



# Scenarios on Water Politics in the Euphrates-Tigris Basin 2040

Addressing the Water-Energy-Food-Ecosystem (WEFE) Nexus through Cooperation among Riparian States



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# 1. Introduction: The Euphrates- Tigris Basin Conflict Dynamics

The Euphrates-Tigris basin, encompassing regions of Turkey, Syria, Iraq, and parts of the Tigris basin within Iran, has experienced heightened diplomatic strain since the 1960s due to unilateral irrigation activities impacting river flows, and compounded by geopolitical discord. Cold War affiliations, with Turkey's NATO alignment opposing Syria and Iraq's USSR associations, infused additional complexity into water disputes. And the Kurdistan Workers' Party (PKK) issue and territorial claims further fueled discord among riparians until the mid-2000s. The 1980s and 1990s marked peak conflict, with water being utilized as a strategic leverage. Notably, a 1987 accord between Turkey and Syria addressed water allocation and PKK tensions, illustrating the intertwining of water management with broader geopolitical issues.

After years of stalemated cooperation efforts, the late 1990s and early 2000s saw improved diplomatic relations, enabling renewed dialogue and the establishment of frameworks such as the Euphrates-Tigris Initiative for Cooperation (ETIC) to facilitate scientific and policy collaboration on water management. Enhanced cooperation in the new millennium can be attributed to internal policy shifts in Turkey, particularly under the Justice and Development Party's (AKP) "zero problems with neighbors" doctrine, and external influences such as Turkey's EU accession prospects, which shaped its environmental policy framework. Furthermore, a conciliatory regional political climate facilitated the alignment of strategic objectives among the riparian states.

Nevertheless, the absence of a trilateral framework until now hinders collective environmental stewardship. Despite initial strides in cooperation in the late 1990s and early 2000s, exemplified by the Joint Technical Committee meetings and Joint Communiqués, formal ratifications of Memorandums of Understanding (MoUs) on water management have stalled, with parliamentary rejections symptomatic of persisting mistrust.

The Syrian civil war and the emergence of the so-called Islamic State (IS) further strained diplomatic channels, halting progress in water governance and preventing effective transboundary management. Indeed, the rise of IS has had a significant impact on water security in the Euphrates-Tigris basin. IS's actions exacerbated existing tensions between riparian states by disrupting water-sharing agreements and cooperation, contributing to regional instability. Until today, these actions pose challenges for the reconstruction and management of shared water resources in a sustainable and cooperative manner.

## 2. Addressing the Water-Energy-Food-Ecosystem Nexus

The Euphrates-Tigris basin exemplifies the intricate and challenging water-energy-food- ecosystem (WEFE) nexus faced by riparian countries. This nexus highlights the complex interdependencies and trade-offs between securing water, energy, and food for the growing populations in these nations. Agriculture is the primary consumer of water within the basin, essential for sustaining the livelihoods of millions and ensuring food security.

However, the increasing demand for hydropower as a renewable energy source has led to the construction of numerous dams, such as Turkey's South-eastern Anatolia Project (GAP), which includes several dams and hydroelectric power plants aiming to boost the region's economy. While these dams generate significant amounts of clean energy, they also regulate the river flow, affecting

downstream water availability crucial for irrigation and drinking purposes. This situation is further complicated by the push for energy security, leading to investments in infrastructure that impacts the water flow essential for agriculture.

Moreover, climate change introduces another layer of complexity, exacerbating water scarcity and altering precipitation patterns, which can lead to both droughts and floods. These climatic changes threaten to disrupt agricultural cycles and energy production, particularly hydroelectric power generation, thereby affecting food and energy security.

Efforts to address the WEFE nexus challenges in the Euphrates-Tigris basin have included various degrees of cooperation and conflict among the basin countries. For example, there have been bilateral and trilateral talks aimed at water sharing and managing the impacts of dam construction, though with limited success due to political tensions and competing national interests.

To navigate the WEFE nexus effectively, integrated management approaches that consider the interconnections and potential synergies between water, energy, and food security are essential. Strategies might include investing in water-saving irrigation technologies, exploring alternative energy sources that have minimal impact on water resources, and developing crop varieties that are more resistant to water stress. Additionally, regional cooperation and agreements on water sharing and management are crucial for ensuring the sustainable and equitable use of transboundary water resources, highlighting the need for diplomatic dialogue and mutual understanding among the riparian states of the Euphrates-Tigris basin.

