

An evaluation study of the reality of policies to support and accompany entrepreneurship in Algerian legislation

دراسة تقييمية لواقع سياسات دعم ومرافقة المقاولاتية في التشريع الجزائري

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Abstract:

This paper research aims to study the reality of the policy of supporting and accompanying entrepreneurship in Algeria by addressing the institutional system established for this purpose, and we have concluded that many accompaniment and support bodies have been developed, to develop this activity, contributed to the increase in the number of institutions established and thus the rise in the employed workforce, but these bodies still lack a comprehensive strategy, supported by monitoring and evaluation mechanisms, and they often take a social character in addition to It neglected other aspects of support such as education and entrepreneurial training, support for innovation and technology... etc., and this makes the results achieved so far incompatible with the volume of investments and efforts made in this regard.

Keywords: entrepreneurs' hip; support and accompagnement bodies; Algeria.

ملخص:

تهدف هذه الورقة البحثية إلى دراسة واقع سياسة دعم ومرافقة المقاولاتية في الجزائر من خلال التطرق إلى المنظومة المؤسسية التي أنشأت لهذا الغرض ولقد توصلنا إلى أنه قد تم استحداث العديد من هيئات المرافقة و الدعم ، لتنمية هذا النشاط ، ساهمت في ارتفاع عدد المؤسسات المنشأة وبالتالي ارتفاع اليد العاملة الموظفة، لكن لا تزال هذه الهيئات تفتقد إلى إستراتيجية شمولية ، مدعومة بآليات الرصد والتقييم ، كما أنها وفي اغلب الأحيان تأخذ الطابع الاجتماعي بالإضافة إلى إهمالها جوانب أخرى من الدعم كالتعليم والتكوين المقاولاتي، دعم الابتكار والتكنولوجيا... الخ، وهذا ما يجعل النتائج المحققة لحد الآن لا تتوافق مع حجم الاستثمارات والجهود المبذولة في هذا الإطار.

الكلمات المفتاحية: المقاولاتية؛ هيئات الدعم والمرافقة؛ الجزائر.

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Introduction:

Central guidance and administrative management in Algeria has dominated economic life since independence, and the state has been interested for three decades in the economic construction of major institutions in line with the policy of manufacturing industries, and the poles of growth through which it tried to shorten the distance towards industrial and economic progress, but the economic conditions that the country experienced in the late eighties, necessitated a reconsideration of the policy followed by adopting a number of structural reforms that were an inevitable passage to enter into a market economy, and perhaps the most important product of this stage It is represented by the emergence of a private sector alongside the public sector.

In light of economic reforms and the shift towards a market economy, the scope of interest in entrepreneurship has expanded, as the authorities saw it as reliable solutions to achieve development, improve social conditions by providing jobs, reduce unemployment and support regional balance. Since entrepreneurship is not an isolated phenomenon from the investment climate, which is a prerequisite for its development, the Algerian State has undertaken a number of reforms through the issuance of a set of legislative and regulatory texts that assist and support with the aim of creating a fertile climate suitable for the activity of entrepreneurs, and the establishment of an integrated system of bodies and agencies to respond to their various concerns and meet their needs.

Problematic: Through the above, we can pose the main problem of our research as follows: To what extent do entrepreneurship support bodies contribute to achieving economic development in Algeria??

Research Objectives: This study aims to identify the entrepreneurial support bodies in Algeria, their nature, tasks, and services they provide. To determine the outcome of the achievements of these bodies and the extent of their contribution to economic development. Diagnosing the performance of entrepreneurial support bodies in Algeria and the shortcomings they face.

Study Methodology: In this study, we relied on the descriptive and analytical approach.

Structure of the study: In order to take note of all aspects of the topic, we divided the research into three main axes as follows:

- Entrepreneurship support and accompaniment bodies in Algeria
- The outcome of the achievements of the bodies supporting and accompanying entrepreneurship.
- General analysis of the performance of entrepreneurship support bodies and programs in Algeria

Section I: Entrepreneurship Support and Accompaniment Bodies in Algeria

The Algerian State has established a series of specialized structures and bodies with a view to promoting and strengthening entrepreneurship, as part of the comprehensive strategy adopted by the State to develop this vital activity and reduce the problems and obstacles it faces.

A) Agency for the Development of Small and Medium Enterprises and Promotion of Innovation (ADPI-PME):

By Executive Decree No. 05-165 of 03/05/2005, **the National Agency for the Development of Small and Medium Enterprises** was created: "A public institution of an administrative nature with legal personality and financial independence, placed under the tutelage of the Minister in charge of Small and Medium Enterprises."⁽¹⁾ The Agency is the State's instrument in the implementation of

the National Policy for the Development of the Enterprise, and at the top of the tasks assigned to it is the implementation of the National Program for the Rehabilitation of Small and Medium Enterprises and ensuring its follow-up.

-After reviewing the previous phase of the Agency's work, it was found that it was ineffective in carrying out the roles entrusted to it, so Executive Decree No. 18-170 of June 26, 2018 came to clarify the new legal framework of the Agency, starting with changing its name, so that it became **the Agency for the Development of Small and Medium Enterprises and the Promotion of Innovation ADPI-PME**. This decree also changed the legal nature of the Agency by removing it from the category of a public institution of an administrative nature to a public institution of a private nature, and also introduced a change in the organization, operation and functioning of the Agency, so that the task of managing it was entrusted to a Board of Directors consisting of an expanded composition represented in all sectors directly and indirectly concerned with the SME sector (aarab & seddiki, 2021, p. 36).

