

PEOPLE'S DEMOCRATIC
REPUBLIC OF ALGERIA



REPORT
on the



IMPLEMENTATION

of the

NATIONAL ACTION

PROGRAMME

ON GOVERNANCE

APRM / National Focal Point Algeria

NOVEMBER
2008

REPORT
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of the
National Action Programme
on Governance



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PREAMBLE

Since its adhesion to the African Peer Review Mechanism (APRM) in 2003, Algeria, one of the principal initiators of the Mechanism, has worked constantly and with determination to improve political, institutional, economic and social governance.

These efforts participate in the development of the Algerian society and seek to provide a response to its aspirations. They are aimed at consolidating the many changes experienced by the country since its break with the former one-party system and planned economy.

The President of the Republic, H.E. Mr. Abdelaziz BOUTEFLIKA, has repeatedly reaffirmed his strong desire to ensure the consolidation of democracy in Algeria, the strengthening of the rule of law and the mobilization, to this end, of all the resources of the Nation. He has frequently reiterated his conviction in the need to build the Algerian society in general, and the institutions and economy of the country in particular, on the rules and standards of operation and modern interaction, so as to enable the country to achieve its transformation, to align itself harmoniously with its immediate environment and with the international community in general, and be in tune with the times.

Good governance is, therefore, essential to modernisation, stability, development and prosperity in a context of justice and equity. This is why Algeria has had to work tirelessly to stabilize itself as a nation by initiating major institutional, political and socio-economic reforms, which have had a positive impact on each area of national life.

The implementation of the National Programme of Action on Governance developed after the review process, for which Algeria was one of the first African countries to volunteer, is part of this same desire to establish good governance in all areas of political, economic, social and cultural activities.

This explains why the process of implementing the Programme was initiated by the national institutions and stakeholders a few days after the review of governance in Algeria by the Forum of Heads of State and Government of the African Peer Review Mechanism at its 7th session held at Accra, Ghana, on 1 July 2007.

The progress already made in this direction is presented in this annual report by Algeria on the implementation of the National Programme of Action on Governance.

GENERAL INTRODUCTION

This document is the first annual report on the implementation of Algeria's Programme of Action on Governance within the framework of the African Peer Review Mechanism (APRM), identified as a priority issue on the Government's agenda in application of the instruction given by the President.

The drafting of this document, in accordance with the methodological directives of the APRM Secretariat and the Panel of Eminent Persons, is fully in line with the productive peer review process, taking into account the significant achievements from the joint discussions on "Rationalization and Acceleration of the APRM Process", held at a preparatory workshop organized by the APRM Secretariat in Pretoria (South Africa) on 8 - 9 October 2007. This workshop was the prelude to the "Algerian Workshop" held on 8 - 9 November 2007, which was organized jointly by Algeria and the APRM Secretariat in the presence of members of the Panel of Eminent Persons, representatives of the national focal points and experts.

The implementation of the Programme of Action, thus, reflects the country's determination to meet the international commitments it supremely made when it joined the African Peer Review Mechanism. It also reflects Algeria's determination to take full advantage of the experiences and lessons drawn from the rich and extensive governance assessment process, carried out throughout the country over a period of about 18 months, under the aegis of the National Committee on Governance with the active participation of all the stakeholders at the national, regional and local levels, as well as Technical Research Institutions.

The National Programme of Action on Governance receives overall funding from Algeria's budget. The different aspects of this programme have been fully integrated into all national development plans. This approach by Algeria has made it possible to establish a perfect harmony between Programme of Action on governance and Government's Programme approved by the People's National Assembly of 28 June 2007, which explicitly refers to the Algerian Programme of Action within the framework of the APRM. This harmonization of the two is further strengthened by the articulation of the Government's Programme of Action on Governance - economic reforms, sustainable development and land-use management, infrastructure and human development. The programme draws its foundations from the programme of the President of the Republic with its triptych "putting an end to violence - restoring confidence - renewing hope", which led to the establishment of the "Support Economic Revival Programme" (PSRE) 1999-2004, and subsequently the "Complementary Growth Support

Programme" (PCSC) 2004-2009, accompanied by special programmes for the Hauts Plateaux and the Sud.

The almost simultaneous adoption of the Algeria's Programme of Action on Governance (1 July 2007) and of the Government's Programme of Action (28 June 2007), the similarity of the issues and themes adopted conferred a general coherence to the implementation of both the Government's Programme of Action and Algeria's National Programme of Action on Governance, which have common, or even identical, matrices.

The presentation of this report on implementation of the Programme of Action would, however, be incomplete if did not reflect the outcome of the efforts deployed by all the stakeholders, particularly the public authorities, through the programmes successively implemented, the structural reforms initiated in the institutional, economic and social sectors, the mechanisms of the legal and public finance measures, which facilitated the achievement significant progress in the different aspects of governance.

The general population census (RGPH), conducted in 2008, helped to update the data dating back to the 1998 RGPH.

METHODOLOGY

The drafting of this report on implementation of Algeria's National Programme of Action on Governance is the first exercise of its kind for the country, and whose importance was emphasised by the President who, on July 2007, gave instructions for this issue to be treated as a priority on the Government's agenda.

As a result, an innovative process was undertaken: the appointment of APRM Focal Points at the level of all the Ministries and National Public Institutions. The mission of these Focal Points was implement, monitor and drafting periodic reports on the status of implementation of the sectoral actions and/or by branch as indicated by the National Programme of Action on Governance, and indicate on any difficulty or constraint impeding the achievement of one or several of the objectives, and propose corrective or alternative measures.

Each Focal Point was given a full mandate to carry out this exercise with the greatest possible inclusion of stakeholders: private sector, CSOs/NGOs, public employers, private employers, the media, unions, elected representatives at the national, regional and local levels.

Each Focal Point falls essentially under one of the four groups established on the basis themes and the methodology set out in the directives of the APRM Secretariat and the Panel of Eminent Persons: Democracy and Political Governance, Economic Governance and Management, Corporate Governance and Socio-Economic Development. The work in each group follows a given framework so as to ensure coherence in the activities of each group, placed under the direction of a team leader (identified from among members of the Focal Points).

This mechanism, put in place in July 2007, facilitated the preliminary analysis of the data of the draft report on the work carried by the four groups, which was coordinated by the APRM National Focal Point: the Deputy Minister of Maghreb and African Affairs, under the direct authority of the Head of Government.

The National Focal Point, with the support of the National Social and Economic Council and the assistance of research institutions including CENEAP (the National Centre for Research and Analysis of Development and the Population), initiated a series of meetings, regularly held from January

2008, to assess the progress of implementation of the National Programme of Action and prepare a summary report.

The process adopted by the National Focal Point helped to achieve a twofold objective:

- To avoid the dispersal of responsibilities and define functional relations between the focal points and the National Focal Point.
- To facilitate wider inclusion of the stakeholders.

This overall structural and federal approach provided a coherent approach, at the local, regional and national levels, in the drafting of Algeria's first report on the status of implementation of the Programme of Action on Governance.

The report consists of:

- one (01) summary of the implementation of the Programme of Action in by theme;
- four (04) chapters setting out the progress made in the area of Governance;
- four (04) synoptic tables on each governance theme;
- one (01) list of abbreviations and acronyms.

SITUATION OF GOVERNANCE

REPORT ON GOVERNANCE:

SUMMARY REPORT BY THEME ON IMPLEMENTATION

OF THE NATIONAL PROGRAMME OF ACTION ON GOVERNANCE

POLITICAL GOVERNANCE

National Reconciliation:

The national reconciliation process made it possible to clarify what action was needed following Algeria's national tragedy. The National Committee for Monitoring the National Reconciliation carried out outreach and awareness programmes for potential beneficiaries. The applications for compensation of victims of Algeria's national tragedy were examined at a sustained rate and most of them were finalized.

Constitutional Democracy :

The elections were held as scheduled and resulted in the renewal of People's National Assembly (APN) in May 2007, and the People's Communal Assemblies (APC) and the Wilayas (APW) in October 2007.

Preceded by intense discussions among the national political class, the amendment of the Constitution on 15 November 2008 led notably to :

- la consécration des symboles de la nation en l'occurrence les caractéristiques du drapeau national et l'intégralité de l'hymne national dans le corps de la loi fondamentale ;
- the enshrinement of the national symbols, namely characteristics of the national flag and the full text of the national anthem in the body of the Constitution;
- clarification of the relationships within the executive body, without necessarily changing the balance of powers;
- amendment of Article 74 of the Constitution on the presidential mandate, which is limited to five (05) years, with abrogation of sub-paragraph two (02), which limited the re-eligibility of the President of the Republic to one term. This will ensure the full expression of the will of popular will in the respect of the sovereign right of the people to freely choose their leaders;
- the strengthening of the political rights of women by increasing their access to representation in the elected Assemblies.

Decentralization :

The amendment of the laws on communes and Wilayas (departments) was initiated in 2007 and the bills have been finalized. The reform of community financial systems and local tax systems was largely initiated, in the sense of consolidation of the decentralization process.

Promotion of Rights :

Mechanisms were adopted to ensure compliance with the legislation and employment regulations and procedures for the prevention and settlement of social conflicts. The restructuring of social security bodies was initiated and will be followed by the adoption of a charter for the ill and medically insured.

The Economic and Social Pact is in being updated by the Tripartite Alliance of the Government, employers and unions.

In the Judicial Sphere:

Significant progress was made in the implementation of the reform of the justice system, considered as a national priority by the President of the Republic.

This progress is being made in several areas of intervention :

- normative aspects;
- training and information of staff;
- modernization of the judicial system; and
- reform of the penal system and development of infrastructure in this sector.

