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Role of international financial institutions in achieving sustainable development

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Abstract
The topic of international financial institutions enjoys an important place in modern times, It has become one of the most important topics of our time, and economic and financial conditions after the Second World War have led to the need for a functioning world order that regulates international financial relations. This led to the establishment of a new global financial system, as exemplified by the Bretton Woods Conference of 1944. The International Monetary Fund and the World Bank were established as international financial institutions working to ensure fiscal balance in the countries of the world and achieve the economic development of Member States. This study aims to demonstrate the contribution of international financial institutions. (IMF and World Bank reconstruction) to achieve sustainable development in Iraq's environment to ensure the right of future generations.
The research reached a series of conclusions, the most important of which was that international financial institutions, mainly the International Monetary Fund (IMF) and the World Bank for Construction and Reconstruction, were considered to be among the most active financial institutions in the international arena because of their role in restoring countries' economic balance and providing funds and loans to developing countries in order to drive livelihood growth and promote sustainable development.
Based on the conclusions, a series of recommendations had been made, the most important of which was that the objective of the international financial and financial institutions was to support the continuation of sustainable development, not to grant such funding to increase pressure on countries in need, especially in the developing world.

Keywords: International financial institutions, international monetary fund, international bank for reconstruction and development, sustainable development, ARDL standard modelling approach

Introduction
As the role of international financial institutions evolves within the concept of globalization (The small village) and the concept of the knowledge economy have become clear how complex the Iraqi economic environment in general has become. This has led to questioning about that economy's ability to improve after suffering from wars, economic blockades and the low standard of living of the Iraqi individual. In particular, developing countries usually resort to borrowing from the outside world to meet their financing needs, among the most important are the International Monetary Fund and World Bank institutions for construction and reconstruction, which are known to be two integrated methodologies for achieving that goal. S living standards are low as well as lack of attention to the dimensions of sustainable development, which have a negative impact on economic performance, The objective of the study is to demonstrate the impact of international financial institutions' loans on sustainable development, which has become an imperative in the current environment of keeping pace with developed countries. Iraq is one of the countries that has borrowed from the two institutions. The reasons and objectives for its recourse to borrowing vary. Here, the researcher will attempt to analyse the implications of policy-making and projects financed by these institutions and the extent to which sustainable development dimensions have been achieved through the use of the ARDL modelling method to measure the coefficient and impact of relationships between the independent variable and the dependent variables.
Therefore, the problem of research can be summarized: insufficient financial resources and the head of domestic funds for the sustainable development of borrower States (particularly developing countries), including Iraq, which prompts them to borrow from international

institutions, but they have not been able to direct them to the productive investment side, resulting in their non-payment of such funds and their benefits and their inability to achieve sustainable development and their impact on the economies of those States. The problem of research can be explained by the President's question:

To what extent can sustainable development be achieved with dependence on international financial institutions' loans (World Bank for Reconstruction and Development, International Monetary Fund)?

The importance of research can be summarized below:

- The importance of international financial institutions' loans (the International Monetary Fund and the World Bank for Construction and Reconstruction) and their impact on economic stability and opening up new horizons that contribute to achieving the sustainable development dimensions of the economic, social and environmental dimension to keep pace with developed countries and achieve an acceptable economic level.
- Economic stability is one of the objectives that many countries strive to achieve, especially developing countries, through the formulation of economic policies and programmes in cooperation with international financial institutions during a certain period and with conditions that are often complex for these countries. Iraq is one of those countries with difficult economic conditions, beginning with the economic blockade of the 1990s, in order to change the 2003's governance through internal and external imbalances, which have led to weak economic growth, high inflation rates and unemployment, leading it to pursue self-sustaining macroeconomic policies and to rely on international financial institutions with a view to achieving economic stability and sustainable development.

The research objective can be summarized as follows:

- Identification of international financial institutions (IMF and World Bank reconstruction).
- Clarify the dimensions and relevance of sustainable development.
- To indicate the extent to which the international financial institutions (IMF and the World Bank for Reconstruction) have contributed to achieving sustainable dimensions to Iraq's environment to ensure the right of future generations.
- To measure and analyse the relationship between the impact of increased external borrowing burdens and some economic variables associated with Iraq's sustainable development.
- Clarify the mechanisms and means used to mitigate Iraq's external borrowing and to enable it to channel financial resources into its economy and achieve sustainable development.

Through the above review we conclude the research hypotheses:

(International financial institutions have an impact on achieving the dimensions of sustainable development) of this hypothesis, including the following sub-hypotheses:

Ho_1: The first sub-hypothesis:

IMF loans have an impact on indicators for achieving sustainable development dimensions.

Ho_2: Sub-hypothesis II:

IBRD loans have an impact on indicators for achieving sustainable development dimensions.

