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THE ROLE OF ISLAMIC INVESTMENT METHODS IN
FINANCING THE AGRICULTURAL SECTOR IN IRAQ
(CASE STUDY OF THE PEACE CONTRACT)

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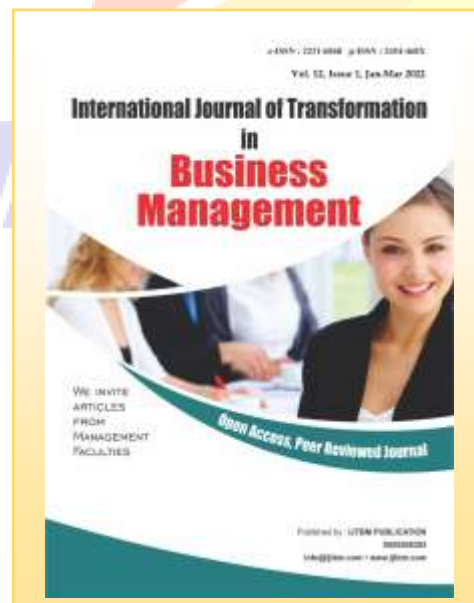
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ABSTRACT

The problem of food security in Iraq has become a threat to the lives of many members of society, which emphasizes the importance of urgent solutions to this problem and try to overcome them and then correct the situation in general, and in this area was unable to the agricultural sector in Iraq to address the problem and address, Major challenges that prevent him from performing his role and comes in the forefront of the problem of funding. Therefore, the importance of the research emphasizes the importance of searching for alternatives to finance that can contribute to the financing of the Iraqi agricultural sector. The Peace Contract came as one of the Islamic financing formulas that can meet the needs and requirements of farmers in terms of financing and on a legitimate basis. The experience of the traditional banks, and proved the experience of the flexibility of this contract and the extent of its response to the various funding needs, whether in agriculture or industry or any other sector.

Keywords: *Islamic Finance. Agriculture. Peace treaty.*

INTRODUCTION

There are many factors contributing to the decline of agricultural production of Iraq and the decline of green areas in general, which means that the alternative to this situation is the famine and the consequences of diseases, or in the best conditions to strengthen the dependence of food-exporting countries and then remain in the context of the problem of food insecurity, as well as The agricultural finance in Iraq suffers from significant challenges that prevent it from playing its role in the development of the agricultural sector and increase its growth, noting the lack of specialized banks in this area, in addition to the limited loans provided by these banks, with the absence of the comprehensive plan for institutional lending policies.

Hence the importance of the research to emphasize the importance of searching for alternatives to finance that can contribute to the financing of the Iraqi agricultural sector, came the peace contract as one of the forms of financing Islamic, which can meet the needs and requirements of farmers in terms of funding, and on a legitimate basis, In the case of conventional banks.

The purpose of this research is to explain the importance of the peace contract as a form of banking, investment and financial transactions that can be applied and utilized in financing agricultural, industrial and commercial sectors, and as a legitimate alternative to what the rest of the traditional banks are currently doing.

The research hypothesis is based on the fact that the peace contract is of great importance in terms of its flexibility and responsiveness to the various economic

financing needs, especially the financing of the agricultural sector, as well as its response to the financing of companies wishing to invest in the economy.

The research approach was based on the analytical descriptive scientific method because the problem needs analysis when standing on it.

The first axis dealt with the concept of investment finance and its most important methods in Islam. The second axis dealt with agriculture and food in Iraq. The third axis dealt with the peace contract and its role in financing the agricultural sector and the rest of the Sudan projects in this field.

THE FIRST AXIS: THE CONCEPT OF INVESTMENT FINANCING AND THE MOST IMPORTANT METHODS IN ISLAM

Investment is an important and fundamental factor contributing to the development of the economy of any institution or country. It has been defined as the use of money to achieve return, income or profit⁽¹⁾.

Investment is concerned with the use of money in any economic project that benefits the country, and on the other hand, the sacrifice of the resources currently used by the society in order to obtain sufficient future financial flows to achieve benefits over a given period of time.

The overall objective of investment may be to achieve return or profit, while ensuring

the development of the country's wealth and thus ensuring its economic development, while meeting the expected needs of the members of society and providing sufficient liquidity to meet those needs⁽²⁾.

Funding is defined as the search for appropriate methods of obtaining funds, selecting and dividing those methods and obtaining the best mix between them in a way that suits the quantity and quality of the institution's needs. The funding is the blood circulation of the institution. The funds must be pumped accurately in the various channels in order to achieve the operational and strategic objectives to be achieved by the institution. The institution needs different funding sources during the various production stages it undergoes.

