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The evolution of the body responsible for preparing and monitoring the state budget and the budget system modernization project in Algeria

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Abstract---This paper aims to shed light on the evolution of the institution responsible for preparing and monitoring the state budget in Algeria, while analyzing the budget system modernization project as part of the structural reforms in public finance. It explores the role of these updates from independence to the digital age in enhancing transparency and achieving financial efficiency. The study advocates for the continued reinforcement of governance principles and the establishment of a strong and sustainable national economy. The research adopts a historical-analytical approach to trace the development of budgetary bodies across various historical stages, with a focus on organizational and legislative transformations. It also employs a descriptive-analytical method to examine the reform and digitization of the budgetary system, through legal and technical analyses of relevant legislation and executive decrees, in addition to reviewing modern budgetary information systems. The findings reveal that Algeria's public finance modernization project is moving toward a more efficient and multi-year planning model, despite persistent challenges related to capacity building, information security, and systems integration.

Keywords---Public budget, modernization, budget system reform, structural reforms in public finance, Algeria.

Introduction

In light of current economic challenges and global transformations, the modernization of Algeria's financial sector has become an urgent necessity. The country's top authorities have identified this sector as a strategic priority. Within this framework, the Ministry of Finance launched a comprehensive reform program aligned with the President of the Republic's vision to build a sovereign and robust national economy, free from the lingering effects of colonialism and its economic consequences.

The Ministry has strived to strengthen and diversify the national economy, improve the investment climate, and enhance administrative performance in line with contemporary requirements. This has been pursued through the enactment of new financial legislation and the reorganization of financial governance to ensure greater independence and efficiency. Efforts have also included rationalizing public expenditure, regularizing the legal status of public assets, and offering modern administrative services that serve citizens and align with the digital revolution.

In line with this strategic direction, this paper entitled "The Evolution of the Body Responsible for Preparing and Monitoring the State Budget and the Budget System Modernization Project in Algeria" aims to document the trajectory of Algeria's financial sector, highlight the reforms achieved, and bridge the past, present, and future. It serves as a reliable reference for researchers and professionals interested in the country's public finance landscape.

Ultimately, this initiative contributes to the promotion of transparency, encourages collaborative efforts, and calls for the continued pursuit of reform with a spirit of commitment in order to build a prosperous national economy grounded in e-governance and smart administration.

Research Problem

How have financial sector reforms and the budget system modernization project in Algeria from independence to the digital era contributed to building a strong national economy and achieving economic sovereignty in the face of internal challenges and global transformations?

Research Hypotheses

In order to address the research problem, the following hypotheses have been formulated:

- The evolution of the institution responsible for preparing and monitoring the state budget, along with the budget system modernization project in Algeria, has positively contributed to enhancing financial efficiency, promoting transparency, and reinforcing good governance principles;
- There is a causal relationship between budgetary reforms—legislative, organizational, and digital and improved public financial management efficiency;

- The digitization of the budgetary system, particularly through systems like SIGBUD and SIGB, has improved transparency and facilitated control over public expenditures.

Objectives of the Study

This study seeks to achieve the following objectives:

- To analyze the contribution of the evolution of the budgetary body and the budget system modernization project in enhancing financial efficiency, transparency, and good governance in Algeria amid current economic and digital challenges;
- To trace the historical development of the institution responsible for budget preparation in Algeria from independence to the digital era;
- To evaluate the legislative and regulatory framework related to budget system modernization;
- To examine the role of digitization and modern information systems such as SIGBUD and SIGB in improving overall public financial performance;
- To highlight the main challenges facing the reform project, particularly in terms of training, capacity building, and data security;
- To provide recommendations aimed at strengthening the effectiveness of financial reforms and achieving a modern and balanced public financial management system.

