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Results-Based management as a framework for financial and budgetary governance under Organic Law 18-15 on Finance Laws

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Abstract---Reliance on results-based management has been considered as one of the most significant approaches to addressing the crisis of public financial management. Advanced countries and international financial institutions have contributed to its proposal and promotion, with the objective of enhancing efficiency, improving performance, and achieving the desired outcomes of every public policy. Organic Law 18-15 was introduced to establish a new model of public management centered on results by granting public managers greater autonomy while holding them accountable for presenting reports comparing achieved results with allocated resources. The adoption of this approach is expected to result in a fundamental transformation of the concept of oversight, shifting it towards performance-based control focused on auditing and ensuring that management funds are allocated to programs in accordance with their specified objectives. Based on performance indicators defined for each program and subject to evaluation; The implementation of this transformation will encounter structural and systemic barriers linked to the nature of the political system and its interactions. This makes the adoption of a results-oriented management approach a significant challenge for public financial management in Algeria.

Keywords---Management, Finance, Results, Performance, Governance.

1. Introduction

The rise in citizens' expectations and the growing social demands placed upon governments, together with their inability to fully meet these demands, particularly in light of the challenges posed by

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economic, political, social, and technological changes, have necessitated the search for alternatives to overcome the shortcomings of the legal perspective to public affairs management. This has led most public administrations worldwide to explore mechanisms capable of achieving more effective and efficient public governance aimed at fostering the desired development. In this context, a series of reforms have been adopted to improve public sector performance and the quality of services delivered by public institutions. The emergence of various approaches grounded in managerial rationality in public administration reflects an attempt to benefit from management principles and tools, namely efficiency, effectiveness, and performance, in the management of public affairs.

Amid these challenges and bets, fiscal policy and its institutional arrangements have acquired a global dimension transcending national borders, driven by globalization, trade liberalization, and technological progress. Consequently, public financial management has become a matter of global concern, leading to the development of modern international standards of practice, including results-based management, as well as the establishment of principles and guidelines designed to promote fiscal discipline and performance-oriented management to ensure results and control public expenditure[1].

Algeria embarked on its financial and budgetary reform trajectory in 2001 in order to adapt to global transformations in public financial management[2]. The adoption of Organic Law 18-15[3] represents the culmination of this process, aiming to introduce a profound transformation in budgetary decision-making in order to enhance financial management performance and its oversight. It seeks to operationalize results-based management by integrating the principle of performance into program implementation modalities while ensuring effective monitoring through continuous evaluation intended to improve the efficiency of public expenditure.

Accordingly, this study aims to:
- Examine the new provisions introduced by Organic Law 18-15 adopting Results-Based Management.
- Highlight the significance of adopting RBM as a reference framework for financial and budgetary management.
- Present the main outcomes expected from the adoption of RBM and the obstacles likely to hinder its implementation.

In this context, the research attempts to answer a main research question:
To what extent will the adoption of Results-Based Management contribute to enhancing the efficiency of financial and budgetary management and institutionalizing performance audit under Organic Law 18-15 on Finance Laws?

To answer this question, the research is structured as follows:
- Reforming the framework of public financial management and orienting it towards results.
- The outcomes of adopting RBM in financial and budgetary governance.
- The obstacles to the implementation of RBM.

The nature of the subject requires reliance on the descriptive-analytical method by examining the legal provisions of Organic Law 18-15 on Finance Laws and analyzing the innovations it introduced in the pursuit of RBM. This is complemented by a critical evaluation of their contribution to public management reform and effectiveness, alongside the identification of the challenges that may impede the realization of sound financial governance.

Through the enactment of Organic Law 18-15 on Finance Laws, the legislator sought to introduce profound reforms to the system of public financial management, aligning with the international reform context initiated in OECD countries and subsequently disseminated worldwide[4]. This reflects an international environment supportive of PFM reforms, driven by the imperative of results and performance to ensure the effectiveness of public spending.

Organic Law 18-15 seeks to define the general framework within which finance laws are formulated, as well as the modalities governing their preparation, adoption, and implementation[5]. It also specifies the principles and rules of public finance, state accounts, and the mechanisms for executing and monitoring finance laws.

The implementation of Organic Law 18-15 is expected to bring about a radical transformation in the foundations of finance laws, shifting from the traditional approach of classifying expenditures by nature (as under Law 84-17) towards results-oriented budgeting grounded in clearly defined objectives. The law pursues two overarching goals[6].

