

Motivations and Objectives of Budgetary Reform in Algeria in Light of Organic Law 15-18

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Abstract:

The state budget serves as a central tool for achieving economic stability and sustainable development. Amid global economic transformations, Algeria faces significant challenges necessitating comprehensive reforms in its financial system. This research aims to analyze the impact of Organic Law 15-18 on modernizing public financial governance, focusing on principles of transparency, efficiency, and performance-based outcomes. Through an analytical methodology grounded in a review of relevant literature and prior studies, the research highlights the challenges to implementing this law, including resistance to change and the lack of accurate data. The study concludes that the proposed reforms represent a strategic step toward improving public financial management, although they require collaborative efforts among various stakeholders to ensure their success. Further applied research is recommended to evaluate the actual impact of these reforms on economic and social development.

Keywords: budget reform, Organic Law 15-18, public finance transparency, budget performance, budgetary governance.

JEL Classification Codes : H61 ; H11 ; H50

1. Introduction

The state's general budget has consistently served as the cornerstone for steering the national economy. Far from being a mere collection of figures and tables, it is a profound reflection of the state's orientations and priorities in achieving development and welfare for its citizens. Amidst the accelerating economic and financial transformations globally, an urgent need has emerged in Algeria to re-evaluate and modernize its public finance management mechanisms in line with international best practices. This specific context has driven Algeria to adopt radical reforms in its budgetary system, clearly embodied in Organic Law No. 15-18 on the Finance Law. This legislation did not materialize in a vacuum; rather, it is predicated on a series of objective justifications that warrant in-depth examination and analysis to comprehend the true motivations and ambitious objectives underpinning this significant transformation in Algeria's public financial trajectory.

1.1. Research Problem:

Building upon the foregoing, the research problem can be formulated in the following question:

How has Organic Law 15-18 contributed to modernizing public finance governance in Algeria through budgetary reform, what are the primary motivations and objectives of this reform, and what are the main challenges facing its effective implementation?

To comprehensively address this problem, the following sub-questions are posed:

What are the fundamental justifications for the adoption of Organic Law 15-18 in Algeria?

How does the Law aim to improve the efficiency of public spending and achieve developmental objectives?

What are the reform principles introduced by Organic Law 15-15?

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What are the most prominent practical and administrative challenges hindering the implementation of budgetary reform according to this Law?

To what extent does this reform impact the achievement of transparency, accountability, and the linking of expenditure to performance?

1.2. Study Objectives:

This study aims to achieve a set of objectives, including:

Identifying and analyzing the fundamental justifications and motivations that led to the adoption of budgetary reform in Algeria and its legal embodiment in Organic Law No. 15-18.

Reviewing and analyzing the main objectives that Organic Law No. 15-18 seeks to achieve within the framework of modernizing public finance governance and budgetary reform in Algeria, with a focus on the principles of transparency, efficiency, and performance-based outcomes.

Clarifying and explaining the most important principles included in Organic Law No. 15-18 for modernizing the structure of the general budget and the procedures for its preparation and implementation in Algeria.

Identifying and analyzing the most prominent challenges and obstacles facing the practical application of Organic Law No. 15-18 and the implementation of budgetary reform in Algeria, taking into consideration relevant studies.

1.3. Study Methodology:

To achieve the study's objectives and address its problem, an analytical approach was adopted. This involved reviewing and analyzing previous literature and studies that addressed concepts related to the general budget, budgetary reform, public finance governance, and the principles of transparency, efficiency, and performance in public financial management. The legal framework was analyzed, with a specific focus on Organic Law No. 15-18 concerning finance laws.

1.4. Study Axes:

The study is divided into the following axes:

First: The concept of the state's general budget (linguistic and terminological).

Second: The principles of the general budget introduced by the new reform (transparency, stability, performance, accountability).

Third: Justifications for budgetary reform.

Fourth: Key aspects of budgetary reform.

Fifth: Objectives and challenges of budgetary reform in Algeria according to Law 15-18.

2. The Concept of the State's General Budget

Budgetary reform in Algeria is an absolute necessity, given the rapid economic and financial developments occurring both nationally and internationally. Before delving into the specifics of Organic Law No. 15-18 and its impact on modernizing the public financial system, it is essential to first highlight the fundamental justifications that prompted this reformist direction. This section begins by defining the concept of the state's general budget. It will also review the legal definitions found in Algerian legislation, starting with Law No. 90-21 and progressing to Organic Law No. 18-15. Furthermore, this section will briefly discuss the concepts of means-based budgeting and program budgeting, as they represent two essential models in public financial management. This discussion aims to establish the necessary conceptual framework for understanding the dimensions of the subsequent budgetary reform.

Several converging definitions have been posited for the general budget, all of which highlight its characteristics and descriptions. These include:

First Definition: It represents the final revenues and expenditures of the state as contained within the finance law. (Nassim, 2024)

Second Definition: It is the prospective outlook for the state's expenditures and revenues for a forthcoming period, subject to approval by the competent authority. (Nassim, 2024)

Law 90-21, in Article 3, defined it as: "The document that estimates for the civil year the total revenues and expenditures related to management and investment, including public equipment expenditures and capital expenditures, and authorizes them". (Law 90-21, 1990)

Furthermore, Organic Law 18/15 concerning the Finance Law, in its article 14, states: "The resources and burdens of the state budget are estimated and presented in the budget in the form of revenues and expenditures. These resources and burdens are defined and authorized annually by virtue of the finance law, and are distributed according to the provisions stipulated in this Law. The totality of revenues ensures the execution of the totality of expenditures, and the totality of revenues and expenditures are recorded within a single account that constitutes the state's general budget". (Organic Law 18-15, 2018)

Consequently, the state budget is a document encompassing the collection of the state's projected resources and their subsequent allocation to meet various state expenditures within a specific period, typically one year, and it is subject to the approval of a competent authority.

Definition of Means-Based Budgeting: referred to as line-item budgeting, represents the traditional form of the general budget and is the most widely applied. It is characterized by the classification of public expenditures according to their type and nature, rather than their purpose or objective (Sarbah & Ben Attou, 2023). Its primary function is to ensure the soundness and validity of public expenditure by verifying that outlays are within the budgetary appropriations. (Kada, 2025)

Definition of Program Budgeting: Program budgeting is defined as "a set of predetermined objectives to be achieved by government bodies and units over a future period, detailed by programs and activities, with a clear identification of the efforts required for their achievement, the estimated cost of implementing each program or activity, and the establishment of performance metrics and cost measurement". (Zerrouki, 2021)

3. Principles of the General Budget Introduced by the New Reform (Transparency, Stability, Performance, Accountability)

The legal framework governing the state's general budget is crucial for ensuring sound and effective public financial management. This section aims to review and analyze the fundamental principles that govern the organization of the general budget in Algeria, focusing on the legislative developments that have impacted these principles through Finance Law No. 87-14 and Organic Law No. 15-18 concerning the Finance Law.

The first part of this section will discuss the traditional principles of budget organization as stipulated in the 1984 Finance Law, which include the principles of **annularity, unity, universality, financial balance, and non-earmarking**. The second part will highlight the new principles introduced by Organic Law 15-18, reflecting a shift towards enhancing **transparency, accountability, stability, and linking expenditure to performance**, in alignment with modern standards in public financial management.

3.1. Fundamental Principles for Organizing the General Budget According to Finance

Law 87-14: (Rekab & Maatallah, 2023)

- **Principle of Annularity:** This principle, stipulated in Articles 3 and 6 of the 1984 Finance Law, establishes the fiscal year as the legal authorization period for the execution of the state's general budget. The suitability of this annual cycle is attributed to its alignment with the estimations and forecasts of the bodies responsible for budget preparation, providing an appropriate timeframe for the effective realization and approval of anticipated expenditures and revenues.
- **Principle of Budgetary Unity:** This principle mandates the inclusion of all estimated government expenditures and revenues, in detail, within a single, unified, and comprehensive budgetary document.

- **Principle of Universality:** This principle requires the transparent and clear disclosure of all public revenues and expenditures of the state, ensuring that the total balance for both expenditures and revenues is presented separately.
- **Principle of Financial Balance:** This principle refers to the necessity of achieving equilibrium between the total anticipated public revenues and the total anticipated expenditures within the fiscal year. Based on this principle, an excess of total anticipated expenditures over total anticipated revenues is defined as a financial deficit, while an excess of total anticipated revenues over total expenditures is considered a financial surplus.
- **Principle of Non-Earmarking:** This principle signifies that a specific revenue cannot be earmarked to cover a specific expenditure. Consequently, all public revenues are aggregated and offset against total public expenditures without a direct link between the source of the revenue and the destination of the spending.