Section One: Stages in the Evolution of the Institution Responsible for Drafting the State Budget

The General Directorate of Budget, as the body responsible for drafting the State Budget, has undergone significant transformations in terms of organizational structure and capacity-building. These changes were driven by the need to adapt to new responsibilities and the modern vision of the Algerian state. The evolution of the Directorate can be divided into the following phases: (Ministry of Finance, 2024, p. 14)

Subsection One: The First Phase (1962–1971)

This period is commonly referred to as the transitional phase. It was under the administration of the Provisional Algerian Government, which held the executive authority of the State through a temporary body tasked with managing public affairs. This governance lasted from the signing of the ceasefire on 19 March 1962 until the official proclamation of the People's Democratic Republic of Algeria on 25 September 1962.

During this phase, matters of development and public finance particularly the state budget were entrusted to the Delegates for Economic and Financial Affairs. These delegates were explicitly responsible for implementing orders and legislation related to the state budget, including both the general budget and, later, the annexed budgets.

By the end of this transitional period, the provisional executive authority officially transferred its powers to the Algerian state. A National Council was established, and the first government was appointed. Pursuant to Decree No. 1-162 dated 27

September 1962, which concerned the appointment of government members, Dr. Ahmed Francis was named the first Minister of Finance in the history of the Algerian Republic (Decree No. 1-162 , 1962, p. 13).

As for the legal framework governing the preparation of the state budget, Law No. 157-62, dated 31 December 1962, stipulated the continued application of existing legislation as of that date, unless otherwise specified. Exceptions were made for provisions deemed incompatible with the principles of national sovereignty (Law No. 157-62, 1962, p. 18).

In 1963, Decree No. 127-63 of 19 April 1963 defined the organizational structure of the Ministry of Finance, under which the Directorate of Budget and Oversight was established (Decree No. 127-63, 1963, p. 357).

A few months later, a significant structural change occurred: the Ministry of Finance was dissolved, and a new Ministry of National Economy was created. This new entity inherited the powers previously exercised by the Ministry of Finance, and the Directorate of Planning and Economic Studies was annexed to it, in accordance with Decree No. 326-63 dated 4 September 1963 (Decree No. 326-63, 1963, p. 879).

Following the appointment of Mr. Bachir Boumaza as Minister of National Economy—through Decree No. 327-63, issued on the same date—it was decided, within a year, to create a General Directorate of Finance under the authority of the Presidency. The financial powers previously held by the Minister of National Economy were transferred to this new directorate (Decree No. 326-63, 1963, p. 879).

In light of these institutional changes and evolving national priorities, the financial sector underwent fundamental reorganizations. These reforms were essential to align with the country's economic and fiscal ambitions during the early years of independence.

Subsection Two: The Second Phase (1971–1982)

This phase was marked by the implementation of multiple development, economic, and social programs, most notably under Ordinance No. 10-70 dated 20 January 1970, which established the Four-Year Development Plan for the period 1970–1973 (Ordinance No. 70-10 , 1970, p. 55).

In this context, Mr. Kamal Abdallah Khodja was appointed Secretary of State for Planning by virtue of Ordinance No. 53-70, issued on 21 July 1970 (Ordinance No. 70-53, 1970, p. 906). During this phase, the Secretariat of State for Planning was entrusted with the task of preparing economic and social development plans and programs.

Beginning in 1971, Decree No. 71-259 of 19 October 1971 regarding the organization of the central administration of the Ministry of Finance and later amended stipulated that the Directorate of Budget and Oversight would include a sub-directorate specifically dedicated to the Capital Budget. This sub-directorate was responsible for managing the public investment (capital expenditure) budget.

Consequently, the authority to sign appropriation decisions for payment allocations was conferred jointly to the Minister of Finance and the Secretary of State for Planning.

Public expenditures during this period experienced variable growth. This was largely due to a combination of factors, most notably the fluctuations and volatility in oil prices throughout the 1970s. As a result, investment (capital) expenditures witnessed a modest increase relative to operating (recurrent) expenditures.

