

Ways and means of implementing budgetary reform in Algeria under the organic law 15-18

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Abstract---The reform of Algeria's general budget under Organic Law 18-15, which regulates financial laws, is a new approach that will undoubtedly contribute to building a legal framework that supports the country's financial and economic transformations. Through these reforms, the state seeks to keep pace with the global financial system, especially after Law 84-17 proved inadequate in adapting to internal and external changes. The management based on the allocation of resources has been abandoned in favour of achieving objectives and financial sustainability through the adoption of multi-year budget planning, with the need to improve public resource management and enhance transparency and accountability. Budgetary reform in Algeria has encountered a number of obstacles to the achievement and implementation of public administration governance, and a number of challenges must be overcome in order to achieve the desired objectives of this reform.

Keywords---Organic Law 18-15, budget reform, financial sustainability, public finance, transparency.

Jel Classification Codes: H61; H72; H83

I- Introduction:

Since the early 2000s, Algeria's successive governments have sought to overhaul the management of public finances, aiming to shield the economy from financial shocks tied to its heavy reliance on oil revenues. The introduction of Organic Law 18-15 establishes a modern framework for this transformation, moving away from outdated methods toward more resilient budgetary and tax systems. This shift required a significant update to the legal structures governing public finance, as the previous framework, rooted in older laws, no longer met the demands of today's economic landscape. Under

How to Cite:

Bey, K., & Berrais, K. (2026). Ways and means of implementing budgetary reform in Algeria under the organic law 15-18. *The International Tax Journal*, 53(2), 919–934. Retrieved from <https://internationaltaxjournal.online/index.php/itj/article/view/590>

The International tax journal ISSN: 0097-7314 E-ISSN: 3066-2370 © 2026

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Submitted: 09 January 2026 | Revised: 18 February 2026 | Accepted: 20 March 2026

Article 89 of the new law, the 2023 Finance Law marks the first to be crafted and enacted in line with these reforms, with budget settlements for 2023, 2024, and 2025 to follow on a transitional basis. This gradual rollout reflects the need to adapt carefully, introducing innovative concepts like multi-year budgeting and results-driven management, which prioritize outcomes over traditional resource-tracking approaches. Such a transformative shift prompts a key question: **How can Algeria effectively implement budgetary reform under Organic Law 18-15 to achieve its goals of financial stability and modernization?**

- **Research hypotheses:** To explore the research question, we propose the following assumptions:
 - Reforming and modernizing Algeria's state budget represents a cornerstone for advancing contemporary financial strategies.
 - Organic Law 18-15 serves as a critical mechanism for updating and refining the budgetary framework.
 - Implementing the reform measures outlined in the law faces notable challenges that warrant examination.

- **Research objectives:** This study aims to analyze the pivotal law shaping Algeria's state budget, focusing on its core innovations and contributions to public finance. Additionally, it seeks to identify and understand the practical obstacles that may impede the effective rollout of these reforms.

- **Research methodology:** To address the central question, we adopt a descriptive approach, outlining the structure and role of the state budget while highlighting Organic Law 18-15 as a transformative strategy. This method allows us to explore how the law introduces fundamental changes to modernize Algeria's budgetary system and align it with broader financial objectives.

- **Previous studies:** Several studies have explored Algeria's efforts to modernize its budgetary systems, providing valuable context for this research:
 - Thabti Al-Habib (2015):** In the study titled "Modernizing Budget Systems in Algeria: A Key to Reforming Public Administration and Streamlining Spending," published in September 2015, Thabti examines the Ministry of Finance's "Budget Systems Modernization Project." This initiative aimed to overhaul budgetary practices and curb public expenditure, drawing inspiration from approaches in developed Western nations. The study highlights how such reforms could align with broader budgetary goals, offering a compelling case for modernization.
 - Touileb Mohamed (1996/1997):** Titled "Algeria's Budget Policy During the Shift to a Market Economy," this master's thesis from the University of Algiers explores economic reforms, with a focus on budgetary policy. It analyzes the impact of these policies on the state budget during a transitional period. While insightful, the study stops short of fully tracing the long-term evolution of budget reforms, leaving room for further exploration.
 - Hirsh Faiza and Tarchi Mohamed (2020):** In their work, "Program and Performance Budgeting: Modernizing Algeria's State Budget Under Organic Law 18-15," published in September 2020, the authors assess the shift from means-based to performance-based budgeting as mandated by the law. They argue that aligning Algeria's budget modernization with global standards requires refining the theoretical and practical foundations of the reform. Their findings underscore the need for strategic adjustments to ensure success.

Accordingly, we will conduct research on the aforementioned problem, starting by defining the most important concepts of this law, the divisions of public expenditures and revenues, and identifying the most important axes of the budgetary system within a modern framework for managing the state's financial affairs. The study is organized around three axes:

- The first axis:** The most important concepts of new organic;
- The second axis:** The main axes of the new organic law;
- The third axis:** Difficulties facing the budget reform process.

