





3

OUT OF 100

TRANSPARENCY OPEN BUDGET INDEX

Algeria provides the public with **scant** budget information.



0

OUT OF 100

PUBLIC PARTICIPATION

Algeria provides the public with **no** opportunities to engage in the budget process.



31

OUT OF 100

BUDGET OVERSIGHT

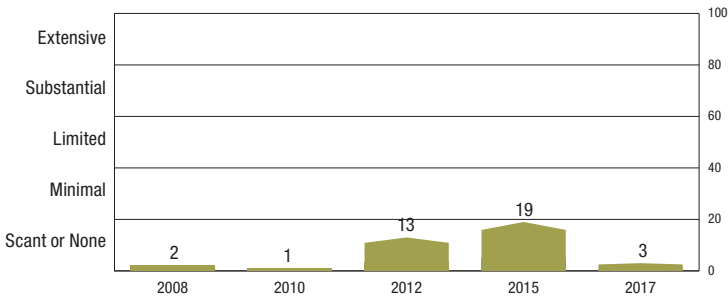
BY LEGISLATURE & AUDIT
The legislature and supreme audit institution in Algeria provide **weak** oversight of the budget.

TRANSPARENCY (OPEN BUDGET INDEX)

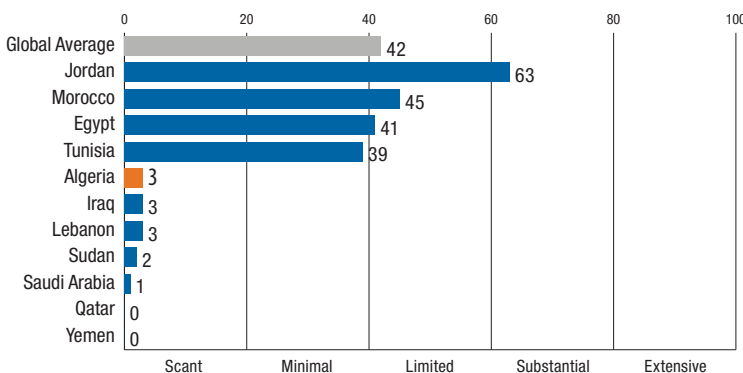
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Algeria changed over time?



How does budget transparency in Algeria compare to others?



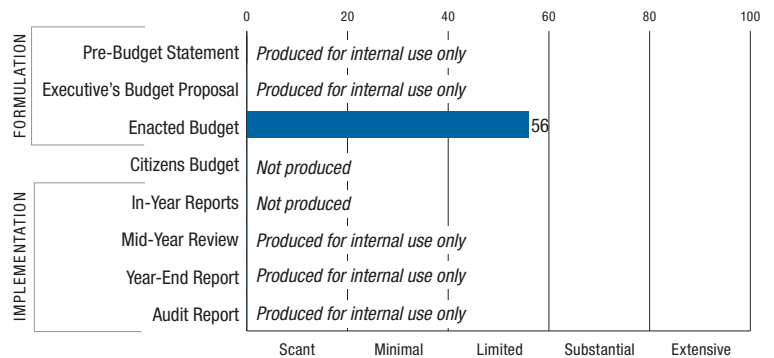
Algeria’s score of 3 out of 100 is substantially lower than the global average score of 42.

Public availability of budget documents from 2008 to 2017

Document	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●
Executive’s Budget Proposal	●	●	●	●	●
Enacted Budget	●	●	●	●	●
Citizens Budget	●	●	●	●	●
In-Year Reports	●	●	●	●	●
Mid-Year Review	●	●	●	●	●
Year-End Report	●	●	●	●	●
Audit Report	●	●	●	●	●

● Available to the Public ● Not Produced
● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Algeria publishes?



Algeria's score of 3 on the 2017 Open Budget Index is substantially lower than its score in 2015.

Since 2015, Algeria has decreased the availability of budget information by:

- Producing the Executive's Budget Proposal for internal use only.
- Failing to produce In-Year Reports.

Moreover, Algeria has failed to make progress in the following ways:

- Not making the Pre-Budget Statement available to the public.
- Producing a Mid-Year Review, a Year-End Report, and an Audit Report, but failing to make those documents publicly available.
- Not producing a Citizens Budget.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

Enacted Budget: the budget that has been approved by the legislature.

Citizens Budget: a simpler and less technical version of the government's Executive's Budget Proposal or Enacted Budget, designed to convey key information to the public.

In-Year Reports: include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.

Mid-Year Review: contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.

Year-End Report: describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.

Audit Report: Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.