The Concept Of Investment And Finance In Islamic Thought

The investment of money in Islam and its development is a legitimate duty for the Prophet (peace and blessings of Allaah be upon him) to say: "Whosoever has an orphan, let him have his money, and he does not leave it until he has eaten charity." Narrated by al-Tirmidhi. Moreover, the preservation of money is one of the purposes of sharia. Supply and money. "

In this sense, Islam has set several criteria governing the investment of funds, the most important of which are ⁽³⁾:

1 The criterion of belief: where the investment of money proceeds according to the Low rules and that money is the money of God and man, and it must be used away from usury.

2 The ethical standard: where the Muslim individual is committed to a set of ethical values when investing money, most importantly not to cheat and not to eat people's money wrongly.

3. Development Standard: The full operation of capital is aimed at achieving social and economic development and taking into account investment priorities, needs, needs and improvements.

4 The criterion of linking the gain by effort: It is one of the rules that govern the transactions in Islam is not gain without effort or effort without gain.

5 Standard sheep in grams: a profit for loss This criterion starts from the legitimacy of the "escrow guarantee," which means that of the origin of what it has the profit or loss from it.

Financing in Islam is defined as providing in-kind or moral financing to the various establishments in formulas that comply with Islamic Low principles and standards and in accordance with Low and technical standards and controls to play an effective role in achieving economic and social development⁽⁴⁾. Islamic banks, Funds, and investment in accordance with the provisions of the Islamic Sharia, according to

investment methods such as agriculture, peace, speculation, participation and other tools, and serves the Islamic Takaful community, and contributes to achieving distributive justice among members of society, Usurious and avoided taking the tenders.

THE SECOND AXIS: THE REALITY OF AGRICULTURE AND FOOD IN IRAQ

The agricultural and food situation in the Arab world since the mid-seventies of the last century has entered a critical stage, which was the growing demand for agricultural products in general and food in particular, because of high population growth rates, in addition to the rise in food prices in the global markets, Relative to the agricultural sector in the Arab economic structures, despite the improvement in the level of productivity of some agricultural crops in the Arab world, these levels are still low compared to the levels achieved in other countries as shown in Table (1).

As for Iraq, we note that the food crisis has developed considerably in recent years according to population growth rates and consumer demand for food products. According to the Ministry of Planning, population growth rates have stabilized almost at 3%, 6 million people in 2009 to 34.2 million in 2012, and according to population projections, the population of Iraq

is expected to increase to 38.9 million for the year 2017⁽⁵⁾. The crisis has reached a critical level reflected in the increased dependence on external sources to provide food, fill the

needs of the population, and thus meet the requirements of Food security.

Table (1) shows the average productivity of some basic agricultural crops in Arab countries compared to other countries (2005 and 2014) / kg of ha.

Crop	Arabic Countries		India		France		Spain		United states	
	2005	2014	2005	2014	2005	2014	2005	2014	2005	2014
Wheat	2021	2780	2602	3030	6988	7357	1771	2981	2823	2944
Barley	746	1273	1958	2259	6436	6651	1466	2489	3487	3893
Corn	4506	5494	1928	2752	8254	10003	9610	11238	9285	10732
Beans	909	823	823	654	3993	3653	505	1086	1861	1943
Cereals	1583	1808	1808	2981	6981	5829	5166	3253	6451	76374
Potato	20819	26337	26337	22922	42223	47944	26984	32554	43730	47151
Vegetables	19780	23640	23640	13991	22845	22258	34089	37756	29834	32627
Fruits	6532	8373	10680	11908	10292	9337	8571	11285	22225	23285

Source: Arab Monetary Fund Consolidated Arab Economic Report, Chapter 3, Agriculture and Water Sector, p. 89.

The agricultural sector in Iraq (as in the case of the Arab countries) has not received the attention of successive governments for many contracts, despite encouraging factors in terms of human, financial, natural and technical resources, despite its most important importance. This neglect has weakened domestic production and nutrition has become largely linked abroad. Economic sanctions in the 1990s have led to a deterioration of the food and health situation in Iraq, and the oil-for-food program has

been able to improve this situation only partially and simply.

There are many challenges facing agricultural activity in Iraq and prevent the fulfilment of food security requirements of which ⁽⁶⁾:

- 1) A major inability to ensure the food security of the country from domestic production, especially from the main crops and products, and the low competitiveness of the plant and animal production on the external and internal scales. The domestic

production coverage of wheat is 67% for 2011, 15% for vegetables and 40% for vegetables.