Public Service Sector :

The advent of the new status adopted in July 2006 and the implementation of various special statuses, although gradually pursued, aimed taking into the market economy and the need to improve the performance of public service provision, have started showing positive impacts on the various corps governed by this code.

The participation of civil society as an indispensable partner is inscribed

in the current reform of the legislation on associations to ensure efficient meeting of community needs and the promotion of citizenship.

The fight against corruption :

Despite the efforts deployed, it should be noted that the scourge persists under the influence of foreign and/or national corruptors. The decree on creation of a national body for combating corruption has been published and its implementation is ongoing. The obligation to declare assets is more than ever becoming a reality. The security services and the justice system are working together to prevent, assess and combat corruption in collaboration with all segments of society.

Women's Rights :

Violence against women has been the subject of measures and campaigns carried out by sectors particularly involved in this area: Family and the Condition of Women – Health and Population – Solidarity – Internal and Local Communities in conjunction with the National Directorate of the Security Forces (DGSN) – the National Gendarmerie – Civil Protection in partnership with civil society organisations.

Rights of the Child :

A bill on children is in being submitted for adoption by Parliament. The purpose this bill is to enhance the protection of children, and the fight against child labour and violence against children, with the assistance of the civil society.

Vulnerable Groups and their Protection :

The adoption of framework legislation is planned. It concerns protection notably of disabled persons and victims of the national tragedy and intensifies the controls to ensure compliance with the obligation for all employers to reserve 1% of their positions for disabled persons. The creation of a special fund to finance the protection and promotion of disabled persons is imminent.

Measures to encourage the return of elderly persons to their families have been adopted and the capacity of reception facilities for abandoned children has been improved.

ECONOMIC GOVERNANCE

Reform of the State's Financial Accounting Plan :

The financial accounting system was adopted by the Law of 25 November 2007. It will come into force on 1 January 2009 and will facilitate the accurate recording of transactions and the autonomy of the accounting law in relation to the fiscal law.

Subscription to the IMF's General Data Dissemination System (GDDS) :

By subscribing to the GDDS, Algeria has completed the phase prior to the Special Data Dissemination Standards (SDDS). The Bank of Algeria (BA) has been appointed as the national co-ordinator for this. The meta data have been transmitted to the IMF to be posted on their notice and information board.

The reconciliation between the budget schedule under and the MSB and the classification of expenditures in accordance with MSFP 2001 has been effected.

Financial Reform :

In the banking sector, medium and long-term lines of credit have been put in place for banks, intended for funding investment projects of enterprises and the improvement of bank equity levels in order to increase their commitment capacity to enter into commitments.

A re-evaluation of company assets according to market conditions has been carried out in order to strengthen the solvency of banks, and to promote movable and immovable property leasing activities. In addition, the fund for guaranteeing investment credit to SMEs has started its operations accompanied by an Interbank Pre-Clearing Centre (CCPI), an automated high-volume compensation and interbank card payment system.

In the insurance sector, fixed assets were re-assessed in August 2007 as well as the gradual opening up of the market to foreign subsidiaries. A Guarantee Fund for the Insured was also established.

Macro-economic Framework :

Efforts were focused on the pursuit of the consolidation of internal and external balances. A net drop was recorded in the size of outstanding domestic public debt. Outstanding external public debt tended to stabilize below one billion dinars. Fiscal balances are generally sustainable with regard to cash on hand at the Income Regulation Fund (FRR).

The high growth of credit occurs particularly in the private sector.

Sustainable Agricultural Development Strategy (SSAD) :

This strategy is organized around 11 main themes, especially the protection and extension of usable agricultural surface (UAS) and the rational use of irrigation water.

Rural Development Policy :

With the rural development support programme (2007-2013), the adoption and establishment of the ascendant and participative approach, and the Integrated Rural Development Outreach Programme (PPDRI); 5,000 PPDRI's were initiated in the course of 2007 (PSSR pilot year) and 2008 (PSSR consolidation year).

Industrial strategy :

One of the main objectives is to promote new industries, strengthen the export capacity of SMEs, and for public institutions to assist and support exporting SMEs.

Reform of local taxation and modernization of tax administration :

A decline in fiscal pressure was achieved by eliminating the fixed payment (VF), reducing the IBS rate, reforming the TAP and introducing a single fixed tax (IFU) for small taxpayers, and reducing the tax on company profits.

The modernization of tax administration is expressed by the establishment notably of:

- a department for large enterprises (for large taxpayers), the establishment of tax centres for SMEs and professional jobs, the creation of outreach centres for taxpayers paying fixed amounts;
- an information and documentation department (DID).

This constitutes a central link in the fight against tax evasion and fraud, capital flight and money laundering, and informal economy. The tasks assigned to

it are aimed at instituting a tax identification number (NIF), establishing a national register of the tax payers (RNPF), creating a tax register, as well as a central record of bank accounts and financial institutions.

Combating Corruption and Money Laundering :

The financial information unit (CTRF) whose organization was consolidated in May 2007 is called upon to adhere to the EGMOND Group, following the assessment by the GAFI or its regional structure, the GAFIMOAN.

Regional integration :

- Negotiation underway to establish a free-trade zone between countries of the Arab Maghreb Union (AMU);
- In the framework of the African Union, completion of the last section of the Tamanrasset–In–Guezzam trans-Saharan highway, dualization of the trans-Saharan route between Blida and Laghouat;
- Initiation of negotiations, since the second semester of 2007, for the development of economic and commercial relations with members of the West African Economic and Monetary Union (WAEMU);
- Participation in European/Mediterranean meetings;
- Holding of the 10th Round of the working group responsible for the process on Algeria's accession to the World Trade Organization (WTO);
- Holding of 03 rounds of negotiations for the conclusion of a free-trade agreement with the 04 member-countries of the European Free Trade Association (EFTA);

Participation in the round of negotiations on the Global System of Trade Preferences (GSTP) between developing countries, a meeting held on the fringes of the 12th session of UNCTAD. Accra (Ghana), 20 - 25 April 2008.

CORPORATE GOVERNANCE

Business climate :

The legislation on investment, which is identical for nationals and foreigners and contained in the Ordinance of 15 July 2006, abolishes any prior authorization not specifically provided for by the law. The verification of admissibility of applications by the ANDI is now channelled in such a way as to enshrine the principle of a posteriori control. The legal deadlines for taking decisions have been increased from 1 month to 72 hours. Tax exemptions and exonerations as tax exploitation have been reintroduced.

Decentralized one-stop offices of the ANDI are deployed throughout the country. There are 13 of these offices today.

The number of documents to be provided with the application for registration in the trade register has been reduced from 13 to 5 for moral entities and from 6 to 3 for individuals. The deadline for issue of the trade certificate has been reduced from 02 months to 01 day.

Land – Industrial Areas :

A new mechanism has been put in place with:

- the establishment of Real Estate Management companies (SGI), in place of the Industrial Area Management Enterprises (EGZI);
- the institution in each Wilaya of a Committee in Support of Localization and Promotion of Investments and Land Control (CALPIREF);
- the establishment of the National Land Control Agency (ANIREF) in April 2007.

This new mechanism is part of the short-term perspective to extend the concession, in the public domain, to determine the terms and conditions for granting State private land and to extend the duration of the concession from 20 years to between 40 and 99 years.

Investment Guarantee Funds and Banks :

The investment guarantee funds and banks (FGAR – CGCI) are intended to guarantee credits granted to young project promoters.

Improvement of Corporate Conditions :

In partnership with UNIDO, activities to improve conditions for enterprises are still being pursued.

The public authorities are supporting the assistance provided to SMEs with a view to improving the practices of the sector.

A code of good corporate governance is in the process of being developed in partnership with private employers and the Algerian Corporate Think Tank.

Improvement of Quality :

The establishment of an accreditation body, "ALGERAC", is intended to address the concern of the public authorities to improve the quality approach with a view to enhance corporate competitiveness.

Acceleration of the Privatisation Process :

The number of privatized companies increased from 58 in 2003 to 110 in 2007. It should also be mentioned that the passage of the legal status of enterprises to the SPA regime, as well as the increase in the number of companies listed on the stock exchange.

Reduction of the Informal Market and Improvement of competition :

In order to supervise the informal markets, the public authorities are striving, in collaboration with the local authorities and associations, to integrate these markets within an organized framework in line with the legislation in force. Despite the efforts deployed in this area, the results are inadequate given the magnitude of non sedentary activities.

Concerning the development of competition, the new legislation adopted on 4 May 2008 confers on the Competition Board powers extended to the domain of public markets and market control. It also enshrines the prohibition of any form of exclusive rights to prevent any monopoly of the market by an economic operator. Finally, it defines the mode of functional relations between the said Board and the different sector control authorities.

SOCIO-ECONOMIC DEVELOPMENT

Sustainable Growth :

Per capita GDP increased by an annual average of 12% over the period under review. The rate of increase was generally more sustained in real terms, notably with 6% excluding hydrocarbons. The building sector improved, registering a growth of 9.5%. The industrial sector, excluding hydrocarbons, recorded a low growth of around 2% on average over the period.

Employment :

A drop trend in unemployment was registered. From 29.5% in 1999, the unemployment rate was significantly and gradually reduced, bring the rate to 15.3% in 2005, 12.3% in 2006 and eventually to 11.8% in 2007. At this pace, the unemployment rate should be reduced to less than 10% in 2009-2010.

In April 2008, the Government adopted a programme of action to promote employment and combat unemployment, through an economic strategy, the promotion of qualified manpower and development of entrepreneurship.

Consultation and Social Dialogue :

The signing of the Economic and Social Pact marked considerable progress in the area of dialogue and consultation between the Government, the unions and employers' organizations.

Public Service :

The adoption of the General Status of the Public Service marked an important stage in the global process of modernization of the State, thus facilitating the emergence of an impartial and efficient administration capable of meeting the expectations of the citizens.