## 3. The Future of Water Politics in the Euphrates-Tigris Basin

Over the next decade, megatrends such as climate change and population growth will have a profound impact on the WEFE nexus in the Euphrates-Tigris Basin – and will therefore determine whether the region slides further into tension and conflict or finds a way to address these challenges together. Where the pendulum might swing will largely depend on the political relations between the riparian states and the overall geopolitical reconfiguration in and around the region.

### 3.1 Growing Impact of Climate Change

Compared to direct human interventions, climate change has so far played only a minor role in changing the basin's hydrology and freshwater ecosystems. However, climate change impacts will gradually become more significant. Hence, climate change will aggravate water-related challenges while the incurred economic losses, will reduce the government's resources for an adequate adaptation response.

More severe water shortages and water quality problems aggravated by climate change will make it harder to sustain farming and livelihoods depending on ecosystems. A failure to mitigate climate-related water risks can contribute to poverty, food insecurity, and unemployment in rural farming communities, and eventually lead to displacement and internal migration at a larger scale than is seen today. Also, deteriorating water quality in the rivers will directly affect drinking water supply in cities while rural-to-urban migration could put additional pressure on urban water systems.

In rural areas, growing water scarcity is likely to increase competition over water and could lead to discontent with political authorities and more local violence. In politically fragile and highly water insecure countries, water weaponization could become a yet more widespread political tool used by non-state and state actors.

The likelihood and severity of climate change impacts on livelihoods, (human) security, and riparian relations in the Euphrates-Tigris basin will largely depend on the future evolution of the region's socio-economic and political conditions, including for example the type of water management and pollution, demographic changes, or economic conditions.

Rethinking and ramping up basin-wide water cooperation could unlock significant opportunities, including deeper economic integration of the water and energy sectors. In contrast, if the riparian states are unable to scale up cross-border action in managing water, climate change will intensify water insecurity in the future. This, in turn, may fuel social turmoil in Syria and Iraq where water-dependent livelihoods, communities, and economies will be increasingly affected, gradually contributing to regional destabilization.

### 3. The Future of Water Politics in the Euphrates-Tigris Basin

#### 3.2 Population Growth and Urbanization

The population in the region is projected to continue growing – from 235 million in 2023 to an estimated 308 million in 2050. This will profoundly increase domestic water demand and stress on agricultural systems to provide food.

Urbanization in the basin is reshaping demographic patterns, with a significant migration of rural populations to cities in search of better economic opportunities and living conditions. Urban centers such as Baghdad, Mosul, and Aleppo have experienced rapid growth, putting pressure on resources, infrastructure, and services, thereby exacerbating challenges related to water scarcity and environmental sustainability.

Climate change significantly exacerbates these demographic and urban pressures, introducing new challenges and reshaping migration patterns. These changes directly affect water availability in the Euphrates and Tigris rivers. Droughts have become more frequent and severe, leading to crop failures, loss of livelihoods, and decreased food security, compelling rural populations to migrate to urban areas or even cross borders in search of stability and employment.

#### 3.3 Geopolitics and Power Asymmetries

The geopolitical landscape of the Euphrates-Tigris basin is marked by a complex web of tensions and alliances, deeply influenced by the strategic interests of regional and global powers, including Iran, Turkey, Syria, Saudi Arabia, and the United States. At first glance, these tensions revolve around the control and management of water resources. Turkey, with its control of the headwaters through projects such as the Southeastern Anatolia Project (GAP), is in a significant position to influence the availability of water downstream in Syria and Iraq, thereby affecting agricultural and domestic water supplies in these countries.

At a second glance, however, water policy is being used as a power tool for wider interests. Iran, for example, while not directly on the Euphrates or Tigris, has a vested interest in maintaining alliances with Syria and Iraq, often through support for Shia groups, to counterbalance the influence of Sunni-majority Saudi Arabia and extend its geopolitical reach. This rivalry extends to water, where Iran seeks to maximize its use of shared water resources and maintain influence over water policy in

Iraq. Saudi Arabia, although geographically removed from the immediate basin, plays a role through its geopolitical and financial support for Sunni factions in Syria and Iraq, partly to counter Iranian influence.