2 - Limited agricultural land already exploited, which does not exceed 25% of the total arable land.

3 - The fragmentation of property and the small size of agricultural holdings to a degree that does not make economic exploitation, leaving large areas are not invested in agricultural production, including the areas of sewage and orchards, which have become deteriorating intentionally or unintentionally.

4- Increasing desertification, spreading sand dunes and soil erosion.

5- Significant decrease in the productivity of the unit area and in the productivity of farm animals.

6. Limited investments directed at the agricultural sector.

As a result, Iraq is currently suffering from a deficit in the production of strategic crops, and this deficit is increasing as a natural situation because the rate of growth of production is insufficient to meet the needs

of the population of these crops, that is the existence of imbalance between production and consumption, which is forced to cover the deficit through the import of huge quantities Of them and at high prices, which weighs the state budget and prevents the investment of these funds in the development of the economy.

In addition to the continuous fluctuation of plant production, especially for cereals (strategic crops), the productivity of acres of most crops is also shown in table (2). Despite the large areas cultivated each year, In the quantities produced, and therefore reflected in the emergence of the deficit in the coverage and meet the need of the population of food and then fill the deficit in imports, and in this area the value of imported rice about (934) billion dinars or equivalent (798.2) million dollars ⁽⁷⁾ , Which are large amounts can not be underestimated or insulted by, Especially if they are exploited and directed towards development and investment paths in the agricultural sector or other sectors.

Table (2) shows the area, production and yield of wheat, barley and milk crops in Iraq for the period (2005-2014) / thousand tons.

Year	Wheat			Barley			Rice		
	Area (Acres)	Production (ton)	Average yield (kg/acres)	Area (Acres)	Production (ton)	Average yield (kg/acres)	Area (Acres)	Production (ton)	Average yield (kg/acres)
2005	6511	2228	347.6	4253	754	177.4	428.02	308.7	720.8
2006	6054	2286	377.6	4104	719	244	507.7	363.3	723
2007	6280	2203	350.8	4375	748	171	407.4	392.8	789.8
2008	5741	1255	218.6	5396	404	74.9	339	248.2	731.9
2009	5050	1700	336.7	2818	502	178	219.7	173.1	787.6
2010	5544	2748	495.8	4027	1137	282.4	191.9	155.8	812.1
2011	6543	2809	429	3651	820	224.6	264	235	891
2012	6914	3062	443	2851	850	224.6	318	361	1133
2013	7250	4178	567	3651	820	298.3	383	451	1177
2014	8528	5055	593	4632	1278	275.8	300	300	1000

Source: Al-Fahd, Yahya and Deana Abbas. (2011). *Agricultural Development Atlas - Roadmap for Agricultural Development (Green Economy). A study submitted to the Ministry of Planning. Central Statistical Organization. Center for Geographic Information Systems (GIS) Central Statistical Organization, Ministry of Planning, Republic of Iraq, Annual Statistical Group for the years (2005-2014).*

As a result of the deterioration of the production of the most important components of this security represented by the food crops and animal products listed in Table (3)), Although there are positive indicators to increase the production of some strategic crops, especially after the launch of the agricultural initiative in 2008, but the actual production of them is still not commensurate with the increasing domestic demand, which contributes to the continuation of the food gap, which has become a double problem Which have started to pose a danger in terms of their

political, economic, social and health effects on the economy.

Agricultural Finance in Iraq

Bank financing is defined as loans granted by the banking system in all its forms⁽⁸⁾.

It is also defined as the provision of funds (cash flow) for spending on investments and the formation of fixed capital to increase production and consumption⁽⁹⁾.

The concepts of modern banking finance have been associated with the development of banking over time and the establishment of contemporary banks and their acceptance

of deposits from individuals and private institutions with a view to preserving them in return for issuing official receipts and deposit

instruments, while taking a commission in exchange for retaining these deposits⁽¹⁰⁾.

Table (3) shows the self-sufficiency ratios of some strategic commodities in Iraq for the period (2003-2014) /percentage.