2. Reforming the Framework of Public Financial Management and Orienting It Towards Results

Enhancing the management of public finance, ensuring its effectiveness, and exercising control over public expenditure have driven states and governments to adopt methods of managing their budgets in line with practices applied in the private sector, relying on performance indicators as the basis for determining revenues and expenditures. In this context, Article 2 of Organic Law 18-15 stipulates the adoption of the principle of Results-Based Management (RBM) founded upon clear and well-defined objectives aligned with the goals of the public interest, and subject to systematic evaluation[7]. Accordingly, public expenditure will henceforth be tied to the attainment of results, by shifting the allocation of public resources from an input-based logic (as applied under Law 84-17) to an output- and results-based logic, with the objective of strengthening the efficiency and performance of public policies, as well as improving the quality of public services delivered to citizens[8].

Within this new results-oriented approach, rooted in an economic perspective for defining public policies and assessing their effectiveness, the role of the finance law will be reinforced as a fundamental instrument for implementing public policies and ensuring consistency among sectoral strategies, while safeguarding the financial balance of the state. This will be made possible through the adoption of a medium-term budgetary framework prepared annually by the government and subject to revision during the drafting of the annual finance law[9]. This medium-term framework enables comparisons between accounting indicators and benchmark standards established in the government's adopted plan, thereby identifying areas of success or failure in each program by comparing, measuring, and evaluating outcomes.

2.1 Towards Results-Based Budgetary Management

The new approach adopted under Results-Based Management aims to transition the budgetary framework from an input-based budget to a results-based budget. Its primary concern lies in achieving the objectives of designated programs, measured by efficiency indicators in financial management. In this sense, "program-based budgets are prepared on the basis of the results to be achieved, in accordance with the objectives set, by defining performance indicators that allow the measurement of actual results, the evaluation of resources required to achieve the objectives, and the assessment of performance in light of achieved results".[10]

2.1.1 Program-Based Management

Within the broader framework of public management reform oriented towards results, results-based budgeting represents the primary target of this shift, requiring a fundamental reorganization of the budget classification system. Pursuant to Organic Law 18-15, the budget will henceforth be structured around the concept of the program[11], as a new unit of budgetary classification and an essential foundation for budgetary reform, replacing the traditional sector and chapter classifications under Law 84-17[12].

Furthermore, current expenditure, capital expenditure, and transfers will be consolidated into a single unified budget framework through the new classification of appropriations. According to Article 28 of Law 18-15, the budget nomenclature shall be organized as follows[13]:

Classification by activity, consisting of programs and their subdivisions.

- -Classification by the economic nature of expenditure, consisting of expenditure titles and their subdivisions.
- -Classification by the major functions of the state, designating the sectors responsible for achieving objectives by function.
- -Classification by administrative entities responsible for preparing and executing the budget, based on the distribution of appropriations across ministries and public institutions.

A program comprises the total appropriations contributing to the execution of a specific mission under the responsibility of one or several departments of a ministry, or multiple ministries or public institutions, and defined by a coherent set of objectives[14]. The collection of programs forms a portfolio placed under the responsibility of a minister or head of a public institution. These programs and their subdivisions are further broken down into subprograms and activities for the implementation of a specific public policy[15].

Accordingly, the new approach to budget restructuring is built upon the consolidation of financial resources around the program, which constitutes a coherent set of operations and projects linked to the same ministry, and associated with objectives accompanied by indicators designed to measure results relative to the resources allocated for their achievement.

2.1.2 Reliance on Performance Indicators

The adoption of program-based management necessarily entails reliance on performance indicators, defined as "*evaluation benchmarks established for the purpose of monitoring performance at the level of strategic objectives and programs, used as tools for assessing achievements across inputs, processes, outputs, and impact*"[16]. These indicators serve to evaluate actual results and compare them with intended objectives.

Performance indicators are statistical measures enabling the monitoring and control of progress, through comparison of achieved results with predetermined objectives and resources employed. They facilitate evaluation and must meet conditions of clarity, relevance to the phenomenon under observation, reliability, accuracy, and auditability. Their forms vary, ranging from quantitative (numeric and qualitative) to non-numeric indicators[17].

Performance indicators may be categorized as follows:

Efficiency indicators, which measure the relationship between inputs and outputs;

Effectiveness indicators, which assess the extent to which objectives are achieved in comparison to actual outcomes; Quality indicators, which reflect the suitability of conditions under which public activities are carried out; Outcome indicators, which capture the socio-economic effectiveness of public action and are subdivided into impact indicators and effect indicators[18].