Social Security :

The development of outreach structures for social security bodies helps to bring them closer to the members, by targeting the improvement of the third-party payer system as well as that of the adherence of attending physicians to the system.

Generalization of Access to Education and Illiteracy Elimination Strategy :

The restructuring of the educational system is aimed at improving the efficiency of the educational system through significant reduction of drop-outs, an increase in the success rate (notably in the Baccalauréat examination), and qualitative and quantitative improvement in the supervision.

The illiteracy elimination actions primarily target the 15 - 49 age group, women and rural populations.

Health :

The indicators show a continued drop in the general mortality and infant mortality rates, a significant increase in life expectancy at birth and in the marriage rate.

Epidemiological transition continues to be characterized by a decrease in communicable diseases and an increase in non-communicable diseases.

Protection of Disabled Persons :

Measures facilitating access to basic social services have been improved. The allowances paid to disabled persons were increased by 100% in July 2007.

Improvement in the Gender Situation :

Progress in this area was notable with the constitutional amendment which established the principle of promotion of women's rights. This promotion concerns notably the encouragement women to get involved in political life and access to senior management positions.

Environment :

The new planning and sustainable development policy aims at correcting all inconsistencies and imbalances through a planned equity policy between the regions and the populations.

CHAPTER I



DEMOCRACY AND POLITICAL GOVERNANCE



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OBJECTIVE 1 :

Preventing and reducing internal and inter-state conflicts

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OBJECTIVE 2 :

Constitutional democracy, including periodic political competitions and the opportunity to make a choice, rule of law, declaration of human rights and primacy of the constitution

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OBJECTIVE 3 :

Promotion of economic, social, cultural, civil and political rights

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OBJECTIVE 4 :

Confirming the Separation of Powers, including the Protection and Autonomy of the Judiciary and an efficient Parliament

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OBJECTIVE 5 :

Ensuring efficient, competent, effective and accountable Public Service

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OBJECTIVE 6 :

Fighting corruption

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OBJECTIVE 7 :

Promotion and Protection of Women's Rights

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OBJECTIVE 8 :

Promotion and Protection of the Rights of Children and the Youth

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OBJECTIVE 9 :

Promotion and Protection of the Rights of Vulnerable Groups

As the cornerstone of any Rule of Law, political governance witnessed the commitment of the public authorities to the establishment of a democratic state and the promotion of free exercise of citizenship in all its forms. This commitment has been pursued and consolidated since the completion of the review of Algeria by the Forum of the African Peer Review Mechanism, notably with regard to the orientations identified during the review process and retained in the National Action Programme.

Faithful to its traditions, Algeria is more than ever engaged, at the international level, in the search for negotiated solutions to the conflicts shaking the world, notably in Africa, and is constantly playing its role in the community of the world through the ratification of international agreements and treaties, especially when it comes to defending human and people's rights.

At the national level, the commitments made are in line with the gradual approach whose ultimate goal is to ensure that Algerians enjoy dignified and decent living conditions, which cannot be achieved without a smooth socio-economic development, which in turn requires peace and security. Hence, the national reconciliation process, which already marked a break with the years of terror imposed on the entire Algerian people, thus enabling the nation to heal its wounds while the country regained its tranquillity, obviously constitutes the lead wire of the action of the public authorities in the area of political governance.

Supported and established by a Charter adopted by referendum, the national reconciliation process had notably three of its various provisions included in the National Action Programme, whose performance will be analyzed later. They are :

1. measures in support of the policy on management of cases of missing persons ;
2. Government assistance to poor families affected by the involvement of one of their close relations in terrorism ;
3. measures for ensuring the reintegration or compensation of people affected by administrative decisions on retrenchment as a result of a national tragedy.

The constitutional amendment adopted by Parliament on 12 November 2008 and sanctioned by the promulgation of Law 08-19 of 15 November 2008 on constitutional amendment provides for the following main changes :

- **enshrinement** of the symbols of the Nation in the body of the Constitution, namely the characteristics of the national flag and



the full text of the national anthem in its entirety ;

- **clarification** of relationships within the executive body without necessarily changing the balances of the various powers ;
- **amendment of** Article 74 of the Constitution on the presidential mandate, which is limited to five years, with abrogation of paragraph 2 which reduced the re-eligibility of the President of the Republic to only one term. This will ensure the full expression of the popular will in the respect of the sovereign right of the people to freely choose their leaders ;
- **strengthening** the political rights of the woman, by enhancing notably her chances of access to representation in elected Assemblies.

It should, moreover, be noted that, in terms of the free exercise of political rights and respect of constitutional democracy, the year 2007 witnessed not less than two important elections, on the renewal of the National Popular Assembly (APN), as well as on that of the Popular Communal Assemblies (APC) and the Wilaya Popular Assemblies (APW), respectively in May and November 2007. The key fact, which tends today, and tended for some years now to enter into the morals, concerned the conduct of these different consultations on the entire national territory without notable incident, and in a spirit of transparency and equity generally hailed by all, both participants and observers.

This democratic practice would not be complete without the strengthening of the decentralization and authority of the territorial communities which, presently, are at the centre of the efforts being made to modernize the public service, notably that of proximity service. Hence, the legal mechanism governing them is being thoroughly reviewed to enable them to accomplish the missions assigned to them within a more efficient consultation framework and with more human and material resources which the ongoing reforms and their finances and their tax system should improve.

In the same concern for associating the entire society with the treatment of the serious problems confronting them, and under the impetus of the public authorities, a number of debates on the major aspects of the public life were initiated, while the action of managing emergencies associated with these problems through the promulgation of appropriate legislative texts was being pursued. This is particularly the case with the component of the fight against exclusion which is under discussion here, problems of youth,

housing, employment and employment support and social protection.

Access of the citizen to justice, the reform of which has already produced more than convincing results, clearly illustrates the effort of codification initiated by the sector and its commitment to use the considerable resources provided by modern information and communication technologies.

Moreover, and with a view to enhancing the moralization of public life and confidence among the governors and the governed, the fight against corruption is pursued relentlessly by the judicial authorities and the control services instituted for the purpose. This action, moreover, benefits from the contribution of the media, which are regularly used by the citizens to condemn corrupt practices, when they are the victims.

In the light of the foregoing and to fully understand the progress made by Algeria, this chapter will be devoted to democracy and political governance, the analysis of the actions taken and results obtained, objective by objective, while striving to highlight the major trends that marked, beyond the implementation of the National Action Programme, the implementation of the reforms launched since the beginning of the current decade, namely reform of the justice system, reform of the educational system and reform of the structures and missions of the State.

Standards and Codes

Before discussing the results objective by objective, it is recalled that in terms of ratification of the international standards and codes inherent in the chapter on democracy and political governance, Algeria is pursuing the process of adoption of treaties and other international legal instruments in accordance with its commitments.

In this regard, it should be observed that the Rome Statutes of the International Penal Court have been signed and the examination of their ratification is ongoing.

The Protocol on Women's Rights in Africa has not yet been ratified, as the provisions are in conflict with some of our national laws on the rights of women, notably the Family Code. However, this protocol is still being examined by the sector concerned.

Concerning reservations, it should be recalled that those made during the ratification of certain treaties and conventions do not affect the main purpose of the legal instruments in question, with the exception of those relating to the Convention on Elimination of All Forms of Discrimination against Women.

Indeed, apart from the two traditional reservations on the conditions of resorting to the mandatory jurisdiction of the International Court of Justice (ICJ) or International Arbitration and that on recognition of the State of Israel, Algeria made a number of specific reservations on Articles 2, 15/4, 16 and 29 and declared applying the latter only within the limits of the Family Code. These reservations have not yet been resolved. The issue is still under consideration at the level of the departments in charge women and children's affairs.

It may be recalled that the traditional reservation on the mandatory jurisdiction of the ICJ or on International Arbitration is regularly drafted as follows:

The Government of the People's Democratic Republic of Algeria does not consider itself bound by the provisions of Article 29 of this Convention, which stipulates that any dispute between two or several States concerning the interpretation or application of the said Convention that is not settled through negotiation shall be submitted for arbitration or to the International Court of Justice at the request of one of them.

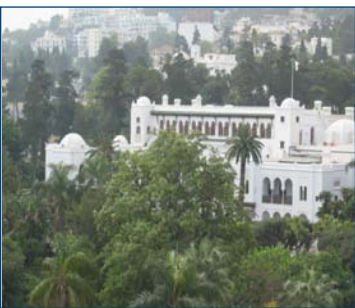
The Government of the People's Democratic Republic of Algeria feels that any dispute of this nature can only be submitted for arbitration of the International Court of Justice with the consent of all the parties to the dispute.

Moreover, it should be noted that the reservation on the content of Article 9/2 of the United Nations Convention on Elimination of all Forms of Discrimination against Women, mentioned above, may be considered as having become obsolete since the amendment of the Nationality Code enshrined the principle of equal rights of the mother and father in the area of transmission of Algerian nationality to children.

This reservation was made under the former Nationality Code before the reform adopted in 2005.

Indeed, Article 6 of Ordinance 05-01 of 27 February 2005 on the Algerian Nationality Code provides that any child born to an Algerian father or an Algerian mother shall henceforth be considered as Algerian.

The Convention on the physical protection of nuclear materials, the International Convention for the repression of bomb attacks, the International Convention for the Suppression of the Financing of Terrorism and the United Nations Convention against Transnational Organized Crime contain the same traditional reservations made by Algeria.