3.2. Principles of the General Budget Introduced by Organic Law 15-18:

The fundamental principles introduced by Organic Law 15-18 include the following: (Rekab & Maatallah, 2023)

- **Transparency:** Transparency manifests in making information regarding the state's approach to managing its financial resources accessible to the public and civil society organizations. This involves providing accurate, documented, and up-to-date financial data concerning the government's financial activities and policies, while ensuring ease of access and simplification, which is further reinforced by the role of oversight bodies. Consequently, this principle is founded on the credibility of information presented, which includes data and figures relevant to the content of the finance law. This necessitates preventing the executive authority from concealing any data or information that could distort budget estimates and render financial authorization inaccurate or inconsistent with objective economic or financial data. This principle is embodied in accordance with Article 70 of Organic Law No. 18-15, which stipulates that finance laws must explicitly present the total resources and burdens of the state. This explicitness is based on available information and probable estimates. Therefore, this article emphasizes the necessity of credibility, clarity, and publicity in presenting information related to public funds addressed by the finance law. (Akhal, 2022)
- **Accountability:** Accountability is based on granting managers greater discretion in exchange for their bearing responsibility, particularly the accountability of the executive authority to Parliament. This is evident in the Budget Settlement Law, which is a document assessing the implementation of the state budget and is subject to parliamentary approval.
- **Principle of Stability:** This principle requires the law to stipulate budgetary and public debt objectives within a medium-term financial planning framework, with periodic updates. This necessitates a degree of relative constancy in tax equations and other compulsory deductions, and it is accompanied by a legal obligation to provide forecasts or estimates for subsequent fiscal years.
- **Principle of Performance:** The law mandates the executive authority to submit information on past and planned performance to Parliament when depositing the annual draft finance law, which is also reflected in the Budget Settlement Law. Performance is defined as the ability to achieve specified objectives, which include, for example:
 - Improving the economic and social efficiency of public programs.
 - Enhancing the effectiveness of public management.
 - Ensuring the quality of services provided.

4. Justifications for Budgetary Reform :

In light of the escalating economic and financial challenges confronting Algeria, much like other developing nations, an urgent need has emerged for radical reforms in its budgetary systems. Structural and accounting imbalances within Organic Law 84-17, which previously served as the traditional framework for the financial system, underscored the critical necessity of modernizing

and updating this system to keep pace with national and international economic and financial transformations. The shift towards a new budgetary system is a direct response to this pressing need to enhance the quality and efficiency of public financial management. The traditional budget, a line-item budget, primarily focused on covering expenditures without considering desired objectives or economic and social returns, and it lacked clear mechanisms for evaluating outcomes and assigning responsibilities. This narrow focus hindered management from gaining a comprehensive view of the implementation of the economic and social policies the state aimed to achieve. Therefore, the adoption of a results-based or objectives-based budgeting system represents a qualitative leap, linking public spending to pre-defined objectives within clear programs and specified timelines, as affirmed by the Organic Law concerning finance laws. This situation necessitated comprehensive reforms to Algeria's financial system, the key justifications for which can be summarized as follows:

4.1. Justifications Related to the Traditional Budget's Timeframe:

The traditional system for preparing the general budget in Algeria, based on an annual budget, exhibited clear shortcomings in dealing with rapid economic fluctuations, including financial crises, price inflation, changes in oil prices, and economic recessions. The limited nature of the annual budget rendered it ineffective in addressing these changes, necessitating frequent adjustments and leading to instability in public financial management. This negatively impacted the efficiency of resource allocation. Furthermore, the absence of a medium-term financial framework stands as a significant impediment to long-term financial planning and limits the ability to focus on the state's strategic priorities. This framework, as stipulated by Executive Decree 20-335, serves as an essential tool for enhancing macroeconomic balance, rationalizing public expenditures, and ensuring financial sustainability through more efficient and effective resource allocation, thereby supporting national economic stability and improving public financial management sustainably. (Nassim, 2024)

4.2. Justifications Related to Oversight :

The process of public financial oversight in Algeria faces significant challenges due to a lack of transparency in general budget documents. Information related to the budget was often unclear, negatively impacting the ability of Parliament and public representatives to effectively perform their oversight role. This ambiguity in financial information opened the door to potential misuse of public resources. Moreover, the outdated and complex mechanisms for categorizing financial tables hindered public representatives from understanding the intricate details of the budget and accessing the comprehensive information necessary to fulfill their oversight duties.