Definition of international financial institutions:

There are several definitions given to institutions. It is defined as "institutions that achieve the objectives of the United Nations in order to improve the living conditions of different peoples and try to advance development in poor countries and bring together the vast differences in rich economic levels and between poor countries". All of this serves the United Nations' overarching goal of maintaining international peace and security and strengthening friendly relations among nations. (Hamida, 2016:44) [3], also known as "institutions that control and control monetary and fiscal policies that will long achieve some kind of harmony and uniformity in the rules and standards used in different countries of the world, as well as the removal of restrictions and obstacles that impede punitive activity among different countries of the world") International financial institutions are thus instrumental in achieving and affirming the universality of the world. (Ernst, 2016:34) [1], as defined by the Central Bank of Iraq (financial institutions established by two or more States and thus subject to international law, are governmental organizations that seek to preserve the integrity of the global monetary and financial system, drive development in underdeveloped countries and work to remove barriers to their integration into the global economy).

Main objectives of the international financial institutions:

The World Bank and IMF's policies include many objectives that can be mentioned in:

- Promote and develop international cooperation in economic areas.
- Stabilize exchange rates and achieve balanced growth to help achieve high levels of economic growth.
- Developing and expanding international trade, employment, income and productive resources.
- Promote international monetary stability.
- Technical assistance and advice in various financial and economic areas.
- Providing medium and short-term loans for multiple purposes, primarily to address budget imbalance and balance of payments (Mansuri, 2018:32) [4].

Stages of development of international financial institutions

International financial institutions passed after stages (Night, 2018: 73-76) [2]:

- **Bretton Woods Convention:** The modern foreign exchange market was established in 1973 but began in 1944 under the Bretton Woods Convention, which was designed to stabilize the world economy after the Second World War. This Convention resulted in:
- Establishment of the International Monetary Fund (IMF).
- Fixed rates for all IMF member States' currencies in relation to the United States dollar, which in turn was linked to gold at a fixed rate of $35 per ounce in order to stabilize exchange rates.
- **Smithsonian Agreement:** The Semithonian Agreement provides for the devaluation of the United States dollar against the appreciation of gold while increasing the

value of some European currencies and not exerting any pressure to re-convert the dollar into gold The agreement is weak in content, as it is merely an amendment to the Bretton Woods Convention while allowing for greater currency exchange rate fluctuations as the currency's parity rate fluctuates up or down only within 2.25.

- **International Bank for Reconstruction and Development:** It is the second institution established at the Bretton Words Conference, the reason for its establishment is to rebuild the States that destroyed the Second World War. This mission is reflected in the designation of the International Bank for Reconstruction and Development, and its actual operation began in 1946, after which the Bank was linked to the United Nations by agreement in 1947.

The translation of reconstruction is rehabilitation, where it has been active with the help of the reconstruction of the broken economic structure during the war. The translation of reconstruction has subsequently stabilized with the term "development". Since the 1950s, it has focused its operations on development issues in third world countries.

Definition of sustainable development

Sustainable development was defined by Edward Barbert, the first to use the term sustainable development as (That economic activity, which leads to a rise in social well-being with the greatest care for available natural resources and with the least damage and damage to the environment) (Mohammed Wahr, 2015:341) [6], as defined by ESCWA as sustainable development (Promoting economic development while conserving natural resources and ensuring the continuation of social, environmental, political, economic and institutional development on an equal basis).

Sustainable Development Goals

Through its mechanisms and content, sustainable development seeks to achieve a number of objectives (Manati and Majid, 2017:6) [5]:

- **Achieving a better quality of life for the population:** Focusing on the relationships between population activities and the environment and dealing with nature's system and content on the basis of human life, through environmental quality conservation and rehabilitation measures, the relationship is ultimately complementary and harmonious. By promoting the creation of peaceful and inclusive societies for sustainable development, universal access to justice and the building of effective, accountable and inclusive institutions at all levels.
- **Enhancing people's awareness of existing environmental problems:** As well as developing their sense of responsibility and urging them to participate actively in finding appropriate solutions through their participation in the development, implementation, follow-up and submission of a sustainable development programme and projects to address climate change and its impact in order to make cities and human settlements inclusive, secure, resilient and sustainable.
- **Respect for the natural environment:** By focusing on the relationship between population activities and the environment and dealing with nature's system and content on the basis of human life Sustainable development is what absorbs the sensitive relationship between the environment described and develops it into an integral and harmonious relationship. Through the conservation of oceans, seas and marine resources, as well as the protection and restoration of land-based ecosystems, promoting their sustainable use and management of forests, combating desertification, halting and reversing land degradation and halting the loss of biodiversity.
- **Realizing rational exploitation and use of resources:** Development treats resources as limited, thus preventing their depletion or destruction and rationally utilizing and employing them.
- **Linking modern technology to the goals of society:** Sustainable development tries to staff modern technology to serve the goals of society by raising the population's awareness of the importance of different techniques in the field of development, How to use available and new ones to improve society's quality of life and achieve its desired goals impacts ", without resulting in negative environmental hazards and effects, or at least controlling them in the sense of appropriate solutions.
- **Appropriate changes in society's needs and priorities:** In a way that suits the possibilities and allows for a balance by which economic development can be activated and all environmental problems controlled.
- **Achieving technical economic growth:** Preserving capitalism that encompasses natural and environmental resources, which in turn requires the development of institutions, infrastructure and appropriate risk and volatility management to ensure equal wealth sharing between successive generations and in the same generation.