1. The most important concepts of new organic law

Organic Law 18-15 emerged from Algeria's ongoing efforts to modernize public finance management, driven by both policy reforms and constitutional mandates. Specifically, it aligns with Article 141 of the 2016 Constitutional Amendment and Article 123 of the 2020 Constitution, which require an organic law to govern financial legislation. This marked a departure from Law 84-17, an outdated statute that lacked the normative weight demanded by these constitutional provisions. The new law introduces a robust framework for managing state finances, emphasizing transparency, accountability, and performance-driven budgeting. (Djaballah Hadj, 2021, p. 116)

1.1 Definition of organic law

Organic Law 18-15 establishes the principles for preparing, presenting, and approving financial laws, while outlining rules for public finance and state accounting. It governs the execution and oversight of these laws, ensuring alignment with national priorities. (Ministry of Finance, 2021, p. 20) the modern approach to budget reform can take many forms, such as the renewal of the budgetary system and the adoption of programme and performance budgeting based on a management-by-objectives and results approach. This type of budget can be defined as 'the classification of the state budget according to priority sectoral programmes covering the medium term, whereby resources are allocated according to clearly defined objectives and results measured by pre-determined and accepted performance indicators'. (Messai · 2020)

Often described as a "financial constitution," the law sets clear objectives for budgetary reform, strengthens managerial accountability, and enhances oversight mechanisms. Experts view it as a milestone, reflecting collaboration between Algeria's executive and legislative branches to advance public finance modernization. (Saba, Ben Moussa, p. 267)

1.2 Components of the Finance Law Under Reform

Article 7 of Organic Law 18-15 defines three types of finance laws, each serving a distinct role in the budgetary process:

1.2.1 Annual Finance Law: The Finance Law determines, for a fiscal year, the nature, amount and allocation of the state's resources and expenditures, as well as the resulting budgetary and financial balance, taking into account a specific economic balance. The Finance Law for the year approves and authorizes, for each year, the total state resources and their expenditures directed to the implementing of state programs in accordance with the specific objectives and expected results that are the subject of evaluation. The Algerian legislator was very clear in linking the annual general budget to the finance laws, as we find that the finance laws serve as the legal framework within which the state's general budget must be spent. (Fatima Mefteh, 2016)

1.2.2 Corrective Finance Law: The Corrective Perfectionist Law aims to amend or supplement the provisions of the Finance Law for the year, during the current year (Organic law.18-15, 2018)

1.2.3 Budget Settlement Law: This law reviews and finalizes the year's revenues and expenditures, approving the state's financial accounts and ensuring accurate public accounting. (Ministry of Finance , 2021, p. 20)

1.3 Procedures and provisions regulating the state's general budget

Organic Law 18-15 introduces innovative approaches to public expenditure, shifting from traditional methods to results-based management and accountability-focused accounting.

1.3.1 Transition to Results-Based Budgeting: The law prioritizes outcomes over inputs, adopting a results-oriented approach to financial management. This enhances budget transparency, improves readability for parliamentary oversight, and grants managers greater flexibility-provided they submit detailed performance reports to the Ministry of Finance. Article 6 emphasizes that finance laws should support public policies through clear, results-driven objectives. To achieve this, the budget structure now emphasizes:

-Multi-Year Planning: Budgets are organized by programs rather than rigid departmental structures, integrating management and investment funds into unified accounts.

-Enhanced Transparency: Clearer budget presentations improve parliamentary review and public understanding.

Program portfolios, assigned to ministries and public institutions, break down into sub-programs and activities, aligning expenditures with government-approved objectives. (Djaballah Hadj , 2021, p. 120)

1.3.2 Structure of the Annual Finance Law: Under Article 73, the draft finance law comprises four parts:

The first part: Includes provisions relating to annual authorizations for the collection and allocation of public revenues, as well as the amounts of revenue expected by the state that would allow it to cover budgetary and financial operations.

• **Part Two:**

- a. With regard to the general budget, the amount of commitment licenses and payment approvals is determined, according to each ministry and public institution;
- b. The amount of payment appropriations, and when necessary, commitment authorizations for all special allocation accounts;
- c. Overdraft ceiling applied to commercial accounts.

• **Part Three:** In turn, it includes:

- a. A license to grant state guarantees and determine its system.
- b. A license to take care of the debts of others and determine its system.
- c. Provisions related to the amount, percentage, and methods of collecting taxes, whatever their nature and these provisions must not affect the budget balance.
- d. Each volume relates to public accounting and the implementation and control of public revenues and expenditures. (Organic law 18-15, 2018)

• **Part Four:** Includes eight tables for transparency, such as (Chaouche Bachir, 2023, p. 12):

-**Table A:** Revenue breakdowns.

-**Table B:** Appropriations by ministry or program, combining management and equipment credits.

-**Table C:** Treasury accounts (commercial, special allocation, and loans).

-**Table D:** Budgetary and economic balances.

-**Table E:** Taxes allocated to state and regional groups.

-**Table F:** Quasi-levy fees.

-**Table G:** Social security deductions.

-**Table H:** Tax expenditure estimates.

1.4 Budget based on objectives and results

At the beginning of the new millennium, the public authorities, through the Ministry of Finance, adopted a budget reform project, including an amendment to the legal system governing the state budget and public finances.

1.4.1 Updating the general budget: The budget reform introduced a new system for managing expenditure and revenue, in line with practices in developed countries, which focuses on:(Brag Toufouti, 2023, p. 899) :

- Preparation of a multi-year budget;
- Improvement of budget presentation for transparency and accountability;
- Adjustment and strengthening of the advisory roles of the Ministry of Finance;
- Simplification and adjustment of processes related to the execution of expenditures.

1.4.2 Permanent financial coverage rule: Establishes a sustainable financing process through coordination between departmental activities and available resources. Regular revenues are given priority over other expenditures; with coverage levels set annually under the Finance Act. (Organic law 18-15, 2018).

1.4.3 Joint integration between programmes: Joint integration models contribute to assessing budget sustainability and revealing corrective forces in most countries. However, cases such as Italy show that imbalances can lead to higher expenditure, creating a 'snowball effect'. (Brand, 2013, p. 17).

