

# The Effect of Declining Financial Allocations and Government Funding on the Financial Achievement of Projects Implemented in the Investment Plan Budget (An Applied Study on Al-Muthanna University's Investment Projects)

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This research aims to clarify the low rates of financial achievement of projects implemented within the budget of the investment plan. These are a result of the decrease in financial allocation and government funding. This research will do so by analysing financial statements according to the annual allocation of existing projects in the chosen research sample. It will also analyse the percentages of financial achievement of these projects and identify the reasons for the differences in the amounts allocated and funded from one year to another. This research reached important conclusions: The lack of financed amounts greatly affects the percentage of material completion of annual investment projects. It found a direct relationship between government funding and rates of financial achievement. These are increased by increasing the amount of funds. The research also reached important recommendations: There is a need for continued government support, the continued flow of financing and the search for other sources. This will help to continue the implementation of investment projects and work to increase annual allocations. As a

result, these actions will reduce the period of completion of projects and take advantage of those projects for the purpose they were established as soon as possible. They will also develop projects and increase their numbers. This is because their importance affects the financial position of individuals. Job opportunities provide for crafts and other occupations during the construction period of projects. There is a need for increased financial support by the Iraqi Ministry of Finance in order to accelerate the implementation of projects in Iraqi universities generally and new universities especially.

**Key words:** *Financial allocations, government funding, financial achievement, projects implemented.*

## **Introduction**

The development of countries leads and expands their activity. This steadily increases the size and diversity of public expenditures, so this increase includes all levels of activities (economic activities and achieving social welfare). Countries have to follow a method of economic planning, investing limited resources in projects and activities with better returns and making use of these resources. Budgets are associated with this process for their roles in the lives of countries. They are the political, economic and social documents that express the tasks of the state's philosophy and the objectives of government. Calculating costs fairly, clearly and rationally, reduces the burden on the state. This is because service units depend on the financial allocations provided to them by the state. These are approved and allocated to in the state budget. These units do not have their own financial resources that correspond to or cover their expenditures, i.e. they are not self-financing. Even if these exist, they will be implemented for a short time until spending power becomes equal to zero. Hence, these units must provide a scientific and practical explanation of how money is spent. Coming from the state, the monitoring and control of the disbursement of these funds is made. This ensures efficient use that is not wasteful and extravagant. Funds can be used in the fields or activities for which these allocations were specified. Therefore, an assessment of the efficiency of using these assignments concerns the units received. The priorities of the accounting unit ensures the functioning of the business.

## **Research Problem**

A lack of allocation and financing is one of the most important problems facing the completion of investment projects. Limited options become available, and this affects the success of the project in the future as well as its continuity. The research problem is summarised by this main question:

What is the impact of low financing on service investment projects?

From this question, the following sub-questions branch:

What is meant by investment plan projects?

What is the importance of financing for investment projects?

### **Research Importance**

The importance of research lies in the importance of the topic in the current circumstances. This is as a result of the financial crisis experienced by a country, which affects all joints in general and the implementation of service projects in particular. Whether they are large or small projects, knowledge of the alternatives proposed by the government has purpose of financing these projects in order to make their implementation successful.

### **Research Objectives**

This research aims to:

1. Know the total amounts funded by the Ministry of Finance for the purpose of implementing service investment projects in the research sample during the period of 2013-2015 and study the extent of the impact of the lack of funding on the low financial and material achievement ratios of these projects.
2. Study the stalled investment projects in the research sample by knowing the reasons that led to their stopping.
3. Present the alternatives proposed by the government in order to implement service investment projects and know the obstacles that prevented their implementation.

### **Research Hypotheses**

This research is based on the following two hypotheses:

1. Finance has an essential role in implementing service investment projects funded by the Ministry of Finance.
2. The implementation of service investment projects is one of the important means of exploiting natural, material and human energies.

### **Research Methodology**

This research relied on a deductive method to know the role of finance in implementation of investment service projects. It also relied on an inductive approach by shifting from the special concept of research to the general concept. This was done by circulating

recommendations for research on service institutions that implement service investment projects.

### **Spatial Limits for Research**

The spatial boundaries were represented by the existing investment projects at Al-Muthanna University.

### **Temporal Limits for Research**

The temporal limits were represented by the financial statements for the budget of Al-Muthanna University's investment plan for the years 2013-2015.