Characterization of variables and analysis of test results for the standard model (ARDL)

The objective of the study is to measure and analyse the impact of international financial institutions' loans on living standards and the dimension of sustainable development in Iraq. There are many models that are estimated in different variables, based on the data available within the countries where the study was conducted, how it is statistical, how long the time is and how accurate it is... etc., In the light of available data on borrowing, which includes Iraq's IMF loan data obtained from the Public Debt Service of the Ministry of Finance, disaggregated by year for the duration (2004-2020), as well as GDP data in dollars obtained from the Central Bank of Iraq, where annual data were converted into quarterly data (Quarterly) By E-Views, we have quarterly time chains of 60 views per variable. E-Views needs a long time series. Based on available data, IFI loans have been adopted as an independent variable and GDP as a dependent variable. The unit used for measurement is ($1 billion) as described below.

Characterization of variables: The variables were taken through:

Independent variables.

Symbol	Variable
GBW	World Bank Construction Loans
LM	IMF loans

Dependent variables

	Symbol	Variable
		Variables for achieving sustainable development dimensions
Variables for measuring the economic dimension Variables for measuring the social dimension	AGD	Per capita GDP indicator
	Groth	Growth rate
	TD	Trade balance
	PD	Debt to GDP ratio
	MF	Inflation rate
Variables for measuring the economic dimension	SE	Education spending indicators
	SH	Health spending indicators
Variables for measuring the social dimension	Gag	Carbon dioxide (average per capita)
	gGDP	Carbon dioxide (total GDP)
	gPT	Carbon dioxide intensity (equivalent energy use) of oil

We did not address the technological dimension due to the lack of real data announced by the Iraqi Ministry of Finance.
First: Statistical description of the research variables:

Table 1: Statistical description of the study variables

X4	X3	X2	X1	Y	
15.42643	15.44860	15.11251	18.21274	-0.462868	Mean
15.51780	15.60313	15.34973	18.40705	-0.446288	Median
15.86905	16.17777	15.80656	18.74584	-0.394525	Maximum
14.48922	14.29339	14.10048	17.33175	-0.572701	Minimum
0.391430	0.643904	0.576230	0.445562	0.057887	Std. Dev.
-0.959203	-0.584594	-0.805294	-0.706531	-0.717137	Skewness
3.021544	1.928143	2.100652	2.206359	2.307846	Kurtosis
9.815324	6.709009	9.074188	7.004300	6.763250	Jarque-Bera
0.007390	0.034927	0.010704	0.030133	0.033992	Probability
987.2917	988.7103	967.2009	1165.615	-29.62358	Sum
9.652689	26.12061	20.91859	12.50709	0.211105	Sum Sq. Dev.
64	64	64	64	64	Observations

***Source*:** Researcher's preparation based on Eviews 12 outputs

Table 1 indicates the descriptive characteristics of time series of centralization measures (computational medium and intermediary), as well as the highest and lowest value of each variable, since the convergence of these values reflects us that time chains do not contain anomalous values. (Extreme), as well as the table shows the twist coefficient (Skewness) which is an important measure in descriptive statistics and probability theory and is an indicator of measurement of a degree and direction that is not the same as the probability distribution function of the real random variable, we also note the fluctuation coefficient (Kurtosis), which is one of the most important formalities of probable distribution and through which, besides measures of centralism and dispersion, we can understand the structure of the variables and their statistical data, and the value of the fluctuation coefficient is positive whenever the potential distribution function is tilted to the direction of the right, and we note that the values of all variables were positive, and we also note that the statistic of JBBBera.
Measuring and analysing the impact of IMF loans on indicators of achieving sustainable development dimensions.
This model can be formulated in mathematical form through the following equations:
LM=F(AGDP, GROTH, TD, PD, MF, SE, SH, GAGDP, Ggdp, Gpt, inf+μ)

LM=β0+ β1AGDP+ β2 GROTH+ β3TD- β4PD+ β5SE+ β6SH+ β7GAGDP+ β8Ggdp+ β9Gpt+ β10inf+μ)
Landmark signals.
= Fixed Signal Signal β0
= Average output per capita is positive. B1
= Positive growth rate parameter. B2
= Trade balance parameter is positive. B3
= The ratio of debt to GDP is negative. B4
= The teacher of spending on education is positive B5
= Health expenditure parameter is positive. β6
= CO2 gas parameter (average per capita) is positive. B7
= CO2 gas parameter (GDP) is positive. B8
= CO2 gas parameter (use of equivalent energy) is positive. B9
=random variable μ.

