

Opportunities and Objections in the Iraq Development Road Project: A Focus on Erbil-Baghdad Disputes in a Federal Framework

<https://doi.org/10.17656/jlps.10318>

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Abstract

The Iraq Development Road Project (IDRP), envisioned as a transformative trade corridor connecting the Gulf to Iraq's northern borders and beyond, has immense potential to strengthen Iraq's economic connectivity and diversify its economy. However, the project's success hinges on overcoming disputes between the Kurdistan Regional Government (KRG) in Erbil and the federal government in Baghdad. These disputes, rooted in Iraq's federal structure, revolve around legislative authority, administrative powers, and revenue sharing, which are critical to the project's implementation and sustainability.

This study examines the IDRP through the lens of federalism, focusing on key legal and administrative challenges that arise from the differing perspectives of the KRG and Baghdad. It explores the legislative framework governing the project, disputes over resource control, and the allocation of administrative powers between regional and federal authorities. These issues highlight how unresolved legal ambiguities and political tensions impede progress and threaten Iraq's broader development goals. The findings reveal that addressing these disputes requires a clear legal framework to regulate the roles and responsibilities of regional and federal authorities. Furthermore, the study emphasizes the importance of administrative reform and enhanced cooperation to ensure the project aligns with Iraq's constitutional principles and achieves its intended goals. This research aligns with the academic themes of the role of federalism in resolving disputes between regional and federal authorities. It underscores the IDRP's potential to foster national unity and strengthen Iraq's federal structure if its challenges are addressed collaboratively.

Key Words: Iraq, KRG, Iraq Development Road Project, Erbil-Baghdad Disputes, Federalism

**(الفرص والعراقيل في مشروع طريق التنمية العراقي:
التركيز على نزاعات أربيل-بغداد في إطار اتحادي)**

الخلاصة:

يتمتع مشروع طريق تنمية العراق (IDRP)، المُصمم ليكون ممرًا تجاريًا تحويليًا يربط الخليج بالحدود الشمالية للعراق وما وراءها، بإمكانيات هائلة لتعزيز الترابط الاقتصادي للعراق وتنويع اقتصاده. ومع ذلك، فإن نجاح المشروع يتوقف على تجاوز الخلافات بين حكومة إقليم كردستان في أربيل والحكومة الاتحادية في بغداد. تدور هذه الخلافات، المتجذرة في الهيكل الاتحادي للعراق، حول السلطة التشريعية والصلاحيات الإدارية وتقاسم الإيرادات، وهي أمور بالغة الأهمية لتنفيذ المشروع واستدامته.

تدرس هذه الدراسة مشروع إعادة الإعمار والتنمية في العراق من منظور الفيدرالية، مع التركيز على التحديات القانونية والإدارية الرئيسية الناشئة عن اختلاف وجهات النظر بين حكومة إقليم كردستان وبغداد. وتستكشف الدراسة الإطار التشريعي الذي يحكم المشروع، والنزاعات حول التحكم في الموارد، وتوزيع الصلاحيات الإدارية بين السلطات الإقليمية والاتحادية. تُبرز هذه القضايا كيف تُعيق الغموضات القانونية والتوترات السياسية غير المحسومة التقدم وتُهدد أهداف التنمية الأوسع للعراق. تكشف النتائج أن معالجة هذه النزاعات تتطلب إطارًا قانونيًا واضحًا لتنظيم أدوار ومسؤوليات السلطات الإقليمية والاتحادية. علاوة على ذلك، تُشدد الدراسة على أهمية الإصلاح الإداري وتعزيز التعاون لضمان توافق المشروع مع المبادئ الدستورية العراقية وتحقيق أهدافه المنشودة. يتماشى هذا البحث مع المواضيع الأكاديمية لدور الفيدرالية في حل النزاعات بين السلطات الإقليمية والاتحادية. كما يؤكد على قدرة مشروع إعادة الإعمار والتنمية في العراق على تعزيز الوحدة الوطنية وتقوية الهيكل الفيدرالي للعراق إذا ما تمت معالجة تحدياته بشكل تعاوني.