In an effort to overcome these challenges, Organic Law 18-15 was issued as a fundamental reform aimed at enhancing transparency in financial documents. This law sought to achieve this by standardizing budget tables and simplifying the classification of revenues and expenditures. This aims to improve the oversight tools available to Parliament and the public, and to strengthen the accountability of the executive authority. This step underscores the importance of developing public financial management in line with principles of clarity and accountability. (Ben Lahsen, 2022)

4.3. Justifications Related to Objectives :

Modern budgetary reforms are centered on directing government spending towards achieving the state's strategic objectives, thereby ensuring sustainable development that meets present needs without compromising the rights of future generations. This approach involved addressing shortcomings in the previous system, which separated management and capital expenditures, leading to misallocation of resources and a lack of coordination among government sectors, where each entity operated in isolation from overarching national goals.

To rectify these imbalances, the "program" system was adopted as a modern mechanism for organizing the general budget. This system involves classifying government expenditures within integrated programs, each with specific, measurable objectives, utilizing clear performance indicators. This approach aims to ensure the efficient execution of projects and the effective achievement of developmental goals, thereby enhancing public financial management and

contributing to the realization of a comprehensive development vision. (Djellaba, Aida, & Awadi, 2023)

4.4. Justifications Related to Structural Heterogeneity:

The structure of the traditional budget was characterized by a duality between management expenditures and capital expenditures, leading to misallocation of resources and imbalance in public spending. To address these issues, the Algerian legislator adopted a new approach aimed at unifying budget tables and simplifying the classification of revenues and expenditures, specifically by allocating a single table that includes the state's resources and burdens, and defining clear classifications under Executive Decrees 20-353 and 20-354. This approach aims to facilitate the understanding of the budget by Members of Parliament and to improve the oversight process over public spending, thereby ensuring sound public financial management and the achievement of the state's developmental goals. (Sarbah & Ben Attou, 2023)

4.5. Justifications Related to Budget Execution Method:

Algeria, through its current budgetary reforms, seeks to improve the execution of the state's general budget by adopting the "program" concept, which aims to enhance the responsibility of administrative officials and incentivize their initiative. This system entrusts officials with implementing a set of coordinated procedures and activities to achieve specific objectives, while also working to apply mechanisms for holding them accountable for the achieved results. New classifications for budgetary burdens are currently being adopted, based on activity, the economic nature of expenditures, major state functions, and the administrative bodies responsible for implementation, with the aim of providing detailed and clear information on public spending. Within the "program" system, the performance of government projects is measured using precise performance indicators, with the goal of ensuring efficient execution and effective spending, and achieving the state's developmental objectives. (Thabti, 2015)

5. Key Aspects of Budgetary Reform:

Organic Law No. 15-18 on the Finance Law represents a qualitative shift in modernizing Algeria's public financial system. It not only established new principles for budget organization but also encompassed fundamental structural and documentary aspects. This section aims to review the most prominent of these reform aspects, primarily focusing on **budget restructuring** and the **modernization of budgetary documents**.

The first part of this section will address the structural modifications introduced by Organic Law 15-18 concerning budget classification, including classification by activity, the economic nature of expenditures and revenues, major state functions, and the administrative bodies responsible for budget preparation. The second part will highlight the reforms impacting budgetary documents, such as the Orientation Note, the Priorities and Planning Report, the Decree on Credit Allocation, various programming documents, and the Ministerial Performance Report, illustrating the role of each in enhancing the transparency and effectiveness of public financial management.