Data stability test

Table 2: First Model Dickie Fuller Test Results

Variable stability level	ADF test value	Critical value at level (5%)	variable
Second difference	-4.635601	-3.098896	AGDP
Level	-3.999766	-3.065585	TD
First Difference	-7.954709	-3.119910	PD
Level	-3.100108	-3.065585	Inf
Second difference	-4.578461	-3.098896	SE
First Difference	-5.724972	-3.081002	SH
First Difference	-3.687631	-3.081002	gAGDP
Level	-11.23589	-3.119910	Ggdp
First Difference	-15.97782	-3.119910	gPT

***Source*:** E-Views

We note from the results of the table above that variables varied in stability as the trade balance stabilized (TD), inflation rate (INF) and carbon dioxide gas (GDP) (gGDP) and carbon dioxide gas (oil equivalent energy use) (gPT) at the level of 5% morale while the development variable and debt of GDP stabilized (PD), health expenditure variable (SH) and carbon dioxide gas variable (average per capita) after taking the first difference at a morale level of 5%, and the variable per capita GDP (AGDP) and the expenditure variable on education settled after taking the second difference at a 5% morale level.

Joint integration test

Table 3: Joint Model II Integration Test

Test Statistic	Value	K		
F-statistic	1.406891	10		
Critical Value Bounds				
Significance	**I0 Bound**	**I1 Bound**		
10%	1.76	2.77		
5%	1.98	3.04		
2.5%	2.18	3.28		
1%	2.41	3.61		
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	81717.06	86815.51	0.941273	0.3999
AGDP(-1)	18.97662	17.05864	1.112435	0.3283
GROTH(-1)	-178.6817	533.2528	-0.335079	0.7544
TD(-1)	-0.062580	0.119916	-0.521867	0.6293
PD(-1)	-143.9288	675.1109	-0.213193	0.8416
INF	-9.227759	497.7395	-0.018539	0.9861
SE(-1)	-22037.35	11429.26	-1.928153	0.1261
SH(-1)	-4711.796	7040.796	-0.669213	0.5400
GAGDP(-1)	57613.93	22343.75	2.578526	0.0614
GGDP(-1)	-296496.5	220509.3	-1.344599	0.2499
GPT(-1)	-24427.13	23760.79	-1.028044	0.3620
LM(-1)	-1.403962	0.451352	-3.110572	0.0359
R-squared	0.808404	Mean dependent var		206.0589
Adjusted R-squared	0.281513	S.D. dependent var		13139.20
S.E. of regression	11137.26	Akaike info criterion		21.58769
Sum squared resid	4.96E+08	Schwarz criterion		22.16713
Log likelihood	-160.7015	Hannan-Quinn criter.		21.61736
F-statistic	1.534292	Durbin-Watson stat		2.868428
Prob(F-statistic)	0.362457			

The results of Table 3 show that there is no common complementarity between IMF loans and sustainable development dimensions variables. This shows that the calculated value was 1.40 below Schedule 3.04 at a 5% moral level, to which zero is imposed in the absence of a common integration of long-term variables and we reject alternative imposition.

Estimated form

From the results of Table 4, it is clear that IMF loans (LM) have no moral impact on variables that achieve only the dimensions of sustainable development have a moral impact on the environmental dimension of carbon dioxide (average per capita income), which is symbolized as gAGDP, if it amounts to less than 0.03.

Table 4: Estimated Model II

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12085.53	87100.58	0.138754	0.8942
AGDP	4.294720	8.954997	0.479589	0.6485
GROTH	-87.77765	504.3070	-0.174056	0.8675
TD	-0.076769	0.101128	-0.759128	0.4765
PD	101.1870	595.0595	0.170045	0.8706
INF	-29.19715	423.2735	-0.068979	0.9472
SE	-7219.341	6159.831	-1.172003	0.2856
SH	1846.465	6538.447	0.282401	0.7871
GAGDP	32576.88	12288.94	2.650910	0.0380
GGDP	-261794.6	156411.7	-1.673753	0.1452
GPT	1021.972	21537.55	0.047451	0.9637
R-squared	0.779455	Mean dependent var		13683.22
Adjusted R-squared	0.411880	S.D. dependent var		13167.17
S.E. of regression	10097.77	Akaike info criterion		21.53068
Sum squared resid	6.12E+08	Schwarz criterion		22.06982
Log likelihood	-172.0108	Hannan-Quinn criter.		21.58427
F-statistic	2.120533	Durbin-Watson stat		1.684342
Prob(F-statistic)	0.185111			

Error correction model

The above table shows that IMF loans affected only the health expenditure variable In the short term, as we note, the error corrects at a very high rate of 92% in the short term. In summary, IMF loans have had a very weak impact in Iraq. Through the results below, we note that these loans have not affected the levels of economic activity at all, but have influenced some of the variables of achieving the dimensions of sustainable development only on short-term health spending as well as on the environmental dimension of sustainable development through carbonogenic gas.

