

The Budget Cycle in Algeria :

The budget cycle in Algeria is a multi-stage process that involves the preparation, approval, execution, and evaluation of the annual budget. Here's a breakdown of the key stages:

1) Formulation stage :

- **Macroeconomic Forecasting :** Macroeconomic forecasting by the government involves predicting key economic indicators, including GDP growth, inflation, and unemployment rates. These forecasts are crucial as they inform policy decisions and economic planning. Various macroeconomic variables, such as sales and consumer confidence, are also analyzed to enhance the accuracy of these predictions . Studies indicate that GDP, unemployment, and inflation are particularly vital for forecasting real GDP growth .
- **Revenue Estimation :** The government estimates expected revenue from various sources, including taxes, non-tax revenue, grants, and loans. For example, a recent estimate indicated that the total revenue, which includes tax revenue, non-tax revenue, grants, and provincial council revenue, amounted to approximately 2,900,575 (in unspecified currency) in one fiscal year .
- Non-tax revenue can be significant as well; for instance, Africa's non-tax revenue was estimated to be \$133 billion in 2017, highlighting its importance relative to development financing needs . Overall, these estimates are crucial for understanding the fiscal health and planning of government budgets .
- **Expenditure Ceilings :** The government establishes expenditure ceilings to set spending limits for ministries and agencies. Following this, a **Pre-Budget Statement** is released, which outlines the budget priorities and policies for the

upcoming year. Subsequently, ministries and agencies prepare their **expenditure budgets** and submit them to the Ministry of Finance. Finally, the overall budget proposal is approved by the **Cabinet**.

2- Approval Stage :

The budget approval process involves several key stages:

- **Budget Submission:** The Minister of Finance presents the budget proposal in both the National People's Assembly (NPA) and the Council of the Nation.
- **Legislative Review:** Committees in both legislative houses conduct a thorough review and scrutiny of the budget proposal.
- **Amendments:** During the review process, committees may propose amendments to the budget.
- **Budget Approval:** Finally, the legislature votes on the budget proposal, which must be passed to become law.

3- The Execution Stage :

The execution stage of the budget process involves two critical components: ***funds transfer*** and ***expenditure***.

During the ***funds transfer*** phase, allocated funds are transferred to spending agencies, which are responsible for managing their respective budgets. These agencies then allocate the funds among their subordinate units as needed .

Once the funds are transferred, ***the expenditure*** phase begins, where agencies utilize the allocated funds to deliver goods and services as outlined in the budget (1). This is crucial for ensuring that the financial resources are effectively used to meet the agreed-upon priorities and objectives of the budget .

4- The Evaluation Stage :

The evaluation stage of the budget process involves assessing the performance of the budget in relation to its set objectives. This stage is crucial for understanding how effectively resources have been allocated and whether the intended outcomes have been achieved.

Key Terms :

<i>English</i>	<i>Arabic</i>
Budget	ميزانية
Budget cycle	دورة الميزانية
Fiscal year	السنة المالية
Revenue	الإيرادات
Expenditure	النفقات
Deficit	عجز مالي
Surplus	فائض مالي
Tax	الضريبة
Non-tax revenue	إيرادات غير ضريبية
Economic growth	النمو الإقتصادي
Inflation	التضخم
Unemployment	البطالة
Budget formulation	صياغة الميزانية
Budget approval	المصادقة على الميزانية
Budget execution	تنفيذ الميزانية
Budget evaluation	تقييم الميزانية
Macroeconomic forecasting	التوقعات الاقتصادية
Revenue estimation	تقدير الإيرادات

Third Year : Government Budget

Expenditure ceiling	سقف النفقات
Pre-budget statement	البيان المسبوق الميزانية
Budget appropriation	تخصيص الاعتمادات المالية

Teacher: Benmerah Takwa

Email : Benmerah.3rdyear@gmail.com