This phase also witnessed the implementation of the 1974–1977 Four-Year Plan, established by Law No. 68-74 dated 24 June 1974 (Ordinance No. 74-68, 1974, p. 715). It was followed by a renewed public investment initiative under Law No. 11-80 of 13 December 1980, which set forth the 1980–1984 Five-Year Plan. The primary objective of this plan was to channel public investment toward achieving economic independence and building a productive economic system capable of addressing the country's developmental and social needs (Law No. 80-11, 1980, p. 1794).

Subsection Three: The Third Phase (1982–1998)

Ten years later, Decree No. 230-82 of 17 July 1982 was issued, repealing Decree No. 259-71 of 19 October 1971. As a result, the Sub-Directorate of Capital Budget within the Directorate of Budget and Oversight was abolished.

From that point onward, the Capital Budget (Budget d'Équipement) was prepared directly by the Ministry of Planning. Although the preceding phase was characterized by a relatively favorable financial climate—enabling the state to undertake significant public investment efforts—conditions shifted dramatically after 1986 due to instability in global oil markets. This volatility compelled public authorities to reassess and scale back the previously initiated public investment policy.

This phase witnessed significant fiscal and macroeconomic imbalances, along with a rising level of external debt. In response to these challenges, and in an effort to improve coordination and oversight of planning functions, the President of the Republic issued a decree in 1987 establishing the National Planning Council under the authority of the Prime Minister. A designated Planning Delegate was appointed to serve as its Secretary.

Subsequently, in 1996, Article 10 of Executive Decree No. 257-96 of 29 July 1996 defining the powers of the Delegate Minister to the Prime Minister in charge of Planning stipulated the following:

"The Delegate Minister to the Prime Minister in charge of Planning shall, in accordance with the principles of budgetary unity, universality, and annuality, prepare the draft State Capital Budget in coordination with the relevant ministries."

Subsection Four: The Fourth Phase (1998–2021)

The financial situation during this phase experienced significant improvement and recovery, which allowed for the establishment of sound economic and financial governance mechanisms.

Regarding organizational changes, in 1998, responsibilities, tasks, and management of the structures, resources, and human resources related to the preparation of the State's capital budget were transferred to the Directorate General of Budget at the Ministry of Finance. This transfer did not alter the organizational structure, as all functions remained under the jurisdiction of the office of the Delegate Minister for Planning. The Directorate of Planning and the Urban Development Authority were under this office's oversight. Since then, the Directorate General of Budget has assumed responsibility for three external departments, which include:

1. The Regional Directorate of Budget and the Financial Oversight Unit at the state level, in accordance with the provisions of Executive Decree No. 496-91, dated 21 December 1991, which regulates the external offices of the Directorate General of Budget (Executive Decree No. 91-496, 1991, p. 2608).
2. The Directorate of Planning and Urban Development, as per Executive Decree No. 98-40, dated 1 February 1998, which transferred the responsibilities and management of the structures, resources, and human resources related to State Capital Budget management (Executive Decree No. 98-40, 1998, p. 09). The framework for the latter was established by Executive Decree No. 42-91, dated 16 February 1991, which defined the organizational rules and operations for planning and urban development services at the state level. However, these tasks were rendered inactive in light of the new organizational structure of the central budget administration (Executive Decree No. 91-42, 1991, p. 295).

Since then, the Directorate General of Budget has been responsible for preparing the State's capital budget. This is evident through the inclusion of the provisions in Executive Decree No. 364-07, dated 28 November 2007, which regulates the central administration of the Ministry of Finance and integrates both management and capital budget responsibilities within a single Directorate (Executive Decree No. 07-364, 2007, p. 05).

In this context, it is important to highlight the significant burden placed on the Directorate General of Budget given its expanded responsibilities. A series of five-year public investment programs were launched and either completed or still under execution during this period. Notably, the following programs were implemented:

- The Economic Recovery Support Program, launched in 2001, was based on the available resources at the time. This program continued with the 2004-2009 extension program, which was further supported by special programs targeting the High Plateaus and Southern regions of the country.