Table 5: Error correction model for the second model

Cointegrating Form				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
D(AGDP)	-10.017108	5.325820	-1.880857	0.1331
D(GROTH)	59.813003	231.697784	0.258151	0.8090
D(TD)	-0.101341	0.042568	-2.380687	0.0759
D(PD)	-311.491208	243.436965	-1.279556	0.2699
D(INF)	-183.862975	167.474713	-1.097855	0.3339
D(SE)	3766.442130	3510.365055	1.072949	0.3437
D(SH)	12329.954906	3129.764976	3.939579	0.0170
D(GAGDP)	4618.199691	8839.576027	0.522446	0.6290
D(GGDP)	82608.920298	100947.337534	0.818337	0.4591
D(GPT)	13869.700711	11451.307152	1.211189	0.2925
CointEq(-1)	-0.922603	0.212444	-4.342797	0.0122
Cointeq = LM - (-6.1684*AGDP + 183.8718*GROTH - 0.0939*TD -197.8085				
*PD + 17.8509*INF -3349.3565*SE + 10545.5212*SH + 32683.0748				
*GAGDP -143627.9668*GGDP + 2767.9745*GPT -64021.4794)				
Long Run Coefficients				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
AGDP	-6.168431	33.377317	-0.184809	0.8624
GROTH	183.871772	1618.971487	0.113573	0.9150
TD	-0.093939	0.177151	-0.530280	0.6240
PD	-197.808475	1382.389909	-0.143092	0.8931
INF	17.850899	750.854378	0.023774	0.9822
SE	-3349.356488	18044.373249	-0.185618	0.8618
SH	10545.521155	23084.355907	0.456825	0.6715
GAGDP	32683.074807	27318.717295	1.196362	0.2976
GGDP	-143627.966839	453202.178018	-0.316918	0.7672
GPT	2767.974476	38564.710753	0.071775	0.9462
C	-64021.479393	243638.954333	-0.262772	0.8057

The results of the estimate are as follows:

- Assessment in accordance with economic theory.
  The coefficient of carbon dioxide (average per capita) coefficient signal is also positive and the coefficient of health expenditure variable (SH) is in accordance with the logic of economic theory.
- Assessment according to statistical standard.
  From the results of the estimated model, the probability value (prob) was found to be less than (0.05) for the carbon dioxide gas variant (gAGDP) and the health expenditure variable.
- Test the matchmaking quality of the model.
  The value of R2 is 77%, i.e. the effect is explained by an acceptable percentage.
- Evaluation in accordance with standard.
  The value (D-W) was 1.68, i.e. the model does not have a linear correlation problem.

Table 6: ARCH test results

Heteroskedasticity Test: ARCH				
F-statistic	0.341130	Prob. F(1,13)		0.5692
Obs*R-squared	0.383547	Prob. Chi-Square(1)		0.5357
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	26007244	11206976	2.320630	0.0372
RESID^2(-1)	0.155988	0.267073	0.584063	0.5692
R-squared	0.025570	Mean dependent var		30642517
Adjusted R-squared	-0.049386	S.D. dependent var		29916274
S.E. of regression	30646100	Akaike info criterion		37.43747
Sum squared resid	1.22E+16	Schwarz criterion		37.53188
Log likelihood	-278.7811	Hannan-Quinn criter.		37.43647
F-statistic	0.341130	Durbin-Watson stat		2.071077
Prob(F-statistic)	0.569174			

That is, the model does not have an imbalance problem that appears from R-squared if its value is 0.535 or greater than 0.05.

Mutual effect test between variable.

This is done by testing Granger's causation as shown in Table (7):

Table 7: Granger Causal Test for Variables Model II

Lags: 2			
Null Hypothesis	**Obs.**	**F-Statistic**	**Prob.**
GROTH does not Granger Cause GPT		6.931371954805041	0.01292403416706389
SH does not Granger Cause TD	15	10.39704424170149	0.003611297217938741
GAGDP does not Granger Cause TD	15	11.68147236095817	0.002419235353894509
GGDP does not Granger Cause TD	15	7.343890431222602	0.01090409762440479
SH does not Granger Cause PD	15	2.446235644663691	0.136510526745211
PD does not Granger Cause SH	15	5.000466257998578	0.03124271573770765
GAGDP does not Granger Cause PD	15	18.58739745343407	0.0004280060385267127
GGDP does not Granger Cause PD	15	13.22909783278942	0.001552473311610768
GPT does not Granger Cause PD	15	9.95376950398111	0.004179233252134743
SE does not Granger Cause GAGDP	15	4.364081281120008	0.04340343963998118
GGDP does not Granger Cause GAGDP	15	3.961276198620806	0.05407552024095693
GPT does not Granger Cause GAGDP	15	11.05266160135462	0.002931667878012571
GPT does not Granger Cause GGDP	15	16.52558500050638	0.00067620006188528

The impact of IMF loans on the dimensions of sustainable development is mutually influential among the model's variables as follows:

- Note that expenditure on health (SH) affected the balance of payments (TD).
- Carbon dioxide gas (average per capita) (gAGDP) has an impact on the balance of trade (TD).
- Also debt on GDP (PD) impact on health spending (SH).
- Carbon dioxide gas (average per capita) also has an impact on the ratio of debt to domestic product.
- Carbon dioxide gas (GDP) has also affected the trade balance.
- The impact of expenditure on education (SE) on carbon dioxide gas (average per capita).
- The impact of carbon dioxide (GDP) on carbon dioxide (average per capita).
- The effect of carbon dioxide gas (oil-equivalent energy) on carbon dioxide gas (average per capita).
- The impact of carbon dioxide gas (oil-equivalent energy) on carbon dioxide gas (GDP).

Measuring and analysing the impact of IBRD loans on indicators for achieving sustainable development dimensions

LBW=F(AGDP, GROTH, TD, PD, MF, SE, SH, GAGDP, Ggdp, Gpt, inf+μ)

LBW=β0+ β1AGDP+ β2 GROTH+ β3TD- β4PD+ β5SE+ β6SH+ β7GAGDP+ β8Ggdp+ β9Gpt+ β10inf+μ)

Joint integration test

From the results of Table No. (8) it was shown that the variables are not integrated in the long term this is demonstrated by the Bound Test of 1.46 which is less than 1.98 at a morale level of 5% above accepting zero imposition and rejecting alternative imposition.

Table 8: Bound Test for Model IV

Test Statistic	Value	K		
F-statistic	1.466598	10		
Critical Value Bounds				
Significance	**I0 Bound**	**I1 Bound**		
10%	1.76	2.77		
5%	1.98	3.04		
2.5%	2.18	3.28		
1%	2.41	3.61		
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	3.383115	5.983508	0.565407	0.6020
AGDP(-1)	-0.000110	0.001054	-0.104611	0.9217
GROTH(-1)	-0.038494	0.036255	-1.061734	0.3482
TD(-1)	-1.58E-06	8.43E-06	-0.187114	0.8607
PD(-1)	-0.042434	0.046556	-0.911459	0.4136
INF	0.026864	0.034411	0.780667	0.4786
SE(-1)	-0.023299	0.694190	-0.033562	0.9748
SH(-1)	-0.351849	0.433955	-0.810795	0.4630
GAGDP(-1)	-0.258876	1.083704	-0.238881	0.8229
GGDP(-1)	15.94168	13.50495	1.180432	0.3032
GPT(-1)	-1.771557	1.812653	-0.977328	0.3837
LBW(-1)	-1.246224	0.512265	-2.432772	0.0718
R-squared	0.812206	Mean dependent var		0.093750
Adjusted R-squared	0.295772	S.D. dependent var		0.816879
S.E. of regression	0.685511	Akaike info criterion		2.196401
Sum squared resid	1.879701	Schwarz criterion		2.775843
Log likelihood	-5.571209	Hannan-Quinn criter.		2.226073
F-statistic	1.572721	Durbin-Watson stat		2.583720
Prob(F-statistic)	0.352451			

Estimated model

Through the results of the model estimated in Table 8, it was found that the World Bank's loans did not affect sustainable development indicators in this period by showing that the probability values of variables (Prob) are greater than (0.05).

Table 9: Fourth estimated model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.671082	6.119020	-0.109671	0.9162
AGDP	-0.000629	0.000629	-0.999832	0.3560
GROTH	-0.012609	0.035429	-0.355900	0.7341
TD	-5.01E-06	7.10E-06	-0.705375	0.5070
PD	-0.027296	0.041804	-0.652951	0.5380
INF	0.032436	0.029736	1.090784	0.3172
SE	0.351129	0.432743	0.811404	0.4481
SH	0.164943	0.459341	0.359087	0.7318
GAGDP	-0.360712	0.863327	-0.417816	0.6906
GGDP	13.39968	10.98829	1.219451	0.2684
GPT	-1.062391	1.513063	-0.702146	0.5089
R-squared	0.515296	Mean dependent var		0.705882
Adjusted R-squared	-0.292544	S.D. dependent var		0.623970
S.E. of regression	0.709392	Akaike info criterion		2.403846
Sum squared resid	3.019420	Schwarz criterion		2.942984
Log likelihood	-9.432692	Hannan-Quinn criter.		2.457438
F-statistic	0.637869	Durbin-Watson stat		2.157749
Prob(F-statistic)	0.747583			

Error correction model

From the results of table 9, the World Bank's construction loans adversely affected GDP per capita in the short term, but the amount was very weak, but they led to increased economic growth rates in that period and also reduced the debt ratio of GDP as well. (inf) as well as increased expenditure on education as well as increased expenditure on health. That is, the World Bank's loans have not affected the environmental dimension of sustainable development in the current period and the short term.