The Kurdish question introduces a unique dimension to these tensions. Kurdish populations, spread across Turkey, Syria, Iraq, and Iran, have long sought greater autonomy or independence, impacting the region's geopolitics, including water resources management. In Syria and Iraq, Kurdish-controlled areas include significant water resources, adding to the Kurds' strategic importance and their contentious relationship with Turkey and Iran, both of which have sizable Kurdish minorities and face internal Kurdish insurgencies.

The United States' involvement adds another layer of complexity, historically aimed at balancing power to prevent any single actor from dominating the region, ensuring the free flow of oil, and combating terrorism. The US has been involved in various capacities, from military interventions to diplomatic negotiations, and has shown particular interest in water management as a means of fostering stability and cooperation among the riparian states.

Hence, the intertwining of water scarcity issues with the broader geopolitical aims of these actors complicates the pursuit of sustainable and equitable management of the Euphrates and Tigris rivers. Agreements on water sharing and management are often caught in the crossfire of broader political and military strategies, with each country seeking to secure its own water needs while navigating the turbulent politics of the region. What more, the legacy of mistrust, competing interests, and the overlay of global power dynamics continue to challenge the prospects for a peaceful and collaborative resolution in the Euphrates-Tigris basin.

## 4. Key Drivers of Change until 2040

Strategic foresight – the ability to anticipate systemic change and engage in anticipatory governance – depends on the ability to analyze megatrends, ordinary trends and so-called “weak signals of emerging change”:

- › **Megatrends** often take decades to become established and prove to be robust in the face of shocks or setbacks. They permeate all societies and areas of life, and they last for several decades (which distinguishes them from more timely limited trends or fashions). Megatrends often only develop their full impact and penetrating power in their interaction – they form megatrend clusters.
- › **Drivers of change (or trends)** are more limited factors of change. They are often timebound, limited to specific regions, societies, economic sectors, or societal groups. Ordinary drivers of change do not develop into global or megatrends but are superseded by new drivers of change. Their lifespans are limited and rarely last a generation.
- › **Weak signals of change** are emerging factor of societal change. Their impact and reach are not yet fully understood but their early detection improves the ability of societies to anticipate and mitigate upcoming risks and to identify and exploit emerging opportunities at an early stage. However, distinguishing weak signals of relevant change from meaningless noise can be challenging.

The workshop's aim was to look beyond the immediate future to better grasp possible endgames of current developments. This is why a 15-year time horizon was picked, knowing that political, economic, technological, and particularly value systems will take years to fully impact societies in the Euphrates-Tigris basin.

## 5. Alternative Future Scenarios and Policy Options

Based on the trend analysis and an in-depth discussion with key actors and stakeholders in the region and beyond, experts developed three scenarios for the future of the Euphrates-Tigris basin and the WEFE nexus: A “slippery slope” scenario, in which business as usual leads the region’s powers into conflict over scarce resources; a “modus vivendi” scenario, in which riparian societies learn to manage their divergent interests and power asymmetries; and a “counterintuitive scenario”, which illustrates that tackling the big elephants in the room can break the vicious circle of escalating conflict by bringing new actors and factors into the game.

First, each scenario is described in detail; then, policy options are discussed to mitigate the resulting risks and seize the emerging opportunities for managing the WEFE nexus in a cooperative manner among the riparian states of the Euphrates-Tigris basin.

### 5.1 Slippery Slope Scenario “Highway to Hell”

Unless something changes in the region, the societies of the Euphrates-Tigris basin are on a trajectory of conflict – a “Highway to Hell”:

In 2040, the Euphrates-Tigris basin is fraught with conflict and instability, driven by several critical factors that have pushed the region to a breaking point. Persistent droughts exacerbated by climate change have drastically reduced water flow in the Euphrates and Tigris rivers. Upstream countries like Turkey and Iran have constructed large dams to secure their water supplies, severely restricting water flow to downstream countries like Iraq and Syria. This has led to acute water shortages, sparking widespread civil unrest and violent protests. Rapid population growth and accelerated urbanization have increased the demand for water, food, and other resources, straining the inadequate infrastructure of expanding urban areas and heightening tensions over resource allocation.

Armed non-state actors, including insurgent groups and militias, have exploited the chaotic environment to expand their influence and to resurge in the power vacuum left by the US withdrawal from Iraq and Syria. External powers such as Iran, Turkey, and Russia have deepened their involvement, supporting various factions to advance their strategic interests, further fragmenting the regional political landscape. Efforts to transition to renewable energy sources have been uneven, leading to energy shortages and increased competition over limited resources. Global food prices have surged due to climate-related disruptions in major agricultural regions, causing severe shortages in the Euphrates-Tigris basin and leading to malnutrition and social unrest.