1.4.4 Budget revenues and expenditures: The legislator uses the Finance Act to estimate and declare revenues and expenditures annually, and consolidates them into a single account. Expenditures are

classified by program, ensuring that they are consistent with the ministry's objectives and facilitating their effective and transparent implementation. (Circular n°9657, 2022)

1.5 The main objectives of the goal- and results-based budget

It is a set of reforms aimed at achieving the following objectives:

- Reforming and modernising the public administration framework and orienting it towards achieving the desired results in terms of effectiveness, in addition to making budget documents more transparent and accessible;
 - Facilitate the presentation of the state budget and activate methods for evaluating and voting on public finance laws;
 - Strengthen parliamentary and informational oversight of public finances;
 - Effectively develop the government accounting system through what is known as the integrated financial system;
 - Improve the efficiency and effectiveness of public spending; (Saba Ben Moussa, 2020, pp. 267-268)
 - Facilitating strategic choices through accurate information and analysis;
- Achieving budget transparency in order to promote discussion on economic policy and budgetary choices;
- Ensuring oversight in all its forms over the implementation and improvement of performance in the execution of programmes and investments included in the budget. (Ministry of Finance, 2020)
 - Sustainability and joint integration this component demonstrates how this integration helps us arrive at budget sustainability before conducting the estimation process, starting with specific data and proposing a specific error correction model. In particular, we see that call-up forces are practiced in all countries, given their scale, with the exception of Italian spending, where budget imbalances lead to an increase in public spending in the following year, explaining the phenomenon of snowballing expenditures. (Brand, 2013, p. 17)
 - The importance of financial transparency is linked to providing reliable and transparent financial information to beneficiaries and the public, with the aim of ensuring integrity, accountability, and building trust. Therefore, enhancing financial transparency is essential to ensure the sustainability of financial systems and achieve economic development. (Krah, Mertens, 2023) budget transparency is crucial for ensuring good governance and achieving a sustainable economy .(Mohammed Reda ,Bendoukha, 2025)

2. Main axes of the goal- and results-based budget

This includes the following key areas for controlling public finances:

2.1 Medium-Term Budget Framework (MTBF)

This framework outlines budgets for a period of three to five years, allowing for periodic updates to adapt to changing circumstances. It aligns fiscal policy with objectives such as financial stability, efficient resource allocation, and integration with government priorities. By linking annual budgets to broader sectoral strategies and available resources, the medium-term fiscal framework supports the government's action plan while promoting a modern governance model, as outlined in the law. (Kchaoui,2022, p430) This approach ensures budgets reflect both immediate needs and long-term objectives. (Ministry of Finance, 2025 p. 8)

2.2 Strengthening Budgetary Balance

The law enhances measures to sustain public spending, boost economic growth, and achieve medium-term fiscal balance. New provisions improve the management of public assets, encouraging careful planning for budget commitments from 2025 to 2027. To this end, the framework emphasizes disciplined allocation of funds, increased tax revenue collection, and more efficient, equitable public spending_all while staying within the financial limits set by finance laws (Ministry of Finance, 2025, p. 8). This balanced approach aims to safeguard Algeria's fiscal health.

2.3 The medium-term budgetary approach

This approach is considered a new and effective method in managing public resources, as it clearly expresses the major axes and future obligations of the state with regard to estimates of revenues and state expenditures over a period exceeding a year, and thus the multi-year framework provides the same level of detail for the budget. In addition, it includes an estimate of the revenue ceiling and total expenditures for the next three years. That is, N+1, especially the years N+2 and N+3. The Organic Law devoted the budgetary approach to the medium term, as Article 5 states: "My medium-term budgets are framed every year by the government based on a proposal from the Minister in charge of Finance. At the beginning of the procedure for preparing the Finance Law. It is determined for the next year and two years." The following are estimates of revenues, expenditures, the balance of the state budget, as well as the state's debt..." (Organic law 18-15, 2018)

2.4 Multi-year financial framework: This aims to express the general direction of the state with an estimate of revenues and expenditures over the next two years, in addition to the current year, based on the previous two years. However, budgeting remains an annual procedure. (Akram, 2025)

2.3.1 The expenses approach:

Table (01): Medium-term expenses framework for 2024-2026

Nature of Expenses	2023(LFC)	2024	2025	2026
Title 1: User Expenses	4 481.0	5 155.6	5 319.7	5 484.8
Title 2: Operating Expenses	534.6	632.8	642.0	668.8
Title 3: Investment Expenses	3 036.0	2 809.3	3 224.5	3 039.2
Title 4: Transfer Expenses	3 982.4	4 276.0	4 395.1	4 203.4
Title 5: Public Debt Expenses	389.7	478.0	392.9	318.2
Title 6: Financial Operations Expenses	100	3.0	6.0	6.0
Title 7: Unforeseen Expenses	2 182.5	1 920.3	1 920.0	1 984.9
Total Expenses	14 706.8	15 275.2	15 900.4	15 705.6

Source: Report on the presentation of the draft Finance Law for the year 2024 and estimates for the years 2025 and 2026, Ministry of Finance, p 22.

According to estimates, budget expenditures for the year 2024 amount to approximately 15.292 billion DA as commitment authorization and 15.275 billion DA as payment credits, a decrease of (32 billion DA) and an increase of (568 billion DA) in payment credits, compared to the 2023 Corrective Finance Law.

For the fiscal year 2024, the program structure was revised following the completion of budget discussions held with various ministerial departments. These programs comprise (50) program portfolios, (141) programs, and (293) sub-programs, distributed across seven (07) headings, as shown in the previous table.