-With regard to the tasks entrusted to the new agency, articles 06, 05 and 04 define three main tasks, from which a set of secondary tasks are subordinate

- 1- Implement the policy of developing small and medium enterprises in the field of establishment, development and sustainability of enterprises, in coordination with the concerned sectors.
- 2- Industrial Handling Development
- 3- Developing the economic media system on small and medium enterprises

-According to article 27 of this decree, the National Agency for the Development of Small and Medium Enterprises and the Promotion of Innovation replaces the following rights and obligations:

- 1- National Agency for the Development of Small and Medium Enterprises.
- 2- institutional nurseries
- 3- SME Facilitation Centers

B) Institutional nurseries:

institutional nurseries are public institutions of an industrial and commercial nature that enjoy legal personality and financial independence, and take one of the following forms (baouni, 2022, p. 180):

- **the Incubator:** A support structure that takes care of project holders in the service sector.
- **Linkage workshop:** A support structure that sponsors entrepreneurs in the small industry and craft sector.
- **Enterprise hostel:** a support structure that takes care of project holders belonging to the field of research"⁽²⁾.

- 1- **Tasks:** institutional nurseries are responsible for implementing the system of supporting the establishment of small and medium enterprises at the local level determined by the central structures of the Agency and providing special services to small and medium enterprises, and in this capacity they are charged in particular with the following (salehi & bourich, 2022):⁽³⁾
 - ✓ Encouraging the establishment of small and medium enterprises by providing incubation services to newly established enterprises and accelerating innovative enterprises or those with great growth potential.
 - ✓ Providing situational accommodation for small and medium enterprises facing difficulties.
 - ✓ Carrying out awareness-raising and training work for the benefit of young people regarding entrepreneurship in integration with existing agencies.

- ✓ Assess local possibilities for the establishment of small and medium enterprises and intensify the industrial fabric.
- ✓ Identify opportunities for outsourcing the activities of large enterprises, especially industrial, with the aim of establishing small and medium enterprises in this context.
- ✓ Assisting project holders with launch funds and other sources of funding

C) Facilitation centers:

In application of article 13 of Directive Law 01-18, the Ministry of Small and Medium Enterprises shall establish bodies under the name of "facilitation centres" that carry out the procedures for the establishment of small and medium enterprises as well as assist, inform, guide, support and accompany project holders⁽⁴⁾.

They are public institutions of an administrative nature that enjoy legal personality and financial independence⁽⁵⁾.

- 1- **Tasks:** The SME Support and Advisory Sources are responsible for implementing the programs and systems to support the development and sustainability of SMEs at the local level defined by the Agency's central structures for SMEs, while ensuring accompaniment and in this capacity are charged in particular with the following (araar, hemach, & brahimi, 2022, p. 309):⁽⁶⁾
 - ✓ Study and analyze the needs of SMEs in contact with all relevant actors at the local level in order to propose the required adaptations to the programs and systems they implement.
 - ✓ Proposing projects for collective development or ecosystems for SMEs.
 - ✓ Implementation of SME support programs and systems identified by the Agency in liaison with local level actors in the field of:
 - Modernization of small and medium enterprises.
 - Developing industrial handling and supporting the promotion of national industrial integration.
 - Support innovation and digitization in SMEs.
 - Supporting the sustainability and maintenance of SMEs.

D) National Agency for the Support and Development of Entrepreneurship (ANAD)

The National Agency for the Support and Development of Entrepreneurship was created, by Executive Decree 20-329 of 22/11/2020, and it is a public body of a special nature, which aims to accompany the holders of project ideas for the establishment and expansion of micro-enterprises in the field of production of goods and services (naar, 2021).

- 1- **Tasks:** The fact that the establishment of this agency changed the social orientation that was in force in the National Agency for the Support and Employment of Youth to the economic orientation, and therefore new tasks were included that fit with this economic approach, which is represented in: ⁽⁷⁾
 - ✓ Implement any measure that would allow the allocation of external resources allocated to finance youth reconciliation activities.

- ✓ Preparing the national card for activities that can be developed by young entrepreneurs and updating it periodically in partnership with the various sectors concerned.
- ✓ Preparing and developing economic intelligence tools according to a forward-looking approach with the aim of balanced and effective economic development.
- ✓ Modernization and digitization of the mechanisms of management and management of the Agency and the device for the creation of micro-enterprises and the formation of cadres according to developments.
- ✓ Encourage the development of ecosystems based on investment opportunities available from various sectors that meet the needs of the local and/or national market.
- ✓ Encourages the exchange of experiences through the programs of international bodies and partnership with foreign agencies to support and promote entrepreneurship and micro-enterprises.

2- Support provided to contractors within the framework of the ANAD system:

- ✓ Tax privileges, ranging from reduction to exemption from certain fees and taxes during the completion and exploitation of the investment.
- ✓ Financial subsidies represented in the provision of interest-free loans and soft loans, within the framework of the financing formulas provided by the Agency, which are summarized in the following table:

Table 1: Financing Formulas in the National Agency for the Support and Development of Entrepreneurship

Funding Formulas	Personal contribution of the young man	Agency Contribution	Bank Contribution
Bilateral Finance Less than 10 million DA	50%	50%	/
Tripartite Funding Less than 10 million DZD	15%	15%	70%
	12% for the High Plateaus	18%	70%
	10% for the Southern regions	20%	70%
	5% for unemployed youth and entrepreneurial students	15%	70%

Source: Prepared by the researchers based on the official website of the Agency: https://promoteur.anade.dz/documents/documents_utiles Accessed 29/10/2023.

E) National Unemployment Insurance Fund (CNAC))

In order to protect employers who lose their jobs involuntarily as part of Algeria's economic reforms, the National Unemployment Insurance Fund was created by Legislative Decree 94-09 of May 26, 1994 and Executive Decree 94-188 of July 6, 1994.

_Since 2004, within the framework of the Plan to Support Economic Development and Combat Unemployment, the Fund's priorities have been to implement an activity support device for the benefit of unemployed entrepreneurs between the ages of 35 and 50.

_Starting in 2010, the new measures taken for the benefit of the social group between the ages of 30 and 50 years allowed them to join the Agency, including the total investment amount, which became in the range of 10 million dinars, after it did not exceed 05 million dinars (benchaouat, kaderi, & laouj, 2022).

1- Tasks of the Fund: Among the tasks entrusted to the Fund, we mention⁽⁸⁾ :

- ✓ Personal accompaniment to project owners throughout the stages of establishing the activity, approving professional experiences, and assisting in studying the projects presented to the selection and accreditation committees.
- ✓ Adoption of the tripartite financing model for projects involving the project owner, the bank and the National Unemployment Insurance Fund.
- ✓ Providing financial and tax privileges for the benefit of qualified entrepreneurs, represented in:
- ✓ Reducing bank loan interest rates.
- ✓ Reduction of customs duty rates.
- ✓ Tax and quasi-tax exemption.
- ✓ Benefit from a non-equivalent loan (without interest) granted by the Fund.

F) - National Agency for the Management of Microcredit (ANGEM))

Executive Decree No. 14-04 a special microcredit device was created, which is the National Agency for the Management of Microcredit. The Agency is placed under the authority of the Head of Government, and the Minister in charge of employment shall follow up the process of all its activities⁽⁹⁾, and the Agency shall enjoy legal personality and financial independence⁽¹⁰⁾.

1- Services provided within the framework of the National Agency for the Management of Microcredit⁽¹¹⁾ :

- ✓ **Non-financial services:** represented in (mahni, 2013):

_Receiving project holders and accompanying them in the stages of establishing the activity, with neighborhood follow-up in order to sustain the activities established.

_Training in financial education and enterprise management, tests for certifying professional experience with specialized bodies.

_Provide the opportunity to participate in exhibitions and salons in order to market products and gain various experiences.

- ✓ **Financial Services:** The Agency oversees the management of two financing formulas.
- ✓ **Interest-free advance:** not exceeding 100.000 DZD, and may reach 250.000 DZD in the southern states, provided by the Agency for the purchase of raw materials.
- ✓ **Tripartite financing:** They are loans granted by the bank and the agency to establish a specific activity, the cost of the project may reach 1,000,000 DZD, and the financing is provided in the following form:

_ **Bank** loan of 70%, agency advance without interest 29%, personal contribution 01%, and may repay up to eight years with a three-year deferment period for the bank loan.

- ✓ **Tax privileges:** The contractor benefits from tax privileges ranging from total and partial exemption to reduction of some taxes and fees.

G) National Agency for Investment Development (ANDI)

The National Agency for Investment Development was established by Ordinance No. 01-03 of August 20, 2001, on the development of investment, and is defined as a public institution of an administrative nature with legal personality and financial independence, as it was created as an alternative to the Agency for the Promotion, Support and Follow-up of Investment APSI, and this agency aims to develop private and public investment, local and foreign without discrimination, through the services and privileges it provides (aarab & seddiki, 2021).

- 1- **tasks:** Law No. 16-09 of August 3, 2016 on the promotion of investment reformulated the role of the Agency as a specialized pole to accompany investors by assigning it the following⁽¹²⁾ :
 - ✓ Promotion and promotion of Algerian investments abroad.
 - ✓ Upgrading regional opportunities and potential.
 - ✓ Support, assist and accompany investors.
 - ✓ Information and awareness in business sites.
 - ✓ Contribute to the management of investment support expenses in accordance with the legislation in force.

H) National Agency for Real Estate Brokerage and Seizure ANIREF

It is a public institution of an industrial and commercial nature, enjoying legal personality and financial independence, subject to the rules applicable to the administration in its relations with the state, and is considered a trader in its relations with others⁽¹³⁾ .

- 1- **tasks:** The Agency undertakes the following tasks⁽¹⁴⁾ :
 - ✓ Management, promotion, brokerage and real estate control over the components of the public economic real estate portfolio, with the aim of developing them within the framework of investment.
 - ✓ Dissemination of information on real estate assets of an economic nature, and for this purpose it establishes a data bank that collects the national supply of real estate vessels of an economic nature, whatever their legal nature.
 - ✓ The Agency has the status of a contractor for real estate promotion, and is entitled to acquire real estate property for the purpose of reassignment after its preparation and fragmentation, for use in the exercise of activities of production of services and goods.

- I) **The National Agency for the Promotion and Development of Technological Parks:** created by Executive Decree No. 04-91 of March 24, 2004: "a public institution of an industrial and commercial nature with legal personality and financial independence, placed under the tutelage of the Minister in charge of Information and Communication Technologies"⁽¹⁵⁾ The Agency is the State instrument in the conception and implementation of the National Policy for the Promotion and Development of Technological Parks, with the following tasks⁽¹⁶⁾ :

- ✓ Preparing and proposing the basic elements of the national policy in the field of development and promotion of technological parks.
- ✓ Conceptualization and development of technological parks aimed at strengthening national capacities in order to ensure the development of information and communication technologies and contribute to economic and social development.
- ✓ Establishing cooperation between national institutions of higher training, research and industrial development as well as institutions using information and communication technologies on technological development programs.
- ✓ The Agency has concluded partnership and cooperation agreements with a number of universities with the aim of encouraging entrepreneurial thinking among university students who are about to graduate, incubating their ideas and projects and accompanying them to materialize them on the ground as a start-up institution, by providing the necessary technological means and various capabilities and support from experts.

- Technological parks are located in the following areas ⁽¹⁷⁾ :

- **Capital Barn:** It has been active since February 2009 and has a well-developed infrastructure and an integrated ecosystem that meets the requirements of contractors.
- **Oran Barn:** It occupies an area of 20 hectares.
- **Annaba Barn:** It occupies an area of 17 hectares.
- **Ouargla Barn:** Temporarily opened on 01 March 2012.

J) **Venture capital companies:**

Venture capital is a technique for financing through the acquisition of small and temporary shares in the capital of a company, and with this intervention the venture capital company strengthens the private funds of the financing company, and improves its ability to borrow from banks. The Algerian project did not clarify the conditions for the exercise of venture capital activity as well as the manner of establishing and functioning these companies except through Law No. 06-11 of June 24, 2006 on venture capital companies (mahni, 2013), where the latter was defined as: "Companies that aim to participate in the company's capital and in each operation consists in providing shares of private or semi-private funds to institutions in the process of establishment, growth, transformation or privatization, and the venture capital activity is exercised by the company for its own account. private or for the account of others, and according to the stage of growth of the institution subject of funding" ⁽¹⁸⁾ .

The law also determined the modalities of intervention of the venture capital company as follows ⁽¹⁹⁾ :

- ✓ Venture capital, which includes:
 - "Feasibility capital" or "start-up capital": before the establishment of the enterprise.
 - "Founding capital": at the stage of establishment of the enterprise.
- ✓ "Growth Capital": Developing the capabilities of the institution after its establishment.
- ✓ "Transfer capital": The recovery of the enterprise by an internal and external purchaser.
- ✓ Redeem contributions and/or shares held by another venture capitalist.

- ✓ There are six venture capital companies in Algeria, some of which are active and some of which are in the process of completion, all of which are branches of public banks: CPA, BDL, BAD, BEA and BNA., BADR⁽²⁰⁾

K) Small and Medium Enterprises Loan Guarantee Fund (FGAR):

The Small and Medium Enterprises Loan Guarantee Fund was established by Executive Decree No. 02-373 of 11/11/2002, and it is a public institution under the tutelage of the Ministry of Industry and Mines, with legal personality and financial independence (mahni, 2013), and its activity was actually launched on 14/03/2004, and the Fund aims to facilitate access to medium-term loans that are included in the financial structure of feasible investments, by granting a guarantee to institutions that need the necessary in-kind guarantees required by banks⁽²¹⁾.

1- Tasks: The Fund undertakes the following tasks⁽²²⁾ :

- ✓ Intervene in the granting of guarantees to small and medium-sized enterprises that make investments in the following areas: establishment of enterprises, renovation of equipment, expansion of enterprises, taking contributions.
- ✓ Acknowledgment of project eligibility and required guarantees.
- ✓ Ensuring the follow-up of disputed receivables collection processes.
- ✓ Follow up the risks resulting from granting the Fund's guarantee.
- ✓ Ensure follow-up of the risks resulting from the granting of the Fund's guarantee and the delivery of guarantee certificates for all forms of financing.
- ✓ Take all measures and investigations related to the evaluation of the established guarantee systems.

2- Coverage modalities for the Standard Guarantee⁽²³⁾ :

- ✓ The guarantee ratio ranges between 10% and 80% of the bank loan, the percentage related to each file is determined according to the cost of the loans and the degree of risk.
- ✓ The maximum guarantee amount is equal to 100 million dinars for construction and expansion projects.
- ✓ The maximum guarantee period is 07 years for classic loans and 10 years for summary loans.

L) Small and Medium Enterprises Investment Guarantee FundC GCI:

The Fund was established by Presidential Decree No. 04-134 of 19/04/2004, at the initiative of the public authorities to support the creation and development of small and medium enterprises, and facilitate their access to bank financing. It is a company with shares⁽²⁴⁾ The authorized capital of the fund consists of 30 billion dinars, and the capital of the office is estimated at 20 billion dinars, of which 60% is subscribed to the treasury, and 40%% on banks, and the difference between the permitted capital and the subscribed capital consists of non-remunerated bonds held by the Fund at the disposal of the treasury⁽²⁵⁾.

1- Tasks of the Fund: The Fund's tasks are as follows⁽²⁶⁾ :

- ✓ Guaranteeing the repayment of bank loans benefiting small and medium enterprises in the form of financing investments producing goods and services related to the establishment, expansion and renewal of enterprise equipment, in the following two cases:
- ✓ Non-payment of loans granted.

- ✓ Settlement or judicial liquidation of the borrower.
- ✓ Agricultural and commercial activities, as well as consumer loans, shall not benefit from the Fund's guarantee.
- ✓ Maximum term of covered loans.
- **Classic loans:** seven years maturing, including two years deferred.
- **Rental loan:** up to 10 years from maturity.
- ✓ The maximum value of the loan subject to guarantee is 500 million Algerian dinars.
- ✓ The maximum value of the guarantee is set at 250 million Algerian dinars, and the level of loss coverage is set at 80% when it comes to loans granted when setting up SMEs, and at 60% in other cases.
- ✓ The outstanding premium is determined at a maximum of 0.5% of the value of the remaining secured loan, and is repaid annually by the institution, where this premium is collected by the bank in favor of the Fund.

