

Investment laws and their role in environmental dimension of sustainable development

Alili Abd El hakim

E-mail: hakimilila1@gmail.com

University blida 2 (lounici ali) (Algeria)

Bourni Hanachi

Email: bournihanachi43@gmail.com

University of Eloued (Algeria)

CHETEHOUNA MOUNA

E-mail: mouna-chetehouna@univ-eloued.dz

University of Eloued (Algeria)

DJELLOUL MOHAMMED SALAH

E-mail: douadoua64@gmail.com

University of Eloued (Algeria)

GUEZEI Abdelali

E-mail: guezeiabdelali39@gmail.com

University of Eloued (Algeria)

KERROUCHE Tedjani

E-mail: kerrouche-tedjani@univ-eloued.dz

University of Eloued (Algeria)

Zekiri abd elmadjid

E-mail: zekirimadjid@gmail.com

Faculty of Law, Sfax, Tunisia

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Abstract:

Algerian Law No. 22-18 on Investment aims to create a favorable business environment and promote sustainable development, including its environmental dimension.

In this context, a fundamental question arises regarding the effectiveness of the procedural rules of criminal law established by the Algerian legislator under Code of Criminal Procedure No. 25/14 in addressing the specific nature of human trafficking and combating its various criminal forms. This necessitated the legislator's intervention through this law to enshrine a set of procedural mechanisms tailored to the nature of this crime, by adapting procedures, regulating judicial prosecution, and strengthening protection guarantees. This contributes to greater effectiveness in combating human trafficking and standardizing judicial practices in this area.

Keywords: Environmental laws, investment, sustainable development, economic development.

Introduction:

The increasing environmental degradation and its growing economic and social impacts have led to a surge in international interest in environmental protection. This interest is no longer confined to theoretical aspects or political rhetoric, but has transformed into a legislative and institutional commitment for a large number of countries. This shift has manifested in the proliferation of international agreements, protocols, and recommendations that call for the adoption of preventive mechanisms to ensure the protection of natural resources, along with the integration of environmental considerations into national legislation. This allows for the guidance of economic activity towards more balanced and sustainable paths.

Investment is one of the most prominent tools capable of realizing this vision, as it represents an effective means of mobilizing financial resources and directing them towards projects that support environmental protection and reduce pollution and the unsustainable depletion of resources. When investment is directed towards areas such as clean energy, waste treatment, water purification, and sustainable agriculture, it not only achieves economic returns but also contributes to building a development model that aligns with the requirements of environmental sustainability.

However, harnessing investment to serve the environmental dimension cannot be achieved automatically. It requires state intervention through clear legal frameworks and effective preventive measures that make environmental protection an integral part of public policy, not merely a supplementary objective. From this perspective, the importance of modern investment legislation has emerged, which seeks to reconcile encouraging economic initiative with ensuring that the environment is not harmed, through legal requirements related to environmental impact assessments and monitoring and follow-up mechanisms. The importance of this research paper lies in examining the extent to which investment legislation can achieve this balance, especially in light of the transformations that Algerian investment law has undergone. The issue is no longer simply about providing an attractive environment for capital, but also about the legislator's success in integrating the environmental dimension into the legal framework governing investment. Hence, the following question arises: To what extent have investment laws been able to enshrine environmental protection and ensure respect for the requirements of sustainable development in its environmental dimension?

This study is based on a central question: To what extent are the procedural rules of criminal law stipulated in Criminal Procedure Code 25/14 capable of addressing the specific nature of human trafficking, particularly in light of the evolving methods used and the complexity of the networks involved? Furthermore, are these mechanisms sufficient to ensure a balance between the effectiveness of combating the crime and the protection of victims?

The methodology employed in this research is descriptive and analytical, relying on a study of national legal texts, relevant international conventions and agreements, and case law and academic literature to interpret and evaluate the effectiveness of these mechanisms. This is achieved by focusing on the fundamental elements of the procedural framework of criminal law, including the powers of competent judicial authorities, investigation procedures, and methods of protecting victims.

To address this central question, the study is divided into two main sections. The first section examines the conceptual framework of human trafficking, while the second section explores the procedural framework of criminal law for combating human trafficking in light of Criminal Procedure Code 25/14.