Infrastructural developments like dams have had mixed effects, often triggering conflicts by depriving downstream communities of essential water resources. While advancements in desalination technology and wastewater treatment have provided

some relief, their benefits have been localized and insufficient to address the broader regional water crisis.

Internal political shifts have played a significant role in shaping the region's dynamics. Authoritarian regimes have clamped down on dissent, leading to violent crackdowns and further polarizing societies. Social movements advocating for women's empowerment and human rights have occasionally fostered cooperation, but often face strong resistance from entrenched political and social elites.

Major droughts have become more frequent, leading upstream countries to hoard water resources, instigating interstate conflicts as downstream countries accuse their neighbors of exacerbating water shortages. Internal protests triggered by water scarcity have often turned violent, with governments using force to suppress dissent, resulting in a cycle of repression and resistance.

Fluctuating oil prices have caused economic instability, particularly in oil-dependent countries like Iraq and Iran. The resulting economic crises have led to massive unemployment, with governments unable to provide basic services or pay public sector salaries. The inability to import sufficient food has exacerbated the humanitarian crisis, leading to widespread hunger and malnutrition, fueling protests and insurgencies as populations demand better living conditions.

The withdrawal of US forces from Iraq and Syria has left a power vacuum that regional and global powers have rushed to fill. Russia and Iran have strengthened their footholds, supporting various factions to secure their interests, intensifying conflicts as different factions vie for control over strategic areas and resources.

All this has led to increased displacement and humanitarian crises, as civilians bear the brunt of ongoing violence. By 2040, the Euphrates-Tigris basin is marked by chronic instability and conflict. The interplay of water scarcity, climate change, population pressures, external interference, and internal political dynamics has created a volatile environment. Without significant and coordinated efforts to address these underlying issues, the region's prospects for peace and stability remain bleak.

#### **Policy Options: Mitigating Risks – Seizing Opportunities**

The expert group has outlined several policy measures to mitigate the risks and to seize the opportunities inherent in the "Highway to Hell" scenario:

- › **Better water management**, including the treatment and reuse of wastewater, is essential.
- › **Increasing investment in water and sanitation** to at least 2% of GDP, a significant rise from the current 0.2–0.7%.
- › **Improving crop selection** to focus on saline and drought-resistant varieties would enhance agricultural resilience.
- › **Diversifying economies and encouraging private sector investment** are crucial steps. Building food storage facilities like wheat silos would provide a cushion against food shortages.
- › **Implementing more targeted social safety nets** for lower-income households, rather than broad subsidies, could help alleviate social tensions.
- › **Wisely investing in sovereign wealth funds** would provide economic cushioning during crises.



- › **Establishing a cooperation mechanism** akin to the Nile Basin Initiative, with an impartial country like Oman serving as the headquarters, could facilitate data sharing and coordination.
- › **Developing a regional security framework** to handle emergencies, with a focus on water and energy security, would provide transparent channels for communication and conflict resolution.

In crisis situations, international aid and support from countries like the U.S. and Gulf states would be vital. This support could include buttressing Iraqi armed forces, paying salaries, and managing Turkey’s potential involvement in Syria to mitigate forced displacement. The Gulf Cooperation Council (GCC) states are identified as key actors in ensuring regional stability and countering increased Iranian influence following the U.S. withdrawal. These states would benefit from greater stability and influence in the region, while Turkey, already benefiting from Gulf investments during economic crises, could also gain from more equitable and sustainable water sharing.

Breaking the cycle of non-cooperation is a significant hurdle, as immediate needs often overshadow long-term planning, and external actors are viewed with suspicion due to perceived hidden agendas. The expert group emphasized the importance of long-term planning and cooperation to prevent conflicts but acknowledged the difficulty in achieving this due to governance challenges, pervasive corruption, and the immediate pressures faced by the countries involved.

## 5.2 Modus Vivendi Scenario “Doomed to Cooperate”

Although power asymmetries will persist, both upstream and downstream societies are exposed to the same mega and regional trends. If they do not want to slide into conflict, they are “Doomed to Cooperate”:

In 2040, the Euphrates-Tigris basin is a model of regional cooperation, overcoming decades of conflict through joint efforts in water resource management. The region’s states—Turkey, Syria, Iraq, and Iran—have been driven to cooperate due to the urgent need to address climate change and water security. The drastic alteration of hydro logical patterns and frequent droughts have significantly raised the price for non-cooperation and thus necessitated collaborative water management strategies, ensuring equitable distribution and reducing the potential for conflict.

