

**Implementing Program-Based Budgeting to Optimize Performance
Efficiency, Application to the Algerian Context**

تطبيق الميزانية المتركزة على البرنامج للوصول إلى نجاعة الأداء
مع الإشارة إلى حالة الجزائر

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Abstract:

This presentation aims to highlight the contribution of program-based budgeting to control processes, accountability enhancement, and the clarification of responsibilities. It involves the analysis and discussion of the importance and necessity of applying the frameworks provided by Organic Law No. 18-15 on finance laws. This law ensures the rationalization of expenditures and effective implementation of programs and activities by shifting from input-based budgeting to results-based budgeting.

This transition relies on mechanisms for participation and performance improvement, using a multi-year approach in budget preparation and execution. It allows for the standardization of budget management systems with a modern vision aligned with international public sector accounting standards, thus ensuring effectiveness and efficiency in resource management across various sectors.

Keywords: Program-Based Budgeting, Organic Law No. 18-15, Results-Based Budgeting.

الملخص:

تهدف هذه المداخلة، إلى الإحاطة بمدى مساهمة ميزانية البرامج في عمليات الرقابة وتعزيز المحاسبة وتحديد المسؤوليات، حيث تتضمن تحليل ومناقشة أهمية والزامية تطبيق أطر القانون العضوي المتعلق بقوانين المالية 15-18، في كونه يضمن ترشيد النفقات وتنفيذ البرامج والأنشطة، بالانتقال من الميزانية المرتكزة على الوسائل إلى الميزانية المرتكزة على النتائج، من خلال آليات المشاركة وتحسين الأداء، بالاعتماد على مقارنة تعدد السنوات في إعداد وتنفيذ الميزانيات، والتي تسمح بتنميط أنظمة التسيير الميزانياتي برؤية عصرية تتوافق مع المعايير الدولية للمحاسبة في القطاع العام، حتى نضمن النجاعة والكفاءة في إدارة الموارد للقطاعات.

الكلمات المفتاحية: ميزانية البرنامج، القانون العضوي 15-18، الميزانية على أساس النتائج.

Introduction:

The modern concept of the state and its interventions is essentially based on responding to the economic and social aspirations of individuals and institutions. Most economists agree that the economic problem revolves around how to make optimal use of available resources to achieve the highest possible level of satisfaction, while controlling and reducing costs—particularly public spending—so as to ensure the effective operation of activities in a context of financial scarcity and limited means **(Smith, 1776; Keynes, 1936)**.

As a result, modern states are required to activate several principles and requirements, adopting them as mechanisms to ensure the achievement of their general, developmental, and service-oriented objectives, with the aim of ensuring societal well-being.

The current trends aimed at financial reforms—as proposed by the Organisation for Economic Co-operation and Development (OECD)—alongside Algeria's efforts to promote and modernize the financial sector, have made it necessary to implement the concepts of efficiency, performance standards, and effectiveness **(OECD, 2020¹; Algerian Ministry of Finance, 2018)**. This is reflected in the updating of systems and laws, particularly in the field of public finance, with the aim of standardizing budget management systems using a modern vision that aligns with international public sector accounting standards **(IPSAS Board^{*2}, 2017)**.

¹ Organisation for Economic Co-Operation and Development.

^{*2} International Public Sector Accounting Standards Board.

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This approach was reinforced through the enactment of Organic Law No. 18-15 on Finance Laws, issued on September 2, 2018, which primarily aims to modernize general orientations for rationalizing public expenditure in line with transparency and accountability requirements, replacing Law No. 84-17, which has become outdated in light of modern public finance realities (**Official Journal of Algeria, 2018**).

Among the requirements of this law is the improvement of the budgetary system, aligning it with program- and results-based approaches, to achieve effectiveness and efficient management of the financial resources of different sectors. This is considered a significant step in the modernization of budget systems and public spending, based on the multi-year principle (the Medium-Term Budgetary Framework - MTBF), which helps assess results instead of relying on classical management based on allocating resources according to available means (**IMF*¹, 2019**).

1. Problem Statement

Based on the above, the following central question arises:

How does program- and activity-based budgeting contribute to achieving performance efficiency?

2. Sub-questions

- What is the new orientation regarding budgetary reform?
- What is meant by program-based budgeting in the context of Organic Law 18-15?

3. Hypotheses

- There is a relationship between performance efficiency, effectiveness, and Organic Law 18-15 on finance laws
- The new orientations introduced by Law 18-15 are highly effective and contribute to financial reform.
- Through program and performance-based budgeting, it will be possible to control public spending in Algeria.

4. Importance of the Study

- Understanding the mechanisms and content of Organic Law 18-15 related to finance laws (**Ministry of Finance, Algeria, 2018**).

*1 The International Monetary Fund.

- Addressing a modern and relevant topic in Algeria and assessing the need for its implementation **(OECD, 2021)**.

5. Objectives of the Study

- Enabling researchers to understand modern tools of financial management and the programs adopted in the public sector;
- Understanding how to implement program and performance-based budgeting and its purpose as a crucial step in rationalizing expenditures.

6. The research paper will address

- **First Axis:** Program and Performance-Based Budgeting.
- **Second Axis:** Training strategy to enhance performance levels.
- **The Relationship Organic Law 18-15 and Budgetary Reform**

II - Program and Performance-Based Budgeting

Understanding the necessity of transitioning from input-based budgeting to results-based budgeting **(United States Government Accountability Office, 1980)**.

Program and performance-based budgeting emerged in the early 1950s as a strategic response to the limitations of traditional input-based budgeting systems. Initially developed within the private sector, the approach gained prominence with **Peter Drucker's** seminal work *Management by Objectives* (1954), which emphasized aligning managerial responsibilities with clearly defined, outcome-oriented goals. Drucker's framework introduced a paradigm shift by prioritizing results over resources, fostering accountability, and encouraging participatory goal setting between managers and their subordinates.

The conceptual underpinnings of this model were later transposed into the public sector, particularly within the United States, where significant reforms in governmental budgeting took place during the mid-20th century. Notably, the Hoover Commission (1949) laid the foundation for what it termed "performance budgeting," while the New York City Budget Reform Committee (1955) advanced the notion of "program budgeting" as an evolution of the classical model. The latter emphasized the centrality of objectives, linking budgetary allocations to clearly delineated responsibilities and anticipated outcomes. This reorientation allowed for a

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more precise assessment of administrative performance and resource utilization.

The broader adoption of program and performance-based budgeting was further propelled by the increasing integration of economic rationality and analytical tools into public financial management. The incorporation of systems analysis, cost-benefit analysis, and cost-effectiveness evaluations reflected a growing commitment to evidence-based policymaking and fiscal discipline. These methodologies offered a more rigorous foundation for evaluating public expenditures, supporting the shift towards a performance-centric budgeting framework that seeks not only to manage public resources, but to optimize their impact.

Program and performance-based budgeting is defined as the presentation of the state budget in the form of missions, programs, operations, and activities **(OECD, 2015)**. The use of program budgeting focuses on delivering a suitable type and volume of outputs, contributing to specific results, and strengthening the role of organizational units within the government in providing efficient and effective services with acceptable performance **(World Bank, 2016)**.

This system aims to employ material and human resources and allocate appropriations more efficiently and transparently according to specific programs and objectives within a medium-term planning framework **(IMF, 2017)**. Based on this framework, annual evaluations are carried out using objective performance indicators, allowing for the clear definition of responsibilities and accountability regarding the use of resources and achievement of pledged goals **(Algerian Ministry of Finance, Report 2019)**. Hence, program-based budgeting shifts the focus from the means of performing work to the work actually accomplished.

Program budgeting is a modern method for preparing and executing the budget, focusing on achieving concrete objectives and results rather than merely recording expenditures under traditional budget items. It is prepared based on well-defined programs that include specific objectives, performance indicators, and tools for monitoring and evaluation. The new culture of public management can be summarized as follows:

"Management that primarily aims to meet the needs of citizens, at the lowest cost and with high performance" (OECD, 2005).

Perhaps the most significant contribution of the Organic Law on Finance Laws in France lies in introducing efficiency and performance into financial

management, by including program objectives and performance indicators in annual budget projects (**French Ministry of Finance, Repport 2018**).

II-1 Structure of Program Budgeting

The Organic Law 18-15 relating to Finance Laws merged operating and investment budgets into a single account structure (**Official Journal of Algeria, 2018**). This unified structure is organized in budget titles, not basic budgets, allowing the consolidation of general budget expenditures according to the major functions of the state. Under these functions, various public expenditures are grouped and distributed into programs, sub-programs, and sub-operations according to the priorities and strategic guidelines set by the state (**IMF, 2020**).