Goods Year	Wheat	Rice	Red meats	White meats	Eggs
2003	56.4	7.5	15.7	17.6	38.3
2004	46.2	24.9	15.2	14.9	30.5
2005	55.3	32.6	15.0	21.1	26.7
2006	55.1	26.3	14.8	24.4	22.4
2007	51.5	27.0	14.6	19.9	21.7
2008	28.5	18.3	15.3	17.3	24.0
2009	37.1	13.0	0.1	17.1	17.7
2010	58.4	11.6	14.8	17.7	22.7
2011	58.5	16.3	14.8	25.5	24.5
2012	62.2	22.7	14.7	28.8	25.8
2013	82.7	26.5	14.5	37.7	27.2
2014	97.5	18.7	14.6	37.1	27.4

Source: Wadad Ali Zghair Al-Minsdawi, *The Strategy of Agricultural Investment in Iraq in the Light of the Development of Local Demand Structure*, Ph.D. Thesis Introduction to the Faculty of Management and Economics, University of Baghdad, 2015, p. 169 et seq.

The importance of the financing process lies in the following points⁽¹¹⁾:

1. The stage of financing the investment process: This stage comes after obtaining cash capital where it is spent for the formation of fixed capital of buildings, machinery and equipment and other durable goods, in addition to the formation of working capital represented in raw materials and spare parts and various materials in the Stores.
2. Production financing stage: This is mainly related to the operation of the production

capacity. At this stage, mixing and mixing of the different production elements takes place. During this stage, quantities of raw materials are consumed and workers' wages are paid, in addition to the payment of various other current expenditures, whether variable or fixed.

3 Marketing stage (sale): This phase is often started after the completion of the production process directly and the preparation of goods for sale, where the process of marketing stages of various mobilization of goods and transport and storage and distribution, and

these stages are not, Repaying them from their cash liquidity.

In terms of the subject of the study and the importance of agricultural loans, it can be said that loans or agricultural finance is an urgent necessity for the development of the agricultural sector. However, agricultural finance in Iraq suffers from significant challenges that prevent it from performing its role in the development of the agricultural sector and increase its growth ⁽¹²⁾, noting the lack of specialized banks in this area, in addition to the limited loans provided by these banks, as well as the lack of branches in rural areas, in the absence of the comprehensive plan of institutional lending policies, as well as the poor distribution of agricultural loans and not benefiting small groups of farmers The nature of evil They imposed, including the benefits of higher commercial banks on agricultural loans, as it is short term due to the high risk to the agricultural sector ratio.

In order to develop the agricultural sector and create immediate solutions to finance it, the GOI launched the Agricultural Initiative for 2008, and five funds were established to finance the fund: the Small Farmers Support Fund, the Livestock Support Fund, the Modernization and Irrigation Fund, the Palm Development Fund, The initiative included a set of objectives:

1- Provide farmers in Iraq with improved seeds, fertilizers and pesticides.

2- Determining import and export quotas to achieve price stability and serve agricultural production in Iraq.

3. The initiative includes the opening of a special microcredit facility to encourage poor families and farmers to establish agricultural-oriented production projects.

4 The initiative sets the priorities of the state in the huge government investments in the agricultural sector, which includes irrigation and drainage projects and the organization of water projects and the establishment of quality control units for agricultural and animal products.

5 Facilitate the work of agricultural banks in rural areas to expand loans in those areas.

6. Encourage farmers to save in banking institutions.

7. Encouraging foreign capital to invest in the agricultural sector by providing more facilities and flexibility.

8. Expand production of high quality and good quality.

9. Providing funding to the local private sector.

10 Facilitating access to long, medium and short term loans under easy terms.

On the other hand, this initiative has not succeeded in agricultural finance and has contributed only very little to the development of the agricultural sector, because most of it has not been invested in the agricultural sector and has not been used properly due to the poor management of

agricultural loans and follow-up and the absence of binding controls and accompanying the process of administrative and financial corruption prevented the initiative from achieving its own objectives in the development of the Iraqi countryside and increasing production⁽¹³⁾. Table 4 shows the amounts of loans and the purposes allocated for them. The total loans amounted to 284400 million dinars in 2009, distributed between (152400) Million dinars for plant production projects, and (49200) million d R projects of livestock, and there (82800)

million dinars for projects not specific purpose. While the year 2010 saw a decrease in the value of loans amounting to (253200) million dinars distributed by (111600) and (15600) and (124800) million dinars to plant and animal production and non-specific purposes, respectively. In 2011, loans increased to (403200) million dinars, and the share of plant production amounted to (244800) million dinars, then non-specific loans purposes (94800) million dinars, and animal production (63480) million dinars.

Table (4) shows the distribution of agricultural loans in Iraq according to purposes for the period (2009-2013) / million dinars.

Year	Vegetarian	Animal	Undefined	Total loans
2009	152400	48200	82800	284400
2010	111600	15600	124800	253200
2011	244800	63480	94800	403200
2012	222000	76800	271200	571200
2013	118800	70800	159600	350400

Source: Arab Organization for Agricultural Development, Local Yearbook of Statistics 34 2014, Volume 32 of 2014, Sudan Khartoum.

On the other hand, the Agricultural Cooperative Bank in Iraq is the main source of agricultural credit and the financing and promotion of agricultural projects, regardless of profits, in order to finance the needs of the agricultural sector in light of the requirements of the country's agricultural plan. However, Table (5) also notes fluctuation The volume of loans provided by the Agricultural Cooperative Bank for the

period (20032014) is increasing at a fluctuating rate as in the years (20032008) due to the instability conditions experienced by the country in those years. The volume of loans decreases significantly and continuously as in the years 2011-2014. Calls for continued support by the government Agricultural initiative for increasing agricultural loans and increase agricultural production.

Table (5) shows the size of the short and long term loans of the Agricultural Cooperative Bank for the period (2003-2014) / thousand dinars.

Year	Short term loans	Long term loans
2003	10442728	53197320
2004	12390230	57643493
2005	59056936	40460466
2006	59356004	170408866
2007	85686044	233478321
2008	111328217	280600863
2009	37261566	130022450
2010	46486000	202652000
2011	209118652	336148634
2012	187828675	366666695
2013	65097466	274538458
2014	54031516	176447341

Source: Central Bureau of Statistics, Ministry of Planning, Republic of Iraq, Annual Statistical Group for various years.

THE THIRD AXIS: DEFINITION OF THE PEACE CONTRACT AND ITS FINANCING ROLE

First: The Concept of The Peace Contract in Language and Terminology

Peace in Language: is submission and delivery is the meaning of the predecessor, and the safest sense of the predecessor of any foot. It is an urgent sale in a hurry, and Ibn Qudaamah defined it as saying that he should hand over a present in a present that is described in order to come ⁽¹⁴⁾.

All definitions have one meaning, namely the meaning of peace, i.e., the acceleration of the price and the delay of the appraiser. However, some of them stipulate the contract

and the other merely mentions the sale, which includes the meaning of the contract. The meaning of the term is described in the invoice, i.e., a known amount, which is in the possession of a pre-paid receivable received by the buyer upon receipt.

Hence, the sale of peace is a contract between two parties based on that the first party gives the price when contracting, and the other party delivers the item deferred as agreed between them, and the fact embodied in it is the sale of something that does not exist at present but will be in the future, With precise specifications denying ignorance and jealousy, in the sense: it is a sale or contract based on something described in the

description accurately removes ignorance and abuse⁽¹⁵⁾.

For example, a man pays a sum of money for a known amount of wheat that the farmer hands him when the wheat is cooked and harvested, and usually the price is less than the expected price at harvest, but that is different from usury, because in the case of peace there is a degree of risk that is embodied in The price in the future may be lower than the price it is bought for. The sale involves the risk of profit and loss, other than interest, in which profit is guaranteed without any effort at work or purchase.

It is one of the most important forms of legitimacy for financing and investment, and a form of sale that hastens the price and delays the sale for a known time. , Whereby the owners of agricultural or industrial projects can finance their projects by selling such as their projects will be produced in advance, so that these projects are financed by these projects away from the interest loans offered by the banks. The farmers, the fruits, the trade and the industries need the expenses of agriculture or trade And the industry, and do not possess peace push Instead, they resort to the need, so-called insolvent or needy sell.

There is a difference between selling the peace and selling what you do not have forbidden in the Prophet (s). The difference is clear between them, and the sale of peace is the sale of something described at the price

of the delayed receipt, paying the price in the contract board.

The sale of what you do not have is tantamount to being like betray for example, a person says that I sell you a certain commodity or a certain house, which is absent at the time of sale. It is similar to betray selling for the possibility that it will be damaged or not by its owner. Hakim bin Hazam (may Allaah be pleased with him) said: God will come to the man and ask me the sale I do not have, I sell it and then I bought it from the market, he said: (do not follow what you do not have)⁽¹⁶⁾.

Second: The Legitimacy of The Peace Contract in The Qur'aan and Sunnah

Evidence of the legitimacy of the peace contract from the Koran, the words of God: "O you who believe if you borrow religion for a specified term and write ... The verse .. (Ibn Baqarah), Ibn Abbas, may Allah be pleased with him in the interpretation of this verse: I certify that the predecessor secured For a time named God has authorized in his book and authorized the verse read: "O you who believe if you borrow religion to a certain time and write it"⁽¹⁷⁾.