In contrast, for the years 2025 and 2026, total expenditures were estimated, according to the medium-term expenditure framework, at (15900 billion DA and 15705 billion DA), respectively, with increases from one year to the next. The following figure shows the phenomenon of increasing expenses during this period.

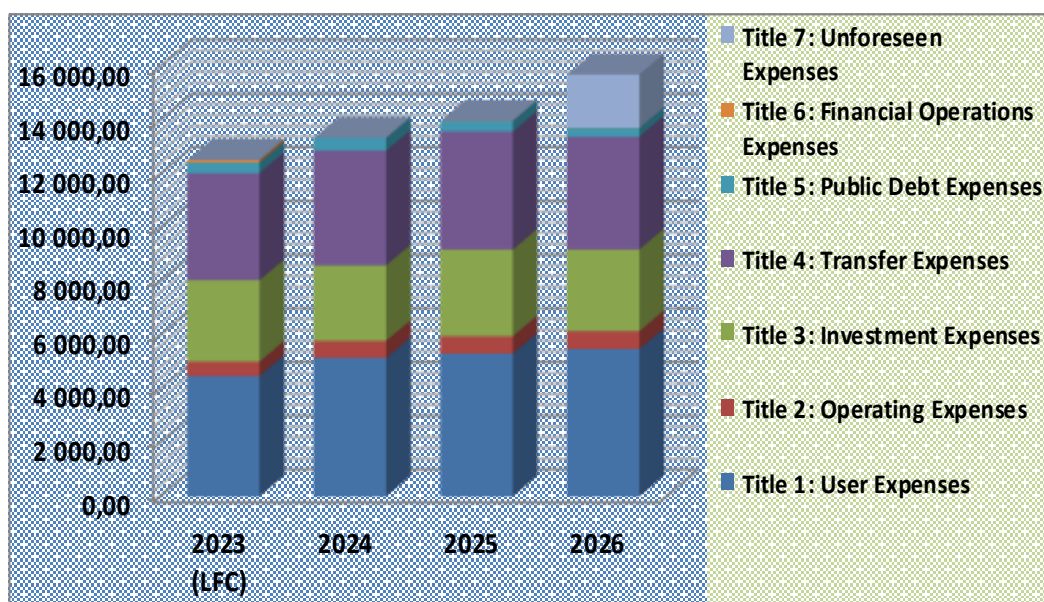


Figure (01): The size of the distribution of budget appropriations according to the medium-term expenditures Framework for the period (2024-2026)

Source: Prepared by researchers.

2.3.2 The revenues approach

Table (02): Budget revenue estimates in the medium-term framework for the period (2024-2026)

(million DZ)

Revenues	2024	2025	2026
1. Revenues from taxes	7 629 602	8 048 833	8 380 342
2. Revenues from state-owned properties	80 152	81 755	83 390
3. Revenues from state financial contributions	1 175 000	1 175 000	1 175 000
4. Amounts paid for services	0.0	0.0	0.0
5. Various budget proceeds	212 500	222 425	234 701
6. Exceptional proceeds	0.0	0.0	0.0
7. Funds allocated for contributions, gifts, and bequests	50	50	50
8. Interest received from loans and advances...	8 000	9 100	8 400
Total Revenues	9 105 304.7	9 537 163.9	9 881 884.1

Source: Law No. 23-22 of 24_12_2023 on Finance Laws, Official journal of the People's Democratic Republic of Algeria, No. 86, of 2024

Budget revenues increased according to the estimates for the preparation of the 2024 Finance Law, within the medium-term framework. Total revenues for 2024 were estimated at 9.105.304 million DZ. Total revenues for year (N+1) were estimated at 9.537.163 million DZ, followed by year (N+2) with total revenues of 9.881.884 million DZ.

This increase is due to the measures taken by public authorities in preparing the general budget according to the medium-term framework. These measures include increasing the mobilization of tax and non-tax revenues, enhancing efficiency, and improving revenue volume. They must implement

appropriate tax measures in the preparation of the draft Finance Law for the year through the following (Ministry of Finance, 2024):

- Expanding the tax base;
- Mobilizing resources;
- Combating tax fraud and evasion;
- Simplifying procedures as part of the continued improvement of the business climate and tax reforms.

The following figure shows the development of revenue estimates for the years (2024-2026).