This new structure aligns with international standards for the classification of state functions, consistent with the functional classification of public administrations proposed by the International Monetary Fund (**IMF, 2017**).

According to this classification, the budget is broken down progressively into:

Portfolio → Programs → Sub-programs → Operations → Sub-operations

The program budgeting framework is a multi-year framework and serves as a tool for managing public resources. It expresses the main directions, priorities, and projections of revenues and expenditures over a period longer than twelve months (**OECD, 2018**).

This framework does not conflict with the principle of annual budgeting. On the contrary, it promotes the preparation of an annual budget presented to Parliament for yearly approval. Therefore, the multi-year framework offers the same level of detail as the annual budget and includes projections for the following two years (**N+1 and N+2**) of the relevant fiscal year (**Algerian Ministry of Finance, 2020**).

Parliamentary approval, however, only concerns the fiscal year N. The accompanying projections serve as a reference only. Accordingly, the annual voted appropriations represent the annual installment (12 months) of the required resources to implement part of the multi-year framework (**Official Journal of Algeria, 2018**).

II-2 Principles of Program and Objective-Based Budgeting

This approach is centered on the rational management of public funds, that is, how to utilize public resources with maximum efficiency and

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effectiveness, aiming to achieve as many objectives and results as possible with minimal use of available (human or financial) resources¹

Governance or Sound Management

In the public sector, governance is defined as the set of laws, policies, organizational structures, procedures, and controls that influence and shape how an institution is directed and managed in order to achieve its objectives ethically, based on principles of responsibility, integrity, and transparency, using monitoring and evaluation mechanisms and a system of accountability to ensure efficient and effective performance².

Transparency in Public Management and Budget Readability

Transparency involves the free flow of information, including disclosure, data accuracy, credibility, clarity, and consistency of legislation, as well as its ease of understanding and stability. It also includes informing citizens and civil society about the government's approach to managing financial resources by providing accurate, documented, and real-time financial information related to government activities, decisions, and financial policies in a timely manner.

Performance Capacity

This concept pertains to the institutional capacity to translate strategic plans into tangible outcomes through the efficient and effective allocation of resources. It emphasizes aligning financial, human, and material resources with the specific programs and activities undertaken by executive bodies and public institutions. The overarching objective is not merely the execution of planned activities, but the generation of measurable results and societal value—achieved with maximum efficiency and minimal cost.

In this context, performance-oriented public management becomes central. Institutions are expected to operate under principles of value for money, focusing on outcomes rather than inputs. This entails a shift from traditional compliance-based budgeting to a model where outputs and outcomes are the basis for evaluating success. The goal is to optimize resource utilization in a way that enhances public service delivery, strengthens institutional accountability, and ensures that public spending directly contributes to socioeconomic development.

¹ Fallah Hassan Al-Husseini, **Performance Budgeting: An Integrated Approach to Managing Government Financial Resources**, Jordan, Dar Al-Shorouk Publishing, 2016.

² Ben Ayash Munzir Fadhel, Rouina Abdel Samie, **Reality of Budget Reform: The Results-Based Management Approach to the New Organic**, 2021.

Moreover, this results-driven approach requires robust monitoring and evaluation systems, performance indicators, and data-informed decision-making processes. Institutions must be equipped with the technical, administrative, and analytical capacities necessary to assess not only whether resources are being spent, but whether they are producing sustainable, high-impact results. In sum, institutional effectiveness is increasingly defined by the ability to deliver public value through cost-conscious, results-focused governance¹.

II-3 Advantages of Program and Performance-Based Budgeting

These advantages are reflected in planning, organization, oversight, and in the social and economic impact, as well as the behavioral aspects of those responsible for preparing and executing the budget. The key points are as follows:

- **Enhanced planning effectiveness:** The program and objective-based budgeting approach integrates planning into the budgeting process. It links short-term goals achieved through the annual budget with the long-term objectives of national development plans.
- **Implementation monitoring and performance comparison:** This system allows for performance to be measured according to the plan. It facilitates evaluative oversight alongside accounting controls, enabling the economic assessment of the programs and activities carried out, the rationalization of implementation, and effective oversight of programs and activities².
- **Social and economic return assessment:** This budgeting system allows the evaluation of the social and economic returns of programs and activities at the national level, which leads to effective control over government spending. This results in reduced tax burdens on citizens, rationalized public spending, reduced program costs, and optimal use of financial resources in ministerial sector budgets, including investment, capital equipment, and operating³

¹ Hamad Jalal Khatab, *Economics of Government Activity between Theory and Practice*, Dar Al-Jami'a Al-Jadida Publishing, Alexandria, 2015.