Section II: The outcome of the achievements of the support and accompaniment bodies of entrepreneurship

A) Outcome of the achievements of nurseries:

By the end of 2022, the number of active nurseries reached 18 nurseries covering the following wilayas: Adrar, Batna, Mila, El Beidh, Biskra, Bouira, Annaba, Khenchela, Oum El Bouaghi, Ghardaia, Bordj Bou Arreridj, Bechar, Sidi Bel Abbes, Tiaret, Oran, Ouargla, Algiers, Tlemcen; The main indicator of the performance of nurseries is the number of institutions hosted at their level and the accompanying services provided to them, and the following table shows this.

Table (2): Outcome of the activity of institutional nurseries until 2022

Years	2019	2020	2021	2022	Total
Number of projects hosted	85	79	135	278	577
Number of established institutions	61	41	72	114	288
Number of job positions created	463	169	423	634	1689

Source: Prepared by the researchers based on statistical information bulletins for small and medium enterprises (36, 38, 40, 42).

From the beginning of 2019 to 2022, nurseries hosted 577 projects, which contributed to the establishment of 288 institutions and the creation of 1689 jobs, but these numbers remain weak

B) The outcome of the achievements of the support and counseling centers:

can be clarified through the following table:

Table (3): Outcome of the activity of support and counseling centers until 2022

Years	2019	2020	2021	2022	Total
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Number of projects received	1947	1600	903	1544	5994
Number of accompanying projects	711	321	215	331	2660
Number of work plans prepared	/	/	178	95	273
Number of established institutions	185	75	/	/	260
Newly created positions	1663	432	/	711	2806

Source: Prepared by the researchers based on the statistical information bulletins for small and medium enterprises No. (36, 38, 40, 42)

Through the previous table, it is clear that the activity of facilitation centers is more expanding, as there are 28 active centers, which received 5,994 projects during the period from 2019 to 2022, accompanied 2,660 projects, and contributed to the preparation of more than 273 work plans, resulting in the establishment of more than 260 institutions and the creation of more than 2,806 jobs.

Of the 331 projects that were accompanied by the support and counseling centers during 2022, there are 18 innovative projects, distributed as follows: 13 projects in the service sector, and one project each in industry, agriculture, food industry, BTPH, START-UP.

C) The outcome of the achievements of the National Agency for the Support and Development of Entrepreneurship:

The Agency has a network of 61 branches and 173 attachés, and since the launch of its activity in supporting and establishing micro-enterprises in 1997, and until June 2022, the Agency financed 401673 projects at a total cost of more than 1325 billion Algerian dinars, which contributed to the establishment of 958,160 jobs, and the following table shows the distribution of these projects by sectors of activity, by gender of the contractor, as well as the number of job positions and the amounts invested in each sector.

Table (4): Projects financed by ANADby nature of activity and gender of contractor.

Activity Sector	Funded Projects	%	Number of job positions	Investment Amount	males	females	%Feminist Projects
Agriculture	60626	15	143101	229030777807	57801	2825	5
Handicrafts	44005	11	128352	113402817094	36462	7543	17
BTPH	36760	09	106098	143240934326	35868	892	2
Irrigation	572	00	2083	3407009004	545	27	5
Industry	32080	8	90476	158329951618	27211	44869	15
Maintenance	11704	3	26840	33665686112	11521	183	2
Hunting	1139	0.28	5570	7556599482	1122	17	1
Liberal professions	14222	4	31817	39587251435	7590	6632	47
Services	111301	28	259159	368489449367	92553	18748	17
Refrigeration	13390	3.3	24138	33799593882	13001	389	3

Transportation of goods	56850	14.2	96789	147695043176	56138	712	1
Passenger Transportation	19024	05	43737	46958944032	18542	482	3
Total	401673	100	958160	1325164057336	358354	43319	11

Source: Prepared by the researchers based on:
SME Statistical newsletter, n°41, edition October 2022, PP26-27.

According to the previous table, we note that the services sector has a greater attraction for project holders accompanying **ANAD**, as it represents 28% of the funded projects, followed by the agriculture sector with 15%, and then the freight transport sector with 14.20%. The Agency funded and accompanied 358,354 male contractors compared to 43,319 female contractors, meaning that the rate of female projects is estimated at 11%, and female entrepreneurs occupy an important share in liberal professions with 47%.

D) Achievements of the National Unemployment Insurance Fund: This can be illustrated through the following table

Table (5) Projects Financed by CNAC by Sector of Activity until 31/12/2022.

Sector of activity	Agriculture	Handicrafts	BT P	Irrigation	Industry	Maintenance	hunting	Liberal professions	Services	Transportation of goods	Passenger Transportation	Total
Number of Funded Projects	26977	16668	8949	372	12950	1027	626	1772	32390	46124	12347	160202
Share of female projects	11.0	22.5	2.6	5.6	22.1	2.0	0.5	49.4	17.3	1.5	1.2	10.7
Number of Establishment Positions	63830	43115	28466	1255	37547	2483	2231	3822	68986	70053	18712	340500
Total funding is one million DZD	113742.15	55316.53	37603.67	2627.35	61498.81	3319.15	4211.68	7940.98	118276.43	120632.29	29611.13	554780.18

Source: Prepared by the researchers based on:

- SME Statistical newsletter, n°41, edition October 2022, P29.
- SME Statistical newsletter, n°42, edition April 2023, P27.

Since its inception until 2022, the Fund has financed 160202 projects at a cost of 554,780.18 million Algerian dinars, which contributed to the creation of 340,500 jobs; female projects occupy 10.70% of the total funded projects, as for the distribution of these projects by nature of activity, we find the transport of goods ranked first with about 29%, followed by the services sector with 20%, then the agriculture sector by about 17%.

E) Outcome of the achievements of the National Agency for the Management of Microcredit:

Since its establishment in 2004 until June 2022, the National Agency for the Management of Microcredit granted 963071 loans worth more than 66.802 billion Algerian dinars, more than 63% of these loans were provided to women entrepreneurs, about 90% of these loans

financed the purchase of raw materials and 10% Granted under the triangular financing, these loans contributed to the creation of 1408405 jobs⁽²⁷⁾, the sectoral distribution of the loans granted is illustrated in the following table:

Table (6): Loans Granted by ANGEM by Sector of Activity as of 30/06/2019

Activity Sector	Number of loans granted	Amounts (DZD)	Ratio (%)
Agriculture	130686	9324426360.57	13.52
Very Small Industries	381421	20026848333.81	39.47
Construction & Public Works	86120	7948149128.80	8.91
Services	191098	18169609984.78	19.78
Handicrafts	170180	10419420276.40	17.61
Trade	5799	1463980480.94	0.60
Hunting	998	139609807.40	0.10
Total	966302	67492044372.70	100

Source: SME Statistical newsletter, n°42, edition April 2022, P26.

It is noticeable from the table that micro-industries, services, handicrafts and agriculture represent the sectors that benefit most from the loans granted by 90% of the total, and these results correspond to the nature of the Agency's activity.

F) Outcome of the achievements of the National Agency for Investment Development:

Since the establishment of the Agency in 2002 until 2021, 62,793 projects have been authorized, more than 62%, of which are micro-enterprises employing less than 10 workers, with a capital of 15,847,285 million Algerian dinars, about 70% of this amount is related to the establishment of small and medium enterprises employing less than 250 workers, which contributed to the creation of 1,270,176 jobs, and the following table shows this:

Table (7): Investment projects authorized by ANDI until 2021 by number of workers

Number of workers	Number of Projects	%	The amount is one million dinars	%	Number of job positions	%
From 0 to 09	39054	62.19	1197230	7.55	136675	10.76
10 to 49	18616	29.65	4517234	28.50	378163	29.77
50 to 249	4638	7.39	5105800	32.22	424423	33.41
More than 249	485	0.77	5027021	31.72	330915	26.05
Total	62793	100	15847285	100	1270176	100

Source: Prepared by the researchers based on:

_ SME Statistical newsletter, n°38, edition may 2021, p 17 -

_ SME Statistical newsletter, n°40, edition march 2022, p 18

These figures are an indication of the deficit of the investment policy, incentives and privileges provided by the Agency, as the body responsible for the promotion and development of investment, especially in attracting foreign investments, and this negatively affects small and medium

enterprises, because of the role of these investments in attracting capital and technology, and providing investment opportunities within the framework of partnership and industrial handling.

G) The outcome of the achievements of the National Agency for Real Estate Brokerage and Control: can be illustrated through the following table:

Table (8): Allocation of industrial real estate at the level of new industrial zones until 2022

Industrial Areas	Area ²	Concession Area	Issued Privilege Orders		Written Concession Contracts		Issued Building Permits	Projects in progress	Projects that started their activities
			Number	Area ²	Number	Area ²			
North	60943930	33230185	1035	17448438.1	728	13646837.9	555	394	35
High Plateaus	36385546	22871849	652	8431109.29	300	5880749.52	357	257	17
South	14658796	10118468	175	2741597.84	101	1929794.71	41	44	3
Total	111988272	66220502	1862	28621145.2	1129	21457382.1	953	695	55

Source: SME Statistical newsletter, n°42, edition April 2023, PP33-34.

Within the framework of the management of the new industrial zones with a total area of more than 111 million m², the Agency allocated more than 66 million m² for concession grants, where 1862 concession orders were issued and 1129 concession contracts were issued, resulting in the delivery of 953 building permits and the construction of 695 projects, 55 of which began their activities.

In the same context, at the local level, devices have been established to facilitate the investor to obtain real estate directed to the completion of economic projects and avoid procedural complications, and the multiplicity of competent authorities in the regulation of real estate, including: Committee to assist in locating, promoting investments and controlling real estate CALPIREF, which was established by Executive Decree No. 07-120 of April 23, 2007, and within the framework of the measures included in the supplementary finance law of 2011, the committee became the legally qualified body to receive applications for land allocated for incubation Industrial investment projects at the state level, where the investor applies to it to benefit from the property in order to complete his project, and this law also abolished the method of public auction in granting the concession, and kept only the method of mutual consent, and through the supplementary finance law for the year 2015, the role of the committee in granting the concession was abolished, and the industrial concession license became consensual by a decision of the governor, based on a proposal from the director in charge of industry and investment.

H) Activity Outcome Small and Medium Enterprises Loan Guarantee Fund (FGAR): The activities of the Small and Medium Enterprises Loan Guarantee Fund can be summarized in the following table:

Table (9): Overall status of files processed by type of projects by FGAR until 30/06/2022.