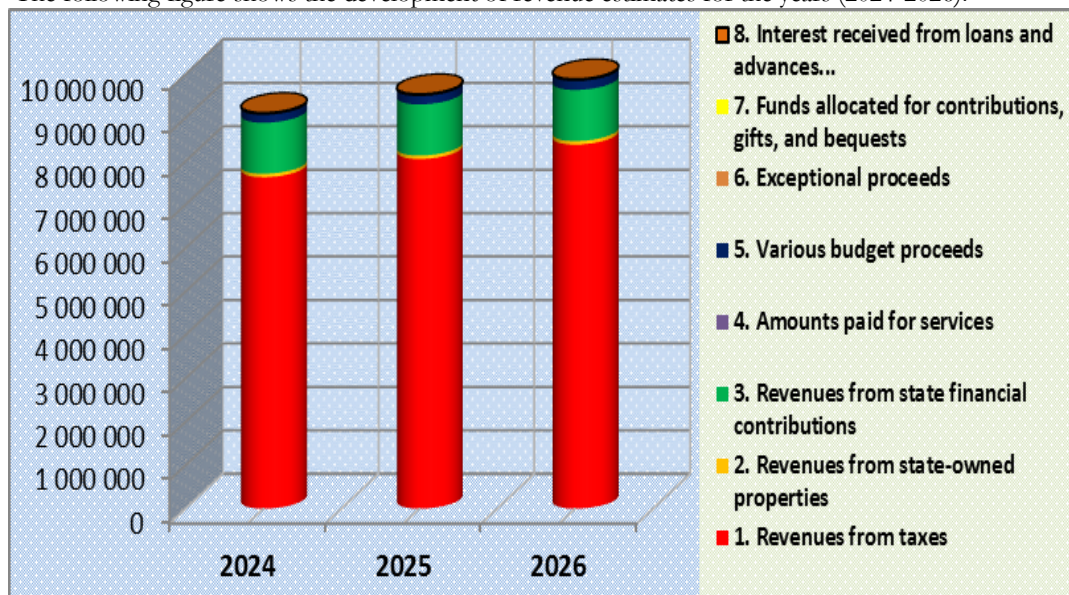


Figure (02): Distribution of budget revenues according to the medium-term framework for the period (2024-2026)

Source: Prepared by researchers.

2.3.3 The nature of budget performance and the need to assess it

Because public finance covers a wide range of areas of analysis, it is impossible to express budget performance with a single indicator. Therefore, it is necessary to use a set of indicators, each of which expresses a specific situation and identifies deficiencies that can be corrected.

Three levels of budget performance can be distinguished (Abdelmadjid, 2022.p 448):

-General budget discipline.

-The allocation of resources (in terms of financial and human resources) according to the strategic priorities adopted by the government.

- The effectiveness of procedures (and therefore programs) and services provided

These three levels are actually a new way of looking at the three functions of controlling public revenues and expenditures, determining future resource allocations (revenues and expenditures), and finally, managing resources to minimise waste.

Budget performance can be seen as the proper functioning of the public budget management system, whether on the revenue or expenditure side, in a way that ensures the delivery of services in the best possible manner, quantity, quality and effectiveness, which requires the availability of systems and institutional arrangements that determine the optimal ways to use economic resources to achieve public objectives, as well as the provision of relevant and reliable financial information in a timely and consistent manner for control and accountability at all levels, as this information, in the contemporary

concept of public financial management, is critical in creating the appropriate environment to achieve the desired results. (kaddi , 2022)

2.4 Results centered management

It is known that Law 84-17 is a budgetary system that operates on the basis of means, without specifying the objectives that the various public departments and bodies must achieve. This prompted the authorities to renew the legal arsenal by issuing Law 18-15 and eleven executive decrees regulating it. It adopts program-based management of operating and equipment expenditures, whereby the state budget burdens are classified according to activity into the program portfolio, the program, the subprogram, the activity, and, where applicable, the subactivity. (Article 4, Executive Decree No. 20-354, 2020) The program-based budget structure and program-based budget management aim to:

- Strengthen the relationship between the budget and public policy,
- Provide performance monitoring,
- Improve the transparency of state operations. (Ministry of Finance, 2022)

The evaluation of the set objectives is done by using pre-established performance indicators, in accordance with the provisions of Article 87 of this law, which states: "The Finance Law, which includes the budget settlement, shall be accompanied by a ministerial report on performance, which explains the conditions under which the programs recorded in the budget were implemented, as well as the extent to which the expected objectives were achieved, which are measured and tracked through the performance indicators associated with them, the results achieved, and the explanations related to the observed differences. (Organic law 18-15 , 2018) through the following figure, we notice the most important benefits of budget data during preparation.

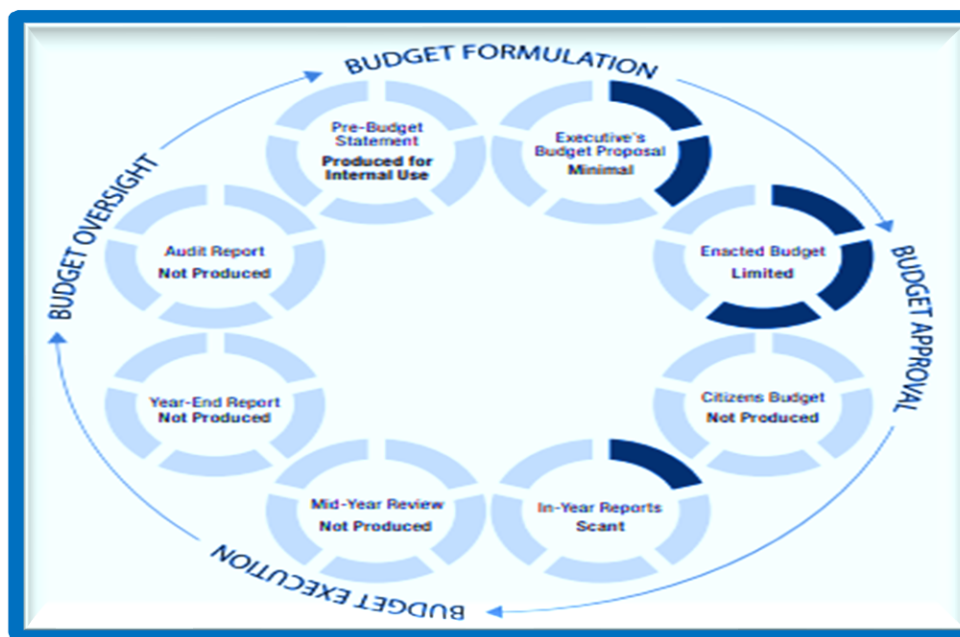


Figure (03): The usefulness of budget information during the budget preparation cycle
Source: (Open Budget Survey 2015)

2.5 Results-based budgeting

This approach introduced by the new law regarding budget regulation is a set of axes, the most important of which is budgeting based on results-based programs. Consequently, this new approach, which allocates funds based on programs, allows various ministerial departments and central and non-central government agencies to program all operations within their scope of responsibility. The program includes the total financial funds allocated to implement a specific activity or a coordinated set of activities for the same ministry, linked to clear and specific objectives, which are subject to evaluation. (Saba, Ben Moussa, 2020, p. 269).