3- Results of Adopting Results-Based Management in Financial and Budgetary Governance

Law 18-15 seeks to bring about a profound transformation in the framework of public finance management, and public management more broadly, by shifting from a legal logic that focuses on legality and regularity to a managerial logic that emphasizes results and performance. Implementing the principle of performance requires several fundamental technical prerequisites, including: classifying the budget by program (which becomes a cornerstone of performance), modernizing budget documentation, deploying an integrated management software system (integrated management software package), adopting a medium-term budgetary framework, promoting a new category of public managers, and instituting performance oversight mechanisms.

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3.1 Linking Responsibility with Accountability
Law 15-18 granted managers greater discretion while binding responsibility to accountability and results assessment. This framework allows the movement of appropriations, through clearly defined procedures, in order to authorize transfers and reallocations without undermining the fundamental objectives of the programs.
Article 33 of Law 15-18 sets out the possibility of transferring or reallocating appropriations during the fiscal year to modify the initial distribution of program appropriations:

- Appropriations may be transferred from one program to another within the same ministry or public institution, by decree issued on the basis of a joint report between the Minister of Finance and the relevant minister or institution.
- Transfers between programs of different ministries or public institutions must be authorized by presidential decree, based on a joint report between the Minister of Finance and the relevant ministers or public institution heads.

Parliament must be notified of such operations, provided that the cumulative amounts of appropriations transferred or reallocated by decree within the same year do not exceed 20% of the appropriations initially allocated under the Finance Law for each affected program[19].

Law 18-15 also permits the transfer of payment appropriations, while maintaining their annual principle. Outstanding payments under a program at the end of the fiscal year may be executed in the following year within the same program, under exceptional and justified circumstances, provided this occurs before the close of the supplementary period (set at 31 January of the following year). Additionally, payment appropriations available under the investment expenditures of a program may be transferred within the same program up to 5% of the initial appropriation, through a joint decision between the Minister of Finance and the relevant sector minister, before the end of the supplementary period, provided that such transfers do not jeopardize budgetary and financial balances[20].

In exchange for this flexibility in the handling of appropriations, whether through transfers or reallocations, Law 18-15 also mandates that programs be tied to clearly defined objectives for which managers are accountable. These objectives must be accompanied by measurable indicators in order to assess results, thereby ensuring the evaluation of the efficiency of public expenditure and the effectiveness of outcomes[21]. This aligns with the fundamental principle upon which the legislator based the Finance Law, namely results-based management [22].

Accordingly, managers in results-based budget management are obliged to report on the actual results achieved, subject to performance monitoring based on results indicators. The pursuit of efficiency in public spending thus becomes a central goal. The Budget Settlement Law must be accompanied by a ministerial performance report that sets out the circumstances in which registered programs were implemented, the extent to which the expected objectives were achieved, the performance indicators used to measure and track them, the actual results obtained, and explanations for observed discrepancies[23].

Furthermore, Law 18-15 provides for the possibility of partially or fully financing public investment operations through contractual or partnership mechanisms with legal entities governed by either public or private law, subject to compliance with the medium-term expenditure framework and the planned sectoral programs [24].

The adoption of performance- and results-oriented concepts aims to strengthen the effectiveness of public management, an issue that has been a persistent demand both internally, from the government, parliament, and civil society, under the call to improve the efficiency of public expenditure, and externally, as it reflects the approach advocated by international financial institutions and imposed upon countries requiring development assistance as a condition for overcoming financial crises and chronic indebtedness.

The implementation of results-based management and the performance requirement under Law 18-15 obliges the government to present two documents that reflect a shift toward performance orientation:
A. Report on Priorities and Planning : Prepared by each minister and head of a public institution responsible for managing a program portfolio , distributed across central administration, decentralized services, and regional public bodies. This report must present programs, including expenditure distribution, targeted objectives, expected results, and their evaluation [25].
B. Ministerial Performance Report : Outlining the conditions under which budgetary programs were implemented, the extent to which objectives were achieved, the performance indicators used for measurement and monitoring, and a comparison of expected versus actual results, along with explanations of discrepancies[26].
The adoption of this framework further entails a medium-term budgetary framework and the emergence of a new category of managers known as "responsible program manager".
C. Medium-Term Budgetary Framework: With the adoption of results-based management and program budgeting within medium-term expenditure planning, Law 18-15 introduced a multi-annual approach. Each year, the government must establish a medium-term budgetary framework, based on a proposal from the Minister of Finance. This framework sets revenue and expenditure estimates, the state budget balance, and debt projections for the upcoming year and the subsequent two years[27]. Moreover, any draft legislative or regulatory text with direct or indirect implications for the state budget must be consistent with the medium-term budgetary framework[28].
D. Emergence of Responsible Program Managers: A key outcome of adopting results-based management and program budgeting (as appropriation units under Law 18-15) is the emergence of a category of public managers[29], designated as responsible program managers. They are expected to play a decisive role in transitioning from input-based to program-based budgeting, and from compliance-driven management to efficiency- and results-oriented. Their responsibilities span from planning through accountability and may be summarized as follows[30]:
- **Budget planning phase:** The program manager supports subordinates in program planning under the results-based framework (objectives, expected results, and performance indicators), plans initiatives directly under their responsibility, and participates in periodic review and evaluation of program outcomes.
- **Budget preparation phase:** The manager allocates the initial budget envelope to subordinate managers, evaluates the costs of initiatives in light of expected results over the coming years, presents the budget proposal to the Directorate General of the Budget, and defends it.
- **Budget execution phase:** The manager monitors and supervises the initiatives under their responsibility.
- **Accountability phase:** The manager submits reports on results achieved versus objectives, highlights discrepancies, and produces the annual management report.

The realization of the role assigned to program managers depends on the degree of autonomy granted to them across all stages of program design, execution, evaluation, and oversight. This requires breaking away from bureaucratic management legacies and embracing a culture of results. However, their autonomy is hindered by the criminalization of certain management actions under the Penal Code and the authority of criminal courts. To address this, public authorities have introduced measures such as Presidential Instruction No. 2021-02 (dated 25 August 2021), which lifted the criminalization of management acts, aiming to protect local officials and encourage local development initiatives. The Algerian legislator thus seeks to strike a balance between the necessity of criminalizing the squandering public funds and the need to protect public managers, thereby encouraging them to take initiatives to improve performance.

3.2 Operationalizing Performance Oversight

International experiences indicate that the introduction of results-based management and the adoption of program and performance budgeting lead to a reshaping of public financial oversight and a fundamental transformation in oversight procedures and the institutions tasked with them. This entails granting managers greater freedom in exchange for accountability, reducing ex-ante controls, and reinforcing ex-post accountability mechanisms, whether administrative, political, judicial, or citizen-led[31].

In this context, the explanatory memorandum accompanying the draft Organic Law on Finance (Law 18-15) emphasized the desire to "*address the lack of oversight regarding the effectiveness of public expenditure. Managers are currently not required to provide reports comparing achieved results with allocated resources. As such, Parliament remains confined to a quantitative approach to budgets, focused solely on the volume of appropriations, their growth, and their consumption rates*"[32].

In line with international reform experiences in public financial management, the adoption of results-based management leads to a reshaping not only of the role and logic of financial oversight but also of its procedures and institutions[33]. Article 85 of Law 18-15 accordingly identifies the types of oversight applicable to state budget execution, namely administrative, judicial, and parliamentary, as defined by the Constitution[34].

The effective realization of financial and budgetary reform necessarily requires the modernization of oversight mechanisms, such as constitutional review, performance auditing, internal administrative control, internal auditing systems, and management oversight. The transition to results-based management calls for the adoption of performance oversight, based on criteria of economy, efficiency, and effectiveness. Its purpose is to assess whether resources have been managed in line with these criteria and whether objectives have been achieved, as well as to ensure that accountability requirements are met[35] [36]. Performance oversight thus emphasizes the use of public funds according to the criteria of economy, efficiency, and effectiveness, whereas traditional oversight focused primarily on legality, regularity, and procedural compliance.

Accordingly, performance oversight must be operationalized through the reports submitted by the government in implementing the Finance Law and the Budget Settlement Law[37]. This leads to the adoption of management oversight, aimed at verifying performance and moving from management oversight to performance oversight[38]. The pursuit of enhanced oversight of efficiency and control over public expenditures becomes a primary objective, as reflected in performance reports that evaluate program implementation and adherence to established objectives, using performance indicators as benchmarks.

Shifting the focus of oversight from regularity to performance depends fundamentally on the organization of constitutional powers, the degree of decentralization, and the balance between the executive and the legislature. The latter's role in public finance oversight has been reinforced by the law, which requires it to be provided with regular and reliable information [39]. These reports begin before the close of the first quarter of the fiscal year and conclude with the submission of settlement-related reports[40].