But in the Sunnah: Ibn Abbas (may Allah be pleased with them) narrated that the Messenger of Allaah (peace and blessings of Allaah be upon him) said: "He presented the city and the people in the two and three dates"⁽¹⁸⁾.

It was narrated from him that he forbade the sale of what is not human and is permitted in the peace. Al-Bukhaari narrated that Muhammad ibn Abi al-Majdal said: Abu Bardah and 'Abd-Allaah ibn Shaddad sent me to' Abd al-Rahman ibn Abi 'Abzi and' Abd-Allaah ibn Abi 'Ufay. He asked them about the precursor. They said: "We used to share the spoils with the Messenger of Allaah (peace and blessings of Allaah be upon him) There was a people called Nabateans we were borrow them crops like wheat and barley and raisins, I said: whether they have sowing or did not have a transplant? He said: What we ask them about it⁽¹⁹⁾.

Thirdly: Its Pillars are its Conditions and its Most Important Types and Problems

The pillars of the peace contract are three points⁽²⁰⁾:

1. Insiders: They are the "Muslim" buyer, the seller or the "recognized".
2. The contract includes: the price "capital" and the commodity "Muslim".
3. The formula: Include the positive and acceptance.

The most important conditions for a peace treaty are⁽²¹⁾:

1. The rights of the contractors (mind and puberty).
- (2) That he is able to deliver him.
3. The price shall be delivered in the contract board.

4. The money on which the money is held shall be money that is met (legitimate and beneficial).

5. That the contract should be owned by the seller, or that he be entrusted with selling it.

6. It should be known in its capacity, description, gender and type, and so on.

It is clear from these conditions that the seller is known and can be handed over at the end of the day, and that all the characteristics on which the price is different will be known, such as the brand, the country of origin, the production or the type of the product. If the farmer is a farmer for example, its type, weight, and country of production. It is also necessary to mention its weight, even if it is counted in the count and its number is mentioned, so the knowledge and control of the attribute and the amount of control prevents ignorance and lack of knowledge. It is also necessary for the validity of the peace contract to give the price in the council of the contract. It is not permissible to delay the delivery of the price, because that is a sale of the tainted by tainted that is forbidden in Islamic law⁽²²⁾.

For example, there is a parallel peace contract, which comes when the customer comes whether he is a farmer or an industrial project owner. He agrees with the bank to sell what he produces and sets a specific date for payment. The bank, for his part, contracts with another party to sell the production specified in its date. Contract between the

parties. In this case, the bank is a Muslim and the customer (seller) is the seller, the product or the commodity is (recognized), and the amount is (recognized).

In this case, all parties benefit from the contract, as the customer delivers the goods and the bank delivers the goods at the time known to another trader, meaning that the customer benefited from the liquidity, the bank benefited from the financing process, and the other trader also benefited from the goods⁽²³⁾.

It can be seen from the above that the parallel peace applied by Islamic banks is that the bank sells goods of the same sex as the one in which it is delivered, without linking the two contracts or is to conclude the contract deal peace purchase, and then conclude a sale of peace without a link between them, and intends to implement the second deal, which receives from the first deal.

Which means that the parallel peace includes two separate contracts, which is not one of the innovations of the modern as many think, Imam Shafi'i mentioned where he said: "from the predecessor in the food and then sold that particular food before catching it was not permissible, and even sold food intended and intended to catch him There is nothing wrong with it ⁽²⁴⁾ or example, a farmer comes to the Islamic bank and asks to sell his crop and sets a date for the receipt of the crop. The bank pays the

price to the farmer. The bank contracts with another party to sell it at another agreed date.

Regarding the most important financing problems in this contract, it is summarized as ⁽²⁵⁾:

1. Risk of non-payment.
2. Risks of delivery of contracted goods on time.
3. Risks of non-conformity of goods to agreed specifications.

Fourth: The Applications of the Contemporary Peace Contract and the Possibility of Financing Projects

The contract of peace is one of the investment and financing tools that can be used in financial institutions that provide financial instruments that are compatible with the Islamic Sharia. This contract was known in the ignorance and was dealt with to cover the needs of the community. When Islam came to organize it and make it a contract regulated by the rules of weight and weight, The purpose of Islam from this is clear is not to exploit the need of others, and that these restrictions of practical and moral Islam introduced on this contract to make it compatible with the purpose of Islamic law.