OBJECTIVE 1**PREVENTING AND REDUCING INTERNAL AND INTER-STATE CONFLICTS****Management of the Aftermaths of the National Tragedy :**

The implementation of the measures decided by the Charter for Peace and National Reconciliation proves that the reconciliation process advocated by the President of the Republic remains the only way out of the spate of violence experienced by Algeria during the past decade. It mobilized a financial envelope which, as of 31 July 2008, amounted to a total of DA 22,600,000,000.00 with paid compensations totalling DA 6,634,821,247.00 for the three mechanisms.

Indeed, the provisions of the Charter for Peace and Reconciliation deal with the following :

A. Measures in support of the policy on management of cases of missing persons (Presidential Decree 06-93 of 28 February 2006 on compensation for victims of the national tragedy (missing persons)).

In this regard, three main measures are concerned :

1. the State caters for the destiny of all missing persons and the necessary measures ;
2. the State adopts appropriate measures to enable the successors in interest of all missing persons to overcome this tragedy with required dignity ;
3. the missing persons are considered as victims of the national tragedy and the successors in interest may claim compensation.

The application on 31 July 2008 of this measure concerned 15,438 requests for a total of 8,023 cases of missing persons registered. The compensation is confirmed on the basis of the memorandum of judgment of the declaration of the death of the missing person. The compensations paid in this case amount to DA 371,459,390.00, as overall capital and DA 1,320,824,683.00 for 5,579 cases settled for good.

The number of rejected applications was 934. The main causes of rejection of applications for compensation of victims of the national tragedy (missing persons) are :

- the non territorial competence ;
- the name of the interested person features on the list of dead people from the ranks of terrorist groups ;
- the search for the missing person by the security services is still ongoing ;
- the successors in interest have already been compensated as victims of terrorism ;
- the absence of legal successors in interest ;
- disappearance not related to the national tragedy.

Apart from financial compensations, housing units are also offered by the Wilayas for the successors in interest of missing persons who are not accommodated, jobs for unemployed successors in interest and psychologists follow up their mental health, particularly children.

B. Procedures on government support for poor families affected by the involvement of one of their relatives in terrorism (deceased in the ranks of terrorist groups), as national solidarity, who benefit from government assistance on the basis of an attestation issued by the administrative authorities (Presidential Decree 06-94 of 28/02/2006 on government aid to these families)

Persons whose relative(s) has (have) chosen an objectionable route shall not be held liable for the errors and misguided ways of others even if they are related to him.

The application on 31 July 2008 of this measure concerned 18,945 persons received by the Wilaya committees for a total of 17,969 deceased persons in the ranks of terrorist groups. The number of applications examined as of 31 July 2008 was 12,646. The compensations paid in this regard amounted to DA 3,380,092,613.00 as overall capital and DA 523,933,701.00 as of 31 July 2008 for 7 702 applications accepted once and for all.

Poor families affected by the involvement of one of their relatives in terrorism who received an unfavourable reply for government aid are those whose salaries are higher than the SMIG (minimum national guaranteed salary).



That is why families affected by the involvement of one of their relatives in terrorism did not present themselves to the Wilaya committees because they are well-off whereas others did not present themselves because they do not want their deceased relatives in the ranks of terrorist groups to be considered as such.

Moreover, 4,805 applications were rejected either for unfavourable social survey (monthly income of over DA 12,000.00) or for non territorial competence or because the successors in interest have already been compensated for another relative who died in the ranks of terrorist groups, or that the researches were fruitless.

C. About application of Presidential Decree 124-06 of 27/03/2006 fixing the modalities of reintegration or compensation of persons who are affected by administrative layoff measures for facts related to the national tragedy.

The application on 31 July 2008 of this measure concerned 20,511 persons received by the Wilaya committees and resulted in 5,430 applications accepted, 4,395 applications rejected and 36 applications pending out of 9861 applications considered. Out of the 5,430 applications accepted 1,368 were favourably considered for reintegration and 4,008 for compensation.

The total amount of compensations paid to the interested parties was DA 1,038,510,860.00.

The causes for rejected applications for compensation or reintegration included the following :

- the person concerned was reintegrated before the promulgation of the Charter ;
- the job position was considered as a sensitive post (teacher, imam, security service ...);
- there is no link between the redundancy and the national tragedy,
- the person concerned has already received government aid (funding of investment projects) ;
- the administrative survey is negative ;

- the person concerned has already been compensated by another employer organization ;
- there is a case of territorial non incompetency ;
- the person concerned resigned or his case is related to the 1991 strike.

The applications that received favourable consideration for reintegration are far less than the number of applications for reintegration, since most of the applicants do not qualify for reintegration due to the fact that they worked prior to their dismissal in sensitive sectors (A.N.P., Police, Education, Religion...).

Putting an end to situations of precariousness and exclusion :

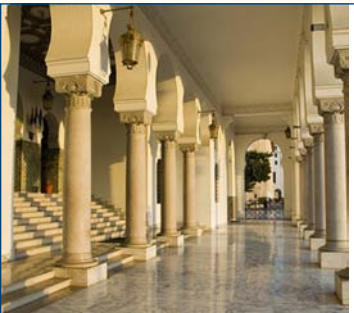
As part of the actions aimed at putting an end to situations of precariousness and exclusion, particular emphasis was placed, in application of orientations of the President of the Republic, on the need to gradually provide housing for all and put an end to different cases of precarious or squalid housing. Consequently, in addition to the multiple programmes of constructing housing units throughout the national territory, a national programme on eradication of slumps was implemented.

The efforts supported by the production of housing units were expressed by the improvement of the level of comfort in the area of housing.

The rate of occupation per housing unit declined by 5.79 persons per housing in 1998 to 5.45 in 2004 and later to 5.25 in 2007. It is currently 5.07 according to the preliminary results of the general population census of 2008. It should reach 5 persons per housing unit in 2009.

The resources mobilized by the State for all the programmes amount to about DA 1,020 billion and the physical consistence of the housing programme assisted or financed by the State was 1,457,000 as of 30 June 2008.

The effort of the State devoted to the construction of housing units was accompanied by the mobilization of considerable resources intended for the reduction of the deficit of viabilities as part of the operations for improving the environment of the populations living in degraded districts. Consequently, a budget of more than DA 300 billion was voted over the period 2005/2008, to finance the catching up operations and improvements



intended to clear the deficits in viability infrastructure in 7,500 sites on all Wilayas in the country.

Concerning specifically old buildings, an envelope of DA 840 million was mobilized for funding an operation on expertise of old buildings in the four largest cities in the country in order to come up with appropriate solutions to rehabilitate and cater for this heritage.

As part of government action in the area of transparency and equity in access to housing, the public authorities have promulgated a regulation establishing a mechanism for strict selection of beneficiaries of rental public housing units and helped to provide equal opportunities to the applicants. The list of beneficiaries is therefore published during a fixed regulatory period and cases of appeal are examined by a Committee chaired by the Wali.

Moreover, a national file of beneficiaries of social housing units and government aid was established in 2001 at the level of the Habitat and Urban Planning section in order to prevent the reduction of the benefit of the system and any vague desire of favouritism in the granting of government aid for housing and attribution of housing units.

Concerning employment and social action, the mechanisms of assistance to the poor categories and unemployed people as well as the mechanisms of integration, job promotion and community development were strengthened. At the same time, special attention was paid to the development of proximity social action through the multiplication of the number of proximity units which reached 152 in the first quarter of 2008.

The social action measures notably evolved as follows :

- **the social net** was strengthened financially and improved in its targeting tools ;
- the number of beneficiaries targeted and provided with care and support, whether in the framework of the Lump sum Solidarity Allocation (**AFS**) intended for persons who are incapable of working or allowance for general interest activity (**IAIG**) granted to poor people and those who are incapable of working, was increased significantly between 2005 and 2007.
- These measures facilitated, on the one hand, the social integration of a great number of poor people, notably in the disadvantaged regions characterized by a low economic fabric and on the other hand, the improvement of the environment of the populations

through actions for maintenance of equipment and heritage implemented as part of the activities developed.

- **The social and professional integration programmes** have also improved significantly, notably :
 - the high labour intensive public utility works (**TUP-HIMO**), which are aimed at massive creation of temporary jobs in the poor regions through maintenance sites and maintenance of infrastructures by the local communities and the development of local works by the job ;
 - the **“White Algeria”**, programme which is a system created in 2006 to integrate the unemployed youth, through the creation of very small enterprises whose activity is related to the maintenance and improvement of the environment of the populations and protection of the environment. Its development integrates partnership with the associations and local authorities. It offers young people a first contract renewable twice and support for creating their own activity;
 - **the pre-employment programme (CPE)** which currently affects more than 35,000 young people as special development programmes (SUD et Hauts Plateaux) and which particularly aims at placing young graduates ;
 - **the local interest seasonal job programme (ESIL)**. This programme, retained by the government as one of the means of integrating the youth consists in placing unemployed young people in temporary jobs generated by public utility works or services initiated by the local communities, technical services of the sectors as well as other local development partners ;
 - **the programme of constructing 100 premises per commune.** As part of efforts to promote youth employment, a programme of 19,000 premises, for professional use was introduced. The construction works are launched in totality and the rate of physical construction has reached 65%. This operation will facilitate the creation of 35,000 jobs. To supervise the postings to these premises and ensure transparency, a draft Decree has been finalized. The priority is given to first time young job seekers.



Reduction of Social Tensions :

The need to put an end to informal work and protect workers’ rights is also at the centre of the concerns of the public authorities. Consequently, the Labour, Employment and Social Security sector initiated, on the recommendation of the Tripartite, the amendment of the social laws with a view to developing

a labour code and integrating some international standards. This draft code, being finalized, enhances the rights of workers, particularly those of women and children and provides for a mechanism to combat illegal employment and informal activities.