² André BARILARI, *The LOLF and the Responsibility of Actors for the Implementation of Public Policies, The Political Economy of the LOLF*, La Documentation Française, Paris, 2007.

³ Akhel Mohamed, *Organic Law related to Finance Laws (LOLF) and Public Spending Governance in France*, Mediterranean Journal, 18-15 case of financial control, Biskra, Journal of Economic and Administrative Research, Vol. 18, No. 01, 2024

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- One of the objectives of budget reform based on performance and priorities is to align budget preparation and execution with the requirements of modernization by adopting mechanisms of modern financial management. This reform defines the goals of each authority, aiming to provide tools that promote efficient and rational implementation of resources, and support financial institutions that stimulate growth in a market economy (**Organic Law 18-15 related to finance laws, 2018**).
- The approach also includes modernizing and expanding the Ministry of Finance's capabilities, especially in managing public expenditures in line with national priorities (Project for the Modernization of Budgetary Systems in Algeria.).
- In Algeria, program-based budgeting also strengthens performance oversight mechanisms, aiming for the optimal use of financial resources to achieve predetermined objectives. The implementation of Law 18-15 on Finance Laws is expected to improve financial prudence and reinforce governance principles in public spending (**Organic law related to finance laws, 2022**).

II-4 Foundations and Structure of Program and Objective-Based Budgeting

The foundations of public budgeting based on programs and objectives can be summarized as follows:

- **Medium-term budgetary framework:** Program and objective-based budgeting is built on a medium-term horizon, typically ranging from 3 to 5 years, and is updated regularly to adapt to potential changes. This framework aims to achieve targeted outcomes of fiscal policy over the medium term, which include financial stability, improved resource allocation, and linking the annual budget to the government's policies, objectives, and plans (**Ministry of Finance, 2005**).
- **Clear readability and transparency of the budget for each program:** By directly associating each program with its specific appropriations, regardless of their nature and the level at which these funds will be used, this approach enables a comprehensive view of the total resources allocated to the program. On the one hand, it allows for a better understanding of the overall potential assigned to the program, and on the other, it provides the program manager with the flexibility to plan activities and optimize the use of available resources

- **Rationalization of expenditures:** This refers to setting a ceiling for the total expected expenditures, whether at the program or activity level, based on indicators and standards such as the amount and sources of projected revenues for the upcoming year and the actual needs of sectors, as well as clearly defined goals and priorities¹.
- **Results-based budgeting and operational flexibility:** This approach enables a shift from a demand- and needs-driven approach, where budget allocations increase from year to year, to a results-oriented approach. In this context, the ability to achieve expected outcomes with the lowest possible cost becomes the core of the new logic for public financial management, which accompanies the new methodology. The budgeting process is based on a hierarchical classification from functions to programs to activities to performance units. The program represents the fundamental and central unit within the framework of goal-oriented management.
- **The program is the main component of the performance-based budget:** A program consists of a set of coordinated operations within a ministry aiming to achieve a common objective. A main program can be divided into sub-programs depending on its size, facilitating easier implementation. The main program includes key missions and responsibilities and directly contributes to the achievement of objectives. Its management and oversight fall under the responsibility of the ministry, department, institution, or executing unit.

Public expenditure under the modern approach to public finance requires adopting new frameworks and methodologies based on program and performance-based budgeting. This aims to achieve high performance, in line with the requirements of Organic Law 18-15.

This allows for effective supervision and control. This chapter will analyze public spending under this framework (**Organic Law 18-15 related to finance laws, 2018**).

III - The Relationship Between Organic Law 18-15 and Budgetary Reform

To this day, many countries continue to seek the best methods and practices for preparing, executing, and monitoring budgets, particularly in terms of spending. The goal is to reach the highest levels of financial and

¹ Ahmed Hanesh, Yassine Al-Ayeb, **Results-Based Budgeting as a Mechanism to Enhance Governance and Rationalize Public Spending**, Journal of Economic Sciences, Vol. 23, No. 01, 2020.