1. Methods of application of the peace treaty

The peace contract can be applied in Islamic banks through two methods ⁽²⁶⁾:

The first is the management of peace. The task of this administration is to look for

suitable investment opportunities and then study them and urge the owners of these projects to request funding and then issue the order for financing and receiving the goods.

Method 2: Commodity Marketing Department. This department has marketing experts who are fully aware of commodity markets and market conditions and their volatility so that they can subsequently market the goods after receiving them from the Department of Goods Sale.

The intention of these methods requires a management that is able to invest and exploit investment opportunities, rather than just the way credit management is handled in conventional banks.

2 Advantages and areas of application of the peace contract

The fields of implementation of the peace contract in economic activity are multiple. The most important of these are the following⁽²⁷⁾:

1 The Islamic Bank deals with farmers who are expected to have a commodity in the season from their crops or other crops that they can buy and deliver if they fail to deliver from their crops, thus providing them with great benefit and paying hardship for them Financial achievements.

2 The Peace Contract can be used to finance agricultural and industrial activity, in particular the financing of the previous stages of production and export of goods and

popular products, by purchasing them and remitting them at affordable prices.

3 The Peace Contract can be applied to finance artisans and small agricultural and industrial producers by supplying them with production inputs in the form of equipment, machinery or raw materials as a capital of peace in exchange for some of their products and re-marketing them.

4 - Benefit from the peace contract to finance the deficit in the state budget: that the oil producing country sells quantities described in the debt to many areas with accelerated prices to Islamic banks, for example, then banks to hold a parallel peace with a third party to become familiar with it, Similar to the oil in which he accepted the same specifications of the former price accelerated for the price in the first Peace, and thus the settlement between the two deals without linking them.

It is noted in this regard that the peace treaty will not stop its borders when agricultural funding only, but its circle has expanded to include all sectors, whether industrial, agricultural or commercial, and its funding activity has expanded to include all types of plantations and their branches and did not stop at a particular category, Which is used to finance agriculture and agricultural development, taking into consideration the pursuit of legitimate guarantees (such as mortgage, bail and other means of documentation), which calls for the

importance of the State support for this type of agricultural financing because it is related to food security and the development of the economy of society.

It did not stop at this point, there are other advantages achieved by the peace treaty, including ⁽²⁸⁾:

1. The validity of short-term financing is financed by working capital, such as operating expenses, wages and current expenses, and its validity for long-term financing with fixed capital financing for the purchase of the number and machines, because the maximum time of delivery can be extended to about ten years.

2. It works in the real economy, because its subject delivery of goods and services, not a response to the amount of cash loan.

3. The possibility of the price being in kind to be the operating materials (raw materials) or machines received by the seller from the buyer and pay the price of goods of production.

4. The possibility of the price being the benefit of an eye. This is an image of an award to the owner of the property to provide the buyer with a machine, building or car for the seller to use it for a period of time in his activity to pay for the use of goods of his production.

5. that peace financing eliminates the effects of inflation on the financing debt, since the financier buyer will recover his right in the form of goods whose prices rise with

inflation and therefore will not affect it, other than whether the debt is a loan in the form of money whose purchasing power is reduced by inflation, Prompting him.

6. The process of financing peace has a marketing advantage, as the credit student (seller) pays the debts of the goods of production, ensuring that there is a demand for production before it begins.

7. Peace financing leads to rationalization of production costs, since the selling price is known and accepted before production begins, so the seller is profitable in order to rationalize costs with good resource utilization.

The contract of peace according to the above, can be used in several ways, including a contract that benefits the contractors, and activates the movement of the market significantly, where the seller (Muslim) goods, metals, Licenses and investment of surplus funds.

In this regard, we can see the flexibility of this contract and its response to the various funding needs, whether short-, medium- or long-term financing, and its response to the needs of various segments of customers, be they agricultural producers, industrialists, contractors or traders. To finance operating expenses and other capital expenditures.

Fifth: Sudan's Experience in Implementing the Peace Treaty

According to this approach, financial institutions in the Sudan, represented by commercial banks, the Bank of Jordan and the Commercial Banks portfolio, have practiced the method of selling peace to meet the needs of farmers for cash financing and its use to finance agricultural operations, In order to facilitate and easy implementation of this method, where work is based on the following steps ⁽²⁹⁾:

- 1 - Specifying the item (recognized) by mentioning its specifications.
- 2- The bank shall pay the capital upon signing the contract.
- 3 The customer's obligation to deliver the Muslim in one payment or payments in the time and place specified in the contract.
4. Provide the required guarantees.