Moreover, and as part of the protection and strengthening of the purchasing power as a result of the sharp rise in the prices of essential commodities on the international market, the year 2007 witnessed the promulgation of presidential decrees on :

- the scale of salaries and allowances for public servants ;
- the mode of remuneration applicable to public servants and public agents occupying high positions ;
- the modalities of award of bonuses to holders of high positions ;
- salary increases in the economic sector ;
- the increase in the amount of the SNMG ;
- application of the provisions of Law 04-19 of 25 December 2004, on the placement and control of employment compelling employers to deposit their offers with the National Employment Agency (**ANEM**).

Preservation of relations with neighbouring countries :

Algeria pursued its policy of good neighbourliness with all its neighbours, notably through the holding of Major Joint Committees and exchange of visits of top government officials. The two gas pipelines to Spain and Italy via Morocco and Tunisia and the one that should connect Algeria to Nigeria, the East-West major Algerian highway the construction of which was launched in March 2007 as well as the trans-Saharan route are, among others, an indication of the importance that Algeria attaches to the strengthening of its ties with the neighbouring countries.

In the area of international solidarity and humanitarian action, Algeria provided support and assistance to a number of African countries (Niger, Mali, Mauritania, Sudan, SADR...), which experienced natural disasters, crises and other difficulties. Moreover, and still in the area of solidarity, Algeria continues to grant scholarships to students from brotherly countries, notably African countries (cf. chapter IV: socio-economic development/table of foreign students beneficiaries of scholarships granted by Algeria).

Early warning system and conflict prevention and reduction mechanism:

Algeria pursued at the bilateral and multilateral levels, its efforts and contribution for the maintenance and consolidation of peace and security at the regional and continental levels. This was notably the case in the North of Mali where Algeria continued to assume its mediation role.

Algeria, moreover, participates in various ways in peace actions either in the form of logistic support, financial support or sending of observers to the different regions of our continent that are facing conflict situations. Hence, Algeria also signed on 17 June 2007, the Memorandum of Understanding on the constitution of the North African Capacity in the framework of the African Intervention Force, a Memorandum according to which our country will host one of the logistical bases retained by the Memorandum in question. Finally, Algeria continues to provide support for the African Centre for Studies and Research on Terrorism based in Algiers.



OBJECTIVE 2

CONSTITUTIONAL DEMOCRACY, INCLUDING PERIODIC POLITICAL COMPETITIONS AND THE OPPORTUNITY TO MAKE A CHOICE, RULE OF LAW,

DECLARATION OF HUMAN RIGHTS AND PRIMACY OF THE CONSTITUTION

Consolidation of Constitutional Democracy :

The constitutional amendment adopted by Parliament on 12 November 2008 and sanctioned by the promulgation of Law 08-19 of 15 November 2008 on constitutional amendment, provides for the following major changes :

- **establishment of the symbols of the Nation** in the body of the fundamental law, namely the characteristics of the national flag and the text of the national anthem in its entirety ;
- **clarification of the relationships within the executive** without necessarily touching the balances of the various powers ;
- **amendment of Article 74 of the Constitution on the presidential mandate**, which is limited to five years, with abrogation of paragraph 2 which reduced the re-eligibility of the President of the Republic to only once. This will ensure the full expression of the popular will in the respect of the sovereign right of the people to freely choose their leaders ;
- **strengthening the political rights of the woman**, by defending notably her chances of access to representation in the elected assemblies.

This constitutional amendment was preceded by the organization of vast open forums in venues for public reflection, namely universities and political parties.

The official institutions of the Republic to organize conferences-debates on the occasion of the Parliamentary Days during the APN and the Council of the Nation, on themes concerning the organization of powers, consolidation of the separation of powers and clarification of the relationships between the Government and Parliament.



To enrich these themes and in relation with its missions, the Ministry of Relations with Parliament organized fourteen national and international seminars and conferences led by academicians, researchers, Parliamentarians and national competences dealing with the different subjects concerning democracy, legislative work, drafting of legislative and regulatory texts and the role of Parliament and the civil society.

In the area of the consolidation of the rule of Law, all the texts relating to the protection and promotion of human rights have been ratified by Algeria with the presentation of periodic reports to the UN Committees, the adoption of the new Code of Civil and Administrative Procedure and promulgation of the law on judicial organization.

In the same context, Algeria presented and supported its report on 14 April 2008 before the new mechanism entitled Universal Periodic Review (UPR) instituted by the UN Council of Human Rights.

This report, which was developed in accordance with the directives set by the Council, gives account of the progress registered by Algeria in the area of democratic liberties and realization of economic, social and cultural rights. Its content also highlighted the implementation of universally acknowledged rights and identified objective constraints impeding the exercise of human rights. Finally, it presented the prospects that the State has drawn up to provide responses to situations that still constitute issues of concern.

The legislative framework on the exercise of human rights also registered significant developments through notably:

the amendment of the legislative framework on the exercise of rights and liberties under Law 06-22 of 20 December 2006 amending and completing Ordinance 66-155 of 8 June 1966 on the Code of Penal Procedure in the areas of :

- preliminary investigation and flagrant crime or offence (Articles 44 to 65-1 of the Code of Penal Procedure),

- control of the opportunity of police custody by the District Attorney,
- information of the person placed in police custody, of his rights,
- the affirmation of the mandatory nature of the medical examination if the person kept in police custody demands it,
- the arrangement of the premises intended for the police custody,
- visit of the premises reserved for police custody by the District Attorney.

The judicial information (Articles 38 - 40 and 66 - 71 and 123 - 127 of the Code of Penal Procedure) concerning :

- enhancement of the presumption of innocence through affirmation of the principle of preliminary investigation and hearing of the charges and defence, the obligation to motivate orders of placement in temporary detention,
- extension of the right of appeal against orders of the investigating judge regarding placement in temporary detention and under legal control,
- reduction of the periods of appeal in connection with temporary detention and legal control.
- the possibility of verbally convening lawyers of the parties.

The repair of miscarriage of justice and unjustified temporary detention (from Article 137a to Article 137a 14 of the Code of Penal Procedure).

The abolition of death penalty for offences to goods and limitation of the field of application of the death sentence.

In this context, Algeria observes de facto, since September 1993, a moratorium on the execution of the death sentence. No execution has taken place since that date. This moratorium concerns all death penalties pronounced for all offences without distinction including terrorism offences.

This moratorium seems to last for two main reasons :

- the commutation of death sentences to life imprisonment through Presidential pardon ;

- the Penal Code has undergone several amendments at the end of which the death sentence is no longer pronounced for a good number of offences, notably economic offences, offences against property and drug offences. This constitutes an undeniable progress in the area of abolition of the death sentence which is still applicable only for more serious crimes, notably those concerning attacks on physical integrity.

In the same vein, it should be recalled that the Code of penitentiary administration and social reintegration of the detainee (Article 155) provides for cases for which the death sentence cannot be pronounced or executed: the pregnant woman or the woman breastfeeding a child aged under twenty-four (24) months, the condemned person who is seriously sick or who has gone mad and the minor under eighteen (18) years.

The facilitation of access to justice for the poor through the amendment of the text on legal assistance by extending the principle to acts of execution. It should be noted that Ordinance 71-57 of 5 August 1971, on legal assistance will undergo further amendments to enhance this principle.

The reform of the Penal Code through the amendments introduced by Law 06-23 of 20 December 2006, amending and completing Ordinance 66-156 of 8 June 1966 on the Penal Code through :

- the incrimination of offences of torture and sexual harassment;
- the non applicability of statutory limitations of certain crimes and serious offences ;
- the strengthening of the right to defence by enabling a Lawyer to assist his client before the District Attorney ;
- the publication of the principle, according to which the prescription will only start running on attaining the majority, where the victim of the offence is a minor;
- the aggravation of the sentence for certain offences when the victim is a vulnerable person such as a disabled person and the elderly, pregnant women and minors.

The promulgation of Law 05-04 of 6 February 2005, on the Code of penitentiary organization and social integration of detainees and subsequent texts. The purpose of this provision is to establish the principles and rules with a view to instituting a penitentiary policy based on the idea of social defence, which makes the application of



sentences a means of protecting the society through the re-education and social reintegration of detainees. The new standards introduced in this new legislation are expressed by :

a. the creation of new mechanisms for application of the re-education and social reintegration schemes, namely :

- the Committee on determination of Penalty, chaired by the judge for application of sentences whose functioning, missions and organization are defined by Executive Decree 05-180 of 17 May 2005;
- the Committee on amendment of Penalty chaired by a judge with the rank of Adviser at the Supreme Court, whose functioning, missions and organization are defined by Executive Decree 05-181 of 17 May 2005;
- the Inter-ministerial Committee for coordination of activities of re-education and social reintegration of detainees chaired by the Minister of Justice, Keeper of the Seals and composed of members representing 22 ministerial departments. The functioning, missions and organization of this Committee are defined by Executive Decree 05-429 of 8 November 2005. It was established on 30 January 2006;
- the National Bureau for Educational and Apprenticeship Activities whose draft executive decree amending and completing Executive Decree 73-17 of 01 April 1973, is being finalized;
- the strengthening of the institution of the judge for application of sentences by conferring on him prerogatives in the area of amendment, individualization and legality of application of prison sentences;
- the external services of the Prison Service in charge of the social reintegration of detainees whose functioning, missions and organization are defined by Executive Decree 07-67 of 19 February 2007;
- the Committee on re-education of Minors responsible notably for developing education programmes and proposing the measures for amendment and individualization of sentences;
- the disciplinary Committee for minors.

b. the strengthening of the rights of detainees and humanization of

their treatment through :

- the extension of the list of persons authorized to pay visit to detainees either up to the 4th degree concerning ascendants and descendants and up to the 3rd degree for parents through alliance, the organization and improvement of the conditions of these visits, through the opening of appropriate rooms equipped with the necessary facilities to guarantee the enhancement and consolidation of the family and social ties of the detainees; with however, the possibility for the latter to communicate with their families through the means of communication put at their disposal by the prison establishment in accordance with Executive Decree 05-430 of 8 November 2005;
- the institution, for detainees, of a closer meeting place without isolation for legitimate reasons;
- granting of the right to visit detainees to humanitarian and charitable associations for humanitarian and educational reasons;
- the obligation to ensure the respect of the human dignity of detainees and to constantly improve their intellectual and moral level without distinction of race, sex, language, religion or opinion;
- the reorganization and classification of the disciplinary measures imposed on detainees depending on the seriousness of the offences committed;
- the possibility for detainees to address requests and complaints to the Director of the establishment who is under obligation to follow-up and also to be able to submit their requests to the judge of application of sentences when it concerns 3rd degree disciplinary measures;
- the possibility for the detainee to receive the visit of authorized persons and to undertake any administrative procedures with a view to fully enjoying his personal and real rights within the limit of his legal capacities;
- the improvement of services offered to detainees such as television and radio programmes, the reading of newspapers and reviews and the promotion of sporting and leisure activities.