الكلمات المفتاحية: العراق، حكومة إقليم كردستان، مشروع طريق التنمية العراقي، نزاعات أربيل-بغداد، الفيدرالية (دمر فست و نارمزايهتييهكان له پروژه هـ ريگاي گهشهپيداني عيراق: گرنگيدان به ناكوكيههكاني هولير و بهغدا له چوارچينويهكي فيدراليا)

بوخته:

پروژه هـ ريگاي گهشهپيداني عيراق (IDRP) كه وهك ريزهويكي بازرگاني گورانكارى پيشبيني دهكرت كه كهغداو به سنوورمهكاني باكوورى عيراق و دهرهوى عيراقهوه بهستتهوه، توانايهكي بيئهنازهى ههيه بو بههيزكردى پهيوهندى ئابوورى عيراق و ههمهچيشنكردى ئابووريههكي. بهلام سهركهوتنى پروژه كه پهيوهسته به تپهراندنى ناكوكيههكاني نيوان حكوهمتى ههرىمى كوردستان له هولير و حكوهمتى فيدرالى له بهغدا. ئهم ناكوكيههكاني به رهمگان له پيكهاتهى فيدرالى عيراقدا ههيه، له دهورى دمهلاتى ياسادانان و دمهلاته كارگيريههكان و دابهشكردى داهات دهورينهوه، كه گرنگن بو جييهجيكردى و بهردهوامى پروژه كه.

ئهم تويزينهويه له چاويلكهى فيدراليزمهوه له IDRP دهكولتتهوه، تيشك دهخاته سهر ئاستهنگه سهرمهكيه ياسايى و كارگيريههكان كه له روانكه جياوازمهكاني حكوهمتى ههرىم و بهغداوه سهرهلهدهن. چوارچينهوى ياسايى كه پروژه كه بهريوهدهبات، ناكوكيههكان لهسهر كونترولكردى سهرچاومهكان و تهرخانكردى دمهلاته كارگيريههكان له نيوان دمهلاته ناوچهي و فيدراليهكاندا دهكولتتهوه. ئهم پرسانه تيشك دهخاته سهر ئهوى كه چون ناروونيه ياساييه چارمهسهرنهكرامهكان و گرزيه سياسيههكان ريگرى له پيشكهوتن دهكمن و ههرهشه له ئامانجه فراوانهكاني گهشهپيداني عيراق دهكمن. دوزينهوهكان ئهوه ئاشكرا دهكمن كه چارهسهركردى ئهم ناكوكيههكاني پيوستى به چوارچينهويهكى ياسايى روون ههيه بو ريخهستى رول و بهرپرسياريتى دمهلاته ناوچهي و فيدراليهكان. جگه لهوش، تويزينهوه كه جهخت لهسهر گرنگى چاكسازى كارگيرى و بهرزكردنهوى هاوكارى دهكاتوه بو دلنابوون لهوى پروژه كه لهگهل بنهما دهستووريههكاني عيراقدا هاوتهريبيت و ئامانجه مهبستدارمهكاني بهدهستبهنييت. ئهم تويزينهويه لهگهل تهومره ئهكاديميههكاني رولى فيدراليزم له چارهسهركردى ناكوكيههكاني نيوان دمهلاته ناوچهي و فيدراليهكاندا هاوتهريبه. جهخت لهسهر تواناي IDRP دهكاتوه بو بهرپيداني يهكيتى نيشتمانى و بههيزكردى پيكهاتهى فيدرالى عيراق ئهگهر به شيويههكى هاوبهش چارهسهرى ئاستهنگهكاني بكرت. ووشه سهرمهكيهكان: عيراق، حكوهمتى ههرىم، پروژه هـ ريگاي گهشهپيداني عيراق، ناكوكيههكاني هولير - بهغدا، فيدراليزم

Introduction

Infrastructure progress plays a critical role in economic development, regional connectivity, and political determination, particularly in states with complex governance

structures. The Iraq Development Road Project (IDRP) is a major venture aimed at converting Iraq into a key transit hub by linking the Gulf region to Turkey and Europe. The project has the potential to diversify Iraq's regional and federal economy, growth trade, and attract foreign investment, particularly from Gulf states, Türkiye, and other regional neighbors. However, its successful adaptation depends on resolving long-standing political and administrative disputes between the KRG in Erbil and the federal government in Baghdad.