This formula has been a financing tool that can assist development finance in deficit, which is being addressed by the financial authorities in most Islamic economies. However, in the case of Sudan, government institutions were financed by the Bank of Sudan while they were financed through the years (1990-1995) Private financial instruments ⁽³⁰⁾.

In some studies to predict the future of the peace contract in Sudan for the period (2014-2020) in the financing of economic projects ⁽³¹⁾ the result of the forecast confirms that the

flow of funding for peace is increasing and that this means the positive effects of this formula is the operation of human and physical resources disabled, During the study, the greater the flow of funding according to the peace contract, the more the economy will be able to mobilize the economic resources that are unemployed, human and material. The more the funding, the more productive capacity of material and human resources will increase and the demand for funding will increase according to the increase in production capacity.

CONCLUSIONS:

It turned out that there are many challenges facing agricultural activity in Iraq and prevent the fulfillment of food security requirements. Including the existence of a large deficit in ensuring the food security of the country from local production, especially from crops and products, with the limited agricultural land already exploited, as well as the problems of ownership and small size of agricultural holdings, and increase desertification, and significantly reduce the productivity of the unit area and productivity of farm animals, Limited investment directed to the agricultural sector, which led to a deficit in the production of strategic crops and take this deficit is increasing as a natural situation because the rate of growth of

production does not meet the needs of the population of these crops.

It also found that agricultural finance in Iraq suffers from significant challenges that prevent it from playing its role in the development and growth of the agricultural sector. In order to develop it and create immediate treatments for its financing, the Iraqi government launched the agricultural initiative for 2008. The initiative included a set of goals but did not succeed in agricultural finance. And contributed very little to the development of the agricultural sector, because most of them have not been invested within the agricultural sector has not been used properly.

With regard to the peace treaty, it was found through the research that the peace contract represents a form of sale in which the price is accelerated and the sale is delayed for a specified period, whereby the owners of agricultural or industrial projects can finance their projects by selling such projects in advance. Their projects are at such prices away from usury-based loans offered by banks. Farmers of crops, fruits, trades and industries need to pay for agriculture, trade or industry, and they do not have it, and they resort to peace to boost the need.

It was also found that the peace contract will not stop its borders when it is only agricultural finance, but its circle has expanded to include all sectors, whether

industrial, agricultural or commercial. The finance activity has expanded to include all types of crops and their branches. And agricultural development, taking into account the pursuit of legitimate guarantees, which calls for the importance of the State support for this type of agricultural financing because of its relation to food security and the development of the economy of society on the one hand, and in terms of high risks.

The contract of peace can be used in many ways, including a contract that benefits the contractors, and activates the movement of the market significantly, where the seller (Muslim) goods, metals and goods, food and the like in the future and enter into a contract to ensure the disposal, And investing surplus funds.

On the contemporary applications of peace we have shown the flexibility of this contract and its responsiveness to the various financing needs, short-, medium- or long-term financing, and its response to the needs of different segments of the clientele, whether agricultural producers, industrialists, contractors or traders, Operating and other capital expenditures.

It was also shown through the Sudanese experience in the adoption of the peace contract in financing the agricultural sector, that the more the flow of funding in accordance with the peace contract, the more the economy will be able to mobilize the economic resources unemployed human and

material. The more funding the more productive capacity of material and human resources and the demand for funding To increase production capacity.

RECOMMENDATIONS:

1 - Attempting to invest in the agricultural sector in order to improve its productive capacities, increase its productive growth and thus meet the food security requirements of Iraq.

2. The need for the State to support the agricultural sector financially by providing the requirements of agricultural production of raw materials and machinery at prices suitable for their importance in agricultural production.

3 - The need to increase the areas exploited for agriculture through the reclamation of new areas of agricultural land and added to the current agricultural area.

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4 - Interest in Islamic contracts and Islamic financing formulas, such as the peace contract, because it is an ideal way to finance economic activities, and financing various agricultural operations, through the Islamic Bank dealing with farmers who are expected to have the commodity in the season of their crops or other crops that they can buy and deliver in case Their failure to deliver from their crops provides them with a great deal of money and pays them the hardship of the financial deficit. The Peace Agreement can also be applied to finance small industrial projects, finance artisans and small agricultural and industrial producers by supplying them with production inputs Machines or raw materials as a capital Pease in exchange for some of their products and then re-marketed.

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