The agriculture sector, which consumes nearly 80% of the region’s water, became a focal point for sustainable practices. Advanced irrigation techniques, crop diversification, and water-efficient technologies were adopted, increasing productivity and conserving water. Collaborative research and development programs facilitated the exchange of best practices, benefiting farmers across the region. These efforts attracted financial investments and international support, boosting the regional economy. Infrastructure projects, such as efficient irrigation systems and water treatment plants, created jobs and improved livelihoods, reinforcing the commitment to cooperation.

The WEFE nexus governance model was pivotal in addressing the interlinked dimensions of resource management. This comprehensive framework integrated policies across water, energy, food, and environmental sectors, emphasizing transparent decision-making and stakeholder participation. Environmental security, including water, food, and national security, was prioritized. Integrated strategies improved public health by enhancing water quality and combating water-borne diseases. Efforts to protect and restore ecosystems contributed to environmental stability, creating a safer living environment.

National governments and ministries played crucial roles in this cooperative framework.

International organizations and donors provided important support. Entities like the United Nations, World Bank, and various NGOs facilitated funding, technical expertise, and policy guidance. Their involvement was instrumental in implementing large-scale water management projects. Non-state actors in Iraq and civil society organizations actively contributed to water management efforts through advocacy, education, and grassroots initiatives.

Creating shared understanding and awareness among riparian states was foundational. Regular dialogues, workshops, and educational programs promoted awareness of the mutual benefits of water cooperation, building trust and a sense of shared responsibility. Trust-building pilot projects, such as cross-border water quality monitoring and joint irrigation schemes, demonstrated the potential of cooperation. The establishment of regional mechanisms provided a structured platform for coordination, conflict resolution, and resource sharing. These mechanisms ensured that all stakeholders, including marginalized groups, had a voice in water management decisions.

Water cooperation also drove sustainable economic development and prosperity. Joint initiatives attracted investments in infrastructure, agriculture, and industry, creating economic opportunities and improving living standards. Increased stability and security were significant outcomes, as the cooperative framework reduced tensions and promoted peace. The region enhanced its resilience to external shocks, such as climate change and economic fluctuations, contributing to long-term stability.

By 2040, the Euphrates-Tigris basin had transformed from a conflict-prone area to a stable and prosperous region. The integration of sustainable practices, good governance, and inclusive decision-making demonstrated that cooperation and mutual benefit are achievable through collective action and shared commitment. The basin's success serves as a model for other regions, proving that regional cooperation can overcome significant challenges and create a brighter future for all.

#### **Policy Options: Mitigating Risks – Seizing Opportunities**

The discussion focused on the potential for cooperation among riparian states in the Euphrates-Tigris basin, aiming to use water as a catalyst for broader cooperation by yielding benefits beyond mere resource sharing to foster regional stability, economic development, and sustainable management.

According to the expert group, the foundation of this cooperation lies in appointing a well-trusted international or regional facilitator. This facilitator's role is to create a platform for dialogue and coordination, leading the process of developing transboundary pilot projects. These projects will demonstrate shared benefits for both upstream and downstream countries, thereby showcasing the advantages of cooperation. A regional mechanism is proposed to facilitate and implement these initiatives, which will contribute to economic development and sustainable progress in the region, ultimately enhancing stability and security.

Key policy measures to achieve this cooperation include:

- › **Appoint a credible facilitator** to lead the process and **establish a platform for dialogue** among the basin countries.
- › **Develop a regional mechanism to support cooperation efforts**, while simultaneously designing and implementing supportive policies at the national level. This dual approach ensures that national frameworks are conducive to transboundary cooperation.
- › Western states and international donors should **engage in capacity-building efforts**, focusing on long-term development rather than short-term projects to maintain continuous

stakeholder engagement. This includes training and development programs that build institutional and technical capacities within the basin countries.