5.1. Reform in Budget Structure:

The budget structure, under Organic Law 18-15, demonstrates the introduction of structural adjustments through the creation of new budgetary classifications, including:

- **Classification by Activity:** This classification, defined by Executive Decree No. 20-354, structures the budget according to progressive levels, which include:
 - **Portfolio:** This represents the highest level in this classification, where state general budget appropriations are distributed based on ministerial departments and independent government bodies. Under this classification, each minister or head of a public entity is allocated a specific financial portfolio, making them the authorizing officer responsible for executing the budget of their ministerial department or affiliated entity. (Benkouider, 2023)
 - **Program:** This signifies a set of strategic orientations determined by public authorities, to be executed by the responsible executive body. According to Article 23, Paragraph 4 of Organic Law No. 15-18, a program is defined as the total financial

appropriations that contribute to achieving a specific mission belonging to one or several services within a single ministry, multiple ministries, or a public institution, and is determined based on a set of clear and consistent objectives. Furthermore, Article 79 of the same law stipulates that the program represents the execution unit for financial appropriations, identified by the financial appropriations allocated to it, which are placed under the responsibility of program managers. Programs are characterized by the Following features :

- Establishing a new framework for responsibility and public policy implementation.
- Serving as a basis for discussions during budget conferences.
- Forming a criterion for resource allocation and a formal framework for budget presentation.
- Representing the executive unit of the budget.

○ **Sub-Program:** As stipulated in Article 4 of Executive Decree No. 20-404, a sub-program represents "financial appropriations recorded under a program and distributed across one or several sub-programs and by chapters, serving as a functional division of the program." Each sub-program represents a set of homogeneous operations aimed at achieving a specific objective within the overall goal, within a defined timeframe and within the allocated financial appropriation.

○ **Activity:** This is considered the basic unit of any operation or project. It is indivisible and reflects the actual commencement of achieving defined objectives. It is noteworthy that the overall evaluation targets programs, but the activity represents the primary unit concerned with evaluation at the operational level.

• **Classification by Economic Nature of Expenditures:** State budget burdens are categorized according to their economic nature, as per Article 8 of Executive Decree 20-354, into the following chapters:

- Personnel expenditures.
- Operating expenses of services.
- Investment expenditures.
- Transfer expenditures.
- Public debt burdens.
- Financial operations expenditures.
- Unforeseen expenditures.

• **Classification by Economic Nature of Revenues:** In accordance with Article 7 of Executive Decree No. 20-353, state revenues are classified by their economic nature into the following categories:

- Revenues collected from taxes and duties, regardless of their nature, as well as fines.
- Income from state-owned properties.
- Income from state financial contributions and other assets.
- Amounts paid for services provided by the state and fees.
- Miscellaneous budgetary proceeds.
- Various exceptional proceeds.
- Funds allocated for contributions, donations, and bequests.
- Interest and proceeds collected from loans, advances, and the utilization of state property.

• **Classification by Major State Functions (10 Functions):** (Executive Decree No. 20-354) Public expenditure sectors are classified according to the major state functions as follows:

- General public services.
- Defense.

- Public order and security.
- Economic affairs.
- Environmental protection.
- Housing and community amenities.
- Health.
- Recreation, culture, and religion.
- Education.
- Social protection.

- **Classification by Administrative Bodies Responsible for Budget Preparation:**

According to Articles 14 and 15 of Executive Decree No. 20-354, classification by administrative bodies allows for the distribution of financial appropriations for state budget burdens by ministries and/or public institutions and/or by budgetary management responsibility centers that receive appropriations, in accordance with the organizational structure and/or local organization of the concerned administrative body. This classification is organized according to the level of the organizational structure and activity as follows:

- Level 1: Type of administrative body.
- Level 2: Category of the administrative unit receiving the appropriations.
- Level 3: Service, beneficiary, or recipient of the appropriations.
- Level 4: Location or geographical impact of the expenditure.

5.2. Reform of Budgetary Documents:

- **Orientation Note (Note d'Orientation):** This document is prepared annually by the Ministry of Finance and defines the main parameters of the state's general direction regarding the preparation of the next fiscal year's budget. This note is addressed to authorizing officers to inform them about the economic, financial, and social conditions of the state, enabling them to provide objective and accurate budget estimates.