Following this program, the public investment program extended from 2010 to 2014, which aimed at supporting economic growth, resulted in financial commitments amounting to 21.214 billion DZD (approximately 286 billion USD). This program consisted of two main components:

- Completion of major projects, particularly those related to the housing, roads, and water sectors, with an amount of 9.700 billion DZD (approximately 130 million USD);
- Initiation of new projects with an amount of 11.534 billion DZD (approximately 156 million USD).

The implementation of this massive public expenditure, most of which is related to public investment expenses, is carried out through delegated oversight of the projects, which are assigned to public institutions or bodies under supervision. In order to effectively manage and implement this new procedure, Article 61 of Law No. 16-11 of December 28, 2011, which includes the Finance Law of 2012, amends and supplements Article 27 of Law No. 90-21 of August 15, 1990, related to public accounting, integrating the election of these operations with the operations entrusted to secondary fund holders.

Given the current status of public industrial and commercial institutions as well as public economic institutions, this provision aims, by granting the secondary fund holder status to the delegated project owner, to establish a legal and regulatory framework for current practices to ensure better budgetary oversight and monitoring.

It is also worth noting that, in recognition of developments in the legal, economic, financial, and digital environments, the administration responsible for budgeting set several key objectives, including the modernization of budgetary systems that began in the early 2000s, in coordination with the technical instructions and legal rules expected to be incorporated into the draft organic law concerning financial laws, which was prepared to modernize the current budgetary framework.

In addition to being responsible for the technical aspects of budgeting, the Directorate General of Budget exercises powers related to budget control and oversight. In this regard, particularly in the last four years, the Directorate General of Budget has initiated the review of legal texts, based on the circumstances and procedures governing public expenditure management. These include:

- The revision of Executive Decree 227-98 of July 13, 1998, as amended and supplemented, concerning state expenditure for equipment;
- Executive Decree 92-414 of November 14, 1992, as amended and supplemented, related to the pre commitment control of expenditures;
- Additional texts and instructions related to the registration and clearing of projects recorded in the public investment code.

The Directorate General of Budget prepares annual publications containing collections of texts and legal opinions related to its activities, which are widely disseminated to ensure the promotion of information and best practices in budget management.

After establishing the new financial framework outlined in Basic Law No. 18-15 of September 2, 2018, as amended and supplemented, concerning financial laws (Organic Law No. 18-15, 2018, p. 09), the reorganization of the central services of the Directorate General of Budget became necessary. This reorganization took the

form of Executive Decree No. 21-252 of June 6, 2021, concerning the organization of the central administration of the Ministry of Finance (Executive Decree No. 21-252, 2021, p. 04).

Section Two: Establishing the New Budgetary Framework

The management of public finance is undergoing profound transformations at the global level, driven by the pressing need to meet increasing state expenditures amidst shrinking resources. This necessitates a reevaluation of public financial management with the objective of rationalization, cost-effectiveness, and efficiency in public spending. In response to these shifts, Algeria has undertaken the modernization of its budgetary system through comprehensive reforms, reflected in the revision of the legislative and regulatory framework governing the state budget.

Law No. 18-15 of 2 September 2018, as amended and supplemented, concerning finance laws, was promulgated as part of the public finance reform process. This law replaced Law No. 84-17 of 7 July 1984, which previously governed finance laws and was characterized by its status as an ordinary law. Due to its limitations, the former law was no longer adequate for managing public finances undergoing structural changes, particularly in the context of current budgetary reform aimed at modernizing budget systems.