4- Obstacles to the Realization of Results-Oriented Management

Organic Law 15-18 seeks to bring about a radical transformation in the process of public financial decision-making by consolidating **public financial governance**[41],which provides a model for preparing, adopting, implementing, and overseeing financial decisions in pursuit of effectiveness and improved performance. This model involves the contribution of actors beyond the state and its institutions, and it is grounded in the principles of transparency, participation, oversight, and accountability. It aims to align with the global reformist trend in this field, which has embraced the concept of **public financial governance**[42], yet the realization of these requirements within the Algerian context will face several obstacles upon the effective implementation of the legal text, beginning with the fiscal year 2023.

Several obstacles will hinder the endeavor to establish a framework for public financial management in accordance with the model of **results-oriented management**[43], which requires the establishment of effective oversight mechanisms for managing financial appropriations and the capacity to define program objectives[44] with precision, posing a challenge to all actors in the field of public financial management.

4.1 Weak Methodology in Oversight of the Execution of Financial Appropriations

International experiences indicate that the introduction of results-based management leads to the restructuring of public financial oversight and a fundamental transformation of control procedures and the institutions responsible for them. This requires granting managers a significant degree of freedom in exchange for the responsibilities entrusted to them, coupled with a shift away from prior oversight in favor of a systematic commitment to accountability, through the strengthening of subsequent controls, whether administrative, political, judicial, or exercised by citizens[45].

Organic Law 18-15 established a new public management framework centered on results, which implies granting public managers (*responsible managers*) a margin of freedom while obliging them to render account through reports comparing the results achieved with the means allocated46. The adoption of this approach has resulted in a fundamental shift in the concept of oversight toward performance auditing, characterized by scrutiny, verification, and assurance that the government has used public funds entrusted to it appropriately, and that its programs have been executed in accordance with their predefined objectives and the performance indicators associated with each program. This form of oversight links public spending to results, which are to be assessed through ministerial performance reports outlining the conditions of program implementation, the degree of achievement of expected objectives, the indicators employed for monitoring and evaluation, the results obtained, and the explanations for observed discrepancies.[47]

Performance oversight focuses on the monitoring of public money in accordance with the criteria of economy, efficiency, and effectiveness, whereas classical oversight emphasizes regularity, legality, and procedural compliance.

Shifting oversight priorities from regularity to performance fundamentally depends on the organization of constitutional authorities, the degree of decentralization, and the level of separation between the executive and legislative branches. The latter's role in public financial oversight was strengthened by the law through the obligation to provide it with information via a set of regular and reliable reports[48], beginning before the end of the first quarter of the fiscal year and concluding with the reports attached to the Budget Settlement Law[49]. In this context, Abdelhak Cherfa observes that the optimal use of public funds requires granting managers greater freedom and transitioning to performance oversight- yet, prior to that, ensuring a baseline of compliance and conformity oversight, which must also include commitment to results as a subject of evaluation. However, Algerian practice does not align with this approach; on the contrary, prior oversight has been significantly reinforced in recent years.[50]

Despite the new provisions introduced by Organic Law 15-18 to regulate the various forms of amendment to financial appropriations available to the government in implementing the Finance Law or a corrective Finance Law, and despite the importance of capping transfers and reallocations of appropriations and requiring parliamentary notification, the law did not provide the degree of flexibility necessary for managers in handling appropriations. Moreover, it failed to define cases of extreme urgency that would justify measures to amend appropriations, such as opening, cancelling, or regularizing a credit, merely requiring parliamentary notification and approval of regularization during

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the debate on the corrective Finance Law, without addressing the consequences of a potential rejection.[51]

Similarly, Law 18-15 provided for the cancellation of appropriations that become irrelevant during the fiscal year without imposing specific conditions for doing so52,which may lead to excessive reliance on this mechanism, undermining the intended use of appropriations and rendering oversight extremely difficult, especially since the Minister of Finance submits, at the end of each fiscal year, a comprehensive presentation of regularization operations before the competent parliamentary bodies.[53]

4.2 The Difficulty of Operationalizing the Logic of Results-Oriented Management

The adoption of results-oriented management seeks to move from a technical-legal approach to public financial management, grounded in the logic of means, to a managerial approach based on an economic perspective that prioritizes results and performance indicators. However, its realization faces several challenges, as evidenced by the lengthy trajectory of public financial management reform initiated in 2001, reflecting political-administrative tensions. At the same time, there remains a limited capacity to grasp the substance of the shift toward results-oriented management, the teachings and mechanisms of New Public Management, and the transfer of theoretical concepts into operational practices. These processes raise significant issues, as they are not merely statistical or technical, but also conceptual and theoretical; before the machinery can produce numbers, standards must first be set, standards which reflect the philosophy and approach of those who establish them.[54]

In this context, attempts to institutionalize performance- and results-oriented management within public financial governance, as envisioned by Organic Law 15-18, will encounter significant practical difficulties, primarily linked to the inability to define objectives precisely across governmental and administrative sectors. Consequently, program objectives are often superficial and generalized, undermining the ultimate purpose of adopting results-based management. Failure to define objectives for a given program renders the measurement of results impossible, particularly in politically, socially, or economically sensitive programs (such as wage bills, pension systems, combating corruption, or poverty). Additionally, evaluation is further complicated by the existence of an overwhelming number of indicators of public management efficiency and the lack of consensus around them due to the multiplicity of objectives and stakeholders.[55]

The realization of the role assigned to program managers depends on the degree of freedom granted to them across all stages of program design, execution, evaluation, and oversight. This requires shedding bureaucratic management legacies and transitioning to a results-oriented culture. Yet, the freedom of managers faces obstacles, notably the criminalization of certain management acts under the Penal Code and the authority of the criminal courts. In this regard, Philippe Séguin notes that "*between the absence of sanctions and criminal penalties lies a vast space for a system of sanctions tailored to the challenges of public management.*"[56].This entails striking a real balance between decriminalizing certain management acts; so as to grant greater autonomy and initiative to responsible managers while protecting honest officials; and establishing an appropriate sanctions regime to deter cases of public fund mismanagement, corruption, and impunity.

Moreover, while the dissemination of large volumes of information in the context of meeting performance and transparency requirements implies, in principle, the capacity of parliamentarians to make use of such information, in practice, technical barriers prevent them from doing so. Their technical inability to comprehend or employ such data renders it valueless. Khaled Menna, in addressing the issue of public financial governance and transparency challenges in Algeria, points out that "*achieving transparency is important but difficult, especially regarding public expenditure transparency, which is obstructed by multiple factors, including technical complexity, varied accounting formulations, and the psychological difficulties parliamentarians face when examining financial data in the form of budgets and accounts*."[57]

Accordingly, the real challenge facing the public financial system is to present information in an accessible language for non-specialists[58], lest transparency become nothing more than a superficial device that undermines its very purpose.

Under current circumstances, the pursuit of results without granting greater freedom to managers makes it impossible to hold responsible program managers accountable for outcomes beyond what is proportional to the managerial discretion afforded to them. Consequently, **performance oversight becomes merely an additional demand arising from new concerns in the search for effective public action**.[59]

5. Conclusion

Results-based management contributes to shifting the focus of programming, management, and decision-making from inputs and activities to the outcomes to be achieved. It represents an effective model for enhancing the performance of public financial management and controlling public expenditure. This approach rests upon the application of performance and accountability concepts, granting managers greater autonomy in exchange for direct responsibility in achieving objectives, endorsing the comprehensiveness of appropriations, adopting contractual and partnership approaches, as well as auditing and performance evaluation through program-specific performance measurement indicators.

Algeria, through Law No. 15-18, has embarked on establishing a new model of results-oriented public management by granting freedom to public managers, who are held accountable through mandatory reporting that compares the outcomes attained with the resources allocated. The adoption of this approach will lead to a fundamental transformation of the

6. Footnotes

[1] Ahmed Abubakr Ali Badawi, Public Budget Reform Programs in Arab States, Economic Studies, Arab Monetary Fund, 2011, p. 2

[2] Presidential Decree N⁰ 01-140 of 06-06-2001 ratifying the loan agreement signed on 18-04-2001 between the People's Democratic Republic of Algeria and the International Bank for Reconstruction and Development to finance the modernization of budgetary systems, Official Journal of the Algerian Republic (O.J.A.) N° 31, on 06-06-2001.

[3] Organic Law N⁰18-15of 02-09-2018 on Finance Laws, Official Journal of the Algerian Republic (O.J.A.) N°53, on 02-09- 2018.

[4] e.g., France with the adoption of the Organic Law on Finance Laws (LOLF) in 2001, implemented in 2006; Morocco with the adoption of Organic Law N⁰130-13 in 2013, implemented in 2015; and Tunisia with the enactment of the Fundamental Budget Law in 2019 under Law N°15 of 2019 of 13-02-2019. It should be noted that the Tunisian law originated as a legislative initiative by the Ministry of Finance in the Council of Ministers on 13 November 2015, was presented to the Finance Committee on 020-06-2017, reported on 14 -11-2018, discussed in plenary session on18-12-2018, and enacted on 31 -01-2019.