- › **Encourage the private sector and civil society** to pressure governments towards cooperation. These groups play a vital role in advocating for sustainable practices and ensuring accountability.
- › **Joint assessments and studies** are crucial for identifying the key needs of the region and for fostering trust among the riparian states. This process serves dual objectives: information exchange and the initiation of pilot projects that facilitate technical cooperation. The establishment of a committee and regular meetings among stakeholders are vital milestones that indicate progress towards effective cooperation.
- › **Building trust** is a long-term endeavor. Initial steps include implementing tangible pilot projects that demonstrate the benefits of cooperation on the ground. Trust, although not fully established initially, can be nurtured through consistent and transparent efforts that yield visible results. Recognizing and sharing benefits from cooperation, such as improved water management and economic gains, is essential for sustaining engagement.
- › **Data sharing and financial resources** are vital components of the cooperation framework. Establishing reliable and transparent data-sharing mechanisms, possibly managed by a neutral third party, is necessary to build trust and provide a factual basis for decision-making. Financial sustainability should be ensured by allocating funds from national budgets and securing commitments from international donors.

Key actors in this process include the governments of Turkey and Iraq, relevant ministries (such as those handling environment, water, and energy), the private sector, civil society, Western states, and international donors. These actors must collaborate to ensure the success of the cooperative initiatives.

Potential opposition to cooperation may come from Iran, which could perceive a loss of influence, and from non-state armed groups that might lose power in a more stable and cooperative environment. Addressing these concerns requires careful negotiation and inclusive policies that mitigate the fears of these groups. Non-intended consequences of such regional cooperation on power balances between different state- and non-state groups also have to be taken into account when thinking about this scenario.

The benefits of cooperation extend to increased regional stability, economic development, and enhanced trade. Building the capacity of Iraq is particularly crucial, given its decades of lag in development. International organizations and donors need to provide sustained support to help Iraq catch up and participate effectively in the cooperative framework.

Overall, the discussion emphasizes starting with small, achievable projects to build trust and demonstrate the practical benefits of cooperation. Drawing lessons from other regions and historical contexts (e. g. the Nile basin) can provide valuable insights into effective cooperation mechanisms.

### 5.3 Counter-intuitive Scenario “Silk Road through Baghdad”

Unlike the “Slippery Slope” and “Modus Vivendi” scenarios, the counterintuitive one is a non-linear scenario driven by game-changing factors such as the re-emergence of Iraq and tectonic shifts due to geopolitical change, opening up a new future trajectory – the “Silk Road through Baghdad”:

In 2040, Iraq rises as a regional power, becoming the fourth most influential nation in the Middle East. This transformation, driven by high uncertainty but significant potential impact, results from key economic, demographic, and geopolitical shifts. Iraq's economy, historically dependent on oil, benefits from a slower global transition to renewable energy, allowing it to continue generating substantial revenue from oil exports until 2035. This sustained income enables Iraq to invest strategically in diversifying its economy through a sovereign wealth fund, channeling revenues into infrastructure, education, and healthcare, thus fostering economic stability and growth.

A critical factor in Iraq's transformation is its demographic profile, with a high fertility rate resulting in a substantial youth population. Initially, this demographic trend poses challenges, as many young people face unemployment, leading to potential unrest and migration. However, Iraq leverages this youthful demographic as an asset by investing in education and vocational training programs, equipping the youth with skills needed for new industries. This growing workforce fuels economic expansion, innovation, and increased productivity, contributing to Iraq's overall stability and development.

Geopolitically, the scenario sees diminished influence from traditional Western powers and Russia, with China emerging as a significant non-regional actor. China's interests in the region include investments in Iraq's oil and gas sector and ambitious connectivity projects, part of the broader Belt and Road Initiative. These projects include new maritime routes and overland transport infrastructure, such as railways and highways, enhancing Iraq's integration into regional and global trade networks.

Iraq's political landscape adapts to these changes with several key actors driving the transformation. The Prime Minister as central figure of authority is steering economic and political reforms, supported by religious authorities who maintain social cohesion. The sovereign wealth fund plays a crucial role in economic diversification, funding projects across various sectors. Iraqi youth, benefiting from these investments, become key drivers of economic growth. Security remains a priority, with the Iraqi security forces working to stabilize the country internally and manage relations with regional neighbors. The Kurdistan Regional Government (KRG) plays a significant role in managing oil resources and contributing to stability. The private sector, both domestic and international investors, drives diversification efforts, bringing in capital and expertise needed for new industries.