Iraq governs under a federal system, as established by its 2005 Constitution, which acknowledges significant autonomy to the KRG while sustaining a central authority in Baghdad. Despite this legal framework, ongoing conflicts over legislative authority, resource control, and public revenue sharing have created significant barriers to cooperation. The IDRP is no exception; disagreements over infrastructure and financial management have delayed progress and raised concerns about the project's long-term sustainability. Additionally, the exclusion of the KRG from the project planning has increased political tensions, suggesting Erbil to explore alternative infrastructure projects, such as a railway connecting Iran and Türkiye.

Given these challenges, this study examines the IDRP through the lens of federalism, exploring how the unsolved disputes and lack of communication between Erbil and Baghdad affects the project's prospects. It addresses one key research question: How do weak federalism and domestic political tensions in Iraq impact the success or failure of some giant projects? To answer this question, the study employs policy reviews and a case study analysis of federalism in Iraq, comparing it with other federal systems to understand the implications of decentralization on major infrastructure projects. The findings highlight the need for legal reforms, bilateral cooperation, and conflict resolution mechanisms to ensure the project's feasibility and long-term impact. This study utilizes a comprehensive policy review alongside a detailed case study analysis of federalism in Iraq. By examining relevant policies, legal frameworks, and governance structures, it aims to assess how federalism and administrative challenges impact the implementation and success of the IDRP.

This study is structured into four key sections. The first part explores the conceptual and theoretical framework, providing the foundation for understanding the role of federalism in infrastructure projects. The second section offers an overview of the IDRP, outlining its strategic importance and key stakeholders. The third section analyzes the ongoing federal disputes between Erbil and Baghdad, focusing on legal, administrative, and political challenges. Finally, the study presents potential solutions and policy recommendations aimed at resolving these disputes and ensuring the successful implementation of the project.

Conceptual and Theoretical Framework: Infostructure and Federalism

According to Mallet,¹ “There is no agreed meaning of “infrastructure.” The term generally refers to long-lived, capital-intensive systems and facilities. Some definitions are limited to systems and facilities traditionally provided largely by the public sector, such as highways and drinking water systems. Others add predominantly private facilities, such as electricity production and distribution, reflecting their importance to the economy and the different public-private arrangements through which services can be provided. Some definitions include a narrow range of “core” systems, typically transportation, energy, water, and telecommunications, whereas others include facilities for such purposes as education, recreation, and health.” Infrastructure is also described as an institution, location, or nation's basic physical systems, which frequently entail the creation of public goods or procedures. Infrastructure includes transportation systems, communication networks, sewage, water, and educational systems.²

However, federalism is a constitutional system for distributing power across levels of government, allowing federated entities to have important, constitutionally guaranteed autonomy over certain policy areas while sharing power in other areas in line with agreed-upon principles. Thus, federalism integrates partial self-governance and partial shared government.³ On the other hand, federal systems are typically found in culturally diverse or geographically large countries. Notable examples of federal states, or those with federal-like characteristics (often called "quasi-federations"), include Argentina, Belgium, Brazil, Canada, Germany, India, Malaysia, Nigeria, Pakistan, Spain, South Africa, the United States, and Iraq.⁴ Federalism is generally used to promote peace, stability, and cooperation in countries where identity, ethnicity, religion, or language differences are concentrated in specific regions. In big or dissimilar nations, federalism can enhance service delivery, strengthen democratic governance, and ensure decision-making happens at the most appropriate level.⁵ It also helps prevent excessive centralization of power and resources while increasing opportunities for political participation.⁶ However, federalism is not always a perfect solution in domestic politics to solve disputes in the country. While it has supported some countries manage conflicts and improve governance, in others, it has deepened divisions and even contributed to state instability.⁷ Furthermore, federalism is a complicated and frequently sensitive system that is primarily reliant on legal frameworks, which can hinder policy implementation and generate governance issues.

¹ William J. Mallett, *Infrastructure Investment and the Federal Government*. No. IF10592. 2018.

² Micheal Boyle, *Infrastructure: Definition, Meaning, and Examples*, January 29, 2025, <https://www.investopedia.com/terms/i/infrastructure.asp>

³ Elazar, D. J., *Exploring Federalism*, Tuscaloosa, AL: University of Alabama Press, 1987.

⁴ Elliot Bulmer, *Federalism, International IDEA Constitution-Building Primer 12*, 2017, p.3

⁵ Watts, R. L. (2008). *Comparing Federal Systems*. McGill-Queen's University Press.

⁶ Stepan, A. (1999). "Federalism and Democracy: Beyond the U.S. Model." *Journal of Democracy*, 10(4), 19-34.

⁷ Hale, H. E. (2004). "Divided We Stand: Institutional Sources of Ethnofederal State Survival and Collapse." *World Politics*, 56(2), 165-193.

The Iraq Development Road Project

On April 22, 2024, a Quadrilateral Memorandum of Understanding was signed in Baghdad under the auspices of Turkish President Erdogan and Iraqi Prime Minister al-Sudani between Iraq, Türkiye, Qatar, and the UAE, marking the beginning of a new era in the Middle East with potential global impacts. This agreement, involving Iraq, Turkey, Qatar, and the UAE, solidified collaborative efforts following earlier discussions during President Erdogan's first visit to Iraq after 13 years, marking a significant step in advancing the ambitious regional infrastructure initiative.¹ The IDRP is a significant commercial route project that connects Turkey and Iraq via highways, ports, cities, and railroads. The IDRP, initially known as the "Dry Canal", is from the Great Faw Port, which aims to be the biggest port in the Middle East, will be connected by a 745-mile (1,200-kilometer) railroad and roadways.² The road includes a highway and dual railway system for cargo transport, extending to Ovaköy on the Türkiye-Iraq border.

The infrastructure also connects the southern Al-Faw Port to Turkey, and includes 10 cities before reaching the border crossing with Turkey in the north, at Faysh Khabur. The initiative is planned to offer access to the Mediterranean Sea via the Turkish port of Mersin, and further connect Europe by road via Istanbul.³ The Project not only provides Iraq with a route to reach Europe via Turkey but strengthens economic and political ties with Gulf countries. On the other hand, The IDRP fits into a larger trend of regional economic integration, which is critical in diminishing regional conflicts. Such projects also creates interdependence and shared wealth, which promotes conversation and collaboration and contributes to improved stability.⁴

The Iraqi side of the project is approximately calculated to cost \$17 billion, with Al-Faw Port expected to become operational in 2025 and the entire corridor to estimate reaching full capacity by 2038. With a deeper location than many ports in the Persian Gulf and the Suez Canal, Al-Faw will accommodate large cargo ships. Once it is fully operational, the

¹ العراقي التنمية طريق مشروع لإنشاء رباعية تفاهم مذكرة توقيع *Al Arabi Jadid*, April 22, 2024, <https://www.alaraby.co.uk/economy/%D8%AA%D9%88%D9%82%D9%8A%D8%B9-%D9%85%D8%B0%D9%83%D8%B1%D8%A9-%D8%AA%D9%81%D8%A7%D9%87%D9%85-%D8%B1%D8%A8%D8%A7%D8%B9%D9%8A%D8%A9-%D9%84%D8%A5%D9%86%D8%B4%D8%A7%D8%A1-%D9%85%D8%B4%D8%B1%D9%88%D8%B9-%D8%B7%D8%B1%D9%8A%D9%82-%D8%A7%D9%84%D8%AA%D9%86%D9%85%D9%8A%D8%A9-%D8%A7%D9%84%D8%B9%D8%B1%D8%A7%D9%82%D9%8A>

² Esra Tekin, Türkiye, Iraq, UAE, Qatar Representatives Meet for Development Road Project, Anadolu Agency, October 31, 2024, <https://www.aa.com.tr/en/middle-east/turkiye-iraq-uae-qatar-representatives-meet-for-development-road-project/3381025>

³ Mehmet alaca, "In rare Visit, Erdogan Pushes for Stronger Turkish Stake in Iraq, Amwaj, 30 April, 2024, <https://amwaj.media/article/in-rare-visit-erdogan-pushes-for-stronger-turkish-stake-in-iraq>

⁴ Ranj Alaaldin, Iraq's Development Road Project: A Path to Prosperity or Instability?, Middle East Council on Global Affairs, October 2024, p.1.

plan is projected to generate \$4 billion annually revenue, offering Iraq a significant opportunity to various its economy and reduce dependence on its oil revenues.¹



Source: Harith Hassan, Iraq's Development Road: Geopolitics, Rentierism, and Broader Connectivity, Carnegie Middle East Center, March 2024.

Iraq's ambitious IDRP is a huge chance for a country that has been troubled by instability and militancy for a long time. By connecting Iraq's southern ports to its northern border with Turkey, this new project aims to create a significant transportation corridor. The IDRP seeks to establish Iraq as a significant regional transportation center, encouraging economic diversification and propelling prosperity not only within its territorial limits but also throughout the broader Middle East region, going beyond conventional infrastructure growth. After decades of troubles, this strategic initiative has the power to change Iraq's the future by providing a significant route to stability and long-term prosperity.

If the IDRP is effective, it will improve Iraq's geopolitical standing as a trade corridor and create economic benefits and job possibilities that lessen the state's dependency on oil and youth unemployment in the public sector. On a deeper level, in addition, the IDRP aims to implement a new development paradigm that would lessen the negative impacts of a rentier economy and stabilize the nation politically.² IDRP confronts also major security challenges. Ongoing insecurity, including attacks from ISIL, the PKK, and pro-Iranian armed military groups, presents a risk to the project's success. Rising tensions between Erbil and Baghdad, as well as the increasing Iran-Turkey rivalry in region, exacerbated the situation. Attacks on pipelines and Turkish bases against to separatist terrorist groups highlight these risks. Providing security of Mosul and enhancing Ankara-Baghdad collaboration for implementation of project are critical to the corridor's success.

KRG protests the project because the original plan for the main road bypasses the KRG, despite its shared border with Türkiye, and instead runs through Nineveh Governorate.

¹ Sinan Tavukcu, Bir Başarı Hikâyesi: "Kalkınma Yolu Projesi", Stratejik düşünce Enstitüsü, April 29, 2024, <https://www.sde.org.tr/bir-basari-hikyeyi-kalkinma-yolu-projesi-konu-723>

² Harith Hassan, Iraq's Development Road: Geopolitics, Rentierism, and Broader Connectivity, Carnegie Middle East Center, March 2024, p.3.

Kurdish officials see this as a politically and economically motivated move to weaken their region. Prime Minister Masrour Barzani has vowed that his government will not allow this to happen.¹ On the other side, Kurdish military insurgent groups may threaten the project's security or even stop work in the vicinity of the KRG, making the IDRP a cause of unrest in a region that is already unstable.

However, IDRP faces several problems. Iraq has massive corruption, war occurrence, and armed organizations with significant influence over infrastructure projects. The Project's enormous space requires collaboration and assistance from Iraq's neighbors, making it unique. For the Project to succeed, Iraq needs favorable geopolitical and internal conditions.² On the other side, the ongoing tensions between Baghdad and the KRG, which oversees Faysh Khabur, also affect Türkiye's long-term role in the project. Except for the final 15 kilometers near the Turkish border, the IDRP runs outside the KRG.³ Being left out of the project has driven Erbil to renew its plans for a railway linking Iran and Türkiye through its territory. This initiative is progressing alongside the KRG's strengthening relations with both Iran and Türkiye while weakening Baghdad.⁴ The KRG controls Turkey's entire border with Iraq. The corridor is projected to expand to the Faysh Khabur area, near the Iraqi-Turkish-Syrian border. Long-standing fiscal, energy, political, and security issues between the KRG and Baghdad may make the corridor difficult to navigate.⁵

How Disputes Between Erbil and Baghdad Governments Impact the Development Road Project's Future

Security for the IDRP is being pursued through cooperative agreements between Turkey and Iraq; however, the presence of the PKK and other terrorist organizations poses a significant threat. Additionally, regional tensions, such as the maritime boundary dispute between Iraq and Kuwait, could affect the project's progress. Financing for the project is being sought through international collaboration and investments, and its successful completion depends on the support and cooperation of regional and global actors. Consequently, the IDRP is considered a vital undertaking for the economic and

¹ الأقليم بموافقة تنفيذه يجب التنمية طريق: التركي للوفد بارزاني مسرور *Al-Masalah*, August 24, 2023, <https://almasalah.com/archives/64078>.

² Ranj Alaaldin, Iraq's Development Road Project: A Path to Prosperity or Instability?, Middle East Council on Global Affairs, October 2024, p.6.