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administrative efficiency and to effectively apply governance principles in managing public funds¹

Algeria is among these countries, having recently initiated several reforms related to budget management, with the goal of enhancing financial capacity and rationalizing public expenditures. Therefore, Organic Law 18-15 on finance laws was enacted. It aims to implement performance-based budgeting, contracts for efficiency and objectives, along with principles of integrity, transparency, accountability, and performance evaluation (**Organic Law 18-15, 2018**).

Its implementation ensures the transition from a budget focused on resource availability to a results-oriented budget tied to activities and objectives, and building the budget over several years (3 years); relying on medium-term planning and the multi-year framework (**CBMT**) (**Ministry of Finance, 2005; Project for the Modernization of Budgetary Systems in Algeria**).

Algeria is currently undergoing a significant transformation in its public financial management system through the adoption of **budgetary reform**, signaling a shift towards **modern principles of budget governance** that differ fundamentally from the traditional frameworks in place. This transition necessitates the development of a **comprehensive and adaptive legal framework** capable of supporting and institutionalizing these changes.

In response to this need, Algeria has initiated a **review of its foundational financial legislation**, particularly **Law No. 84-17 governing finance laws**, which no longer fully aligns with the demands of results-based, program-oriented budgeting. This revision is not merely procedural; it is **driven by multiple strategic factors**, including the imperative to improve fiscal transparency, enhance performance accountability, and ensure more efficient allocation and use of public resources.

The reform also reflects Algeria's intention to **modernize its public sector governance** in line with international best practices. By updating the legal foundations of financial management, Algeria aims to institutionalize **principles such as performance evaluation, fiscal discipline, and strategic resource planning**, thereby enabling the shift from a resource-input model to one focused on **outputs, outcomes, and societal impact**.

¹ Fallah Hassan Al-Husseini, **Performance Budgeting: An Integrated Approach to Managing Government Financial Resources**, Jordan, Dar Al-Shorouk Publishing, 2016.

In essence, this legislative revision is a **critical enabler of systemic budgetary reform**, laying the groundwork for a more agile, transparent, and performance-driven approach to public finance that is essential for meeting the country's economic and social development objectives in an increasingly complex fiscal environment.

III-1 Innovations of Law 18-15 and the extent of its embodiment of public spending governance.

Law 18-15 aims to consolidate the new role of Parliament as the budgetary oversight authority by reforming its management and modernizing the general framework in which finance laws and procedures related to their preparation, adoption, and execution fall. The reform focuses on linking the freedom of managers to accountability and aims to enhance transparency in budget management.

The principle of budgetary truthfulness has thus been elevated to the rank of a rule of public finance (**Organic Law related to Finance Laws, 2022**).

Implementing the program- and objective-based budgeting model during the fiscal year 2023 includes:

A. Adopting a new system of responsibility and enhancing transparency

The Organic Law in Algeria aims to comprehensively reform public financial management by empowering managers with greater autonomy and decision-making authority, while simultaneously strengthening accountability. This dual focus on freedom and responsibility establishes a governance framework in which managers are granted broader powers, enabling more flexible and responsive financial management. At the same time, the law imposes stringent accountability mechanisms that ensure transparency, performance evaluation, and responsible stewardship of public resources, thereby enhancing efficiency, integrity, and trust in the management of public funds.

B. Parliamentary oversight and evaluation of credit usage

Finance Committees have emerged as pivotal entities within the financial governance architecture, playing a central role in budgetary decision-making, oversight, and execution. Their expanded mandate underscores a shift towards enhanced parliamentary scrutiny and fiscal accountability. Among the key authorities entrusted to these committees is the auditing and evaluation of parliamentary budgetary approvals, ensuring

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that budget allocations are aligned with legislative intent and policy priorities.

Furthermore, Finance Committees facilitate the strengthening of institutional oversight mechanisms by broadening the scope of engagement with the Court of Auditors. This collaboration enhances the transparency and integrity of public financial management by enabling comprehensive post-expenditure audits and performance reviews. Consequently, Finance Committees act not only as arbiters of budget approval but also as critical monitors of budget implementation, bridging legislative functions with administrative accountability.

This evolution reflects a broader governance trend towards results-oriented financial management, where legislative bodies actively participate in monitoring the effective and efficient use of public funds, thereby reinforcing democratic control and contributing to improved public sector performance.