- **Priorities and Planning Report (Rapport sur les Priorités et la Planification - RPP):** This report accurately reflects the priorities and planning of the ministerial portfolio and provides standardized, comprehensive, and accurate information on the following aspects:

- Distribution of commitment authorizations and payment appropriations by program.
- Distribution of program appropriations by type of responsibility center.
- Portfolio expenditures by program and title.
- Portfolio expenditures by title and type of responsibility center.
- Evolution of expenditures by program.
- Evolution of financial positions opened by type of services.
- Planning of activities for the next fiscal year: The objectives for each activity and program are designed to align with national priorities and the major goals set by the government in various sectors.
- Detailed planning of programs and sub-programs.
- Justifications for anticipated expenditures for the next fiscal year.

- **Decree on Credit Allocation (Décret de Répartition des Crédits):** This decree outlines the detailed distribution of approved financial appropriations immediately upon the promulgation of the finance law. This distribution is made by ministry or public institution, by program and sub-program, and also by chapters and earmarking for unallocated appropriations.

- **Initial Financial Credit Programming Document (Document de Programmation Initiale des Crédits - DPIC):** (Decree No. 20-404) In application of the provisions of Article 7 of Executive Decree No. 20-404 dated December 29, 2020, which defines the modalities for managing and delegating financial appropriations, the programming of financial appropriations is prepared according to a specific reference framework for each

ministry and public institution. This programming is accomplished through the credit programming document. According to Article 8 of the same decree, an initial financial credit programming document is prepared by program portfolio, with a separation between each program and each special treasury account.

- **Financial Credit Programming Document for Activity (Document de Programmation des Crédits de l'Activité - DPCA):** (Decree No. 20-404) In application of the provisions of Article 9 of Executive Decree No. 20-404 dated December 29, 2020, which defines the modalities for managing and delegating financial appropriations, in the case of activities divided into sub-activities, a programming document is prepared annually for each activity, aiming to allocate the credits recorded under the activity to the sub-activities.

- **Ministerial Performance Report (Rapport Ministériel de Rendement - RMR).**

6. Objectives and Challenges of Budgetary Reform in Algeria According to Law 15-18:

Following the examination of the justifications for budgetary reform in Algeria in the first section, this section delves into the ambitious objectives that Organic Law No. 15-18 aims to achieve in developing the public financial system. It will also highlight the significant challenges that may impede the realization of these objectives. The first part of this section details the primary goals of the reform, notably the application of good governance principles, improving the efficiency and effectiveness of public spending, enhancing transparency and disclosure in public finance, and establishing medium-term financial planning. The second part will be dedicated to identifying and analyzing the most prominent challenges facing the reform process, ranging from the effective application of new concepts to ensuring coordination among various stakeholders and strengthening the capacities of oversight bodies and Parliament. Understanding these objectives and challenges is a crucial step in evaluating the actual impact of budgetary reform in Algeria.

6.1. Objectives of Budgetary Reform:

Based on Organic Law No. 18-15 concerning finance laws (which supersedes Law 84-17), the key objectives of budgetary reform in Algeria are as follows:

- **Applying Principles of Good Governance:** (Toufouti & Barrak, 2023) The new Algerian Organic Law on finance laws reflects alignment with international standards for good budget governance through three main axes: Firstly, enhancing public administration performance by institutionalizing multi-year budgetary programming and establishing results-based management with activated performance auditing by the government and the Court of Accounts. Secondly, improving financial principles and budgetary transparency by embedding the principle of budgetary and accounting credibility, rationalizing budget classifications and treasury accounts, and establishing accrual-based accounting. Thirdly, increasing Parliament's role in budget debate, public finance oversight, and public policy evaluation by enriching the information provided, reorganizing the timeline, reducing delays in submitting the Budget Settlement Law, and cementing the principle of accountability by linking managers' discretion to accountability, especially before Parliament. This is evident in the strengthened role of the Budget Settlement Law as a tool for evaluating budget execution and holding the executive authority accountable.

- **Improving the Efficiency and Effectiveness of Public Spending (Performance Principle):** The law emphasizes the necessity of linking spending to objectives and results. By requiring the executive authority to provide information on past and planned performance, the reform seeks to improve resource allocation and maximize their utilization in achieving economic and social goals. Modernizing the budget structure and its classifications aims to provide a more detailed and analytical view of expenditures and revenues through the introduction of new budgetary classifications (by activity, program, major state functions, and administrative bodies), which facilitates planning, monitoring, and evaluation.

