Decades of conflict and sanctions inflicted heavy costs on Iraq’s electricity sector. Despite Iraq’s substantial hydrocarbon wealth, it is experiencing an electricity crisis today, with the government unable to provide power for roughly half the time.

**KEY POINTS**

- International donors spent more than $5 billion on the reconstruction of Iraq’s electricity sector, but they failed to build its resilience or instill good governance.

- Various political factions, international actors, and private actors cemented their influence in the electricity sector and have an interest in preserving the status quo.

- The government is unable to implement reforms that would infringe on the interests of these powerful groups.

- Iraq’s hydrocarbon reserves allow the government to finance generous electricity subsidies, a key part of the social contract. These subsidies deter investment in alternatives and squander Iraq’s potential for renewables.

- Iraqis’ expectation of cheap and plentiful state electricity has deterred them from investing in alternative systems of electricity provision at the local or communal level.

- External interventions are unlikely to bring about transformative change in Iraq’s electricity sector, but donors can do more to accelerate the spread of renewables.

**RECOMMENDATIONS**

- Prioritize discrete reforms that would improve the governance of the sector, including establishing an independent regulator.

- Exert collective pressure on parliament to pass the renewable energy law.

- Support pilot renewable energy projects that have an outsized impact on perceptions of renewables, such as for universities and malls.

- Fund awareness campaigns about the benefits of renewables, including on television.

- Prioritize renewable energy and energy efficiency in reconstruction efforts, and install solar panels on embassies and international military facilities.

For more information about the report, please contact Will Todman at wtodman@csis.org.

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