### **The Concept of Investment Projects**

Many people wish to own an investment project, achieve profit and provide decent livelihoods. Investment projects are important to their owners, to achieve goals, for society, for the economy and for any country. A country's economic progress is measured by its direction, provision of job opportunities, reduction of unemployment and increase of income per capita, which leads to the welfare of society. There were many opinions that differed in defining the concept of the project. Multiple aspects, objectives and forms are involved. There are those who define it as a whole group of activities and operations that consume limited resources from which cash or non-cash income and returns are expected (Hamdi, 2000: P9).

According to this economic concept, investment is the productive investment of capital by directing savings towards uses. This leads to the production of goods or services that satisfy the economic needs of society and increase its well-being (Al-Shabib, 2009, p. 17).

The concept of investment has evolved in due course as a result of developing social and economic practices. It is also a result of ideal mutations that occur at the conceptual level in the process of development and literature (Romano, 2000, p. 162).

This is defined as sacrificing a present benefit that can be achieved from satisfying current consumption. It is intended to obtain a greater future benefit that can be achieved by satisfying a future initiation (Musa, 1st, 2012, p. 18).

## Investment Budget

An investment budget (contract budget) is known as a system for making deals between an executing agency and a central government. The government creates the projects it intends to establish in the private sector and the public sector. Winning contractors implement these projects and programs at the lowest possible cost and at the right time, provided that these programs and projects achieve the planned goals and policies (Ismail, Adas, 2010: 177).

It aims to plan and control investment projects, which results in the addition of new fixed assets, or the development or replacement old assets in line with contemporary technological developments. Cost estimates include investment expenditures, expected funding sources, and an implementation schedule (Al-Sayaghi, 2007: 2).

## Investment Budget Classification

An investment budget is categorised according to a country's plan, work priorities and activities. This type of classification is the most widely used. It is built on the division of public bodies and institutions according to the terms of reference entrusted to them in one of the following aspects (Al-Rifai, Al-Dhafiri, 1999, 49):

- 1. The Political and Security Aspect:** It is one of the general sovereignty of the state and is related to the system of government.
- 2. The Social Aspect:** This involves everything related to the concepts of social welfare, the standard of living of individuals, their values and beliefs, and the quality and level of public services provided to them. This type of task is concerned with service ministries, such as health and education.
- 3. The Economic Aspect:** This aspect involves all activities related to economic, financial and investment affairs; trade and industry; and everything related to sources of national income and ways to diversify. This aspect belongs to the Ministry of Finance and Planning.
- 4. The Population Aspect:** This aspect involves population and workforce issues.
- 5. The Administrative and the Development of Manpower Aspect:** Attention to public administration activities and development issues raises the level of performance in it along with the development of national human resources. This aspect focuses on the production side by increasing the productivity of individuals and the group. It encourages the field of community building and development.

## **A Mechanism for Preparing the Investment Budget in Iraq**

Sectorial goals in each sector and ministry are formulated by the ministry of planning through a targeted macroeconomic growth rate. This is divided into different sectorial growth rates for the purpose of achievement. It is sent to the ministries in the form of general indicators and directives. Technical details are required to implement them (Abdullah, 69: 1999). In accordance with Financial Management Law No. (95) of 2004, the investments and current budgets have been unified. The Ministry of Planning and Development Cooperation has become responsible for preparing the investment platform. Allocations are distributed to projects exercising powers related to the movement of project changes during the year. One of these mechanisms is the formation of a special committee to lay the foundations and general principles for a federal budget from the ministries of finance, planning, oil, trade, and the Central Bank of Iraq. This committee begins its work in the month of June of each year, and it does the following:

1. Guesses the expected revenue for the coming year.
2. Determines the amount of spending and expected expenditure components.
3. Determines the size of the deficit among revenues, expenditures and sources of financing.

From the above points, it is clear that the committee estimates the size of projects and their expenditures. It does so after guessing the amount of revenue and identifying the deficit and internal or external sources of financing. The committee in charge of preparation estimates the investment budget and adopts several principles and foundations including (Ministry of Planning-2010)

1. The economic feasibility of the proposed project.
2. Differentiation when proposing projects for the highest possible investment efficiency of inputs and outputs.
3. Ensures the investment budget does not include any current expenses.
4. Precise identification of the need for foreign currencies.
5. Focusing on the best time to complete investment projects.
6. Supporting the private sector and granting it the necessary facilities for development.

After approving the financial framework of the Ministry of Finance and receiving the approval of the council of ministers, this framework is circulated in cooperation with the Ministry of Finance and Planning. This is done for the purpose of circulating it to ministries and entities not affiliated with a ministry. The ministry of planning distributes investment allocations to ministries and departments not associated with a ministry. This depends on executive capacity, the efficiency of financial exchange, and the investment priorities according to the national development strategy.