Iraq's rise impacts its relationships with neighboring countries like Turkey, Syria, and Iran, each with varying interests in Iraq's stability. Turkey focuses on connectivity projects to enhance regional trade, while Syria and Iran see a stable Iraq as beneficial for regional security and economic opportunities. Saudi Arabia supports Iraq's development to stabilize regional dynamics, viewing a stronger Iraq as a counterbalance to Iranian influence. Qatar and the UAE sponsor infrastructure projects, including agreements between Iraq and Turkey.

Regional connectivity projects driven by China, such as new maritime routes and overland transport infrastructure, significantly contribute to Iraq's transformation, enhancing trade and economic integration while fostering regional cooperation. Iraq's strategic location makes it a hub for these initiatives, further cementing its role as a regional power.

Prioritizing enhanced water resources management, Iraq invests in upgrading its water infrastructure, improving governance, and ensuring sustainable practices. These efforts are critical in a region where water scarcity has historically been a source of conflict. Improved water management leads to better agricultural productivity and public health, reducing tensions over water resources.

Iraq adopts a basin-wide approach to water management, promoting equitable distribution and cooperation among riparian states. This holistic strategy enhances relationships with neighboring

countries, contributing to regional stability and prosperity. Iraq leads initiatives to create functional and legitimate regional mechanisms for water governance, such as joint water quality monitoring, shared infrastructure projects, and collaborative policy frameworks. These efforts foster trust and build a cooperative dynamic within the Euphrates-Tigris basin.

By 2040, Iraq transforms from a conflict-prone nation to a stable and prosperous regional power. The integration of sustainable practices, strategic investments, and good governance drives this transformation. Demographic advantages, geopolitical shifts, and regional connectivity projects further bolster Iraq's rise. Iraq's success in managing its water resources and fostering regional cooperation serves as a model for other conflict-prone regions, demonstrating that through collective action and shared commitment, cooperation and mutual benefit are achievable.

#### **Policy Options: Mitigating Risks – Seizing Opportunities**

The scenario is based on two key assumptions: the prolonged timeline for climate change and energy transition, which allows Iraq to continue benefiting from oil revenue, and the growing population with significant youth unemployment, posing risks of social unrest and political turmoil.

The counter-intuitive scenario could be brought about in a five-step approach:

- › The central strategy for this scenario is to **develop a unifying vision for Iraq** that is secular, civil, and non-ethnic, aimed at bringing together various ethnic and political groups. This vision serves as a catalyst for implementing existing policies and strategies.
- › One key measure is the **development and implementation of a flagship project**, specifically the proposed railroad from Turkey to southern Iraq. This project is seen as a highly visible and concrete example of translating policies into actionable outcomes, helping to rally public and political support.
- › Milestones for this scenario begin with **building a political coalition**. This involves engaging with political parties and, subsequently, the executive and legislative branches to gain their commitment to the unifying vision and flagship project.
- › The next stage is to **secure public opinion support**, ensuring broad-based buy-in from the populace. Mobilizing private sector investment is another critical step, involving domestic investors, the Iraqi diaspora, regional investors, and international partners.
- › The final milestone is the **actual development and implementation of the railroad project**.

Key actors in this scenario include the Prime Minister's office, which would spearhead the initiative. The youth population is also crucial, as they stand to gain significant employment opportunities from the project. The private sector, both domestic and international, would be involved due to the investment opportunities. Turkey, having a direct stake in the project, along with Qatar and the UAE, which have supported the Memorandum of Understanding and have strategic interests in Iraq's stability, are vital international partners.

However, several groups might oppose or resist these changes. Those benefiting from the current state of corruption, including certain civil servants and political parties, might see their revenue streams threatened. Religious authorities and non-governmental armed actors might initially be fence-sitters or resist the changes due to potential shifts in power dynamics. The Kurdish Regional Government (KRG) may also be skeptical, questioning the direct benefits they would receive from such a project.

To address these trade-offs, the scenario proposes offering those engaged in illegal activities an opportunity to legalize their operations. Additionally, ensuring that the KRG receives a fair share of the budget without interruptions could make the project more palatable to them. Integrating non-governmental armed forces into the state system is another proposed measure to mitigate resistance from security forces.

Resources and capabilities required for this scenario include significant financial investments from the private sector, which could come from domestic sources, regional partners, or international investors. Expertise from the Iraqi diaspora, particularly in project management and technical fields, would be invaluable. The involvement of youth is crucial for the labor force and for building a future-oriented vision for the country. Effective project management is essential to ensure the project stays on track and delivers its intended benefits.