[5] Article 1 of Organic Law N⁰18-15.

[6] Ministry of Finance of Algeria, Directorate General of Budget, Draft Organic Law on Finance Laws, Explanatory Memorandum, 2018, p. 1.

[7] Article 2 of Organic Law N⁰18-15.

[8] Law N⁰84-17of 7-07-1984 on Finance Laws, Official Journal of the Algerian Republic (O.J.A.)N° 28 of 10 -07- 1984, amended and supplemented.

[9] Article of Organic Law N⁰18-15 on the Medium-Term Budgetary Framework

[10] Andrzej T. Abraszewski et al., Results-Based Budgeting: Experience of United Nations System Organizations, Joint Inspection Unit, JIU/REP/99/3, Geneva, 1999, p. 10.

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[11] Article 79 of Organic Law N°18-15: "A program constitutes the unit of execution for budgetary appropriations …"

[12] Article 23 of Organic Law N°18-15: "… appropriations shall be allocated according to the program, in accordance with Article 75 of this Law, or according to earmarking with respect to non-allocated appropriations. Appropriations are presented by activity and, where appropriate, in the form of titles covering expenditures by economic nature, pursuant to Article 29 of this Law …"

[13] Article 28 of Organic Law 18-15, which specifies that classification by activity and by the economic nature of expenditure constitutes the main budgetary classifications of the state, while classification by major functions of the state and by administrative entities is significant for analysis, statistics, and comparative purposes.

[14] Article 23, paragraph 4 of Organic Law N°18-15.

[15] Article 23, paragraph 3 of Organic Law N°18-15.

[16] Hakim Boujato, op. cit., p. 70

[17]Project for the Modernization of Budgetary Systems (Part I), "*B01_1_1* – Overview of the Modernization of Budgetary Systems in Algeria", Budget Directorate, Ministry of Finance, February 2009, p. 31.

[18] Workshop Papers on "Modern Methods in Public Administration: Financial Management", Arab Administrative Development Organization, Cairo, September 2006, p. 11.

[19] Article 33, of Organic Law N°18-15.

[20] Article 36, of Organic Law N°18-15.

[21] Article 75, of Organic Law N°18-15.

[22] Article 2, of Organic Law N°18-15.

[23] Article 87, of Organic Law N°18-15.

[24] Article 37, of Organic Law N°18-15.

[25] Article 75, of Organic Law N°18-15.

[26] Article 87, of Organic Law N°18-15.

[27] Article 5, of Organic Law N°18-15.

[28] Article 11, of Organic Law N°18-15.

[29] Article 79, of Organic Law N°18-15.

[30] Abdelhak Cerurfa, Budgetary reform in Algeria: in search of a model? ,Doctoral Thesis in Legal Sciences, Sorbonne Law School, Paris 1, 2016, p. 294.

[31] The management of public funds is subject to oversight under the provisions of the Constitution (Articles 152, 153, 180, 192). Article 85 of Organic Law N°18-15stipulates: "The execution of the State budget shall be subject to administrative, judicial, and parliamentary oversight under the conditions set by the Constitution, this law, and other relevant legislative and regulatory provisions"

[32] Algerian Ministry of Finance, Directorate General of the Budget, op. cit., p. 2.

[33] Marie-Christine ESCLASSAN, Un phénomène international : l'adaptation des contrôles financiers publics à la nouvelle gestion publique, RFFP, No. 101, March 2008, p. 32.

[34] Constitutional provisions define oversight mechanisms, including oversight of public funds management, in Articles 155 to 162, and address oversight institutions in Chapter IV of the 2020 constitutional amendment.

[35] Mohamed Tarchi & Fayza Hiersh, Oversight of Government Unit Performance in the Context of Modernizing Public Accounting Systems, Academy for Social and Human Studies, No. 20, June 2018, p. 9; see also Article 87 of Organic Law N°18-15.

[36] Article 87, of Organic Law N°18-15.

[37] Article 87, of Organic Law N°18-15.

[38]Fondafip report, for a conceptualization of internal control and internal audit in the financial management of the State. December 9th, 2010, Paris, p. 20.

[39] Through multiple reports from the preparation of the annual draft Finance Law to the reports attached to the Budget Settlement Law.

[40] Articles 72, 75, and 85, of Organic Law N°18-15.