1. The Conceptual Framework of the Crime of Human Trafficking

The contemporary world is witnessing a significant rise in the phenomenon of human trafficking, which has become one of the most dangerous forms of transnational organized crime due to its grave violation of human dignity and fundamental rights. Several factors have contributed to the spread of this phenomenon, including poverty, unemployment, armed conflicts, weak legal oversight, and technological advancements that have facilitated the exploitation of individuals through more sophisticated and clandestine means.

Therefore, defining the conceptual framework of human trafficking is of paramount importance. It helps to clarify any ambiguity surrounding the term, distinguishes it from similar crimes, and serves as a foundation for understanding the applicable legal and procedural rules. Consequently, addressing this framework necessitates defining the crime, outlining its elements, and describing its characteristics.

1.1- Defining the crime of human trafficking

Defining the crime of human trafficking is a fundamental issue in the legal field, given the multifaceted nature of this crime and its overlap with other similar crimes, such as migrant smuggling and exploitation in its various forms. This makes a precise definition essential for understanding its legal nature and determining its scope of application.

National legislation and international conventions have devoted considerable attention to establishing a precise definition, most notably the Palermo Protocol, which provides a comprehensive definition based on identifying the elements of the crime: the act, the means, and the exploitative purpose. This contributes to unifying the legal understanding of the crime internationally.

The importance of this definition lies in the fact that it is not limited to the theoretical aspect but extends to form the basis upon which legal provisions are built, whether in terms of criminalization, prosecution, or the protection of victims. Furthermore, it plays a crucial role in distinguishing it from other related crimes.

1.1.1-The jurisprudential meaning of the crime of human trafficking:

The definition of human trafficking lacks consensus among legal scholars, which has hindered the ability to prosecute perpetrators. However, it can be said that human trafficking encompasses "all legal and illegal acts that transform a human being into a mere commodity or victim, to be traded by professionals across national borders for the purpose of exploiting them in profitable activities, wages, sexual activities, or similar means, whether the victim consents or not, or in other forms of slavery." Others define it as "the recruitment or transportation of persons by force, coercion, or deception for the purposes of exploitation in its various forms, including sexual exploitation, forced labor, compulsory service, begging, slavery, organ trafficking, and others." Therefore, human trafficking can be defined as any legally prohibited act committed by a natural or legal person with the aim of exploiting a human being in various ways to gain material benefit. (Youssef)

1.2 -The Legal Implications of the Crime of Human Trafficking

1.2.1-Definition of the Crime of Human Trafficking According to the Palermo Protocol

Human trafficking is a crime with an international dimension, which is clearly demonstrated by the ongoing international efforts to combat various forms of human exploitation. These efforts began with combating slavery, considered the historical origin of human trafficking, and gradually evolved into criminalizing human trafficking in its modern form, particularly with the adoption of the Palermo Protocol in 2000.

This historical trajectory culminated in a series of international agreements reflecting the international community's concern about this crime, including: the International Convention for the Suppression of the White Slavery of 1904, the International Convention for the same purpose of 1910, the International Convention for the Suppression of the Traffic in Women and Children of 1921, the Geneva Convention for the Suppression of Slavery of 1926, the International Convention for the Abolition of the Traffic in Persons and of the Exploitation of the Prostitution of Others of 1950, and the Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Practices Similar to Slavery of 1956.

Later, the international legal framework was strengthened with the adoption of the United Nations Convention against Transnational Organized Crime, known as the Palermo Convention, which included a Protocol to Prevent, Suppress and Punish Trafficking in Persons.

(A) The term "trafficking in persons" means the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation includes, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude, or the removal of organs.

(B) The consent of a victim of trafficking in persons to the intended exploitation described in subparagraph (a) of this article shall not be relevant in cases where any of the means described in subparagraph (a) have been used.

(C) The recruitment, transportation, transfer, harboring, or receipt of a child for the purpose of exploitation shall be considered trafficking in persons, even if it does not involve the use of any of the means described in subparagraph (a) of this article.

(D) The term "child" means any person under the age of eighteen. (Article 3 of the Protocol to Prevent)

1.2.2- Definition of human trafficking in regional conventions.

Regional conventions have provided definitions of human trafficking, which largely conform to the definition in the Palermo Protocol of 2000.

Article 4 of the Council of Europe Convention defines human trafficking as: the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation includes, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs. (Trafficking)

Article 11 of the Arab Convention against Transnational Organized Crime stipulates that: Each State Party undertakes to take the necessary measures within the framework of its domestic law to criminalize the commission of, or participation in, the following acts by an organized criminal group:

1- Any threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or exploitation of vulnerability for the purpose of recruiting, transporting, harboring, or receiving persons for the purpose of their unlawful exploitation in prostitution or other forms of sexual exploitation, forced labor or services, slavery, practices similar to slavery, or servitude. The consent of the victim of trafficking in forms of exploitation shall not be valid when the means specified in this paragraph are used.

2- The recruitment, transport, harboring, or receiving of a child for the purpose of exploitation shall be considered trafficking in persons, even if it does not involve the use of any of the means specified in paragraph (1) of this article. In all cases, the child's consent shall not be valid. (Crime)

What communication methods are adopted in addressing environmental problems?

Modern Methods:

This is done through the official Facebook page of the Ghardaïa Forestry Department (conservation des forêts Ghardaïa). This page serves as a communication tool through which the department publishes all the

latest news concerning conservation and the environment in general. It also conducts awareness campaigns, showcases field visits, and organizes awareness days.

Radio provides information relevant to the diverse needs of the public, including environmental issues. Radio addresses all segments of society, young and old, literate and illiterate.

The Forestry Department broadcasts radio programs on a local radio station in Ghardaïa, addressing topics of environmental importance, especially on international days such as World Day to Combat Desertification (June 17) and World Environment Day (June 5) each year. Direct Contact:

Through associations and schools, the Forestry Department visits universities and schools to raise awareness about environmental threats. This involves organizing seminars and workshops to cultivate environmental awareness among students, coinciding with international days and national celebrations.

Among the methods used are brochures, which have a significant impact on raising awareness about environmental problems.

The Forestry Department relies heavily on brochures, presenting the topic to be covered or disseminated, along with information and images to capture attention and clarify the information. In response to the forest fires affecting Algeria and some of its provinces, the Forestry Department designed a brochure entitled "Awareness Campaign for the Prevention of Palm Tree and Agricultural Crop Fires." This brochure presented the causes of fires, their effects, and guidelines for preventing them, accompanied by images of burned palm trees.

What is the role of these methods?

They play a significant role in solving most environmental problems and in establishing a culture of nature conservation. This is because each of these methods addresses a specific target audience.

Do you consider social media to be among the most effective means of solving environmental problems?

Yes, it is the best means because it has become a modern, widely used, and easily accessible tool. The Forestry Department is active on Facebook to raise awareness about the dangers that threaten the environment by providing information and news, and by inviting citizens to participate in volunteer campaigns such as tree planting and cleaning neighborhoods and public spaces to preserve and protect the environment from hazards. The department also publishes numerous photos, articles, and environmental information to raise awareness about the dangers that harm the environme

2. Characterization and Variable Formation (RFM): The dimensions of the RFM model were extracted and formed based on transaction records using the Pandas library, focusing on the following mathematical sequence:

1.2 Monetary Value: The customer's total spending was first calculated by multiplying the quantity of products purchased by the unit price according to the following formula:

(Monetary = Quantity x Price). These values were then summed for each customer ID.

Where Quantity is the quantity purchased by the customer;

Price is the price of the units purchased. 2.2 Recency of Purchase: This is calculated based on the time difference in days between a reference date (the day after the last purchase in the entire database) and the

date of the most recent purchase made by the customer. The following equation illustrates this: $Recency = t_{ref} - t_{max}$

where t_{ref} is the reference date, used for comparison;

t_{max} is the date of the last purchase made by a specific customer.

3.2 Purchase Frequency: To avoid statistical distortion resulting from purchasing products in a single cart, the unique sort function was used to calculate the number of separate invoices for each customer, thus helping to control the number of their visits or separate orders.

3. Statistical Processing and Standardization: Due to the sensitivity of unsupervised machine learning algorithms to outliers, a mathematical separation algorithm was applied, resulting in the exclusion of 150 customers with atypical outlier behaviors. A pure and homogeneous study sample of 2847 customers was retained. Customer ID was isolated as a meta-attribute to prevent interference in distance determination and to avoid the dominance of variables with large absolute values (such as monetary value) over other variables. The three features of Z-score normalization were implemented to determine the arithmetic mean at zero and the standard deviation at one ($\sigma = 10$).

[Note: The original text incorrectly stated that $\sigma = 10$] 4. Clustering and Spatial Modeling (K-Means Clustering): To divide the customer base into distinct behavioral segments, the K-Means algorithm was used. To ensure model stability and avoid local minimums, the settings were configured to form three predefined clusters ($K=3$), employing the smart initialization technique (KMeans++) to reduce the initial randomness of the centers. The algorithm underwent ten reruns, with a maximum of 300 iterations per cycle. The Silhouette scale, ranging from -1 to 1, was used to evaluate the reliability and quality of the clustering process. It assesses two aspects: cohesion (the degree of similarity among customers within the same cluster) and divergence (the degree of difference among customers within the same cluster). 5. Statistical Verification: To evaluate the effectiveness of the cluster, one-way analysis of variance (ANOVA) was used to test the differences between the means of the three groups. The results showed strong statistical significance ($P=0.000$) at a 99% confidence level, confirming the significant and logical differences between the behavioral patterns of the identified groups. Discussion and Interpretation of Study Results: - Silhouette Scale: Examining the Silhouette column in Table 3 reveals that:

1. Absence of negative values (No Misclassification): We find that all values are positive, which is conclusive mathematical proof that no clients have been misclassified, and that the algorithm has successfully placed each client in its correct category.

2. High Validity Cluster Values: Table 1 shows that most values range between 0.48 and 0.67 (for example, customer 12347 scored 0.628, and customer 12350 scored 0.671). In business data science, a Silhouette average exceeding 0.5 is a very strong indicator of cluster quality. Furthermore, the clusters (C1, C2, C3) are clearly and significantly differentiated from each other, with no random overlap, forming distinct marketing strategies. This confirms the preprocessing and RFM (Research Method Material) setup.

3. Analysis of Cluster Characteristics (C1, C2, C3):

a. C2 Segment: Champion/High-Value Customers: Table 1 shows significant differentiation between these clusters. For example, customer 12357, belonging to cluster C2, spent 6207.67, and customer 12395 made 7 purchases ($F=7$). His last purchase was just 6 days ago ($R=6$).

Economic Explanation: Customers in this group are a key driver of profitability for the store and are a segment that must be retained at all costs.

B- Segment (C3): Inactive or Lost Customers: This group is characterized by a significant increase in the Recency value, indicating a very long period of inactivity with low spending. For example, customer 12373 has not purchased for 343 days (approximately a year), with a spending value of 364.6 (F=1). Similarly, customer 12350 has been absent for 312 days.

Economic Explanation: Customers in this group have tried the store once or twice and then switched to competitors. Trying to win them back could be risky and costly.

C- Segment (1C): Regular or Promising Customers: This group is considered stable and average, as we can conclude that their last purchase was between one and six months ago, and their spending is low. For example, we find that customer 12,384 customers have made two purchases (F=2) in the last 30 days, totaling 585.27.

Economic Interpretation: Customers in this group represent the majority of the customer base and are considered a potential growth opportunity for the store. They require marketing incentives to upgrade them to the C2 group.

Conclusion: Based on the outputs of spatial modeling (K-Means) and statistical matching (Silhouette Score), the study confirmed the feasibility of dividing the consumer behavior of the study sample into three distinct economic segments that contribute to determining the viability of the business:

2.Executive Decree No. 92-05, dated January 4, 1992, defining the procedures for the allocation of revenues generated by services and works performed by public institutions beyond their core mission:

This is considered the primary regulatory text governing off-budget operations in Algeria. Issued as an Executive Decree [7], it comprises nine (9) articles. The first article specifies that the objective of this decree is to define and regulate the methods for allocating revenues derived from activities, works, and services performed specifically by public research, education, and training institutions, in addition to their assigned core missions.

Furthermore, as stipulated in Article 7, the scope of this decree excludes services that fall within the institution's primary mandate. Under no circumstances may these core missions be compromised or sacrificed in favor of the profit-generating activities conducted within the framework of off-budget operations.

Instruction No. 11, dated May 14, 1995: This instruction was issued in French by the General Directorate of Accounting at the Ministry of Finance [8]. It is structured into three primary regulatory frameworks:

- **I. General Provisions:** These provisions clarify the procedures for executing and accounting for revenues derived from activities and expenditures related to off-budget operations, based on the implementation of Executive Decree No. 92-05.

- **II. Accounting Provisions:** These stipulate that the financial and accounting operations related to the secondary activities of public institutions must be recorded in a secondary ledger opened specifically for this purpose by the public accounting officers of the concerned institutions. These operations are recorded under an "off-budget" section, detailing revenues in terms of assets (their sources and forms) and, in terms of

liabilities, the method for distributing the prescribed percentages after deducting expenditures or charges associated with the activities and services.

• **III. Miscellaneous Provisions:** This instruction clarifies that the financial resources generated from secondary activities may be utilized upon collection to settle expenditures or charges. Furthermore, Authorizing Officers (Ordonnateurs) may only perform the stipulated distribution based on a financial statement prepared every three months, which must show the net balance resulting in the off-budget section.

3. Executive Decree No. 98-412, dated December 7, 1998, defining the procedures for the allocation of revenues generated by services and works performed by public institutions beyond their core mission:

This represents the third regulatory text governing off-budget operations in Algeria and the second issued as an Executive Decree [9]. It consists of ten (10) articles. Notably, Article 1 stipulates that off-budget operations may be performed by all public institutions, expanding the scope beyond the previous limitation to research, education, and training institutions. Furthermore, the final article of this decree explicitly repealed the provisions of Executive Decree No. 92-05.

Inter-ministerial Instruction No. 03, dated November 20, 1999:

This instruction was issued jointly by the Ministry of Finance and the Ministry of Higher Education and Scientific Research [10]. It comprises three primary frameworks, including:

General Provisions: Issued less than a year after Executive Decree No. 98-412, this instruction serves to implement the decree's provisions. Its objective is to define the procedures for the execution and accounting registration of revenues derived from activities and their associated expenditures for public research, education, and training institutions, performed in addition to their principal mission.

Accounting Provisions: In addition to the provisions previously established in Instruction No. 11 of May 14, 1995, these accounting regulations stipulate that all expenditures related to off-budget operations must be subject to a **visa (approval)** from the **Budgetary Controller** [11] (formerly the Financial Controller). This approval is granted based on a statement confirming the availability of funds collected by the **Public Accountant** [12]. Consequently, this instruction explicitly subjects all off-budget expenditures to **prior expenditure control** (ex-ante control), as mandated under the current regulatory framework [13].

Miscellaneous Provisions: Revenues derived from secondary activities, as defined in this instruction, may be utilized as they are collected by the Public Accountant. The **Authorizing Officer** (Ordonnateur) shall then perform the distribution stipulated in Decree No. 98-412, based on a quarterly report (every three months) showing the net balance recorded under the off-budget operations section.

Inter-ministerial Instruction No. 02, dated February 4, 2001: This instruction was issued in French [14] as a joint text between the Ministry of Finance and the Ministry of Tourism and Handicrafts. It incorporates the same regulatory provisions established in Inter-ministerial Instruction No. 03 of November 20, 1999.

Inter-ministerial Instruction No. 31, dated December 15, 2001: Similarly, this instruction was issued in French [15] as a joint text between the Delegated Ministry in charge of the Treasury and Financial Reform and the Ministry of Vocational Training. This instruction also mirrors the provisions of the two aforementioned Inter-ministerial Instructions (No. 03 of November 20, 1999, and No. 02 of February 4, 2001).

4. Revenues and Charges of Off-Budget Operations

While the State's general budget relies on the annual Finance Law following its approval by both chambers of Parliament [16], the adoption of budgets for Public Administrative Establishments (EPA) occurs upon approval by the institution's Board of Directors or Steering Committee, as the case may be.

In contrast, **off-budget operations** are established on a **contractual or consensual basis**. This means they are initiated through a contract, agreement, or procurement deal between the public institution—acting as the provider of services, works, or activities—and the beneficiary entity (whether public or private), which receives these services or works in exchange for financial consideration. These services, works, or activities encompass various forms and categories.

The services, works, and activities executed by public establishments within the framework of off-budget operations take various forms that differ from one sector to another. These variations depend on the nature of the public institution, its field of activity, and its mandated missions. The nature of these services is exclusively defined by regulatory texts, specifically ministerial decrees issued by the relevant minister supervising the sector. For instance, the list of works, services, and activities that the **University of Continuing Education (UFC)** can perform in addition to its primary mission includes the following [17]:

- Organizing and supporting training engineering;
- Organizing and supervising tailor-made, qualifying, and specialized postgraduate training courses;
- Organizing and supervising seminars, exams, competitions, and professional tests;
- Designing and producing digital educational documents;
- Designing and conducting surveys and opinion polls.

2. Content of the Off-Budget Operations Contract: The contract, agreement, or procurement deal between the parties involved in off-budget operations must specify the following [18]: The subject and nature of the services, the execution deadlines, the procedures for monitoring and supervising the various stages of execution, and the nominal list of personnel involved along with their scientific and professional qualifications. In addition to the above, the contract, agreement, or procurement deal must explicitly state the total value of the services and the individuals authorized to sign, as these are considered mandatory legal disclosures.

5.Procedures for the Legal and Accounting Collection of Off-Budget Revenues

Based on the concluded agreement, contract, or procurement deal, the **Authorizing Officer** (Ordonnateur) issues a **Revenue Order** (Order to Recover) [19] resulting from the collection of financial dues via check or any other financial payment instrument. Upon the issuance of this order, the **Public Accountant** of the relevant institution collects the revenue [20] for the institution's account. At this stage, the Authorizing Officer is permitted to utilize these financial resources and distribute the prescribed percentages after deducting the associated financial charges and expenditures of the operation.

6.Deduction of Charges and Expenditures for Off-Budget Operations

The deduction process involves subtracting the direct costs incurred by the public institution during the execution of the agreed-upon services. The nature of these expenditures corresponds to the nature of the services, works, or activities performed. For example, public institutions providing training services incur costs for purchasing paper, office supplies, and catering for trainees. Direct expenditures are deducted from the total collected amount, and the remaining balance is distributed according to the percentages established by current legislation, specifically the **Finance Law for 2021**.

Applicability of Public Procurement Rules to Off-Budget Expenditures

Expenditures incurred within the framework of off-budget operations are subject to competition and public procurement rules, identical to all other public expenditures.

- If the estimated expenditure exceeds **One Million Algerian Dinars (1,000,000 DZD)** for works and supplies, or **Five Hundred Thousand Algerian Dinars (500,000 DZD)** for services and studies, a **Consultation** must be conducted under **Adapted Procedures**.

- However, if the estimated amount exceeds **Twelve Million Algerian Dinars (12,000,000 DZD)** for works and supplies, or **Six Million Algerian Dinars (6,000,000 DZD)** for services and studies, a formal **Public Procurement Contract** must be concluded under **Formal Procedures**, in accordance with the legislation [21] and regulations [22] governing public procurement.

II. Exemption of Off-Budget Expenditures from the Budgetary Controller's Prior Visa:

Expenditures and charges related to off-budget operations are exempt from the prior control and visa of the Budgetary Controller (formerly the Financial Controller) [23]. However, they remain subject to ex-post (retrospective) control and visa upon the submission of expenditures related to the distribution of percentages after the deduction of these initial charges.

Distribution of Percentages Following the Deduction of Direct Charges for Off-Budget Operations:

After subtracting the total direct charges incurred by public institutions from the collected revenue, the remaining balance is distributed. These percentages have been modified as follows [24]:

I. A 60% Share Allocated to the Institution's Account:

Previously set at 35%, the share allocated to the institution's account was increased to 60% following the enactment of the Finance Law for 2021. This amount is recorded as financial revenue [25] within the budget of the public institution that performed the operation. Consequently, as the largest portion of off-budget financial operations is integrated into the institution's budget, a clear financial and accounting correlation is established between off-budget operations and standard budgetary operations.

II. A 30% Share as an Incentive Bonus:

Under the Finance Law for 2021, this percentage was reduced from 50% to 30%. Previously, the distribution of this bonus among participants was problematic due to a lack of transparency; for instance, an institution's director could receive 50% or more, with the remainder distributed unequally among other staff. This was due to the absence of regulatory texts defining distribution methods. Currently, most sectors have rectified this issue. For example, in public institutions under the Ministry of Vocational Education and Training, the incentive bonus is distributed in accordance with Circular No. 02, dated September 3, 2018 [26].

III. A 10% Share as an Undistributed Balance: This portion remains undistributed within the Treasury account and cannot be utilized or disposed of. It would have been more effective to either allocate this share to the institution's account—thereby increasing its proportion from 60% to 70%—or add it to the incentive bonus, bringing it to 40%. Such an adjustment would optimize the utilization of generated resources and further motivate the personnel involved in these operations.

Table No. 1: Distribution of Off-Budget Operation Shares and Percentages After Deduction of Charges

Section II: Historical and Legal Background of Off-Budget Operations

A series of legal and regulatory texts has been issued to govern off-budget operations. These legal instruments will be briefly examined in chronological order, from their inception to the present day, as follows:

Shares and Percentages	Article 4 of Executive Decree No. 98-412	Article 120 of the 2021 Finance Law
Share allocated to the institution's account	35%	60%
Incentive Bonus	50%	30%
Share for the laboratory/pedagogical unit that executed the service (to improve resources and working conditions)	10%	/
Share for the institution's employees (Social and Cultural activities)	5%	/
Undistributed Balance	/	10%

Source: Prepared by the researchers based on the provisions of Article 4 of Executive Decree No. 98-412 and Article 120 of the Finance Law for 2021.

Practical Example:

The Vocational Training and Apprenticeship Center of El-Oued concluded an agreement (Ref. No. 15/2026) to conduct a training program for the employees of the Directorate of Programming and Budget Monitoring (DPBM) of El-Oued Province. The total value of the agreement is Twelve Million Algerian Dinars (12,000,000 DZD).

To execute this agreement, the Center issued a Purchase Order (Ref. No. 11/2026) amounting to Two Million Algerian Dinars (2,000,000 DZD) for the acquisition of office supplies (white paper and pens). The professional examination process involved the participation of a professor, the institution's director, the deputy director of finance and means, the deputy director of studies and internships, three (3) administrative executive staff, and three (3) manual executive staff.

Question:

Execute the off-budget operations by calculating the revenue, expenditures, the distribution of percentages, and the incentive bonus.

Solution:

Table No. 2: Preparation of Commitment Vouchers by the Authorizing Officer for Submission to the Budgetary Controller for Visa (Approval).

ard No.	Subject of Commitment	Supporting Documents	Previous Balance	Transaction Amount	New Balance
	(A) Recognition of Revenue for Agreement No. 15/26	Agreement No. 15/26 + Revenue Order	0	+ 12,000,000	12,000,000
	(B) Commitment for Purchase Order No. 11/26	Purchase Order No. 11/26 + Expenditure Presentation Report	12,000,000	- 2,000,000	10,000,000
	(C) Commitment	Decision	10,000	-	4,000,00

	of 60% Share for the Institution	specifying the amount + Institution's Treasury Account	,000	6,000,000	0
	(D) Commitment of 30% for the Incentive Bonus	Nominal list of participants	4,000,000	- 3,000,000	1,000,000 0 (Undistributed)

Source: Table prepared by the researchers

A- Revenue:

Based on Agreement No. 15/26, the Directorate of Programming and Budget Monitoring is committed to paying the amount of **12,000,000 DZD**. This revenue is recovered by the **Public Accountant** pursuant to a **Revenue Order (Order to Recover)** issued by the institution's director. This operation is recorded and endorsed (visaed) by the **Budgetary Controller** during the execution of off-budget operations.

B- Expenditure (Charges):

To acquire office supplies, the Center launches a **Consultation** to encourage competition among economic operators active in the office supply sector. Once the consultation results are awarded to an operator based on quality and price, a **Purchase Order (Ref. No. 11/26)** is issued or an agreement is concluded. In this case, assuming the consultation is awarded for **2,000,000 DZD**, this expenditure is deducted from the total revenue. It is also recorded and endorsed by the Budgetary Controller on a **Commitment Voucher** according to the established regulatory model.

C- The 60% Share:

An amount of **6,000,000 DZD** is allocated to the institution's account via a formal **Decision** and a **Payment Warrant (Mandat de Paiement)**, accompanied by a commitment voucher endorsed by the Budgetary Controller.

D- The 30% Share:

The head of the institution determines the **nominal list** of participants after consulting the **deliberative body** [1] (the Board of Directors or the Steering Committee). The amount of **3,000,000 DZD** is distributed among the participants according to the percentages and procedures in force within the sector, pursuant to **Circular No. 02 dated September 3, 2018**, as follows:

Table No. 3: Distribution of Amounts

Participant / Category	Percentage (%)	Amount (DZD)
Professor / Trainer	33%	990,000 DZD
Director	9%	270,000 DZD
Deputy Director of Administration and Finance	7%	210,000 DZD
Deputy Director of Studies and Internships	7%	210,000 DZD
5 Administrative Executive Staff	19%	570,000 DZD (114,000 per staff)
3 Support / Manual Labor Staff	25%	750,000 DZD (250,000 per staff)
Total	100%	3,000,000 DZD

Source: Table prepared by the researchers

Conclusion

Our study reveals that off-budget operations are characterized by the following:

- **Significant Financial Role:** They play a crucial role in financing a portion of budgetary revenues. This confirms the existence of a definitive legal and accounting correlation between the public institution's budget and its off-budget operations. Consequently, these operations must receive greater strategic attention to enhance the financial, economic, and accounting efficiency of public institutions.
- **Comprehensive Oversight Framework:** During their execution, off-budget operations are generally subject to the oversight mechanisms prescribed by prevailing legislation and regulations, such as the **ex-post audit** by the **Court of Auditors** and **administrative (tutelary) supervision**. More specifically, they are subject to **budgetary control**—commonly referred to as the **prior control of committed expenditures**—while the **Public Accountant** remains responsible for executing all collection and payment transactions.
- **Adherence to Public Procurement Standards:** Regarding the execution of off-budget expenditures and charges, these outlays—regardless of their value—must comply with competition rules and the general principles of **public procurement**. These principles include the **transparency of procedures**, **free access to public demand**, and **equal treatment of candidates**, in accordance with the current legislative and regulatory framework governing public contracts.
- **Compliance with Accounting Cycles:** As off-budget operations are governed by public accounting rules, their execution follows essential procedural stages. For **revenues**, this involves the **issuance of revenue orders** and subsequent **collection**. For **expenditures**, the cycle proceeds through **liquidation**, **issuance of payment orders**, and final **payment**.

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- [3] Organic Law No. 18-15 of September 2, 2018, relating to Finance Laws, as amended and supplemented, Official Gazette No. 53, September 2, 2018, p. 9.
- [4] Glossary of Terms and Concepts Related to Organic Law No. 18-15 relative to Finance Laws, Ministry of Finance, General Directorate of Budget, June 2021, p. 19.
- [5] Instruction No. 06 dated March 15, 2015, regarding the accounting management of Municipal Treasuries and Public Health Establishment Treasuries, Ministry of Finance, General Directorate of Accounting, Algiers, p. 33.
- [6] Circular No. 04 dated July 14, 2003, clarifying the application of Inter-ministerial Instruction No. 31 dated December 15, 2001, Ministry of Vocational Training and Apprenticeship, Algiers, p. 2.

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[15] *Inter-ministerial Instruction No. 31, dated December 15, 2001, regarding the accounting management of revenues from works and services performed by public establishments in addition to their principal mission.*

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[18] *Executive Decree No. 98-412, dated December 7, 1998, Op. cit., Article 03, p. 29.*

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[20] *Ibid., Article 24, indent 1, p. 6.*

[21] *Law No. 23-12, dated August 5, 2023, defining the general rules of public procurement, Official Gazette No. 51, August 6, 2023, Article 18, p. 7; Article 39, p. 10.*

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