Subsection One: The Legislative Framework of Budgetary Reform

In order to properly regulate public finance currently subject to significant changes under the ongoing budgetary reform aimed at modernizing and updating budget systems Organic Law No. 18-15 of 2 September 2018, relating to finance laws, was enacted. It supersedes the amended and supplemented Law No. 84-17 of 7 July 1984, which had previously governed finance laws, thereby ensuring alignment with the new objectives.

The organic law on finance laws specifically aims to:

- Support the structural balance of the budget;
- Establish a multi-year approach to state revenues and expenditures;
- Strengthen managerial accountability and performance oversight;
- Introduce new budgetary classifications;
- Improve the content, presentation, and readability of budgetary documentation;
- Enhance transparency in budgetary processes and the scope of parliamentary authorization.

Subsection Two: The Regulatory Framework of Budgetary Reform

The regulatory framework underpinning budgetary reform is embodied in Organic Law No. 18-15 of 2 September 2018, relating to finance laws, as amended and supplemented. In implementation of several of its provisions, thirteen regulatory instruments have been enacted in the form of executive decrees, as outlined below:

- Executive Decree No. 20-335 of 22 November 2020, which defines the modalities for designing and preparing the Medium-Term Budgetary Framework (MTBF);
- Executive Decree No. 20-353 of 30 November 2020, which establishes the components of the classification of state revenues;

- Executive Decree No. 20-354 of 30 November 2020, which determines the elements constituting the classification of state budget expenditures;
- Executive Decree No. 20-382 of 19 December 2020, which specifies the conditions for the reuse of closed appropriations;
- Executive Decree No. 20-303 of 19 December 2020, which outlines the conditions and procedures for the transfer and execution of financial appropriations;
- Executive Decree No. 20-304 of 19 December 2020, which establishes the conditions and procedures for implementing payment appropriations available during the supplementary period;
- Executive Decree No. 20-305 of 10 December 2020, which regulates the registration and use of funds allocated for contributions under programs recorded in the state budget;
- Executive Decree No. 20-306 of 19 December 2020, which sets forth the conditions for the recovery of financial appropriations;
- Executive Decree No. 20-307 of 19 December 2020, which establishes the procedures for preparing the personnel table attached to the draft annual finance law;
- Executive Decree No. 20-403 of 29 December 2020, which defines the conditions for the establishment of programs;
- Executive Decree No. 20-404 of 20 December 2020, which determines the procedures for the management and delegation of financial appropriations;
- Executive Decree No. 21-62 of 6 February 2021, which specifies the procedures for budgetary and accounting documentation appropriate for the budgets of public administrative institutions and other public bodies benefiting from state budget allocations.

In addition to the above-mentioned executive decrees, several ministerial orders and decisions have also been issued in support of the reform process, including:

- Executive Decree No. 23-310 of 6 September 2023, which sets the conditions for establishing and recording programs;
- Ministerial Order No. 124 of 15 August 2022, which defines the sub-categories of expenditures and the classification coding based on the economic nature of state budget charges;
- Decision No. 13 of 11 January 2023, which specifies the eligibility procedures for recording public investment operations under state programs;
- Joint Ministerial Order of 9 July 2012, which outlines the organization of financial control departments;
- Decision of 2 June 2012, which defines the procedures for monitoring expenditures of public industrial and commercial establishments;
- Decision No. 15 of 9 March 2023, which relates to the delegation of authority to approve the budgets of public administrative institutions to budget controllers.

Section Three: The Budgetary System Modernization Project in Algeria

The modernization of Algeria's budgetary system represents one of the most significant public sector reforms adopted by the state in recent years. This ambitious initiative seeks to enhance the efficiency of public financial management, rationalize public expenditure, and improve the overall performance of government operations (Ministry of Finance of Algeria, 2025).