Table 10: Error correction model in estimated form IV

Cointegrating Form				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
D(AGDP)	-0.001715	0.000289	-5.936180	0.0040
D(GROTH)	0.178028	0.034788	5.117458	0.0069
D(TD)	-0.000006	0.000002	-2.382612	0.0758
D(PD)	-0.042027	0.014642	-2.870297	0.0455
D(INF)	0.043909	0.010259	4.279960	0.0128
D(SE)	1.039529	0.187339	5.548931	0.0052
D(SH)	1.250429	0.264974	4.719070	0.0092
D(GAGDP)	-0.777886	0.480207	-1.619898	0.1806
D(GGDP)	23.718120	5.477719	4.329926	0.0124
D(GPT)	0.147122	0.672420	0.218795	0.8375
CointEq(-1)	-2.350666	0.408065	-5.760512	0.0045
Cointeq = LBW - (-0.0007*AGDP + 0.0776*GROTH -0.0000*TD -0.0176*PD				
+ 0.0228*INF + 0.4192*SE + 0.4856*SH -0.1465*GAGDP + 9.1514				
*GGDP -0.1538*GPT -4.7559)				
Long Run Coefficients				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
AGDP	-0.000728	0.000427	-1.706665	0.1631
GROTH	0.077579	0.016265	4.769646	0.0088
TD	-0.000002	0.000002	-0.951359	0.3953
PD	-0.017599	0.020760	-0.847706	0.4443
INF	0.022791	0.010694	2.131154	0.1001
SE	0.419161	0.261229	1.604569	0.1839
SH	0.485586	0.192255	2.525743	0.0650
GAGDP	-0.146530	0.530714	-0.276100	0.7961
GGDP	9.151393	7.396032	1.237338	0.2836
GPT	-0.153839	0.459409	-0.334863	0.7546
C	-4.755929	2.249874	-2.113864	0.1020

The results of the model's evaluation are as follows

- Assessment according to economic theory: We note that the World Bank's loans did not affect the economic improvement variables or the achievement variables to diminish sustainable development.
- In the short term, the model's parameters were approved by the economic theory, with the exception of the inflation rate and per capita GDP. The World Bank's increased loans increased spending on education and health and increased inflation rates, but at a lower rate. gross domestic product (GDP) ", increased loans did not increase the growth rate by the top and the average per capita GDP declined.
- Assessment in accordance with statistical standard.
- One result of the estimated model is that the probability value of variables (prob) is greater than 0.05 and therefore not moral in the current period.
- Test the quality of model reconciliation.
- The R2 = 516 parameter is very weak; any interpretation of variables is very weak.
- Evaluation in accordance with standard.
- The value of D-W = 2.5 is that the model does not have a self-correlation problem.

ARCH test results

Table 11: ARCH Test

Heteroskedasticity Test: ARCH				
F-statistic	0.009859	Prob. F(1,13)		0.9224
Obs*R-squared	0.011367	Prob. Chi-Square(1)		0.9151
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.052116	0.025581	2.037305	0.0625
RESID^2(-1)	0.027502	0.276973	0.099293	0.9224
R-squared	0.000758	Mean dependent var		0.053587
Adjusted R-squared	-0.076107	S.D. dependent var		0.077866
S.E. of regression	0.080775	Akaike info criterion		-2.070742
Sum squared resid	0.084819	Schwarz criterion		-1.976335
Log likelihood	17.53056	Hannan-Quinn criter.		-2.071747
F-statistic	0.009859	Durbin-Watson stat		2.010677
Prob(F-statistic)	0.922420			

From the results of the table above, it is clear that the model has no different variability problem.

Testing the interrelationships between variables

Table 12: Granger Causal Test for Model IV Variants

Lags: 2			
Null Hypothesis	**Obs.**	**F-Statistic**	**Prob.**
LBW does not Granger Cause GROTH	15	5.86981	0.0206
GROTH does not Granger Cause GPT		6.93137	0.0129
SH does not Granger Cause TD	15	10.3970	0.0036
GAGDP does not Granger Cause TD	15	11.6815	0.0024
GGDP does not Granger Cause TD	15	7.34389	0.0109
TD does not Granger Cause GGDP		0.36370	0.7039
PD does not Granger Cause SH		5.00047	0.0312
GAGDP does not Granger Cause PD	15	18.5874	0.0004
GGDP does not Granger Cause PD	15	13.2291	0.0016
GPT does not Granger Cause PD	15	9.95377	0.0042
SE does not Granger Cause GAGDP		4.36408	0.0434
GGDP does not Granger Cause GAGDP	15	3.96128	0.0541
GPT does not Granger Cause GAGDP	15	11.0527	0.0029
GPT does not Granger Cause GGDP	15	16.5256	0.0007