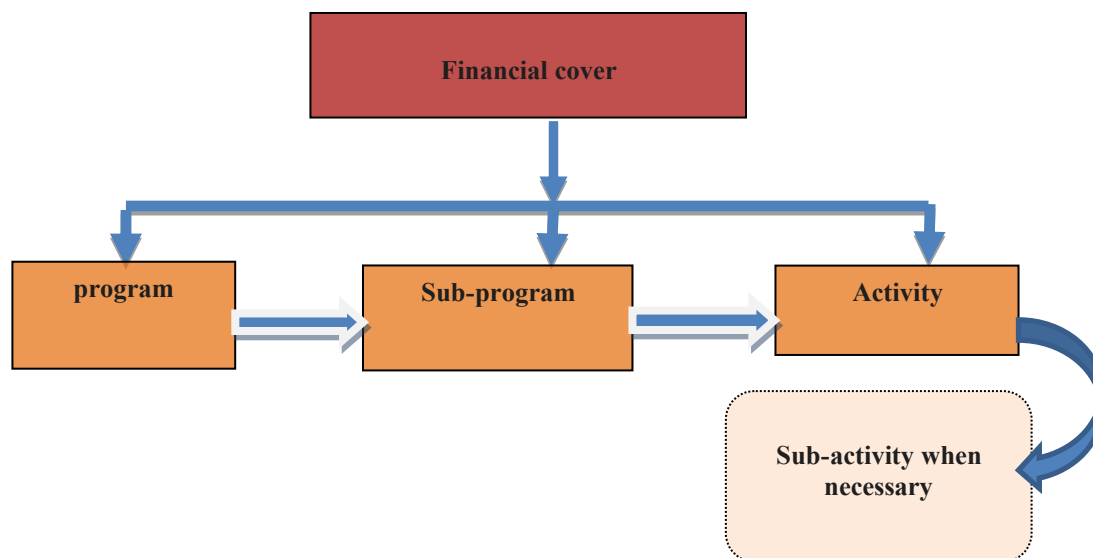


Figure (04): Divisions of the new budget structure.

Source: Prepared by researchers.

2.6 Adjusting objectives according to activity and performance

The program officer ensures that the scope of activities is defined and coherent. It ensures that the objectives of the activities are determined, and this is within the framework of the management dialogue, which must take place between the program official and each activity official. An activity can only have one official.

The management dialogue allows adjusting the performance approach; by setting objectives at the activity level that contribute to achieving the strategic goal of the program. This download is also carried out from the activity level towards a sub-activity, if the latter has been created. The person responsible for the activity conducts an upward dialogue with the person responsible for the program. (Circular N°: 5960, 2022)

2.7 Financial Regulation Implementation

This implementation places all necessary resources at the disposal of activity managers to implement and implement the program. It includes all the procedures and mandates that will allow for the allocation of funds and the provision of financial positions at the activity level. The person responsible for the financial function in the ministry or public institution, as stipulated in Article 22 of Executive Decree: 404-20, ensures that all procedures are taken to achieve this implementation by notifying the activity manager of the funds and financial positions distributed by the program manager. (Executive Decree N°. 20-404, 2020)