C. the introduction of special measures for providing care and support to categories of minors and women.

- the meeting of more appropriate detention conditions, notably in the area of nutrition of pregnant women and those breast-feeding,



constant medical care and support, visits and care and support for the newborn;

- the amendment of the provisions on the treatment of imprisoned minors by introducing more flexible and educational measures into them;
- the application of the regime put in place in specialized centres for re-education of minors and at the level of the areas arranged in the penal institutions for this category of detainees;

d. support for medical coverage of detainees through :

- the obligation to subject all detainees coming in and going out to a medical and psychological visit and enable them to do analyses and tests to prevent them against possible contagious diseases;
- the introduction of provisions regulating the situation of condemned persons suffering from proving mental diseases, drug addiction or who wish to follow a withdrawal treatment; the organization of the cases of detainees declaring to be on hunger strike;
- the establishment of a legal framework for the management of death cases;
- the introduction of a new system of conditional release for health reasons;
- the obligation to equip all penal institutions with health services;
- the strengthening of the medical and paramedical staff;
- the injunction made to doctors to regularly visit the detention halls, to control on daily basis the food, the storerooms for food products and to ensure that the mattresses and blankets are washed.

1. The improvement of the accommodation conditions of detainees is also felt throughs :

- an ambitious programme to increase the reception capacity of penal institutions and replace infrastructure that has become unsuitable as well as increasing the space occupied by each detainee. This programme consists in the construction of 81 penal institutions that meet international standards and offer a total of 50,400 rooms. 13 of these institutions, with a total capacity of 19,000 rooms, will be built under the emergency programme within a period of 24 months;
- the equipment of penal institutions with a central heating

system, air-conditioners for institutions in the South and others established in regions reputed for their extreme heat, fire-retardant mattresses and blankets, bunk beds, laundry equipment, kitchen utensils, bakeries, patrol wagons for transporting detainees, tankers, power generators, improvement of their food rations, distribution of sanitation products, disinfection of the premises, rooms and accessory buildings.

2. The introduction of new measures aimed at individualizing the treatment of detainees, regulation of the sentence through conditional release schemes, day parole, temporary absence, posting to external sites and temporary suspension of determination of penalty.

The treatment of applications from detainees for granting of conditional release, day parole, temporary absence, temporary suspension of determination of penalty, submitted to the Penalty Determination Committee for consideration, is done within a maximum period of one month from the date of their registration at its secretariat.

When it comes to making a decision on application for conditional release within the competence of the Minister of Justice, Keeper of the Seals, the Penalty Determination Committee should give a ruling within a maximum period of 30 days from the date of receipt.

Moreover, the latter gives a ruling on appeals submitted to it within a period of 45 days from the date of appeal.

The organization of the procedure and remuneration for prison labour is determined according to a scale fixed by the inter-ministerial decree of 12 December 2005.

It should be recalled that Algerian penal institutions receive periodically the visit of delegates of the ICRC.

Holding of Periodic Elections

The legislative elections of 17 May 2007 and the local elections of 29 November of the same year were held in the strict respect of the choice of voters through the ballot box as enshrined in the Constitution and the Electoral Law whose provision was completed by the introduction of additional guarantees of control and transparency and better representativeness respectively in 2004 and 2007. These provisions concern :

- voting by soldiers who, with the return of peace, will now vote in the civil district of their place of residence;
- control of the voters' register by the candidates or their representatives;
- handing over of the minutes of the vote counting to the candidates or their representatives at the end of the counting;
- revisions on the ability to present candidates according to objective criteria, namely the number of elected officers in the different assemblies and the number of signatures obtained as well as their respective distribution at the level of the national territory. These provisions are motivated by the concern for the development of democratic practices, within the very political organizations expected to compete to win the confidence of voters.

3. The analysis of the trend of political parties in Algeria followed three historical stages :

1. The pre-independence era with the presence of several nationalist parties: Etoile Nord Africaine, PPA, MTLD, UDMA, PCA; then, after 1st November 1954, with the birth of the Front de Libération Nationale, which led to the fight for independence of the country,

2. A second stage from 1962 to 1989 characterized by the institutionalization of the single party, the FLN, with, however, the clandestine nature of parties like FFS, PRS, MDRA, or tolerated as the PAGS, as a political force for carrying out some operations of national interest such as the socialist management of enterprises, the agricultural revolution ...

3. The third stage, which started with the transitional period with political associations (ACP) to designate some sixty political parties created under the 1989 Constitution whose highly-permissive provisions resulted in the creation of some form of unrestrained multiparty politics, full of serious excesses for the country.

This situation engendered, as a reaction, a qualification through Article 42 of the 1996 Constitution and the promulgation of the 1997 Organic Law on political parties, which tried to put in place the adequate legal framework for the creation and functioning of political parties in Algeria. This implies that Algeria had embarked on a process of deepening democracy and that the establishment of a democratic society based on multi-party politics is not only a question of texts, however well they are developed.



Algeria is undergoing profound changes and democratic culture has irreversibly taken root in the country.

In this context, political parties have a determining role to play, as long as the principles guiding their actions are also inspired, in their functioning, through the respect of the elementary rules of democracy.

The 1989 enshrined the exercise of political freedom of expression through the acknowledged right of the citizens to organize themselves into associations to legally participate in politics.

The promulgation of Law 89-11 on political associations, for its part, defined the conditions and modalities for the creation of political associations.

The same principle of political freedom of expression was confirmed by the 1996 Constitution, which introduced the notion of political party (instead of political association), whose creation and functioning are now governed by an organic law (Ordinance 97-09 of 6 March 1997).

* The organic law on political parties proposes to make up for the short comings of the fundamental law of 23 February 1989 to which amendments were made during the constitutional amendment of 28 November 1996. Article 42 of the Constitution amended, acknowledges and guarantees the right to create political parties. Moreover, it sets out the general framework governing their activities. The amendments introduced concern the points briefly analyzed below :

The conditions for the creation of political parties given the experience accumulated following the implementation of Law 89-11 of 5 July 1989 and the excesses observed during the exercise of the partisan activity were reviewed. The new Law, which is based on the platform of national understanding exposes in its Article 3, the principles and objectives with which the political party should comply, namely :

- 1.refraining from attacking the values and components of the national identity,
2. refraining from attacking the security and integrity of the national territory, ,
3. consolidating the independence of the country and sovereignty of the people,
4. promoting the democratic and republican nature of the State, and

5. respecting the principle of political change through the path of free popular choice.

The Law, in its Article 13, also determines the conditions and criteria that should be imperatively met by the founding members of a party whose number has been increased to 25. The main task consists in preparing the conditions for the holding of a constituent congress which should bring together 400 to 500 delegates elected by 2 500 members in at least 25 Wilayas . The existence of a political party is only effective after adoption of its Constitution and objectives by its constituent congress, which should be held latest one year from the date of deposit of the constituent declaration with the Minister of Interior.

The rules governing the functioning of political parties are based on the prohibition of the use of violence and constraint as a means of expression or political action. However, Article 7 bans political parties from engaging in any action abroad aimed at attacking the State, its symbols, its institutions and its economic and diplomatic interests as well as any organic relationship of allegiance to a foreign union or association.

The incompatibilities are enshrined in Article 10. They concern the members of the Constitutional Council, public servants occupying positions of authority or responsibility and public servants whose specific Constitutions or By-laws provide for these same incompatibilities.

The funding of a political party was the subject of rigorous provisions enshrined in Articles 27 to 30 inclusive. A party should not indulge in any commercial activity and its revenues should not exceed, in the case of contributions from members, 10% of the national minimum guaranteed salary per person per annum for gifts and legs from individuals identified, 100 times the minimum salary per donation per annum and should only represent 20% of the incomes from contributions.

Regarding the allocation of resources outside contributions from activists of the parties, the law provides for a non-discriminatory subvention attributed on public funds in proportion to the number of elected officers at the National Popular Assembly.

Hence, after the promulgation of this Ordinance, the political scene underwent a transformation which was expressed by the reduction in the number of political formations following the implementation of the provisions contained in its Articles 42 and 43.

Indeed, the organic law on political parties introduced an obligation to political associations to harmonize within a period of two months from the publication of the said law, their names, purposes, and objectives on the one part, and on the other, within a period of one year, to meet the provisions of Articles 12 to 25 of the said law, notably by holding a harmonization congress.

The evaluation of this harmonization operation resulted in the following situation :

- 23 political formations were recognized as political parties declared in accordance with the organic law and were published in Gazette 42 of 14 June 1998 ;
- 39 political associations out of the existing 62 under the law of associations were therefore dissolved through judiciary means for failing to comply with the law.