Non-intended consequences of this scenario could include public unrest during the transition period, particularly if civil service positions are reduced as part of broader reforms. Regionally, some neighboring countries might view Iraq's resurgence with suspicion or concern. There is also a risk that giving too much power to investors, especially foreign ones, could lead to issues of sovereignty and national control over critical infrastructure.

Ultimately, the scenario underscores the importance of developing a unifying vision for Iraq, supported by a high-profile infrastructure project, to drive regional stabilization and economic development. By addressing potential opposition and leveraging key resources and actors, Iraq can reemerge as a significant player in the Euphrates-Tigris basin, contributing to broader regional stability and cooperation.

## 6. Key Findings

As the Scenario Workshop was inspired by normative-positivist thinking (best-case scenarios leading to regional cooperation), policy options needed to open up “forks in the road” – e. g., measures to disembark from the current slippery slope of non-cooperation and to be able to embark on a cooperative policy path in the region. Often these progressive future paths and trajectories of change lead through the “desert of despair” – e. g. a common threat, a common need or an inextricable dependency.

The following were the key conclusions of the scenario workshop:

- › **Emphasis on Iraq and Political Will.** A major theme was the pivotal role of Iraq in the future of the Euphrates-Tigris basin. Discussions highlighted that Iraq’s stability and development significantly influence the entire region. The expert group acknowledged that many recommendations would be realistic if there was sufficient political will; without it, they remain impractical.
- › **Shifts in Geopolitics and the Need for New Arrangements.** The group acknowledged significant shifts in geopolitics, recognizing that the West is no longer as decisive due to a lack of trust and historical experiences. New geopolitical arrangements were deemed necessary. A potential flagship project involving green hydrogen and regional cooperation, particularly with Turkey, was discussed. This project was seen as a way to foster regional stability and cooperation, providing multiple benefits, including economic development and energy transition.
- › **Increasing Gulf Influence and Its Implications.** The increasing influence of Gulf states in the region was a prominent topic. Participants noted the Gulf states’ growing role as major powers, bolstered by their substantial sovereign wealth funds. This influence has already been seen in military interventions, such as in Libya during the Arab Spring. The challenge is to direct this influence in a positive and constructive way. Ensuring that Gulf investments support beneficial and stabilizing projects was highlighted as crucial. The need for Gulf states to work with reliable partners who can deliver on investments was also emphasized.
- › **Integrating Water Considerations into Broader Projects.** The group also discussed the importance of integrating water considerations into broader infrastructure projects. For example, the proposed railroad project could be used to reduce water evaporation and improve efficiency by incorporating an underground pipeline alongside the railroad. This highlights the necessity of ensuring that water issues are included in broader economic and infrastructure plans, making projects more efficient and sustainable.
- › **Centrality of Agency and Decision-Making.** The discussions underscored the central role of agency and decision-making in the success of policy recommendations. Political will, governance, and economic diversification all depend on the right decisions being made by those in power. Crafting compelling narratives that present a win-win vision for the future was seen as essential. These narratives need to be persuasive to decision-makers, helping to break the cycle of violence and fostering cooperation.

Several common themes emerged across different scenarios, highlighting critical elements for fostering cooperation and addressing regional challenges. These include:

- › **Non-State Armed Groups:** The role of non-state armed groups was consistently highlighted as a significant factor. Their involvement or exclusion can significantly impact the success of cooperative efforts.
- › **Dialogue Platforms:** The need for new platforms for dialogue was recognized across all scenarios. Such platforms are essential for fostering communication and cooperation among stakeholders.
- › **Iran's Influence:** Addressing Iran's influence was a recurring theme. Tehran's preference for bilateral agreements over multilateral cooperation presents a significant challenge to broader regional cooperation efforts in the Euphrates-Tigris basin.

In conclusion, the region's future sustainability and stability hinge on collaborative water management, adaptation strategies to climate change, and policies that address the needs of both urban and rural populations amidst these transformative challenges. If addressed regionally by riparian states, these challenges can be overcome and could even lead to economic growth, improved livelihoods, and peaceful coexistence in the Euphrates-Tigris basin. The discussions also underscored the importance of starting with small, achievable projects to build trust and demonstrate the practical benefits of cooperation. Key takeaways include the central role of Iraq, the growing influence of Gulf states, and the necessity of integrating water considerations into broader projects. Through concerted efforts, the riparian states of the Euphrates-Tigris basin can pave the way for a more stable, prosperous, and cooperative future.