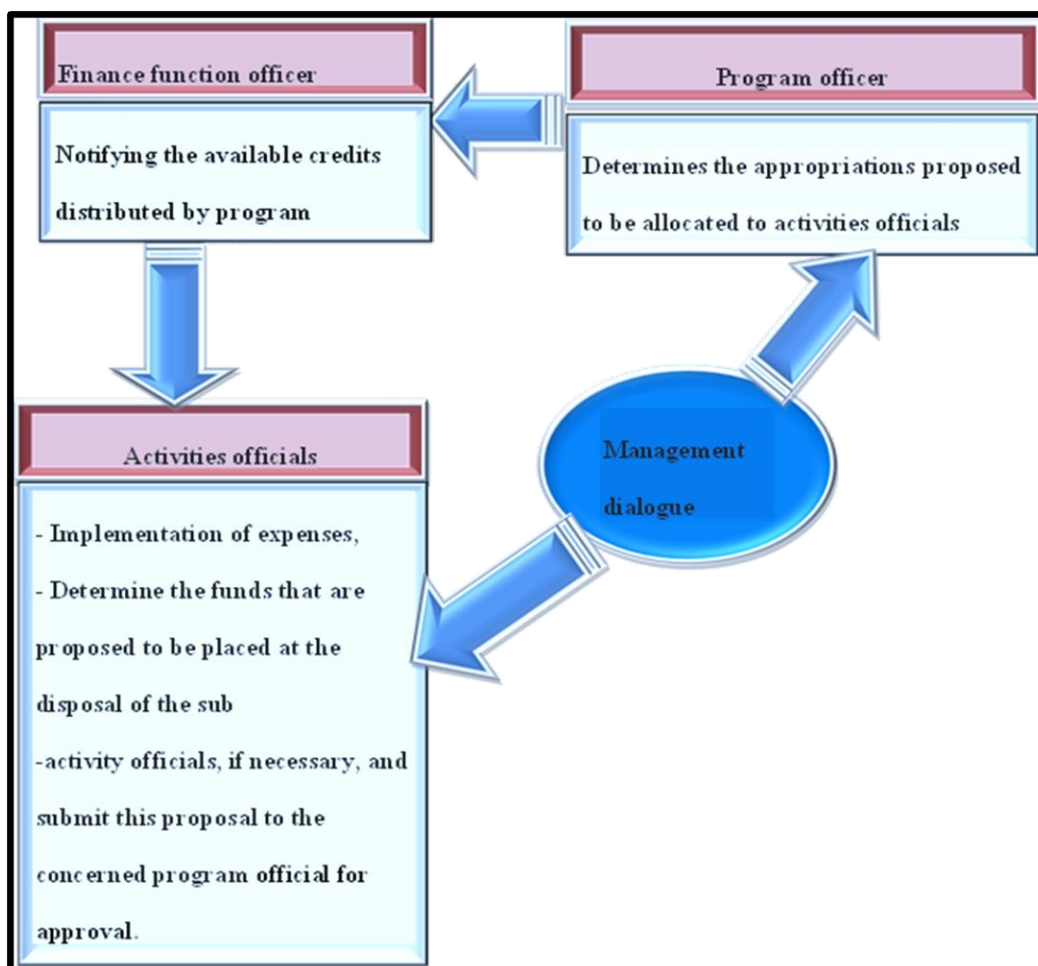


Figure (05): The new financial regulation

Source: (Ministerial Circular N°: 2698, 2022)

2.8 Budgetary unification of the management and equipment division in the budget documents

This reform calls for merging the management and equipment division into a single document, embodying the principle of budget unity. This integration is achieved by establishing a new budget structure across sectors and dividing it into programs that reflect public policies. This new classification, stipulated in the Organic Law, is intended to correct the imbalances in the current classification.

Thus, the new classification, as outlined in Article 28, can be summarized as follows: (Organic Law 18-15, 2018)

- A. Classification by activity, which consists of the program and its divisions;
- B. Classification by the economic nature of expenditures, which consists of expenditure headings and their sections;
- C. Classification by major functions, which consists of designating the sectors responsible for achieving objectives based on their functions;
- D. Classification by administrative bodies responsible for preparing and implementing the budget; this classification is based on the distribution of financial appropriations among ministries and public institutions.

2.9 Adding transparency

In order to modernize the budget systems, the Organic Law introduced several fundamental amendments, represented by a comprehensive restructuring of the Finance Law. Accordingly, the sections of the Finance Law will be classified into four sections instead of two sections, and the special accounts of the treasury and the treasury operations that represent The third section is to ensure better readability, while the fourth section will be devoted to inserting tables to ensure the maximum possible number of indicators about the budget components are provided Among the prevailing indicators, we find a unified list that includes all taxes and fees distributed between the state and regional groups, as well as the special accounts of the treasury, with reference to the budget balance (Saba, Ben Moussa, 2020, p. 271).

The principale of Transparency measures public Access to information on how governments manage public resources by assessing the availability of information on the Internet, its availability on time and the availability of eight 08 key documents attached to the public budget (Abdous, 2021.p 358).

Table (03): Development of the General Budget Transparency Index in Algeria during the period 2008 to 2023

The year	2008	2010	2012	2015	2017	2019	2021	2023
Budget Transparency Index	2	1	13	19	3	2	3	15

Source: Prepared by researchers based on the Open Budget Survey for the years 2010 to 2023

From the previous table, we find that the development of the general budget transparency index in Algeria during the period 2008 to 2023 has seen a fluctuating trend, where we note that it was estimated at 2 points out of a total of 100 points in 2008, then decreased to 1 point in 2010. Until it experienced a qualitative leap in ranking to reach 13 points in 2012, and continued to do so in 2015, where its ranking was estimated at 19 points. This is the best ranking it has achieved. Then the budget transparency index declined again during the years (2017, 2019 and 2021), recording the following scores in order (3, 2, 3). These are very low values compared to the efforts made by the state during this period. However, in 2023, this index experienced a noticeable increase, where it recorded 19 points.

Accordingly, it can be said that the degree of transparency in the outputs of the budgetary system in Algeria is almost non-existent in some years due to the lack of provision of the necessary information about the budget. This is mainly due to the fact that the budgetary system applied before the issuance and beginning of the application of Organic Law 18-15 in Algeria has become known for meeting the requirements of managing public money with efficiency and transparency that enables it to provide credible information.