If we add the RND created under the organic law on political parties, the national political scene had 24 political parties after the closure of this harmonization operation.

In addition, since 19 April 1998 to date, the services of the Ministry of Interior and local communities have registered the authorization of the following parties :

1. Mouvement National d'Espérance (MNE)

2. Front National Algérien (FNA)

3. Mouvement El-ISLAH (MRN)

4. Mouvement Démocratique et Social (MDS)

These additional authorizations testify to the opening up of the democratic field and confirm the irreversible nature of the choice of multi-party politics.

Finally, the political parties are apprehended by the public authorities as a factor that is integrated into the mechanism of surveillance of the protection of Human Rights. The Organic Law 97-09 of 6 March 1997 on political parties indeed requires that the Constitutions and programmes of the parties specially include in their objectives the guarantee of individual rights and fundamental liberties: "in all its activities, the political party is expected



to comply with the principles (...) the respect of individual and collective liberties and the respect of Human Rights" (Art. 3); "the internal organization of the political party and its functioning should be done on the basis of democratic principles ..." (Art. 11).

To date, the national political landscape is characterized by the existence of 28 political parties authorized under Ordinance 97-09 of 6 March 1997, on the Organic Law on political parties and which exercised their activity on the entire national territory and within the limit set by the Constitution and laws of the Republic.

Concerning the review of the voters' list, it should be specified that apart from the annual review, exceptional reviews of voters' lists take place on the eve of the two elections mentioned above. The review of the voters' lists is done under the control of the Administrative Committee chaired by a Magistrate. The same applies to the certification of individual signatures and the establishment of proxies. The examination of appeals concerning rejection of candidature is done before the administrative jurisdiction. In any case, the judge intervenes in all stages of the electoral process in order to guarantee and protect the effective exercise of the Rule of Law.

Strengthening Decentralization Process :

The bills on respectively the commune and the Wilaya are finalized. They institute the principle of participative democracy with a better clarification of the missions. They fill the legal vacuums and silences and introduce more specifications in the status of the elected representative.

Hence the adaptation of legislative framework is envisaged through :

- the clarification of the relationships of the different elected bodies and the administration ;
- the enhancement of the value of the status of the elected representative;
- the review of the allowances of elected representatives;
- the introduction of participative management to get the citizen interested in the management of the affairs of his commune;
- the clearer definition of the conditions for the exercise of control by the representative of the State and acts of the elected bodies;
- strengthening of the institutional capacities of the major towns at both the decisional and organizational levels;
- the emergence and promotion of inter-communality;

- the review of the organization of communes.

Concerning the increase of the financial resources of the local communities, the realization of the first stage of the reform of the local tax system was expressed by the deconcentration of the services of the tax base and the recovery of duties and by the extension of the quota on the VAT concerning urban development permits and authorizations for the communes.

Moreover, an evaluation of the current territorial organization with a new experimentation of territorial administrative constituencies directed by the Walis delegated in the perspective of a fusion of the decentralized communities is implemented.

Other measures that tend to enhance the efficiency of local governance through the increase in the level of supervision were initiated and concerned notably :

the modernization of the information and communication system of the local communities through the equipment of the communities with a modern information and communication system to facilitate the relationships with all the actors through :

- the development of an information network;
- the installation of a system for monitoring and evaluation of local development projects and programmes;
- the establishment of a geographical information system for visualization of the monitoring of local investment operations (SIG/VSOLI);
- the constitution of database and socio-economic indicators of the communes;
- the training of the users of the Wilayas in the project monitoring system;
- the development of an interactive Atlas of the local communities.

the reconstitution of the training apparatus inherent in the local communities through:

- the recuperation by the Ministry of Interior and the local communities of two establishments for training and retraining of the staff of local communities at Constantine and Djelfa, thus bringing their number to five and introduction of a new programme on the realization of the other six establishments;

- the National School of Administration, which was placed under the responsibility of the Ministry of Interior and local communities in November 2005 is currently undergoing an organizational and pedagogical renovation, notably through the requirement of the licence and introduction of a competitive examination as a condition for admission to the school.

the programming of several training cycles including :

- the training of Secretaries General of the communes in local public management sanctioned by a D.E.S.S.. This training concerns all areas of local management. It comprises 12 modules of 300 hours of training and 220 Secretaries General have already been trained while a promotion of 205 Secretaries General is under training;
- the training of 2,500 technical managers recruited and posted to the local communities;
- the training of all the Directors of the local administration and bureau chiefs of public contracts. The theme was management of public contracts and management of projects;
- the training of 157 Inspectors General and Inspectors of Wilaya;
- the training of Daïra chiefs aimed at providing the managers concerned with the necessary skills to enable them to better manage all the activities that they should undertake as representatives of the State at local level. Half of the 535 Daïra chiefs have completed the training cycle while the other half will start their training in the next academic year;
- training in management for 1 541 Presidents of APCs organized into 64 pedagogical groups with a homogeneous level. The training concerns 8 basic themes on the responsibility of the elected representative and each elected representative receives 5 weeks of training.

A new programme is being launched during the third quarter of 2008. It provides for a retraining and information cycle for 48 Walis and 13 delegate Walis, 48 Secretaries General of Wilaya, 48 Directors of the regulation of Wilaya, 48 Directors of the local administration, 48 Inspectors General of Wilaya and the training of 6,500 administrative and technical managers for the local administration.

OBJECTIVE 3 :

PROMOTION OF ECONOMIC, SOCIAL, CULTURAL, CIVIL AND POLITICAL RIGHTS

Preservation of economic and social rights :

Algeria's third draft periodic report on implementation of the "Internal Pact on Economic, Social and Cultural Rights" ratified by Presidential Decree 89-67 of 16 May 1989, was finalized and transmitted to the Committee on Economic, Social and Cultural Rights for consideration, in accordance with the provisions of Article 16 of the said Pact.

The action of the public authorities in this area also concerned :



the interest of President Bouteflika in promoting the book

- the improvement of the financial balances of the Social Security Funds;
- the pursuit of the process of implementation of the contractualization of the relations between the social security system and public care establishments;
- the effective institution of the social security smart card;
- the review of the rates of medical acts;

- the reform of the recovery and control tools;
- the extension of the reference rate to many refundable drugs;
- the establishment of the agreement with the attending physician (family doctor)..

Concerning the fight against informal work and the strengthening of the purchasing power of the citizens, as mentioned above, it is worth noting :

- the extension of the social protection of workers;
- the implementation of the provisions of the above-mentioned law on the control of the placement of workers compelling employers to submit their job offers to the network of branches of the National Employment Agency (ANEM);
- the strengthening of the inter-sectoral coordination which, in 2007, resulted in the inspection of not less than 9,810 employers; this made it possible to verify the employment conditions of a total of 69,091 salaried workers..

Algeria's initial draft report on implementation of the "International Convention on Protection of the Rights of all Migrant Workers and their Family Members" ratified by Presidential Decree 04-441 of 29 December 2004 has been finalized by the inter-ministerial task force set up for that purpose. This report was transmitted to the Committee responsible for considering it in June 2008.

The report, prepared by an inter-ministerial group in application of Article 73 of the agreement, reflects the legislative, judiciary, administrative and other measures taken in application of the provisions of this instrument.

The report in question is presented in two parts: the first part describes notably the institutional, legislative and judiciary framework governing the implementation of the agreement, the measures taken by our country to disseminate and promote the latter, while the second contains information on the substantive provisions of the agreement.

In the area of education, an amount of DA 6 billion was devoted to the granting of education allowances to 3 million school children. Similarly, in the area of school transportation, the operation initiated by the Ministry of Interior and Local Communities on the Solidarity Fund of the local communities to provide the communes with 1,300 buses for transporting school children has been implemented in the field; this has enabled the

beneficiary communes to improve the transportation of school children.

Right to Information :

With a view to enhancing and promoting press freedom in Algeria, the current year notably saw the promulgation of the Executive Decree aimed at clarifying the professional relations of journalists.

Unanimously hailed by professionals of the media as a significant progress, this text, the fruit of the contributions from the entire corporation, notably the National Union of Journalists, representatives of associations of local correspondents and all public and private press bodies, marked and end to the quasi-generalized precariousness of the journalist of the private press by :

- making mandatory the social protection of journalists;
- henceforth signing a written contract for any working relationship;
- specifying the right of journalists in the exercise of their profession and guaranteeing their freedom of opinion and expression; political affiliation as well as access to information;
- making provision for additional insurance for the journalist when the latter is sent to conflict, tension or high risk zones;
- indicating that continuing training, notably specialization is a right of the journalist;
- ensuring protection of the journalist against all forms of violence, attack, pressure or intimidation;
- providing for a regulatory text on the conditions and modalities for the issue of the professional identity card for the journalist..

Hence, with a view to improving professionalism, regular actions are directed towards the training and specialization of journalists of the public and private audiovisual and the print press in the framework of bilateral and multilateral agreement as well as seminars organized in Algeria and abroad.

The strengthening and promotion of proximity information and communication required investments for the creation of local radio stations, regional and local television channels and the creation of two printing presses in the South of the country, one of which was commissioned in 2008 in Ouargla. These realizations will enable the citizens to enjoy equal access to information.



With a view to diversifying the sources of information and programmes, special effort is observed in the communication sector.

The development of the communication sector as part of the 2005-2009 Complementary Growth Support Programme (PCSC) aims principally at instituting it as a factor of economic and human development.

The programme on development of the communication sector for the period 2005-2009 is based on the orientations contained in the programme of the President of the Republic and mainly aims at the establishment of the right of the citizen to information as well as the promotion of proximity communication. It is geared notably towards the achievement of the following objectives :

1. Sound radio broadcasting :

- Creation of theme radio stations
- Standardization of the map for establishment of local radios
- Creation of an international radio service
- Introducing digital national and local channels and stations
- Improving the infrastructures..