[41] Public financial governance, inspired by the principles of New Public Management, is introduced as a philosophy aimed at enhancing the role of the State by moving beyond the Weberian legalistic approach to public financial management, and by adopting a managerial approach grounded in the mechanisms of participation, transparency, performance, efficiency, and the rationalization of public action. This is embodied through performance-based management centered on results

[42] Michel Bouvier, La Conduite De La Réforme Budgétaire Dans Les Pays En Développement: Réflexions Métalogiques, Dans : Reforme Des Finances Publiques : La Conduite Du Changement, Actes De La IIIe Université De Printemps De Finances Publiques Du GERFIP, L.G.D.J, p p127-142, 2007

[43] The discourse on results-oriented management dates back to the 1950s, when **Peter Drucker** presented in his *book The Practice of Management* the concept and principles of management by objectives. He emphasized the necessity of: "contractual ranking of organizational goals and objectives, setting specific goals for each position within the organization, participatory decision-making, defining a clear timeframe, evaluating performance, and providing feedback on implementation." See: Abdel-Sami' *Rouina, Management by Results … An Effective Approach to the Transition from Input-Focused State Budgeting to Results-Focused Budgeting, Journal of Economic and Administrative Research*, Algeria, Mohamed Khider University of Biskra, Vol. 12, N° 3, 2018, p. 148.

[44] In the mid-1960s, **Peter Drucker** introduced a new concept, which at first glance seemed similar to management by objectives but in reality was independent of it. He articulated it in his 1964 book *Managing for Results*. However, these ideas only gained traction in the early 1990s, developing first in the private sector and then being transferred to the public sector due to the shift from focusing on the disbursement and consumption of budgets to focusing on actual achievements. In this context, public management in general and financial management in particular, underwent wide-ranging reforms in response to economic, social, and political pressures.

[45] The management of public funds is subject to oversight under the provisions of the Constitution, Articles 155 to 161 of the 2020 constitutional amendment. Furthermore, Article 85 of Organic Law N⁰18-15 stipulates: *"The operations of executing the State budget shall be subject to administrative, judicial, and parliamentary oversight in accordance with the conditions defined by the Constitution, this Law, and the relevant legislative and regulatory provisions.*

[46] According to Article 02 of Organic Law N⁰18-15.

[47] According to Article 87 of Organic Law N⁰18-15.

[48] These are the reports initiated during the preparation phase of the draft Finance Act of the year, continuing until the submission of reports accompanying the Budget Settlement Law

[49] The set of reports that the government is obligated to present to Parliament, according to Articles 72, 75, and 85 of Law 15-18.

[50] Abdelhak Cerurfa, *op. cit.*, pp. 386–387.

[51] According to Article 27 of Organic Law N⁰18-15.

[52] It required the existence of a joint report between the minister or head of the concerned public institution and the Minister of Finance only.

[53] According to Article 26 of Organic Law N⁰18-15.

[54] Emmanuel Breen, *La bonne gouvernance et ses indicateurs : Trois approches*, Séminaire de droit administratif européen et global, Chaire MADP, 11 April 2008, p. 3.

[55] Kenza Meguiche, *the Problematic of State Reform in Light of the New Public Management Approach, Idara Journal*, Vol. 26, N° 2, 2019, p. 27.

[56] Philippe Séguin, *Les nouvelles fonctions de la Cour des Comptes en France, in Michel Bouvier (ed.), La Bonne Gouvernance des Finances Publiques dans le Monde, Actes de l'IVe Université de Printemps de Finances Publiques*, Paris: L.G.D.J, 2009, p. 211.

[57] The Revenue Watch Index, which evaluates revenue transparency, ranked Algeria 38th out of 41 resource-rich countries in its 2011 report, placing it at the bottom of the ranking in terms of revenue transparency among resource-rich states. See: *Khaled Manna, Public Finance Governance and Transparency Challenges, Voice of Law Journal, Khemis Miliana University, Vol. 4, N° 2, 2007, p. 22.*

2006

[58] In this regard, reference may be made to the observation made by the IMF mission concerning the preliminary draft of the Organic Finance Law of 2015, in Article 74: the documents annexed to the draft Finance Act—which are the same as those addressed in Article 75 of Organic Law N⁰18-15—"are characterized by their excessive number, complexity, and sometimes lack of coherence. Legally, they must be simplified, and a distinction should be made between documents that are mandatory and essential for parliamentary authorization and those that are merely explanatory and informative." See: IMF Mission Report, *Observations and Proposals Regarding the Draft Organic Law on Finance Acts of 2015*, p. 34.

[59] Abdelhak Cerurfa, *op. cit.*, p. 386.