Subsection One: Objectives of the Project

1. Transition from Traditional Budgeting to Performance-Based and Program Budgeting

The core objective is to shift from a traditional input-oriented budgeting system toward a results-based approach that emphasizes outputs and outcomes. This includes:

- Focusing on results: Rather than prioritizing inputs and resources, the emphasis is placed on achieving targeted outcomes through well-defined government programs and projects.
- Linking resources to objectives: Financial allocations are made to programs and initiatives that pursue specific, measurable goals.
- Enhancing accountability: Public officials are held accountable for delivering the expected results of the programs under their supervision.

2. Promoting Transparency and Disclosure: The project seeks to foster greater openness in public financial management through:

- Information dissemination: Ensuring the public has access to clear, comprehensive, and timely information regarding the budget, including its objectives, components, and the utilization of public funds.
- Citizen participation: Encouraging public involvement in the budgetary decision-making process via mechanisms such as public consultations and participatory budgeting.

3. Rationalizing Public Expenditure: Another key objective is to optimize the allocation and use of public funds by:

- Combating waste: Identifying and reducing areas of inefficiency and unnecessary spending;
- Improving expenditure efficiency: Channeling financial resources toward programs and projects that demonstrate higher levels of effectiveness and impact;

4. Developing Institutional Capacities: Institutional modernization is central to the success of the reform, and includes:

- System modernization: Upgrading the tools, systems, and procedures used in budget preparation and execution;
- Capacity building: Providing continuous training for personnel in the latest techniques of financial and budgetary management;

Overall, the modernization of Algeria's budgetary system is a transformative project that aims to introduce structural reforms in public financial governance. Despite the challenges that may arise during its implementation, the project enjoys strong governmental support and is expected to yield significant benefits over the medium and long term.

Subsection Two: The Project for Modernizing and Digitizing Budgetary Information Systems

A cornerstone of Algeria's public finance reform is the digitization and modernization of budgetary information systems. At the heart of this initiative lies the Integrated Budget Preparation Information System (SIGBUD), which

represents a significant technological leap aimed at enhancing the preparation, implementation, and monitoring of the state budget.

1. What is SIGBUD?

SIGBUD is a comprehensive digital system designed to fully computerize all phases of the budget preparation and execution process. It is structured around nine core dimensions:

- Administrative activity
- Managing entity
- Geographic region
- Funding source
- Budget proposal
- Economic classification by the nature of expenditures
- Projects
- Output results
- Medium-term financial planning framework

The system aligns with the requirements of the *Organic Law on Finance Laws*, especially those related to program-based budgeting. It facilitates the development of the national budget in accordance with performance-based principles and supports the evaluation and monitoring of public expenditures.

2. Implementation and Governance

Since July 2017, SIGBUD has been installed on the data servers of the Directorate General of Budget (DGB) and is accessible via the Ministry of Finance's local network.

- A dedicated team within the DGB is tasked with overseeing the operational management of the system and configuring its functionalities.
- Another team, composed of sectoral officers within the DGB, is responsible for data entry related to program-based budgeting.

Despite its strategic importance, the deployment of SIGBUD has faced technical and contractual disruptions, including delays caused by the COVID-19 pandemic and technical limitations affecting system stability during the early stages of implementation.

3. Part of a Broader Modernization Framework

SIGBUD forms part of a broader national initiative to digitize and modernize Algeria's budgetary system, known as the Modernized Budget System (MSB). This initiative also includes complementary systems such as the Integrated Budget Management Information System (SIGB). Together, these platforms aim to improve the governance and transparency of public finances.

4. Key Objectives of SIGBUD

The primary goals of SIGBUD include:

- Enhancing the efficiency and effectiveness of budget preparation and execution
- Strengthening transparency and accountability in public financial management
- Providing accurate and timely financial information to decision-makers
- Facilitating evidence-based decision-making
- Supporting medium- and long-term fiscal and economic planning

5. Core Components of SIGBUD

The system comprises several functional modules, including:

- Budget Preparation Unit: Handles data entry, program budget formulation, review, and approval processes
- Budget Execution Unit: Oversees the implementation of the budget, monitors expenditures, and generates execution reports
- Reporting Unit: Responsible for producing periodic and annual financial reports and conducting financial data analysis
- System Administration Unit: Manages system updates, maintenance, and ensures data security

6. Benefits of SIGBUD

The implementation of SIGBUD has brought about several benefits, notably:

- Improved operational efficiency: Streamlines financial procedures and reduces the time and effort required for budget preparation and execution
- Enhanced transparency: Promotes openness and facilitates access to financial information
- Better decision-making: Provides up-to-date and accurate information that supports sound policy and financial decisions
- Support for financial planning: Strengthens the capacity for medium- and long-term fiscal and economic forecasting

7. Challenges of Implementing the SIGBUD System

Despite the significant benefits it offers, the implementation of the SIGBUD system faces several challenges, including:

- Training and Capacity Building: The adoption of the SIGBUD system requires comprehensive training and capacity development for staff to ensure its effective use.
- Integration with Other Systems: It is essential to ensure seamless integration of SIGBUD with other government-supervised financial systems.
- Data Security: Safeguarding financial data and protecting it from unauthorized access remains a critical concern.

The new Budget Information System (SIGBUD) represents a major step toward the digitization of public finance in Algeria and aims to enhance the efficiency and effectiveness of budget preparation and execution. Despite the challenges, the potential benefits of the system are substantial and justify the investment and efforts required for its successful implementation.

Subsection Three: The Integrated Budget Management System (SIGB)

On Friday, November 29, 2024, the Ministry of Finance officially launched the first phase of the Integrated Budget Management System (SIGB).

1. What is SIGB?

The Integrated Budget Management System (SIGB) is a comprehensive information system designed for managing the State's general budget. It aims to modernize public financial management and enhance the efficiency and transparency of budgetary processes.

2. Objectives of SIGB:

- Enhancing Budgetary Discipline: By providing accurate and reliable financial information on the State's fiscal position, SIGB supports informed decision-making regarding resource allocation;
- Improving Public Resource Utilization: It enables more rational spending and prioritization, contributing to the achievement of sustainable development goals;
- Promoting Transparency: Through public access to financial data, it strengthens accountability and encourages citizen participation in public governance;
- Increasing the Efficiency of Public Services: By streamlining procedures and reducing bureaucracy, SIGB improves the quality of services delivered to citizens;
- Enhancing the Business Climate: The system fosters a stable and transparent financial environment, encouraging investment and supporting economic growth.

3. Phased Implementation of SIGB:

The system will be deployed in stages, beginning with pilot sectors, before gradually expanding to cover all ministries and public institutions.

4. Importance of SIGB:

The SIGB system marks a pivotal move toward modernizing Algeria's public finance management. It is expected to enhance budget administration, promote transparency and accountability, and improve public service delivery.

5. "I'dad" Application for State Budget Preparation

The new digital application "I'dad" (Arabic for "Preparation") dedicated to state budget preparation was officially presented on April 2, 2024. The application aims to modernize and optimize the process of preparing the national budget, in accordance with the provisions of Organic Law No. 18-15 on Financial Laws.

The development of this application seeks to frame the budget preparation process more effectively and provide standardized real-time data, particularly concerning loan movements, planning reports, priorities, and comparative tables. This achievement constitutes a significant milestone in the digital transformation of the budgetary system, enabling more effective and transparent management of public financial resources.

The application is also expected to strengthen financial governance and ensure more efficient allocation of public funds. To support this, a series of internal training sessions has been conducted within the Ministry of Finance and across other ministries to ensure that all key stakeholders involved in budget preparation are proficient in using the application.

6. Key Features of the "I'dad" Application:

- User-Friendliness: Designed with a simple and intuitive interface, making it easily accessible to all staff involved in budget preparation;
- Time and Effort Efficiency: Automates numerous tasks, significantly reducing the time and effort required for budget drafting;
- Enhanced Accuracy: Minimizes human error in budget preparation, ensuring the accuracy of financial data and integrity of calculations.

7. Components of the Application:

- Module 1: Budget Requests: Allows ministries and public agencies to submit their budget appropriation requests for the upcoming fiscal year, with a detailed outline of their financial needs to execute projects and programs.
- Module 2: Budget Proposals: The Ministry of Finance reviews the submitted requests, assesses their alignment with national economic priorities, and

develops detailed budget proposals based on expected revenues and expenditure priorities.

- Module 3: Budget Documents: This module consolidates all budget-related documents, from the draft finance bill estimating revenues and expenditures to periodic reports tracking budget implementation and assessing the financial performance of public entities.

8. Objectives of the Application:

- Automating Budget Preparation: Transforms the traditionally manual process of budget drafting into a fully automated digital workflow, improving speed and efficiency;
- Providing Standardized Data: Establishes a centralized and comprehensive database on budget information, facilitating access and analysis;
- Monitoring Implementation: Enables real-time tracking of budget appropriations and generates periodic reports on implementation progress;
- Promoting Transparency: Enhances transparency in managing state financial resources by offering detailed insights into the allocation and utilization of public funds.

9. User Training:

A structured series of training programs will be conducted within the Ministry of Finance and across other ministries to ensure widespread adoption of the application by all stakeholders involved in preparing the state budget.

Conclusion

Amid the profound transformations witnessed by Algeria's financial system, it becomes evident that the development of the institution responsible for preparing and monitoring the state budget, along with the modernization of the budgetary system, represents a central pillar in the strategy to build a modern, efficient state founded on the principles of transparency, efficiency, and sound governance.

This study has highlighted a series of institutional and legislative advancements aimed at unifying financial vision and adapting management tools to contemporary requirements—particularly through the transition to performance-based budgeting and the deployment of modern information systems such as SIGBUD and SIGB.

Key Findings of the Study:

1. Significant Advancement of the Budgetary Authority: The General Directorate of Budget has undergone substantial structural and organizational evolution since independence, reflecting shifting national priorities and the state's ongoing efforts to enhance overall public financial performance;
2. Comprehensive Legislative Reform: The enactment of Organic Law No. 18-15 marked a pivotal moment in reshaping the legal framework of public finance by institutionalizing the principles of modern budgeting;
3. Digitalization of Financial Systems: The integration of information systems such as SIGBUD and SIGB into budget preparation and execution processes constitutes a qualitative leap toward e-governance, emphasizing accuracy, transparency, and informed decision-making;

4. Support for Medium- and Long-Term Planning: The adoption of the Medium-Term Budgetary Framework has contributed to better foresight and more strategic allocation of resources in alignment with national priorities;
5. Emergence of Structural Challenges: Despite progress, structural obstacles persist—particularly concerning the qualification of human resources, inter-sectoral coordination, and the interoperability of technical systems.

Recommendations:

1. Enhance Continuous Training and Capacity Building: Greater investment in human capital is essential through specialized training programs in budget management and financial information technologies;
2. Integrate Budgetary and Financial Platforms: Unifying various digital platforms would facilitate real-time and harmonized data flows, thereby improving oversight and reducing redundancy;
3. Strengthen the Culture of Performance and Accountability: Institutionalize results-based evaluation and align it with budget allocation mechanisms, especially within public institutions;
4. Broaden Local Stakeholder Involvement: Decentralized entities such as provinces and local institutions must be granted a more substantial role in budget formulation and management, in line with proximity-based governance principles;
5. Support the Implementation of Organic Law No. 18-15: Disseminate a simplified, practical guide to facilitate understanding and application of the law across various administrative levels.

In conclusion, the success of Algeria's financial modernization project remains contingent upon sustained political will, the commitment of all stakeholders, and continuous alignment with technological and administrative developments—essential conditions to achieving financial sovereignty and establishing a modern, sustainable national economy.

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