Investment spending means the amounts the state spends to establish various projects aimed at building and developing productive capacity; establishing productive institutions; constructing roads and bridges; building ports, airports, and dams; and land reclamation. This is done with purpose of achieving economic and social development (Al-Ali & Kadaoui, 1988: 120).

Investment spending constitutes an important part of the total demand for goods and services. It is considered one of the most effective means for changing the structure of the national economy and determining the rate of economic progress. Every increase in investment either adds new energy or compensation to existing production capacity. Investment spending is the most frequently reported component of national production and instability. Several generations of economists both before and after Keynes believed that this spending was primarily responsible for fluctuations in production and income. This idea is based on the great importance of the investment factor as it sets the course for economic activity and economic growth in the long run. (Attia, 1988: 871).

Investment expenditures derive their significance from being conducive to fixed capital formation. In other words, spending on capital contributes to supporting economic architecture, advancing economic development and increasing national income. In addition, capital formation is important in the early stages of economic development and a strong impetus for economic activity in stimulating the establishment of vertically and horizontally complementary projects. The burden of developing it falls on the state through government spending (Shaker, 1989: 33).

Investment spending is divided into two parts:

**1. Direct Investment Spending:** This includes various branches of production, such as setting up industrial and agricultural projects. This results in goods and services whose output exceeds the gross national product. This increase contributes to alleviating inflationary pressures, strengthening the trade balance by increasing production, increasing the total supply, then increasing exports or decreasing imports (Jahiyeh, 2008: 12).

**2. Indirect Investment Spending:** Regarding the amounts allocated to construct the necessary infrastructure, the increase in these expenditures has indirect effects on production and takes a long time. Its burden rests with the government, not with the private sector. It involves transportation services (roads, bridges, ports, airports), power plants, and irrigation projects. The impact of this type of investment can be seen through external savings that make many investments economically possible. It reduces the cost of production in a number of projects, which is reflected in the profitability of these projects. This type of investment is essential for the establishment and continuation of productive projects because the services

provided are among the services that production cannot take place without. These involve modern industrial production, which does not take place without the availability of power plants and transportation methods that enable projects to obtain their input needs in a timely manner (Al-Ali & Kadaoui, 1988: 181).

### **Funding Stage of Investment Projects**

The general budget of the Iraqi State is funded by expected revenues from revenue sources. These include the revenue from the sale of oil (the main source that constitutes 93% of the state's general budget). Therefore, the Iraqi economy can be called a rentier economy. The rest of the income comes from taxes and other fees. Low prices for oil in the global markets were caused by a financial crisis that cast a shadow over the countries of the world and Iraq in particular. Due to the war Iraq is waging against terrorism, there has been an increase in the rate of financial spending on the war effort. Everyone has combined these conditions to cause the suspension of investment projects gradually from 2014, the weakening of funding in 2015 and the complete suspension of funding in 2016. In the next topic we have highlighted practical aspects by studying the projects implemented within the investment budget of the University of Al-Muthanna for the years 2013-2015.

### **The Practical Aspect**

For the purpose of proving the effect of lack of funding on the low rates of financial implementation of the projects within the investment budget, the researchers have conducted accounting identification and measurement processes. Specifically, this identification involves one of the Iraqi government universities of the ministry of higher education and scientific research. There are many reasons why this sample was chosen in the field of research. The most important of these is the new founding of the university and the abundance of its new faculties. Its needs are increased in terms of what it requires for the expansion and furnishing of its classrooms, the establishment and equipping of its laboratories and the support of teaching staff. The financial crisis the country and the ministry of higher education are going through has cast its shadow on Iraqi universities. This is represented by lack of funding and the adoption of an austerity policy.

Al-Muthanna University is one of the newly established Iraqi universities. It was founded on 3-5-2007. According to the Seventh Amendment Law of the Ministry of Higher Education and Scientific Research Law No. 40 of 1988, it contains fifteen colleges. These are the College of Human Education, College of Science, College of Agriculture, College of Engineering, College of Administration and Economics, College of Medicine, College of Physical Education and Sports Science, College of Pharmacy, College of Dentistry, College





of Law, College of Basic Education, College Veterinary Medicine, College of Education for Pure Sciences, College of Arts, College of Nursing.

