as openly adversarial. The risks of shutdown or harassment are real, so they frame their work in technical and collaborative terms. Their main contribution lies in research, monitoring, and convening youth or expert networks, which can serve as entry points for engaging state institutions around just transition objectives.

- Sanad Organization – well-connected in Baghdad, experienced in policy advocacy, trusted by government actors.
- Nature Iraq (national with KRI presence) – longstanding NGO on biodiversity, internationally connected, active in monitoring.

- Tawwasul and Environmental Observatory Platform – specializes in monitoring and data collection, filling regulatory gaps, and has worked with MPs and parliamentary committees.
- Humat Dijlah (nationwide) – one of Iraq’s most prominent environmental networks, advocates for river and water protection, active in Mosul and beyond.
- Iraqi Center for Climate Change (IC3+) – academic-led, links with universities, provides climate-related research.
- Platform Center for Sustainable Development – Baghdad-based policy research center with work on energy and sustainability.

Kurdistan Region of Iraq (KRI)

In Kurdistan, environmental organizations are relatively active and often well connected to international networks, but they treat the energy sector as a black box. Advocacy focuses on water, biodiversity, and ecological resilience, areas that are less politically sensitive. Groups such as Waterkeepers Iraq could, in principle, support monitoring of oil-related pollution, but most avoid direct confrontation with the Ministry of Natural Resources, given the dominance of the KDP and PUK. Their strength lies in ecological monitoring and transnational partnerships, which could be mobilized in future just transition initiatives if framed around health and environmental resilience rather than energy politics.

- Waterkeepers Iraq (Sulaymaniyah) – strong transnational network, active in river and water protection.
- Hasar Organization (Erbil) – donor-linked, works on environmental programs in Kurdistan.
- Healthy Environment Organization (Halabja) – locally active, focused on ecological protection.
- MEED Foundation (Sulaymaniyah) – air quality monitoring capacity, but linkages to the PUK inhibit advocacy.
- Kurdistan Green Movement (Erbil) – environmental-political movement linking ecological protection with critiques of corruption.

About the Arab Reform Initiative

The Arab Reform Initiative is an independent Arab think tank working with expert partners in the Middle East and North Africa and beyond to articulate a home-grown agenda for democratic change and social justice. It conducts research and policy analysis and provides a platform for inspirational voices based on the principles of diversity, impartiality, and gender equality.

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