As a result of the above table, the following is clear:

- The economic growth rate has an impact on carbon dioxide gas density (using oil-equivalent energy).
- There is an impact of World Bank (LBW) loans on the short-term growth rate as I explained earlier.
- There is an impact of spending on health on the balance of trade (TD).
- There is an impact of growth rate on the trade balance.
- Carbon dioxide gas (GDP) has an impact on the trade balance.
- The debt ratio of GDP has an impact on health spending.
- Carbon dioxide gas (average per capita) has an impact on the ratio of debt to domestic product.
- Carbon dioxide gas (GDP) has an impact on the debt ratio of GDP.
- Carbon dioxide gas (GDP) has an impact on carbon dioxide gas (average per capita)
- Carbon dioxide gas density (using oil-equivalent energy) has an impact on carbon dioxide gas (average per capita)
- Carbon dioxide gas density (using oil-equivalent energy) has an impact on carbon dioxide gas (GDP).

Through practical testing in concluding that there is an impact of international financial institutions in achieving sustainable development in Iraq

Conclusion

1. Sustainable development is a development method that works to meet the needs of present generations without compromising the ability of future generations to meet their needs is valid because it addresses all aspects of socio-economic and environmental, contrary to pre-existing development concepts. Development seeks to increase economic growth, achieve social well-being and preserve natural resources and the environment. Development is as much a moral and human issue as it is a development and environmental issue.
2. Iraq has recently paid great attention to the promulgation of decrees, legislation and the enactment of domestic laws to improve and achieve sustainable development at all levels and in its socio-economic, environmental and external spheres. It has been provided with financial assistance and grants by international financial institutions such as the International Monetary Fund and the World Bank for Reconstruction and Development.
3. International financial institutions, mainly the International Monetary Fund (IMF) and the World Bank for Construction and Reconstruction, are among the most active financial institutions in the international arena because of their role in the economic rebalancing of countries and the provision of funds and loans to developing countries to promote sustainable development.
4. Iraq's external borrowing from international financial institutions has not contributed to supporting sustainable development.
5. Iraq's chain of external loans from the International Monetary Fund (IMF) has not been stable at its original level but has settled in the first difference.
6. The speed parameter of error correction or the limit of error correction of the study model was negative and less than the correct one, but it was immoral. The results of international borrowing have adversely financed Iraq's financial resources in financing the deficit in the financial resources gap. Iraq has paid to address debt servicing twice as much as was obtained.
7. There is poor management of funds with increased financial and administrative corruption in the public and private sector paralysing their movements, causing a clear waste of resources.
8. Iraq has not benefited from external debt scheduling and has been adversely affected by total indebtedness and the complexity of borrowing conditions. Iraq has not benefited from the external debt tabulation process and no independent domestic strategy has been developed.
9. During this period, Iraq's economy suffered many inherent problems, including the devastating infrastructure caused by wars, high rates of poverty and unemployment, low health indicators and a banking sector lacking modern means.
10. The International Monetary Fund (IMF) and the World Bank deal with the majority of countries with deficits, which require them to open their markets to imports

from industrialized countries in return for the flow of specific amounts of credit, which is approved by the IMF and the World Bank.

Recommendations

1. The objective of IFIs should be to support the continuation of sustainable development, not to grant such funding to increase pressure on countries in need, especially in the developing world.
2. The Monetary Fund and the World Bank should take into account each country's specificity, so that economic reform programmes must be appropriate to the circumstances of the country seeking assistance by making adjustments to these programs so as to be more effective.
3. Raising awareness of the concept of sustainable development and disseminating it among the community and holding the polluter responsible for compensation, i.e. paying all reparations and eliminating all risks and damages, and working to reflect legislation and respect laws promulgated by Iraq with a view to preserving the environment, upgrading research and participating in international symposiums in the framework of sustainable development and improving the standard of living, in order to benefit from this participation physically and technically.
4. Supervision of follow-up and monitoring by the government and international financial institutions for funded projects.
5. Developing or growth-oriented countries looking for sustainable development should rely on domestic sources of financing and reduce dependence on external loans.
6. There must be a highly efficient and high-performing government capable of establishing sound rules, oversight and integrity that reduces administrative corruption and thus reduces borrowing.
7. Reduction of military expenditure in Iraq, particularly as such expenditure constitutes an important proportion of GDP, resulting in a shortfall in the allocation of funds for sustainable development.
8. There must be an economic reform programme in Iraq to address the imbalance in a relative manner. In turn, it will yield positive results in social aspects. One of the requirements of the International Monetary Fund (IMF) for the reform programme focuses its concerns on considerations of efficiency in economic performance and mere profitability and at the expense of social considerations.
9. Increasing financial allocations for the development of education and the development of scientific research because it is the fundamental pillar for the advancement of any economy with a view to investing in the human element considered a force for sustainable development.

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