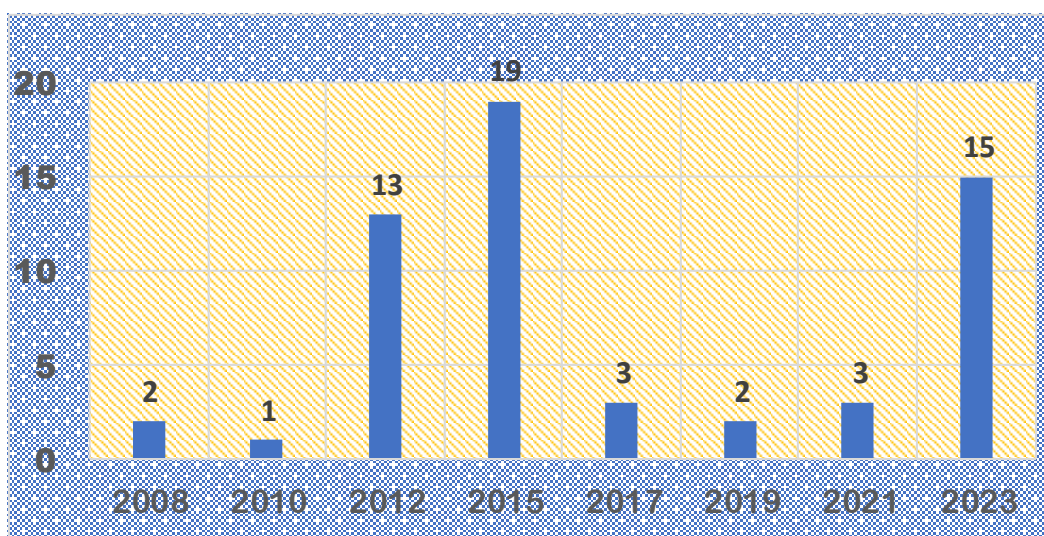


Figure (06): Evolution of the Budget Transparency Index in Algeria for the period 2008-2023
 Source: Prepared by researchers based on data from Table No. (03)

2.10 Advance notification of resources: After the period of budget discussions and approval of the business and performance contract, the qualified departments of the guardian ministry will begin advance notification of the financial appropriations stipulated for this purpose, in the form of subsidies, to the institution's official, distributed according to the codes according to the activities and chapters, and this is no later than October 7 of the fiscal year preceding the fiscal year in question. (Executive Decree N°. 21-62, 2021)

3 Difficulties and challenges in implementing budgetary reforms:

The project to modernise the budgetary system in Algeria has encountered numerous difficulties and challenges that hinder its effective implementation. Among these difficulties are resistance to change on the part of those responsible for implementing the reform, a lack of specialised skills, the difficulty of integrating the new budgetary systems with the old ones, and data security challenges; as follows :

3.1 Resistance to change on the part of those responsible for implementing the reform

The budget modernisation project faces resistance from employees and departments accustomed to the old systems, requiring significant efforts to change the organisational culture and train employees on the new systems.

3.2 Insufficient specialised skills: The proper implementation of the budgetary system requires specialised skills in the field of digitisation and financial analysis, which may be difficult to find in all sectors of the national economy

3.3 Difficulty integrating modern systems: The budget modernisation project has been characterised by difficulties in integrating new digital systems with existing traditional financial and administrative systems, requiring careful planning and integration between systems

3.4 Data security challenge: The security of financial data and its protection from unauthorised access is a major challenge, requiring strict security measures to ensure data confidentiality and integrity.

3.5 Lack of awareness of the importance of reform: There may not be sufficient awareness of the importance of budget reform and its benefits in improving public resource management and enhancing transparency and accountability .

Funding challenges: Modernisation projects may require significant investments in infrastructure, software and human resources, which can pose a financial challenge .

Legal challenges: Modernisation projects may require amendments to certain laws and regulations to bring them into line with the new systems, which can be time-consuming and labour-intensive

3.6 Cultural challenges: There may be cultural challenges in adopting new technology, especially among older employees, requiring extensive awareness and training.Lack of success in the management control that exists at the heart of the triad (goals-means-results), or in other words, the relationships that connect these elements represent the management control triangle, that is, the system (economy-efficiency-effectiveness) that constitutes the elements of the performance of public administrations, (Brag Toufouti, 2023, p. 900)

The difficulty in how the financial and human resources of the portfolio in the medium-term period can allow achieving the strategic objectives set for the same period. (Ministerial Circular No. 5960, 2022)

Conclusion

The effectiveness of implementing Law 18-15 and the rules related to public finance and the state budget must depend on the institutional framework that surrounds them. Because it allowed the absorption of new mechanisms and technologies, and created the appropriate conditions for the gradual and smooth implementation of the axes of the new organic law, which adopted a comprehensive and integrated vision, especially in budget reform, By establishing an effective system for continuous monitoring and evaluation of public finances and performance and strengthening performance-based budget management from the standpoint of financial policy governance through performance indicators. Ultimately, it can be said that the organic law will enter into force, even partially, in its first year (2023). It is considered a positive matter despite the difficulties faced by the authorities in implementing it on the ground.

Study results:

- The new law contains many positives, which aim to overcome the shortcomings that prevailed following the implementation of Law 84-17.
- Giving the character of sustainable coverage to public finances in Algeria, which is known to fluctuate due to recurring oil shocks resulting from excessive dependence on oil rents.
- Moving towards multi-year budget programming,
- The implementation of the Organic Law was delayed despite its issuance in 2018. This indicates the hesitation of the implementing agency to implement it. As well as the delay in issuing regulatory decrees related to it.
- The new law aims to give an important role to officials in managing the budget.

Recommendations:

- Considerable priority must be given to the formation of human capital, as it is the basis upon which the idea of successfully implementing this organic law is built by overcoming difficulties.
- We must move forward to accelerate the process of digitizing and linking all state agencies, whether administrative or financial.
- Giving the legislative authority a real role in monitoring the implementation of the budget within the framework of organic law.
- Accelerating the issuance of laws related to reforming the remaining sectors of customs, state property, and budgetary control.
- Strengthening implementation monitoring, by improving performance in implementing programs, policies and investments included in the budget.

- Despite the challenges, modernising Algeria's budgetary system is essential to improve public resource management and enhance transparency and accountability. Achieving this requires the concerted efforts of all stakeholders, the provision of necessary financial and technical support, and training for staff in the use of the new systems.

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