³ Michele Erik Manni, "Rolling the Dice on the Development Road: Will Iraq and Türkiye Hit the Jackpot?", The New Global Order, February 14, 2025, <https://thenewglobalorder.com/world-news/rolling-the-dice-on-the-development-road-will-iraq-and-turkiye-hit-the-jackpot/>

⁴ "KRG proceeds with railway project, private sector to play key role", *Kurdistan 24*, March 14, 2024, <https://www.kurdistan24.net/en/story/34281-KRG-proceeds-with-railway-project-private-sector-to-play-key-role>.

⁵ Bilgay duman and Mehmet Alaca, *Basra-Turkey "Dry Canal" Project: Ambitious Vision or Pipe Dream?*, the Arab Gulf States Institute in Washington, February 22, 2023, <https://agsiw.org/basra-turkey-dry-canal-project-ambitious-vision-or-pipe-dream/>

geopolitical future of the Middle East.¹ However, the IDRP has significant challenges, including Iraq's political instability, inadequate institutions, and ongoing security concerns. Internal power conflicts, foreign proxy influence on Iraq, and unresolved budget and oil income issues between Erbil and Baghdad all hamper project delivery.²

On the other side, amid the Talabani-Barzani rivalry, PUK leader Bafel Talabani and his supporters frequently criticize the KRG's contribution to the project, expressing doubt on the KRG's achievements. The road between Al Faw and Ovaköy primarily avoids the KRG because to its steep terrain, passing via Mosul's administrative limits. Nonetheless, the initiative helps the KRG by lowering the cost of imported commodities and offering a compelling justification for the oil export deal between Baghdad and Erbil. The project urges the parties to address the conflict between Baghdad and Erbil about oil and gas exports.³

The future of IDRP is seriously threatened by the persistent disputes between the federal government in Baghdad and the KRG in Erbil.⁴ After 2005, Iraq transitioned to a federal structure, giving the KRG control over domestic matters, such as economic and security policies.⁵ But disagreements over territory, oil profits, and political power have resulted in fragile disagreements, such as the 2017 referendum on Iraqi Kurdistan's independence, which strained ties.⁶ These tensions are reflected in the IDRP, whose absence the KRG views as another move by Baghdad to consolidate powers. Nationally important infrastructure projects are normally under Baghdad's jurisdiction, but the KRG is in charge of a crucial 15-kilometer stretch of the road that leads to Türkiye. Even though the federal government of Iraq controls the main commerce routes, Erbil has negotiating power since it authorizes building on its soil.⁷

¹ Sinan Tavukcu, Bir Başarı Hikâyesi: “Kalkınma Yolu Projesi”, Stratejik düşünce Enstitüsü, April 29, 2024, <https://www.sde.org.tr/bir-basari-hikyeyi-kalkinma-yolu-projesi-konu-723>

² Bilgay duman, “Why Turkey-Iraq Development Road is the best way to connect Europe and the Middle East”, Middle East Eye, September 18, 2024, <https://www.middleeasteye.net/opinion/turkey-iraq-development-road-best-connecting-europe-middle-east>

³ Burak Yıldırım, “What to Know About the Iraq-Turkey-Europe Development Road Project”, Wilson Center, June 11, 2024, <https://www.wilsoncenter.org/article/what-know-about-iraq-turkey-europe-development-road-project>

⁴ Leila Haccius, “The Making and Breaking of Federalism in Iraq”, Institute of Federalism, No.6, 2018, chromeextension://efaidnbmninnibpcjapcglclefindmkaj/https://www.unifr.ch/federalism/en/assets/public/files/Working%20Paper%20online/26_%20Leila_Haccius.pdf

⁵ Marina Ottaway, “Iraq and Demise of Federalism”, Wilson Center, July 16, 2024, <https://www.wilsoncenter.org/article/iraq-and-demise-federalism>

⁶ Joost Jongerden, “Governing Kurdistan: Self-administration in the Kurdistan regional government in Iraq and the democratic federation of Northern Syria.” *A Century of Kurdish Politics*. Routledge, 2020. 61-75.