- **Enhancing Transparency and Disclosure in Public Finance:** The law largely aims to make public financial management clearer and more understandable for citizens and civil society. This is evident from the emphasis on providing accurate, documented, and timely financial information, and facilitating access to it. (Akhal, 2022)

- **Establishing Medium-Term Financial Planning (Stability Principle):** The provision stipulating the need to define budget and public debt objectives within a medium-term financial framework aims to achieve greater stability in financial policies and provide a clear future outlook for public finance.

6.2. Main Challenges Facing Budgetary Reform in Algeria:

- **Effective Application of New Concepts:** Implementing concepts such as "programs" and "performance" requires a shift in public administration culture and the development of human resource capabilities in strategic planning, performance measurement, and evaluation.

- **Providing Accurate and Timely Data:** Achieving transparency and accountability necessitates an effective financial information system capable of producing accurate, reliable, and timely data for all relevant stakeholders (Parliament, citizens, oversight bodies).

- **Resistance to Change from Some Administrative Entities:** The reform may face resistance from some administrative entities accustomed to traditional working methods, which calls for significant efforts in awareness, training, and mindset change.

- **Ensuring Coordination Among Various Stakeholders:** Budgetary reform requires effective cooperation and coordination among various ministries, government bodies, Parliament, and oversight agencies, which can pose a challenge in practical implementation.

- **Developing Effective Performance Evaluation Mechanisms:** Achieving the performance principle requires developing clear and measurable performance indicators, and establishing effective mechanisms for data collection, analysis, and evaluation of objective achievement.

- **Enhancing Parliament's Capacity in Budget Analysis and Discussion:** Enabling Parliament to effectively exercise its oversight role requires providing its members with the necessary expertise and knowledge to analyze complex budgetary documents and understand financial and economic issues.

- **Ensuring the Independence of Oversight Bodies:** To ensure the effectiveness of public financial oversight, it is crucial to strengthen the independence of oversight bodies and provide them with the necessary resources to perform their duties effectively.

7. Conclusion

The ongoing modernization of Algeria's public financial system, spearheaded by **Organic Law 15-18**, is still in its nascent stages and faces considerable challenges that cannot be overlooked. The effective application of new concepts, ensuring data accuracy and timeliness, and overcoming resistance to change are all obstacles requiring concerted efforts and clear strategies. Nevertheless, the prospects opened by this reform model are promising. It represents a crucial step towards enhancing **transparency, accountability, and linking performance to results**, which ultimately serves the objectives of sustainable national development. The true challenge lies in the ability of various stakeholders to assimilate these reforms and implement them on the ground, ensuring a brighter and more sustainable economic and social future for coming generations.

8. Results

The study yielded several significant findings highlighting the impact of **Organic Law No. 15-18** on public financial management in Algeria and the main challenges facing its implementation. It was found that the law represents a qualitative shift in public finance governance by emphasizing the importance of providing **accurate and up-to-date financial data**, thereby enhancing trust between the state and society. The law also demonstrated a move towards establishing more **sustainable financial planning**, which is expected to contribute to achieving

economic stability in the medium and long term. Furthermore, the study revealed a clear trend towards improving the **efficiency of financial resource management** by focusing on achieving targeted results rather than merely adhering to expenditure procedures. However, certain practical obstacles may hinder the optimal implementation of the reform, including **resistance to change** within some administrative structures, challenges related to ensuring **effective coordination** among various stakeholders, and a **lack of specialized technical expertise** in applying the program and performance system. Finally, the study underscored the need to activate the role of legislative and oversight bodies to ensure accurate monitoring of budget execution and objective, effective performance evaluation.

9. Recommendations

Based on the study's findings, a set of recommendations can be offered to enhance the effectiveness of budgetary reform in Algeria under **Organic Law No. 15-18**:

- **Establish an integrated information system** that ensures the production of accurate and timely financial data for various stakeholders.
- **Launch awareness campaigns** to change public administration culture and promote a general understanding of the principles and importance of Organic Law 15-18.
- **Develop effective mechanisms for coordination** among ministries, Parliament, oversight bodies, and various institutions to achieve reform objectives.
- **Encourage applied studies** to evaluate the actual impact of budgetary reform on economic and social development.
- **Provide oversight bodies with the necessary resources** to ensure effective accountability of the executive authority.

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