This university is subject to the Law of the Ministry of Higher Education and Scientific Research No. 40 of 1988, which regulates business, structure and competence in addition to the fact that it enjoys financial and administrative independence. Here, two budgets are allocated to the university, one of which is operational and the other is invested annually. It is funded by a decentralised system by the Federal Ministry of Finance with annual allocations approved (Al-Musawi, 2017: 3).

### **Investment Budget Projects at Al-Muthanna University**

The investment budget for Al-Muthanna University includes many projects that have been initiated by the engineering department of that university after completing all the required legal procedures. Those projects were significantly affected, as were the rest of the projects. This is because of the financial crisis the country is going through as a result of the drop in oil prices, as well as the increased costs of war. This has led the researchers to study the financial implementation ratios for those projects by comparing the total amounts allocated to each project and the annual allocation for each project. They have also compared the physical implementation percentage for these projects for the years 2013-2015, as shown in the table below:

**Table 1**

*Total amounts to implement projects and the annual allocation for the year 2013*

Data	The total cost of the project	Annual allocation of the project	Allocation percentage from the total cost for the year 2013 (%)
Infrastructure project	13000000000	3000000000	23
Land acquisition project	10000000000	3706786000	3.7
Construction of the university presidency building	5000000000	368940000	7.3
Construction of the buildings of the Faculty of Agriculture	10000000000	1000000000	10
Construction of university buildings in Al-Muthanna	11500000000	1800000000	15
Construction of teaching houses and apartments	9500000000	850000000	8.9
Construction of internal departments for students	16000000000	2742619000	17
Rehabilitation of existing buildings in the university	4000000000	1000000000	25
Preparing studies and designs	3500000000	50000000	1.4
Research and Graduate Studies Centre	5200000000	50000000	0.9
Construction of laboratories for the College of Medicine	7000000000	2000000000	28
Construction of a cultural centre for the university	6000000000	500000000	8.3
Multipurpose closed gymnasium	6000000000	1000000000	16
Buildings for the Faculty of Administration and Economics	6000000000	900000000	15
Construction of the College of Basic Education	6000000000	1500000000	25
Construction of internal departments	42000000000	2150000000	5.1
Rehabilitation, development and equipping of the existing internal departments	5000000000	1785001000	35
Total	165700000000	24403346000	14



Based on the table above, the amounts have been allocated for the year 2013 within the investment budget and for the implemented projects (amounts in Iraqi dinars). An amount of (3,000,000,000) billion dinars was allocated to the infrastructure project, which is estimated at 23% of the total cost of the project. The Land Acquisition Project was allocated (3706786000), construction of university presidency buildings was allocated (368940000), construction of buildings for the Faculty of Agriculture was allocated (1 billion), university buildings projects in Al Muthanna was allocated (1800000000), the project of construction teaching houses and apartments was allocated (850000000), a project of construction of internal departments for students was allocated (2742619000), the project of rehabilitating the existing buildings at the university was allocated (1 billion), the project of construction of laboratories of the Faculty of Medicine was allocated (2 billion), the project of construction of a closed multi-purpose sports hall was allocated (1 billion), a construction project for the Faculty of Administration and Economics was allocated (900,000,000), the project of establishing the College of Basic Education was allocated (1500000000), the project of construction of internal partitions m<sup>2</sup> was allocated (2150000000), the project of rehabilitating, developing and equipping existing internal departments was allocated (1785001000) and the project of the construction of a cultural centre for the university was allocated (500,000,000).

**Table 2**

*Total allocation for the implementation of projects and the annual allocation for the year 2014 (amounts in Iraqi dinars)*

Data	Total cost	Annual allocation
Infrastructure project	13000000000	-
Land acquisition project	10000000000	-
Construction of the university presidency building	5000000000	-
Construction of the buildings of the Faculty of Agriculture	10000000000	-
Construction of university buildings in Al-Muthanna	11500000000	-
Construction of teaching houses and apartments	9500000000	-
Construction of internal departments for students	16000000000	-
Rehabilitation of existing buildings in the university	4000000000	-
Preparing studies and designs	3500000000	-
Research and Graduate Studies Centre	5200000000	-
Construction of laboratories for the College of Medicine	7000000000	-
Construction of a cultural centre for the university	6000000000	-
Multipurpose closed gymnasium	6000000000	-
Buildings for the Faculty of Administration and Economics	6000000000	-
Construction of the College of Basic Education	6000000000	-
Construction of internal departments	42000000000	-
Rehabilitation, development and equipping of the existing internal departments	5000000000	-
Total	165700000000	-

As for the year 2014, the researchers were unable to determine the amounts allocated to that year (there is no investment budget for that year). The cost of existing projects was determined by relying on data from previous years to determine the total cost of the existing projects at the university.

**Table 3**

*Total amounts for the implementation of projects and the annual allocation for the year 2015 (amounts in Iraqi dinars)*

Data	Total cost	Annual allocation	Annual allocation percentage of the total cost (%)
Infrastructure project	13000000000	1500000000	11.5
Construction of the buildings of the Faculty of Agriculture	10000000000	5000000	0.05
Construction of university buildings in Al-Muthanna	11500000000	500000000	4
Construction of teaching houses and apartments	9500000000	250000000	2.6
Construction of internal departments for students	16000000000	1500000000	9
Rehabilitation of existing buildings in the university	4000000000	325000000	8
Preparing studies and designs	3500000000	5000000	0.14
Research and Graduate Studies Centre	5200000000	250000000	4.8
Construction of laboratories for the College of Medicine	7000000000	1000000000	14
Construction of a cultural centre for the university	6000000000	5000000	0.08
Multipurpose closed gymnasium	6000000000	1000000000	16.6
Buildings of the Faculty of Administration and Economics	6000000000	750000000	12.5
Construction of the College of Basic Education	6000000000	750000000	12.5
Construction of internal departments	42000000000	1000000000	2
Rehabilitation, development and equipping of the existing internal departments	5000000000	5000000	0.1
Total	150700000000	8845000000	5.8

An amount of (1500000000) has been allocated for the infrastructure project, the construction project of the Faculty of Agriculture was allocated (5,000,000), the project of building university buildings in Al-Muthanna district was allocated (500,000,000), the project of construction of teaching houses and apartments was allocated (2500000000), the project of construction of internal departments for students was allocated (1500000000), the project of



rehabilitating the existing buildings at the university was allocated (325000000), the project of preparing studies and designs was allocated (5000000), the postgraduate Research Centres Project was allocated (2500000000), the project of construction of laboratories of the Faculty of Medicine was allocated (1 billion), the project of the construction of a closed multi-purpose sports hall was allocated (1 billion), the building construction project for the Faculty of Administration and Economics was allocated (750000000), the project of construction of basic college of education was allocated (750000000), the project of construction of internal partitions m/2 was allocated (1 billion), rehabilitation, development and equipping of existing internal departments project was allocated (5000000), and the project of construction of cultural centre for the university was allocated (5,000,000).

After determining the amounts allocated for existing projects at the University of Al-Muthanna for the years 2013-2015, below we explain the ratios of the financial implementation of these projects by comparing the annual allocation with the actual expenses as a result of the Ministry of Finance's financing. The amounts allocated within the budget of the investment plan are shown in the table below:

**Table 4**

*Determination of actual expense ratios compared to the annual allocation for the year 2013 (amounts in Iraqi dinars)*

Data	Annual allocation for the year 2013	Actual expense for the year 2013	Actual percentage of the allowance (%)
Infrastructure project	3000,000,000	2,050,388,664	68
Construction of the buildings of the Faculty of Agriculture	2000,000,000	630,631,750	31
Construction of university buildings in Al-Muthanna	1500,000,000	1,789,801,343	119
Construction of teaching houses and apartments	1750,000,000	367,732,140	21
Construction of internal departments for students	1000,000,000	2,004,633,609	200
Rehabilitation of existing buildings in the university	1000,000,000	568,642,400	56
Construction of laboratories for the College of Medicine	1000,000,000	1,058,936,000	105
Multipurpose closed gymnasium	1000,000,000	696,520,400	69
Buildings of the Faculty of Administration and Economics	1500,000,000	862,984,000	57
Construction of internal departments	2000,000,000	2,076,967,327	103
Rehabilitation, development and equipping of the existing internal departments	500,000,000	1,599,944,000	319
Total	16,250,000,000	13,707,181,633	84

In the above table, the percentage of financial achievement had the highest rate in the project of rehabilitation, development and preparation of the existing internal departments, as it achieved (319%). This increase was due to the Ministry of Finance recycling allocations that were not disbursed from 2012 to 2013. The lowest level of financial implementation was for the project of constructing apartments and teaching houses, as the completion rate reached (21%). In the year 2014, the Iraqi budget, with its operational and investment aspects, had not been approved. This is the reason for an unknown percentage of the financial achievement of the project due to the lack of funds allocated to the projects for that year.

**Table 5**

*Determine the actual percentage of expenses compared to the annual allocation (2015)*

<b>Data</b>	<b>Annual allocation</b>	<b>Actual expense</b>	<b>Actual percentage of the allowance (%)</b>
<b>Infrastructure project</b>	1500000000	202166667	13
<b>Construction of internal departments for students</b>	1500000000	21136000	1.4
<b>Rehabilitation of existing buildings in the university</b>	325000000	196544500	60
<b>Preparing studies and designs</b>	5000000	1500000	30
<b>Research and Graduate Studies Centre</b>	250000000	91498700	36
<b>Construction of laboratories for the College of Medicine</b>	1000000000	188466000	18
<b>Construction of the College of Basic Education</b>	750000000	2015000	0.26
<b>Construction of internal departments</b>	1000000000	124832000	12
<b>Total</b>	<b>8,845,000,000</b>	<b>828,158,867</b>	<b>9.3</b>

The percentage of financial achievement in a year ranges between the highest rate (qualifying existing building at the university), which achieved 60% (the increase was due to the amount allocated) and the lowest level of financial implementation (the project of establishing internal departments). For the latter, the percentage of financial achievement reached 12%. This percentage of financial achievement was high for 2013 compared to 2014 and 2015. This is as a result of the conditions in the country (low oil prices as well as the war on terrorism). The following table shows the percentage of disparity for 2013, 2014 and 2015.

**Table 6**

*Funding amounts and financial completion ratios for each year*

<b>Years</b>	<b>Annual allocation</b>	<b>Actual expense</b>	<b>Actual percentage of the allowance (%)</b>
<b>2013</b>	16,250,000,000	13,707,181,633	84
<b>2014</b>	---	--	--
<b>2015</b>	8,845,000,000	828,158,867	9.3

According to the table, the actual percentage of expenses for the year 2013 is 84%. It is higher than 2014 and 2015. As for the year 2014, there is no actual expense due to the lack of financial allocation for that year. This is due to the lack of approval of the annual budget of the Republic of Iraq. As for the year 2015, there is an actual but a small percentage of 9.3%.



The reason for the low percentage of actual expenditures for the year 2015 is due to the existence of financing. However, with a small percentage, financing was the main reason for the continuation of investment projects.

### **Actions Taken**

The Iraqi government has taken several measures to address investment projects that stalled due to financing. The General Secretariat of the Council of Ministers directed the ministries and entities not affiliated with the Ministry and the governorates and their councils. All work was involved in Cabinet Resolution No. (340) regarding ongoing projects that were interrupted by funding. As it stipulates the mechanism of payment for the future, in order to address the issue of ongoing projects, it was suspended due to lack of funding.

The Iraqi government also issued Cabinet Resolution No. (347) of 2015. This cabinet directive was issued on October 7. It involved the treatment of the two topics of the term: post-paid and ongoing investment projects. This was done to complete important projects in Basra and other governorates. In spite of the actions taken, most of the contractors did not implement the projects at their own expense. This is so despite the support granted by the government as a result of the turbulent situation in the country and the lack of confidence of the implementers of the projects in the financial situation of the country.

### **Conclusions**

Investment projects are directly related to financing. The relationship is soft between them, as the percentage of financial implementation increases with increasing financing and decreases with low amounts of financing. Increased actual expenses (financial achievement ratios) for the year 2013 when compared to the years 2014 and 2015 were due to the presence of the annual allocation for the year 2013. They were also due to the presence of an explosive budget for that year, contrary to what is found in the subsequent years (2014, 2015). There is no annual allocation for the year 2014 due to the lack of approval of the annual financial budget of the Republic of Iraq for that year, which caused a decrease in the percentage of financial achievement and delay in completing projects on time. Continuing with investment projects increases the percentage of financial achievement, which is due to an increase in job opportunities. It also reduces the unemployment rate. Although some measures have been taken by the Iraqi government, they are not at the required level due to the undermining of trust between the contractors and the state.



## **Recommendations**

There is a need to increase financing for the development of investment projects because of the direct relationship between the rates of financial achievement and the amounts of financing. Increasing the annual allocation and continuity of financing ensures an increase in financial implementation ratios. There is a demand to approve the annual financial budget from the legislative bodies represented by the Iraqi parliament in the periods specified within the laws and instructions in force. Delay in this approval has negative effects that extend to all joints of the state, including investment projects. The development and expansion of investment projects is due to the importance of improving the financial position of society through increasing job opportunities for contractors and craftsmen in various professions. Increases in financial support by the Ministry of Finance increases and improves investment projects in Iraqi universities in general and in Al-Muthanna University in particular.



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