C. The Settlement Law as an expression of professional parliamentary oversight of public finance

This process assists both the government and Parliament in approving the outcomes achieved after the use of appropriations and program implementation. The reconciliation between managerial responsibility and legal responsibility represents the real challenge for reforming financial management and realizing financial governance.

III-2 Enhancing transparency and the principle of budgetary truthfulness

This is reflected in the promotion of the principle of budgetary truthfulness, which first appeared in the jurisprudence of the French Constitutional Council (**Organic Law related to Finance Laws, 2001**). The principle is reinforced by requiring detailed multi-year reporting and economic assumptions (**Focus on results, 2018**).

Marie-Christine Esclassan notes that there are strong and deep links between the principle of truthfulness, financial governance, and prudence. Truthfulness was adopted as a budgetary and accounting principle of the State in the LOLF law of 2001.

Third: Program and performance budgeting to control public spending

Third: Program and Performance-Based Budgeting for Public Expenditure Control

Contemporary budgeting frameworks have shifted away from traditional classifications by expenditure type towards a structure grounded in public policy priorities, thereby enhancing the participatory roles of Parliament, citizens, and government stakeholders. This paradigm fosters greater alignment between resource allocation and strategic objectives, reinforcing transparency and accountability.

The new budgeting architecture is organized as follows:

Programs: These group targeted appropriations dedicated to implementing a single activity or a cohesive set of related activities, typically within the purview of one ministry. Programs serve as fundamental operational units linking budgetary resources to specific policy outputs.

Missions: These correspond to distinct public policies that have been formally approved by Parliament. Missions provide the overarching strategic framework guiding program design and resource distribution, ensuring legislative alignment.

Activities: Representing the smallest unit of budgetary evaluation, activities allow for granular monitoring and assessment of resource use and performance, facilitating precision in expenditure control.

Successfully achieving spending objectives with controlled efficiency and effectiveness mandates strict adherence to a comprehensive set of oversight mechanisms. These controls have become indispensable within the modernized framework of public financial governance, enabling systematic monitoring, evaluation, and accountability of public expenditures.

Table . N° 01 Program and Performance-Based Budgeting Components

Component	Description	Role in Budgeting Framework
Program	Groups targeted appropriations for one or related activities under a single ministry	Links budget resources to operational activities; unit of resource allocation
Mission	Represents specific public policy approved by Parliament	Provides strategic policy framework guiding program objectives
Activity	Basic unit for budgetary evaluation	Enables detailed monitoring and assessment of expenditure and performance

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The table outlines the fundamental components of program and performance-based budgeting, which shifts focus from traditional input-based budgeting to an outcome-oriented approach. This framework is composed of three key elements:

Programs group together targeted appropriations aimed at implementing one or several related activities under the jurisdiction of a single ministry. They serve as the primary operational units that connect financial resources directly to policy outputs, facilitating more strategic allocation and management of funds.

Missions correspond to specific public policies that have been formally approved by Parliament. They represent the strategic policy framework within which programs operate. Missions ensure that budget planning aligns with national priorities and legislative intent, providing coherence across multiple programs that contribute to a common policy goal.

Activities are the smallest units within the budgeting structure, used for detailed monitoring and evaluation. They represent discrete actions or tasks that contribute to the implementation of programs and missions. By focusing on activities, governments can precisely track expenditure and performance, enabling granular control and accountability.

Table . N° 02 Key Recommendations for Implementing Program and Performance-Based Budgeting

Recommendation	Description
Clear Definition & Alignment	Define measurable objectives for programs, missions, and activities aligned with national priorities. Avoid overlaps and ensure coherence.
Capacity Building	Provide continuous training for financial managers, coordinators, and auditors to enhance skills in results-based budgeting and evaluation.
Robust Monitoring & Evaluation	Develop comprehensive performance indicators; use integrated financial management systems for real-time tracking and analysis.
Transparency & Stakeholder Engagement	Promote accountability by publicly disclosing budget allocations and outcomes; involve Parliament, civil society, and citizens in budgeting.
Institutional Coordination	Strengthen cooperation between ministries, finance departments, and oversight bodies via joint committees for regular performance reviews.
Phased Implementation & Flexibility	Implement gradually to allow adaptation; maintain flexibility to revise programs based on feedback and changing policy needs.

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By adhering to these guidelines, the Algerian government can enhance the effectiveness of public spending, improve service delivery, and ensure the efficient use of financial resources to achieve the desired societal outcomes. Consequently, program and performance-based budgeting becomes a powerful tool for strengthening public sector governance and accountability.

Conclusion :

Organic Law 18-15 concerning financial laws represents an effective model and tool that ensures a direction towards budgetary reform, particularly regarding expenditure and its control. A notable feature of Organic Law 18-15 is the postponement of its full implementation, as the Ministry of Finance adopted the idea of gradual application of its provisions due to the significant changes that will occur in the structure of the State's general budget, which must align with the variables of fiscal policy. This requires time to implement its provisions by including operational and functional tasks in each fiscal year so that the budgetary mechanisms based on program and results management reach their full level by 2026, allowing the application of the program budget approach. In this context, Organic Law 18-15 was amended by Organic Law 19-09 dated December 11, 2019, especially Article 18, which was rephrased to continue the financial reforms.

Organic Law 18-15 aims to reform sector financial management by establishing the principles of effective management, transparency, accountability, and responsibility, as well as improving the presentation of financial laws for better readability and enhancing the transparency and credibility of budget information. It also strengthens parliamentary oversight and integrates flexibility elements into financial management. The key objective embedded in Organic Law 18-15 is to activate financial management and supervision based on results and goals rather than on the management of available financial resources. Accordingly, greater freedom and responsibility will be granted to financial managers, with an obligation to present reports and results of their management and the level of efficiency reached to enable the assessment of performance gaps annually. Thus, a program-based budget was introduced for sectors and their sub-programs by integrating the operating budget with the investment budget in a single chapter.

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The results achieved can be summarized as follows:

- For public institutions and administrations: Organic Law 18-15 established the principles of freedom and responsibility for managers at the core of sector or institutional management within a multi-year plan framework;
- It allows the preparation of a unified budget that includes all state expenditures;
- It strengthens the adoption of the governance principle in public financial management under transparency and credibility.
- The results-based budget is a modern model of public budget preparation aimed at linking financial resources to actual results achieved rather than focusing only on inputs or expenditures.
- The program and objectives budget model enables effective planning by integrating the planning aspect into the budgeting operations and linking short-term objectives achieved by the annual budget to the long-term plan objectives;
- The program budget allows monitoring implementation, comparing achievements, and evaluating financial performance to ensure program and activity rationalization;
- It enables evaluation control alongside accounting control, permitting the economic justification of programs and activities carried out by administrative units and the identification of irregularities, leading to effective oversight of government spending.

Budgetary reform through Organic Law 18-15 seeks to introduce digitization and databases, grant autonomy and responsibility to managers, and consolidate evaluation and control principles. Results-based budget management contributes to strengthening resource management methods to achieve performance objectives, reaching governance based on management procedures by enhancing consultation functions and improving forecasting and evaluation systems.

Budget reform aims primarily to rationalize expenditures and address imbalances in budget systems based on planning and means, granting institutions responsibility for implementing program and activity-based budgets to achieve performance efficiency and objectives. It also enhances transparency through better budget presentation, facilitating decision-

making, contributing to stability, and ensuring medium-term financial resource availability and coverage.

The program-based budget represents a qualitative leap in managing public resources, aiming to improve performance efficiency and raise public administration effectiveness. Although Algeria has already initiated this reform through the legislative and institutional framework, achieving the desired goals requires overcoming many challenges related to governance, human resources, and technology. This demands gradual implementation and political and administrative commitment to ensure an effective transition to this model.

Challenges faced by Algeria in this area include a weak culture of results-based management, a shortage of qualified human resources, lack of advanced information systems for performance monitoring, and resistance to change within the administration.

Ways to improve program budgeting application in Algeria include enhancing continuous training and capacity building for administrative staff in programming, evaluation, and performance analysis, as well as digitizing financial management through integrated information systems that allow real-time tracking of expenditure and results.

There is a necessity to strengthen institutional coordination through joint government committees responsible for regulating programming and performance mechanisms.

Program budgeting is a modern tool that can improve public spending efficiency and achieve performance effectiveness. Algeria has made an important step by adopting this model in its legislation, but success in implementation requires deep changes in administrative culture, qualification of competencies, and development of digital infrastructure. Despite challenges, continued reform and evaluation can enable Algeria to achieve tangible results in improving public service quality and responding efficiently and effectively to citizens' needs.

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