⁷ Burak Yıldırım, “What to Know About the Iraq-Turkey-Europe Development Road Project”, Wilson Center, June 11, 2024, <https://www.wilsoncenter.org/article/what-know-about-iraq-turkey-europe-development-road-project>

The main source of the ongoing conflict between Erbil and Baghdad is disagreements over border customs and oil revenue, with the KRG's autonomous oil exports to Turkey avoiding government control and causing budgetary conflicts.¹ These tensions are made worse by the IDRP project, which aims to boost trade and customs revenue but worries that it will further limit Erbil's financial independence.² The fundamental problem of economic control in the Iraqi federal system is thus highlighted by the KRG's opposition to the project unless they are given a sizable stake in its administration and revenue streams.

While Baghdad oversees major projects, the KRG is in charge of local building. Erbil's inability to coordinate permits the IDRP to be delayed. Kurdish authorities said that if their requests are not fulfilled, they would halt development.³ One of the biggest challenges to the IDRP 's success is the Erbil-Baghdad dispute. Iraq's aspirations for infrastructure will remain threatened by delays and political conflicts until disagreements over administration, revenue-sharing, and project management are resolved. Progress will need a negotiated accord acknowledging the KRG's participation.⁴

Conclusion

There are major obstacles as well as strategic opportunities with the IDRP. The results of the study point to important outcomes affecting the project's application and long-term success; Federalism and Governance Problems: Process is nevertheless hampered by the Baghdad-Erbil conflicts, which have their roots in Iraq's federal system. Political tensions have raised as a result of the KRG absence from project negotiations, which might cause construction to be postponed. The definition of regional and federal responsibilities in significant infrastructure projects requires a well-defined legislative framework. The KRG's separation from the project raises questions about its long-term sustainability. KRG's role is critical as a key geopolitical hub and big participant in Iraq. Without it, Turkish and Gulf backing and investments can impact decrease and the project may be totally halted.

Economic and Strategic Importance of IDRP: By increasing economic diversification, minimizing dependence on oil, and promoting regional cooperation, the IDRP has the ambitious plan to make Iraq a major trading corridor in the Middle East. However, unresolved conflicts over resource management, especially those involving oil earnings and customs charges, present financial concerns, nevertheless, and may deter international investment. Security and Regional Rivalries: The existence of armed groups, such as the

¹ María Lasa Aresti, "Oil and gas revenue sharing in Iraq." *Natural Resource Governance Institute* (2016): 1-24.

² Harith Hassan, Iraq's Development Road: Geopolitics, Rentierism, and Broader Connectivity, Carnegie Middle East Center, March 2024, p.7-8.

³ "Kurdish minister slams Iraq for excluding Kurdistan from strategic Project", Rudaw, January 28, 2025, https://www.rudaw.net/english/middleeast/iraq/280120252?utm_source=chatgpt.com

⁴ Zmkkan Saleem, Broken Roads: The Politics of Transport Infrastructure in Iraqi Kurdistan", IRIS, 2025, https://www.ais.edu.krd/iris/publications/broken-roads-politics-transport-infrastructure-iraq?utm_source=chatgpt.com

PKK, ISIL and militias supported by Iran, raises security issues that might endanger the stability of the enterprise. Furthermore, the IDRP presents geopolitical concerns since Iran and Kuwait, also other neighboring countries, see it as a possible rival to their trade lines. The study emphasizes how important it is for Iraq, the KRG, Turkey, and Gulf sides to interact diplomatically with each other. More delays and political deadlock are expected in the absence of a negotiated settlement that acknowledges Erbil's contribution to the project. Iraq must resolve domestic conflicts and create a collaborative framework including all important parties if the IDRP is to be successful.

The project might stagnate as a result of political unpredictability, economic inefficiencies, and security suspicions if these issues are not handled. Nonetheless, the IDRP may be a model for regional integration and economic growth if Baghdad and Erbil can cooperate together, solidifying Iraq's status as an important trading hub. The failure of the IDRP would have far-reaching consequences for the entire Iraqi community, reinforcing a cycle of corruption, mismanagement, and missed economic opportunities. Without successful implementation, Iraq risks losing a vital chance to diversify its economy, attract foreign investment, and strengthen its regional trade position. Moreover, the project's collapse would deepen public distrust in government institutions, further worsen political instability and weaken state capacity. If the IDRP fails due to unresolved disputes, inefficiency, and lack of coordination, it could reinforce the perception that Iraq is trapped in a pattern of poor governance, preventing long-term development and economic stability.

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