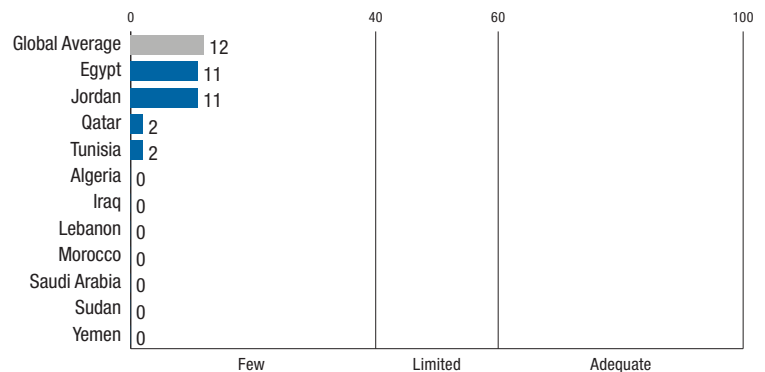
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

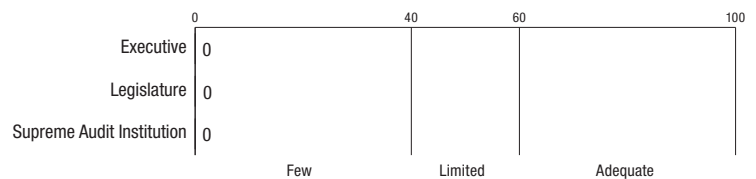
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Algeria compare to other countries in the region?



Algeria's score of 0 out of 100 indicates that it provides the public with **no** opportunities to engage in budget processes. This is lower than the global average score of 12.

To what extent do different institutions in Algeria provide opportunities for public participation?



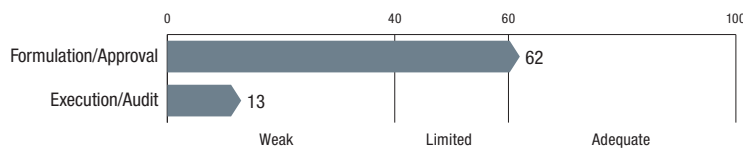


BUDGET OVERSIGHT

The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Algeria provide budget oversight?

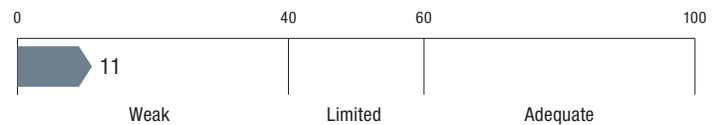


The legislature provides **limited** oversight during the budget cycle. This score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle and weak oversight during the implementation stage of the budget cycle.

The main barriers to effective legislative oversight are:

- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive's Budget Proposal.
- Legislative committees do not examine and publish reports on their analyses of the Executive's Budget Proposal online.
- A legislative committee does not examine or publish reports on in-year budget implementation online.

To what extent does the Supreme Audit Institution in Algeria provide budget oversight?



The supreme audit institution provides **weak** budget oversight.

- Under the law, it has significant discretion to undertake audits as it sees fit.
- However, the head of the institution is not appointed by the legislature or judiciary and can be removed without legislative or judicial approval, which undermines its independence.
- Finally, the supreme audit institution is provided with insufficient resources to fulfill its mandate, and its audit processes are not reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Algeria does not have an independent fiscal institution (IFI). While IFIs are not yet widespread globally, they are increasingly recognized as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils.

For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, "Principles for Independent Fiscal Institutions and Case Studies," *OECD Journal on Budgeting*, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Algeria, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.



How can Algeria improve transparency?

Algeria should prioritize the following actions to improve budget transparency:

- Publish the Executive's Budget Proposal online.

- Publish a Pre-Budget Statement, a Mid-Year Review, a Year-End Report, and an Audit Report online.
- Produce and publish In-Year Reports and a Citizens Budget.



How can Algeria improve participation?

Algeria should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the formulation of the annual budget, during which members of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program and to participate in relevant audit investigations.



How can Algeria improve oversight?

Algeria should prioritize the following actions to make budget oversight more effective:

- Ensure the legislature holds a debate on budget policy prior to the tabling of the Executive's Budget Proposal and approves recommendations for the upcoming budget.
- Ensure a legislative committee examines and publishes reports on in-year budget implementation online.
- Require legislative or judicial approval to appoint and remove the head of the supreme audit institution.
- Consider setting up an independent fiscal institution to further strengthen budget oversight.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred up to 31 December 2016. The survey was revised somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. A discussion of these changes can be found in the Open Budget Survey Global Report (see link below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable parties.



The survey is based on a questionnaire that is completed for each country by **independent budget experts** who are not associated with the national government.



The draft responses to each country's questionnaire are then independently reviewed by an **anonymous expert** who also has no association with the national government.



In addition, IBP invites nearly all **national governments** to comment on the draft responses and considers these comments before finalizing the survey results.



Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

Despite repeated efforts, IBP was unable to get comments on the draft Open Budget Questionnaire results from the government of Algeria.

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Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire