# FOREIGN PARTNERSHIPS AS A STRATEGIC OPTION TO ATTRACT INVESTMENTS

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**Abstract**
This study examines the importance of foreign partnerships as a strategic option for achieving local development in Algeria. These partnerships rely on attracting foreign direct investments and transferring knowledge and technology to stimulate economic growth and create job opportunities. However, Algeria faces challenges related to regulatory frameworks, bureaucracy, and a shortage of skilled labor. By analyzing the current state of foreign partnerships, the study recommends adopting flexible and investment-friendly policies to achieve comprehensive and sustainable development

**Keywords:** Forgeron sistership, Local développement, Foreign direct investment (FDI), Technology transfer.

## I- Introduction

The topic of investment has become one of great interest to international and local organizations, likely due to the role it plays in national economies and its contribution to economic recovery. As a result of the escalating crises facing developing countries, especially financial crises and the multiplicity of different financing sources amidst rising debt indicators and the inflated costs of external borrowing, the available financing sources are limited to attracting foreign investment on one hand and stimulating domestic investment on the other

From this perspective, competition among countries to attract foreign investment has intensified, with attempts to remove obstacles in its path and grant incentives and guarantees that facilitate its entry into the local market. In this context, developing countries, in general, have enacted legislation that grants non-material incentives to foreign investors and removes all restrictions and obstacles they face. As one of these countries, Algeria has established and enacted investment laws through which it offers extensive guarantees to foreign and local investors alike. In the context of the challenges of the global economic system and its transformations on more than one level, the growing interests of different countries, and the fierce spirit of competition, foreign investment has remained the only viable option.

Foreign partnership is considered one of the primary tools that Algeria seeks to leverage to enhance its local development, especially in light of the current economic challenges facing the country, which require new strategies based on opening up to global markets and attracting foreign investment. Through these partnerships, Algeria aims to improve the business environment, transfer technology, and develop local capabilities in various sectors, particularly manufacturing, agriculture, and renewable energy. In this context, the New Partnership for Africa's Development (NEPAD) initiative is a strategic framework that can contribute to enhancing economic cooperation between Algeria and other African countries, alongside international partnerships, thereby contributing to improving local development on various levels.

The NEPAD initiative aims to achieve comprehensive and sustainable development for the African continent by supporting economic integration among African countries and increasing cooperation with international partners. This initiative represents an opportunity for Algeria to benefit from foreign direct investment and joint cooperation in vital areas such as infrastructure, transport, energy, and information technology. Consequently, Algeria can play a pivotal role in promoting these partnerships in line with its national interests and sustainable development goals at the continental level.

In light of these facts, the research problem emerges: how can local development in Algeria be achieved by strengthening foreign partnerships, while leveraging the NEPAD initiative framework and

integrating it into its economic strategies? Will Algeria be able to benefit from these partnerships to promote local growth? What are the challenges and obstacles it may face in achieving this? And can the NEPAD initiative be a real lever to propel the Algerian economy towards sustainable and diversified development?
The objectives of the study are to analyze the role of foreign partnership within the NEPAD initiative in driving local development in Algeria, and to highlight the opportunities and challenges facing Algeria in this context. It also aims to provide practical recommendations to improve the effectiveness of foreign partnerships and ensure their sustainability in line with national and regional development goals.
To answer the research problem, an inductive approach will be used by providing a general concept of foreign investment and detailing the strategy, as well as a reliance on the analytical method by collecting data, legal texts, and facts, attempting to interpret their various manifestations, the motives that led to them, and their future prospects.

We will attempt to answer the research problem through the following points:
**Part I:** Foreign Partnership in Algeria as a Tool for Achieving Local DevelopmentAt the beginning of its independence, Algeria relied on its internal resources to finance its investment projects, where its hydrocarbon revenues formed the basis of those resources. However, after the 1986 oil crisis and the depletion of state resources, the Algerian government implemented new reforms aimed at encouraging the entry of foreign investors into Algeria.

**Chapter I: Fundamentals of Foreign Partnership in AlgeriaIn this chapter, we will provide a definition of foreign partnership according to Algerian law, while also highlighting the various types of foreign partnerships that have been implemented in different sectors within Algeria.**

**Section 1:** Definition of Foreign Partnership in Algerian LawThe supplementary finance laws of 2009 and 2010 introduced regulatory frameworks on the principles of establishing foreign investments in Algeria. They stipulated that partnership is the sole form for all foreign investments in all sectors, including banks and insurance companies, with the exception of foreign investments in the real estate sector. Such investments can only be established if the national investor's ownership represents at least 51% of the social capital. Subsequently, the 2014 Finance Law extended the 49-51% rule to import activities, except for foreign trade activities where the national investor's ownership was set at a minimum of 30% of the social capital.[1]

Before proceeding with the adopted definition of foreign partnership according to Algerian law, we will first provide a definition of partnership in its broad sense as per Article 416 of the Civil Code:
"A partnership is a contract by which two or more natural or legal persons commit to contributing to a joint activity by providing a share of labor, money, or cash, with the aim of sharing the resulting profit or achieving an economic objective of common benefit, and they also bear the losses that may result from it."[2]
As for foreign partnership, the Algerian legislator has defined it as any investment project where part or all of the financing comes either from abroad or from the reinvestment of existing foreign companies in Algeria with foreign capital, as part of their projects to expand production capacity in the same activity and at the same location. These investments may include: First: Total foreign capital of companies established before the issuance of the 2009 supplementary finance law. Second: Partnership with resident national investors as stipulated in the 2009 supplementary finance law, i.e., 51% for Algerians and 49% for foreigners.[3]

**Section 2**: Types of Foreign Partnership Contracts Concluded in AlgeriaVarious Algerian companies have concluded partnership contracts with several foreign companies. We will discuss some of these contracts to identify the main types of foreign partnerships that have been established.
First: Production Sharing ContractsA production sharing contract with SONATRACH: The National Company for the Transport and Marketing of Hydrocarbons (SONATRACH) signed a production sharing contract with the American company Amerada Hess on April 16, 2000, valued at $550 million,

with SONATRACH receiving 51% of the revenues. SONATRACH also signed a contract in 2000 with the French company Gaz de France, which provides for the sharing of natural gas production at a cost of 25 million euros.

Second: Turnkey ContractsAlgeria relied on this type of contract to build its industrial base, especially in the 1970s through economic plans under the planned economy. The Algerian state spent huge sums on these contracts because the treasury at that time was in a comfortable financial situation due to high oil prices, which allowed for increased financing of these plans.

Third: Cooperation Agreement in Research and DevelopmentThis type of contract is well-known in the field of hydrocarbon exploration. The contract in this area takes several forms, including: an exploration contract or an exploration and exploitation contract. These contracts are monopolized by SONATRACH as stipulated by Law 14-86. Among the contracts signed by SONATRACH in the field of exploration is a partnership contract with British Petroleum (BP) at the end of December 1995, extending for 30 years: two years for research, four years for works, and 24 years for exploitation and production. The value of this project was

3billion,withSONATRACH′sshareamountingto3 billion, with SONATRACH's share amounting to 3billion,withSONATRACH′sshareamountingto[4]

10.15 billion. Under this contract, the foreign partner paid $50 million as an entry fee. The objective of this contract was to explore for, produce, and market gas in In Salah.

Fourth: Service PartnershipAlgeria has only concluded this type of contract in the tourism sector. A management contract was signed between the Central Region Tourism Management Company and the French company Accor. Under this contract, the management of the Hamma Hotel was entrusted to Sofitel, a subsidiary of the parent company Accor. A second contract was signed between the two parties on November 10, 1999, to manage the Houari Boumediene Airport hotel under the Mercure brand, owned by the French company Accor, starting in early 2000.[5]

**Chapter II: Regulation of Foreign Partnership in AlgeriaAlgeria's interest in partnerships with foreign countries is not new; it dates back to the 1970s. Below, we will list the laws that were adopted.**

**Section 1:** Investment Laws in AlgeriaThe investment laws of 1963, 1966, 1982, and 1986 were included within the hydrocarbons sector because all foreign investments during that period were active in this field.[6]

**First:** Investment Law 277-63On August 20, 1963, Investment Law No. 277-63
was issued. It gave importance to foreign investors in general and foreign partners in particular[7], with Article 23 stating the following:

"The State shall intervene through public investments by creating national enterprises or mixed-economy enterprises with the participation of foreign and national capital in order to gather the basic conditions for achieving a socialist economy, especially in the sector of activity that is of vital importance to the national economy.[8]" This law included general guarantees for every foreign investor, as well as special guarantees for foreign partners, mainly consisting of: freedom of movement and residence, equality before the law, and tax stability for at least 15 years, all with the aim of gathering the necessary conditions for establishing a socialist economy, especially in important sectors of the national economy. However, this law did not achieve its intended objectives of stimulating investment and encouraging foreign partnerships to enter the Algerian energy market. This was due to the nationalization campaign carried out by the Algerian government during 1963 and 1964[9], when the first national company in the hydrocarbons sector was established in 1963, named the National Company for the Transport and Marketing of Hydrocarbons (SONATRACH), by virtue of Decree 491-36 of December 31, 1963[10].

**Second: Order No. 66-284On September 17, 1966[11],**
Order No. 66-284 was issued, replacing the previous law. It included some restrictions on foreign and private investments, such as: requiring state authorization for any investment, and defining a set of

guarantees and benefits granted to foreign investors. Regarding the latter, we find that the state would not reclaim authorized enterprises unless required by economic development needs, in which case the state would be obliged to compensate foreign investors. As for the benefits, they consisted of a stable tax system. This order did not contribute to attracting foreign investors because the nationalization process remained in place, in addition to the fact that dispute resolution was subject to Algerian law and Algerian courts.[12]

**Third: Law No. 82-13Law No. 82-13**
was issued on August 31, 1982, concerning the establishment and management of mixed companies. According to this law, mixed companies[13] are joint-stock companies subject to Algerian commercial law, and their articles of association fall within the framework of the agreement concluded between national enterprises and foreign parties. Mixed companies are established for a period that varies according to the nature of the activity, not to exceed 15 years, and may be extended. Upon its establishment, the mixed company benefits from a set of tax privileges, the most important of which are: exemption from transfer tax for all necessary real estate purchases, exemption from property tax for 5 years from the date of purchase, exemption from tax on industrial and commercial profits during the first three years and a reduction in the fourth and fifth years by 50% and 25% respectively, and finally, exemption from taxes imposed on overtime pay. This law also included a set of advantages granted to foreign partners, such as the right to participate in management and the possibility of transferring non-reinvested profits. However, it emphasized the necessity of the local party's contribution of at least 51% of the capital.[14]

**Fourth: Law No. 86-14**
**I**n 1986, Algeria faced an economic crisis due to the decline in oil prices and weak production, which required increasing oil productivity. In this context, it initiated Law No. 86/14, which enabled foreign companies to carry out exploration and prospecting for new sources of financing to increase the capacity for liquid hydrocarbons, exploit them, and transport them through partnership with the National Company for the Transport and Marketing of Hydrocarbons (SONATRACH), where the latter's contribution rate is not less than 51%. The foreign partner cannot engage in hydrocarbon transport activities, and in case of a dispute between partners, they must resort to Algerian courts for its resolution. [15]

This law included a set of privileges and rights granted to the company holding the mining license, represented in possession and associated rights related to entry, passage, and pipeline routing, as well as the allocation and acquisition of land by cession or expropriation[16]. As for the tax system related to mining activities, the royalty rate applicable to extracted liquid hydrocarbons is set at 20% based on the quantity of liquid hydrocarbons produced, with the possibility of reducing it to 16.25% in Zone A, and 12.50% in Zone B, with the aim of encouraging exploration and prospecting in difficult areas. The overall result is subject to a profit tax estimated at 85%, which can be reduced to 75% in Zone A and 65% in Zone B. Both the national enterprise and the foreign partner are exempt from the activity tax as well as all other unmentioned taxes imposed on operating results. To establish this partnership, the following are concluded in advance: a contract between the national enterprise and the foreign company, which defines the organizational basis of this partnership, particularly the contribution shares, and how profits and losses are divided. A protocol between the state and the foreign legal entity that defines the framework for conducting the partnership's activities. This protocol also stipulates the material obligations borne by the foreign party as well as the obligations of the Algerian state regarding the foreign partner's benefit in the event a field is discovered. The benefit obtained by the foreign partner can take the following forms: Payment in cash or in kind (or according to the method agreed upon in the partnership contract) to the foreign partner in case of a commercially exploitable discovery, as compensation for his expenses and as a fee. Obtaining a share of the production corresponding to his contribution percentage in the partnership contract, i.e., a maximum of 49%. With Algeria's increasing need for financing and cash liquidity to service its debts, it amended this law in 1991.

**Fifth: Law No. 91/21Law No. 86/14**

was amended in 1991 with the issuance of Law No. 91/21, which introduced the following major amendments:[17]
When concluding a partnership contract in the field of exploiting a discovered field, the costs and financial and technical risks borne by the national company SONATRACH are taken into account.
The activity of hydrocarbon exploitation was expanded, as the term "liquid hydrocarbons" was replaced by "hydrocarbons." Liquid hydrocarbons are crude oil and natural gas liquids, while hydrocarbons include liquid, gaseous, and solid forms.
The foreign partner is prohibited from engaging in pipeline transport of hydrocarbons, but can finance, execute, and operate for the account of the national company pipelines and facilities related to hydrocarbon transport activities, where the conditions of financing and operation are specified in the partnership contract.
This law included facilities related to the conclusion of the partnership contract, where a contract is concluded in advance between the national company and the foreign partner, specifying the basis of the partnership, particularly the contribution shares, investments, work programs, and the foreign partner's benefit. Also, under this law, no protocol is concluded between the state and the foreign partner.
The foreign partner can obtain a benefit in case he discovers an exploitable field. This benefit consists of obtaining a percentage of the discovered field's production equivalent to his participation rate, or obtaining a share of the field's production as compensation for his expenses and services, or obtaining monetary or in-kind compensation. This benefit is determined according to the estimated financial and technological effort for exploiting the field.
Article 23 of Law No. 86/14, which provided for the foreign party's recovery of expenses incurred for its discovery and its benefit from a specific premium, was also repealed.
Under this law, disputes that may arise between the parties are resolved through the competent Algerian judicial authorities. If conciliation fails, international arbitration is resorted to. After previous laws were limited to partnership in the hydrocarbons field only, new laws and decrees expanded to include all sectors starting from 1993.

**Sixth: Legislative Decree 93/12Legislative Decree 93/12[18]**
relates to the promotion of investment. Through it, Algeria aimed to liberalize the national economy and establish the foundations of a market economy by opening the door to foreign capital and private national capital, in order to find a solution to the debt crisis that Algeria was suffering from at that time. Under this legislative decree, an agency for the promotion, support, and monitoring of investments was established, tasked with assisting investors in completing the formalities necessary for carrying out investments.

**Seventh: Order No. 01/03Order No. 01/03[19]**
was issued to encourage national and foreign investments in a way that would boost the national economy, by granting them legal security and sufficient fiscal, customs, and financial incentives and benefits. This order also focused on the most important principles for attracting investment, namely the principle of freedom of investment, non-recourse to nationalization, freedom of capital movement, and the establishment of international arbitration. Under this law, three investment bodies were established: the National Agency for Investment Development, the National Council for Investment Development, and the Decentralized One-Stop Shop.

**Eighth: Law No. 05/07Law No. 05/07[20] was issued in 2005**
aiming to encourage hydrocarbon exploration in unexplored areas by making the hydrocarbon sector open and suitable for investment[21]. Under this law, two national agencies were established: the National Agency for the Valorization of Hydrocarbon Resources and the National Agency for the Control and Regulation of Hydrocarbon Activities, with each agency having an advisory council.

**Ninth: Order No. 06/08Order No. 01/03**
was amended by issuing a new order to encourage investment, Order No. 06/08, which expanded the privileges granted to national or foreign investors. It does not distinguish between foreign and national investors in terms of rights, obligations, or type of treatment, regardless of their status or nationality.

**Tenth: Order 06/10Order No. 06/10, issued on July 29, 2006**, represents the new hydrocarbons law, which amended and supplemented Law No. 07/05. The main amendments were as follows:
The two agencies established under Law No. 07/05 were retained, and the advisory council at the regulatory authority was changed to a monitoring council. This council is tasked with monitoring the agency's performance in implementing the national policy in the field of hydrocarbons.[22]
The contribution of the national company SONATRACH in partnership contracts was set at a minimum of 51%, and non-deductible fees on profits were applied when the monthly arithmetic average of oil prices exceeds $30 per barrel (this was under Law 86/14, where these fees were set at a minimum of 5% and a maximum of 50%). From the above, it is clear that most of the laws were primarily concerned with the energy sector,[23] which indicates the importance of opening up the energy sector to foreign partnership and its positive impact on the Algerian economy.

**Eleventh: Law No. 16/09**
**The Algerian** state has recently redoubled its efforts to develop action policies based on development plans in most sectors in order to give a push to the wheel of foreign investor partnerships and increase the volume of foreign investments. However, the legislative environment is one of the most important of these policies as it instills confidence in investors wishing to invest. Law 16/09 was enacted, which carries with it new legal and structural incentives.[24]

**Twelfth: Law No. 22-18Law No. 22-18 is the new Algerian investment law,** which was issued on July 24, 2022, to replace the previous laws regulating investment in Algeria. This law aims to improve the investment climate and attract local and foreign investors through new facilities and guarantees. Key points in Law 22-18:

**Facilitation of Administrative Procedures:**
Establishment of a One-Stop Shop for investors to speed up transactions.
Reduction of time limits for responding to investment files.

**Guarantees Granted to Investors:**
Protection of investments from nationalization and expropriation.
Granting of legal guarantees against sudden legislative changes that could affect projects.

**Tax Incentives:**
Tax exemptions of up to 10 years in some strategic sectors.
Reductions on customs duties and value-added tax (VAT).

**Freedom to Transfer Profits:**
Foreign investors can transfer their profits in foreign currency without restrictions.

**Encouragement of Investment in Target Areas:**
Additional exemptions and incentives for investment in the southern and high plateau regions.

**Mandatory Partnership in Some Sectors:**
In strategic sectors, a certain percentage of partnership with an Algerian investor is required.

**Objectives of the New Law:**
Attract foreign capital and stimulate local entrepreneurs.
Diversify the economy and reduce dependence on hydrocarbons.
Create job opportunities and promote sustainable development.
Impact of the Law on the Business Environment:
This law is considered a qualitative leap in Algeria's investment policy, as it reflects the state's desire to make the economy more open and competitive, thereby boosting investor confidence.

**Section 2: Bodies Responsible for Regulating Investment in AlgeriaIn order to regulate the procedures related to all forms of investment within Algeria, the supervisory authorities established several bodies tasked with supervising and monitoring investment projects.**

**First: National Agency for the Valorization of Hydrocarbon Resources (ALNAFT)**The role of this agency is centered on issuing exploration permits for a maximum period of two years. It is responsible for granting and defining research areas and monitoring the application of exploration and exploitation contracts. It also determines and collects royalties and transfers them to the public treasury, and organizes information related to hydrocarbon exploration and exploitation.

**Second: National Agency for the Control and Regulation of Hydrocarbon Activities (ARH)**
Also known as the Hydrocarbons Regulatory Authority, it ensures the application of laws related to activities under this law (tariffs, free use of transport and storage facilities, industrial safety, environmental protection, specifications for the construction of transport and storage facilities, application of standards based on best international practices). It is also responsible for studying requests for pipeline transport.[25]

**Third: Agency for Investment Promotion, Support, and Monitoring**The Agency for Investment Promotion, Support, and Monitoring was established in 1993 under Legislative Decree No. 93/12. It is a public institution of an administrative nature with legal personality and financial autonomy. It is established in the form of a one-stop shop that includes the administrations and bodies concerned with investment, tasked with assisting investors in completing the formalities necessary for carrying out investments. It provides all the necessary documents to carry out the investment within a maximum period of 60 days.[26]

**Fourth: National Investment Council (CNI)**
It is a strategic body for supporting and developing investment, chaired by the Prime Minister. Its main powers are: drawing up a strategy for investment development and defining its priorities, proposing and deciding on incentive measures, defining priority areas for benefiting from the exceptional regime, approving investment agreement projects, and ruling on agreements concluded between the National Agency for Investment Development and investors.

**Fifth: National Investment Development Agency (ANDI)**
It is a public institution of an administrative nature with legal personality and financial autonomy, established by Order 01/03. It was established and organized in the form of a one-stop shop. It is responsible for monitoring investment by receiving resident and non-resident investors and informing them of the advantages related to investment[27], ensuring compliance with the commitments approved by investors, and managing the investment support fund. The agency's tasks were strengthened by adopting an explicit system for granting privileges with the issuance of Order No. 06/08 for the exceptional regime, by including clear criteria for identifying projects that benefit from privileges[28]. The agency has a maximum period of 72 hours to issue a decision on the privileges decided upon within the framework of the implementation phase, and 10 days for the decision on exploitation. The agency monitors investors' compliance with the obligations specified in return for the privileges granted, with the assistance of the tax and customs administrations. The agency also receives a specific fee in return for bearing the costs of studying investors' files.[29]

**Sixth: Decentralized One-Stop ShopIt was established within the National Investment Development Agency,** specifically created to facilitate investment operations as the sole point of contact for investors. It includes local representatives of the agency and the administrative bodies concerned with investment. It is located in only some provinces: Algiers, Blida, Oran, Tlemcen, Tiaret, Saida, Constantine, Annaba, Setif, Bejaia, Batna, Ouargla, and Adrar[30]. From all of the above, it is clear that foreign partnership in Algeria has undergone numerous regulations that align with the needs of each economic stage Algeria has passed through, ultimately leading to the application of encouraging

laws and principles for attracting foreign investors, most importantly: the principle of eliminating discrimination between foreign and local investors, and guaranteeing the freedom of capital movement. We also conclude from all the legislation related to foreign partnership in Algeria that most foreign partnership contracts were signed in the energy sector at the expense of other sectors, falling short of the ambitions of the Algerian economy when compared to the available opportunities. This is due to several factors, most notably:
The reluctance of Algerian private investors to enter the field of investment and risk-taking; as local investors are considered an indicator for foreign investors.[31]
The exaggeration by some foreign institutions in assessing the degree of investment risk within Algeria.
In order to understand the importance of foreign partnership in the Algerian economy, we will try in the next part to address its role in financing local development.

**Seventh: Algerian Investment Promotion Agency (AAPI)The Algerian Investment Promotion Agency (Agence Algérienne de Promotion de l'Investissement - AAPI)** is a government body responsible for managing and promoting investment in Algeria. It replaced the National Investment Development Agency (ANDI) under the new investment law 22-18 issued in 2022. Agency's Objectives: The agency aims to:
Facilitate Investment: Provide a suitable environment to attract local and foreign investors.
Simplify Administrative Procedures: Reduce bureaucracy through the one-stop shop for investors.
Accompany Investors: Provide support and guidance at all stages of project creation.
Promote Investment: Attract capital and encourage projects in priority sectors.
Monitor Project Implementation: Ensure the effective implementation of investments on the ground. Agency's Missions:

**Receiving and processing investment files.**
Granting tax and customs privileges to investors.

**Facilitating procedures through the one-stop shop.**
Proposing reforms that enhance the business environment.
Monitoring project implementation to ensure their success. The One-Stop Shop for Investors:The agency's one-stop shop is considered a central point for simplifying procedures, allowing investors to: ✅ Quickly register their projects. ✅ Obtain licenses and approvals within a specified timeframe. ✅ Benefit from tax and customs incentives without complications. Importance of the Agency under the New Investment Law:Thanks to its reforms and facilitations, AAPI has become a key محور in Algeria's modern economic policy, as it seeks to make investment more attractive and effective by providing a more transparent and smooth business environment.

**Part II**: Partnership for Development within the NEPAD InitiativeThe NEPAD initiative is a strategic framework adopted by African countries to promote comprehensive and sustainable development on the continent, by encouraging partnership between African countries and regional and international institutions. In this context, partnership for development emerges as one of the fundamental pillars for achieving NEPAD's economic and social goals, through supporting investment, improving governance, and strengthening regional integration as a path to lead Africa towards a more stable and prosperous future.

Chapter I: The NEPAD Initiative: Concept and Objectives1. Definition of NEPAD[32]: The New Partnership for Africa's Development (NEPAD) is a strategic plan launched in 2001, with the participation of 14 African countries, aimed at promoting economic growth and sustainable development on the African continent. The initiative aims to achieve sustainable development by enhancing economic integration among African countries and increasing cooperation with partner countries, both at the regional and international levels. NEPAD represents a new vision for the African continent to enable it to overcome economic and social challenges, and seeks through strategic partnerships to improve infrastructure and strengthen the agriculture, energy, education, and health sectors.

NEPAD's Objectives at the African Regional Level:

Achieving sustainable development in African countries through comprehensive strategies that take into account environmental and social challenges.

Promoting regional economic integration by establishing joint projects between African countries in the fields of energy, transport, and infrastructure.

Supporting productive capacities in multiple sectors such as agriculture, industry, and information technology, with the aim of reducing dependence on raw materials.

Strengthening economic partnerships with the outside world, including international partners such as global financial institutions and developed countries, through financing development projects.

Improving development governance in Africa by encouraging transparency, strengthening good governance institutions, and improving the effectiveness of economic policies.

2. How NEPAD contributes to promoting economic integration in Africa and supporting sustainable developmentNEPAD contributes to promoting regional economic integration through:[33]

Launching joint regional projects: The initiative calls for the implementation of large projects that enhance cooperation between African countries in areas such as infrastructure, energy, and transport, which contribute to reducing development gaps between African countries.

Providing technical and financial support: Through partnerships with international organizations such as the World Bank and the International Monetary Fund, the necessary financing for development projects is provided, and technical support is offered in developing economic policies that help improve productivity and competitiveness.

Promoting intra-African trade: NEPAD works to strengthen trade relations between African countries and facilitate the exchange of goods and services by removing customs and trade barriers, which contributes to improving the economic situation of the continent as a whole. As for supporting sustainable development, NEPAD focuses on:

Encouraging investment in vital sectors such as renewable energy, agriculture, and technology, which enhances the ability of African countries to face environmental and development challenges.

Strengthening infrastructure on the continent through the implementation of road network, energy, and communication projects that contribute to improving internal and external communication.

Achieving food security by developing the agricultural sector using modern methods and innovative techniques, and training workers in this sector to reduce the food gap between African countries.

3. Algeria's Role in NEPAD and Regional PartnershipsAlgeria as a key supporter of the NEPAD initiative[34]: Algeria is one of the founding countries of the NEPAD initiative and one of its most prominent supporters at the continental and international levels. Algeria has a pivotal role in promoting African integration and achieving NEPAD's objectives through its active participation in various joint development efforts. Algeria also plays a key role in the energy sector, as it is one of the leading countries in the field of oil and natural gas in Africa, which gives it greater opportunities to participate in joint energy projects among the continent's countries.

Opportunities NEPAD provides for Algeria to enhance its investments in Africa:

Increased investment in vital sectors: Through the partnerships provided by NEPAD, Algeria can invest in regional projects to improve infrastructure and energy, especially in the Maghreb and Southern African regions.

Support for Algerian industries: Partnerships with African countries within the NEPAD framework provide Algeria with opportunities to expand its exports and enhance the competitiveness of national industries in new markets within Africa.

Opening African markets to Algerian products, which contributes to diversifying the economy and achieving sustainable growth in non-oil sectors.

4. Challenges and Obstacles Facing Algeria in Benefiting from NEPADChallenges related to the investment environment in Algeria:

Bureaucracy and complex legal systems: Algeria faces difficulties in licensing and control procedures, which constitutes an obstacle for local and international investors.

Shortage of qualified local skills: Despite developments in some sectors, Algeria still suffers from a shortage of specialized skills, which hinders the implementation of major projects that rely on advanced technology.
Over-reliance on oil and gas: Despite efforts to diversify the economy, Algeria still relies heavily on the oil and gas sector, which reduces the country's ability to exploit opportunities in other sectors.
How can cooperation with African countries be improved within the framework of this initiative?
Reforming the investment climate: By simplifying legal procedures and reducing bureaucracy, which contributes to increasing the attraction of foreign investments within the NEPAD framework.
Investing in education and vocational training: To enhance technical and administrative skills in Algeria and prepare competencies to be more capable of dealing with international and regional partnerships.
Focusing on strategic sectors: such as renewable energy, technology, and manufacturing, and strengthening cooperation with African countries in these vital areas.

**Conclusion**

Partnership for development, especially within the framework of the New Partnership for Africa's Development (NEPAD), is one of the important mechanisms for enhancing cooperation between African countries and achieving sustainable economic development. Through Algeria's involvement in this initiative, foreign partnership can be strengthened to support local development, particularly by improving infrastructure, transferring technology, and encouraging investment in productive sectors. The success of partnerships in Algeria depends on its ability to overcome the challenges related to the investment environment and to achieve effective economic integration with African countries.

**Results:**

NEPAD constitutes an effective framework for promoting regional cooperation and attracting foreign investment to support development in Africa.
This initiative can contribute to achieving sustainable development by improving infrastructure, transport, and energy.
Algeria can benefit from NEPAD partnerships to expand its investments in Africa and boost its exports.
Legal and administrative challenges still hinder the optimal use of these partnerships in Algeria.
There is a need to strengthen cooperation between the public and private sectors to support development projects within the NEPAD framework.

**Recommendations:**

Strengthen Algeria's integration into the NEPAD initiative by developing policies that encourage joint investments among African countries.
Activate more efficient financing mechanisms to enable local institutions to benefit from the opportunities available within this initiative.
Improve infrastructure and invest in technology to enhance Algeria's attractiveness as a regional center for investment and partnerships.
Reduce bureaucratic obstacles and provide a more stable climate to attract more foreign investment within the NEPAD framework.
Enhance cooperation among African countries to create joint development projects that contribute to achieving sustainable development goals.
Through these strategies, Algeria can benefit more from the partnership for development within the NEPAD framework and make this initiative an essential part of its development policies to achieve a more sustainable and competitive economy at the African and international levels.

**Footnotes:**

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[11] Law dated 28 August 1982 regarding the Establishment and Operation of Joint Companies, Official Gazette No. 35, issued on 31 August 1982.
[12] Aliouach Kourboua Kamel, previously cited reference, p. 25.
[13] Mohamed T. Tawahr et al., The Path of the Hydrocarbon Sector in Algeria (1956 – Major Achievements – Challenges – Prospects), presented at the International Symposium "Algeria: Fifty Years of Developmental Experiences", Algeria, 01 August 2012, p. 7.
[14] Law No. 84-14 dated 19 August 1986 concerning hydrocarbon exploration, research, exploitation, and transportation by pipeline, Official Gazette No. 35, 1986.
[15] See Article 40 of Law 86/14.
[16] See Article 49 of the same law
[17] See Article 26 of the same law
[18] See Article 23 of the same law.
[19]See the same article.
[20] Mohamed T. Tawahr et al., previously cited reference, p. 7.
[21]Law No. 91/21 dated 04 December 1991 concerning hydrocarbon exploration and research, amending and supplementing Law No. 86/14, Official Gazette No. 63, issued on 07 December 1991.
[22] See Article 07 of Law 91/21.
[23] See Article 08, paragraph 02 of the same law.
[24]See Articles 24, 30, and 31 of Investment Promotion Law 16/09.
[25] See Article 07 of Legislative Decree 93/12.
[26] See Article 19 of Ordinance 01.
[27]See Article 21 of the same ordinance.
[28] See Article 03 of Ordinance 06/08.
[29] See Article 05 of the same ordinance.
[30] See Article 14 of the same ordinance.
[31] Kadi Abdelhamid, The Algerian Economy and Foreign Partnership Outside the Hydrocarbon Sector under the New Investment Climate, presented at the First National Symposium on "The Algerian Enterprise and the Challenges of the New Economic Climate", University of Ouargla, 23 April 2003, p. 11.
[32] "The New Partnership Initiative for Africa (NEPAD)," Official Website of the African Union.
[33] Algeria's Role in NEPAD: Opportunities and Challenges," African Center for Economic Studies.
[34] "Algeria's Role in NEPAD: Opportunities and Challenges," African Center for Economic Studies.