	Warranty Offers *			Warranty Certificates*
	Creation	Expansion	Total	
Number of guarantees granted	1647	695	2342	1021
Total cost of projects	239000963281.76	53617094963.06	292618058244.8	64548275094.46
Loan amount required	141037066443.75	31867804061.53	172904870505.2	37785994631.57
Average rate of funding required	59.01%	59.44%	59.1%	58.54%
Number of guarantees granted	52099677313.15	15062476280.50	67162153593.65	19301859765.55
Average rate of guarantee granted	36.94%	47.26%	38.84%	51.08%
Average amount of collateral	391330763.69	21672627.74	28677264.56	18904857.75
Number of established work positions.	36041	18067	54108	19638

* **Guarantee offers:** Initial approval of granting financial guarantees.

* **Guarantee certificates:** a guarantee offers supplemented by bank financing and becomes a final obligation for the Fund

Source: Prepared by researchers based on:

Source: SME Statistical newsletter, n°41, Edition October 2022.

Since its inception in April 2004, and until the first semester of 2021, the Fund has granted guarantees covering more than 141 billion Algerian dinars of loans to small and medium enterprises. As for the guarantee certificates, the Fund granted the equivalent of 19.301 billion Algerian dinars as guarantees for loans granted to small and medium enterprises, estimated at about 37.786 billion dinars, i.e. an average guarantee rate of 51%, and the average rate of financing guaranteed by the Fund was 36.94%. As for new projects, FGAR supported the creation of 1647 enterprises with an amount of 52.09 billion dinars, and contributed to the expansion of 695 with an amount of 15.06 billion Algerian dinars, but these values remain weak given the number of institutions established during the same period.

I) Outcome of the achievements of the Small and Medium Enterprises Investment Guarantee Fund (CGI):

Since its inception in 2007 until 2022, the Fund has processed 4,897 files and granted guarantees worth 19,665 million Algerian dinars, as shown in the following table.

Table 10: Overall status of guarantees granted by CGCI PME by sector of activity until 2022.

Statement	Number of files	Amount of collateral (DZD)
Total files received and processed	4897	209793833767.7
Total Secured Files	4613	196650810047.7
Guarantees in place	2479	121348193699.7
Cancelled warranties	464	21806970672
Closed Warranties	1353	44928307193
Disaster Files	317	8567338483

Source: Prepared by researchers based on:

- SME Statistical newsletter, n°41, edition October 2022, P22.
- Bulletin d'information statistique de la PME, n°42, édition avril 2023, P21.

In addition, more than 54% of the files that received the guarantees provided by the Authority are related to the industrial sector, followed by the services sector with 17% of the files; the construction and public works sector comes in third place with about 12% guaranteed files[28] While the sectors of health, transport, tourism and liberal professions represent only small percentages in terms of the number of files guaranteed, because these activities are less risky and do not require great potential.

Section III: A general analysis of the performance of entrepreneurship support bodies and programs in Algeria

_ During the primary, intermediate and secondary stages, there is an almost complete neglect of entrepreneurship education, while there is an increase in awareness of the importance of providing training in this field in the stage of higher education, but it has not been systematically integrated into the study programs, despite the reform of the education system in 2008, and the reform of the vocational training system, which created several bodies such as the Partnership Council for Vocational Training and the National Council for Programs, these councils. Involving representatives from socio-economic sectors, they can be instrumental in the design and development of a national strategy for entrepreneurship education along life spans.

_ Algeria is making remarkable progress in the field of women's entrepreneurship, thanks to the strategic potential it has to support this field, through the networks of structures distributed in 58 wilayas (ANAD, ANGEM) that play a major role in the field of information and training of women entrepreneurs.

_ There is still a major challenge facing entrepreneurship support policies, represented by poor coordination between the various government bodies in the absence of a comprehensive strategy in the medium term, supported by short-term action plans, so there is no mechanism to monitor the implementation and impact of these policies.

_ Algeria is still in the early stages of legislative reform, with the aim of improving the business climate, and there is some progress made in terms of establishing and registering enterprises, through the simplification of administrative procedures and the expansion of the Guichets Uniques network, which has become present at the level of 58 wilayas, and has been provided with support centers through the Investment Promotion Law of 2016, and an electronic portal was launched in May 2017 to register institutions online.

_Micro-enterprises, which constitute the vast majority of the economic fabric, are not represented by professional or sectoral associations and do not have channels to participate in public-private dialogue because of the structural and managerial constraints that inhibit them, as well as because many of these enterprises operate at different levels of informality.

_ In order to give flexibility and independence to the National Agency for the Development of Small and Medium Enterprises, its legal character was changed, and its board of directors was reorganized, which now includes representatives from the private sector.

_Providing a wide range of support services to institutions, and preparing specialized technical centers that provide expertise and feasibility studies in several fields (packaging, food industries, metal processing...) However, the problem at the level of support services remains the lack of mechanisms to monitor and evaluate their effectiveness.

_Information about service providers is available on different websites but no central database.

_With regard to support the establishment of institutions, they are improving, but they still do not cover all regions of the country, and the four technological incubators that have been established have not contributed effectively to the creation of new institutions.

_ In the field of access to economic and legal information, the statistical information bulletins for small and medium enterprises issued by the Ministry in charge of the sector twice a year play an important role in providing statistical information on the panorama of small and medium enterprises and the support services provided to them, in addition to the existence of additional practical information at the level of the websites of CNRI, ANDI AND ANDPME.... However, there is not yet a single regularly updated interactive portal that makes it easier for organizations to access information covering all areas.

_ All entrepreneurship support services are monopolized by the public sector, and there are no mechanisms to measure their effectiveness.

_Bank loans are still the most important source of financing for contractors, with the development of some mechanisms to facilitate their access to bank financing, such as: loan guarantee devices, venture-capital companies, lease loan.... The bank loan market is still underdeveloped due to excessive pressure and monopoly of public financial institutions, which operate on conditions that are not based on market rules.

_Loan guarantee bodies, financed entirely by public bodies or banks or by foreign donors.

_Although the number of venture-capital companies has increased, their contribution to financing remains marginal due to the incompatibility of legislation with good practices, and also because these companies require an active capital market that helps investors exit institutions through the initial offering of shares, which of course is not available in Algeria.

_Another external source of funding is Business Angels, which are private investors in Start start-ups and innovative enterprises via the Internet, in exchange for a share in the capital of the enterprise, but this technology is not exploited in Algeria,

_State monopoly on the market for financial products, whether through direct financing, or through loan guarantees (FGAR, CGCI, state investment funds)

_Since 2008, Algeria has taken a series of initiatives to promote and support innovation, including: the private sector, universities and research centers, including:

- ✓ Establishing technological centers at the university level.
- ✓ Launching 34 national research programs by the Ministry of Higher Education and Scientific Research.

- ✓ Creation of a R&D network bringing together universities, research centers and economic representatives of the TIC sector.
- ✓ The entry into service of the Sidi Abdellah Technology Incubator and the launch of three technological incubators in Oran, Batna and Annaba.
- ✓ The scientific park of Sidi Abdellah enters into service and the solar technological pole of Hassi Ramel.
- ✓ Several actions in the field of financial support for the promotion of innovation through the Fund for the Ownership of Use and Technology Development Information and Communication (2009), the Industrial Competitiveness Promotion Fund (2012), the Multilateral Programmed to Support the Creation of Innovative Enterprises in the Mediterranean, the National Program for Technology Startups (2013).

_However, support for innovative institutions is still relatively limited, as there is a need to expand, modernize and activate incubation facilities, and support the creation of networks that provide dynamic institutions with the possibility of developing projects in cooperation with large institutions, research laboratories and foreign partners.

_The National Agency for the Development of Small and Medium Enterprises (ANDEME) was entrusted with the task of promoting innovation following the change of its legal character and name to the National Agency for the Development of Small and Medium Enterprises and the Promotion of Innovation by Executive Decree No. 18-170 of June 26, 2018; however, a clear strategy has not yet been defined by governments for the promotion and support of innovation.

Conclusion:

Algeria is considered one of the countries supporting entrepreneurship, because it is aware of the importance of its role in expanding the base of the national economy, especially after the first experiences that ended with the liquidation of many institutions and the repercussions of this on society, so it was necessary to reconsider those policies and search for ways to achieve economic and social development, as the Algerian state adopted with the beginning of the nineties a set of trends that took the development of the private sector the most important chapter of its chapters, by initiating the creation of a fertile economic climate that grows and develops This sector has been embodied at the level of bodies, where the state initiated the establishment of an integrated system of government bodies and specialized institutions for the development and development of entrepreneurial activity, we tried through this research to identify their tasks, objectives and contribution to economic development and we have reached the following results:

- ✓ Algeria has attached great importance to entrepreneurship during the last two decades by adopting a number of legislative and institutional reforms, and these reforms have been reflected in the development of this type of institution and the increase in their number from year to year, which contributed to the high employment rates.
- ✓ Algeria has developed many support bodies and support and assistance programs to develop entrepreneurial activity, but despite this, the results achieved so far do not correspond to the volume of investments and efforts made in this framework.
- ✓ Policies and programs to support the development of entrepreneurship in Algeria are characterized by the lack of a comprehensive strategy supported by action plans detailing activities, responsibilities, budgets, and monitoring and evaluation mechanisms.
- ✓ Algeria still has other steps ahead of reform related to entrepreneurship education and training, institutional and legislative framework, entrepreneurial support services and facilitating their access to sources of financing, development and support of competencies

and innovation, which represent the main pillars of a comprehensive strategy for the promotion and development of entrepreneurial activity.

Recommendations:

- ✓ Preparing a comprehensive entrepreneurship strategy and improving its performance, with the participation of all actors and stakeholders associated with this sector, including contractors, and private sector development experts.
- ✓ This strategy should set quantitative medium-term goals, be supported by action plans that clarify the responsibilities and possibilities needed to achieve them, and include monitoring and evaluation mechanisms.
- ✓ Solve the problem of coordination and effectiveness of support policies, before expanding their tools and allocating additional financial resources.
- ✓ The need to conduct an in-depth diagnosis of the constraints and possibilities available for the development of this sector, and in this regard a detailed analysis of the impact of the business environment and a review of measures that discourage entrepreneurial activity are required.
- ✓ Encouraging the private sector to provide support services to contractors, as this field is still completely monopolized by public agencies and bodies.
- ✓ Linking business incubators with universities, research and development centers, activating the activity of science parks and technological poles.
- ✓ Expanding the work of loan guarantee funds, facilitation centers and nurseries to undertake research and technological development activities and assist innovative institutions.
- ✓ Forming a multidisciplinary working group comprising various concerned ministries, labor organizations, contractors, professors, and civil society, to design a comprehensive strategy for education and training in the field of entrepreneurship.
- ✓ Work to encourage local production by developing a comprehensive policy to limit the import of products that can be produced locally, combat the phenomenon of dumping markets and control the informal economy.

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