2. Television :

- Creation of regional channels
- Improvement and modernization of the production capacities
- Creation of theme channels
- Creation of a general interest channel
- Improving the infrastructures..

3. Television broadcasting :

- Realization of the terrestrial digital television network (TNT).
- Improvement and extension of the national coverage of radio and television programmes.
- Dissemination of programmes of the international radio service..

4. Print media :

- Reorganization and development of the economic enterprises of the print press.
- Improvement of the number of economic newspapers, presently totalling fourteen titles, three of which are daily newspapers to which must be added two additional weeklies..

Moreover, efforts will be made to reorganize and promote public media and update the legal framework of establishments and enterprises under the control of the government in order to adapt them to current requirements; the purpose of the objectives set being the guarantee of the right of the citizen to information.



Trend of Titles and Publications of the National Press, 1988-2008

Year	Number of titles	Number of copies per day
1988	30	750 000
1990	50	75 0000
1992	103	1 100 000
1994	119	120 000
1995	94	850 000
1996	85	674 000
1997	82	773 000
1998	95	974000
1999	103	1 620 000
2004	250	2 000 000
2008	289	2 401 407

Communication Indicators

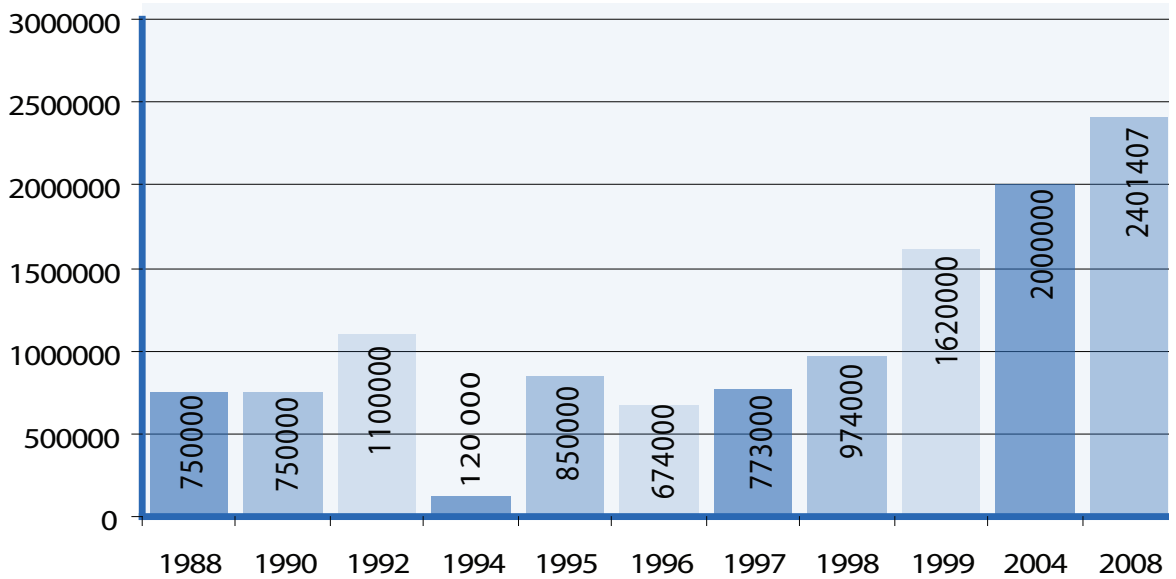
INDICATORS AUDIOVISUAL	PERIOD				
	2000	2005	2006	2007	2008
General Interest Channels	03	03	03	03	03
Specialty Channels	00	00	00	00	00
Percentage of households with at least one television set	81,9%	94,4%	95,4%	95,5%	
Radio Broadcasting					
Number of National Radio Stations	03	03	03	03	03
Number of International Radio Stations	00	00	00	01	01
Number of Specialty Radio Stations	02	02	02	02	02
Number of Local Radio Stations	21	30	32	33	39
National Coverage Rate - Channel I	32%	33,6%	33,6%	33,6%	33,6%
National Coverage Rate -Channel II	6,25%	10,5%	10,5%	10,5%	10,5%
National Coverage Rate - Channel III	16,8%	16,8%	16,8%	18,9%	18,9%
National Coverage Rate - Local Radio Stations	80%	82%	85%	85%	85%
Print Media					
Number of Dailies	31	43	43	52	68
Total Circulation - Dailies	1 310 645	1 424 832	1 376 950	1 697 225	2 321 070
Daily Newspaper for 1,000 Inhabitants	43	43	42	50	68
Number of Weekly Newspapers	41	63	60	98	89
Total Circulation of Weekly Newspapers	810 000	1 209 600	1 850 100	2 353 606	1 840 625
Journals					
Number of General Interest Journals	03	03	03	03	05
Total Circulation of General Interest Journals	15 000	20 000	20 000	20 000	35 000
Number of Specialty Journals	10	20	25	41	127
Total Circulation of Specialty Journals	150 000	310 000	400 000	271 500	471 000

List of Regional Radio Stations (2000-2008)

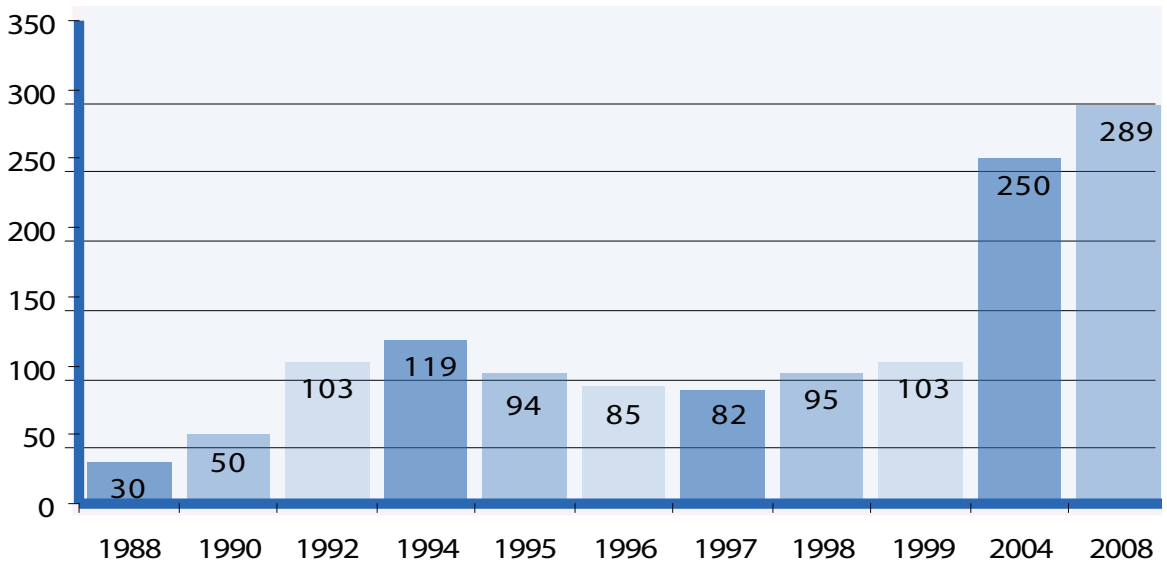
	Wilaya	Name	Date Commissioned
01	Ghardaia	Ghardaia	24/02/2001
02	Chlef	Chlef	26/01/2004
03	Mostaganem	Mostaganem	10/02/2004
04	Sidi Bel Abbes	Sidi Bel Abbes	17/02/2004
05	Souk Ahras	Souk Abras	23/02/2005
06	Mascara	Mascara	27/07/2003
07	El Bayadh	El Bayadh	08/09/2003
08	M'Sila	M'Sila	07/10/2003
09	Skikda	Skikda	15/11/2003
10	Jijel	Jijel	01/06/2006
11	Relizane	Relizane	05/06/2006
12	Djelfa	Djelfa	09/09/2007
13	Oum El Bouagui	Oum El Bouagui	19/03/2008
14	Ain Temouchent	Ain Temouchent	26/03/2008
15	Tissemsilt	Tissemsilt	06/04/2008
16	Saïda	Saïda	24/02/2008
17	Bordj Bou Arreridi	Bordj Bou Arreridj	16/04/2008
18	Ain Defla	Ain Defla	05/05/2008

These eighteen regional radio stations broadcast their programmes in the two national languages, Arabic and Amazighe. 3 new radio stations have been launched in December 2008 bringing the number to 21, in addition to the 21 regional radio stations already existing by 1999. Thus, the total number of the regional radio stations reached 42 in December 2008, covering the whole national territory.

Trend of Circulations of the National Press 1988-2008



Trend of Titles of the National Press 1988-2008



Access to justice :**Legal assistance :**

Legal assistance helps to facilitate the access of poor people to justice. Ordinance 71-57 of 5 August 1971, amended and completed, on judiciary assistance (Law 01-06 of 22 May 2001), tends to consolidate the assistance for poor justifiable, both in the area assistance and representation before the jurisdictions and in the area of execution of justice decisions.

To that end, the public treasury assumes the cost generated by the use of the justice system by paying notably the fees of the lawyers and bailiffs. The objective of this amendment is to establish and complete with force the principle already instituted of the granting of legal assistance by the State to poor persons under the 2001 Law on the said absorption of financial expenses. It should be pointed out that this amendment is the first of its kind to be instituted under the Ordinance. It facilitates, notably :

- the simplification of the procedure by reducing the time frames;
- the offer of legal assistance in all cases and at the level of all the jurisdictions (1st Instance, Appeal, Supreme Court, Council of State);
- the appointment of an assigned Council in criminal cases and for all minors

This assistance is granted by right for all the following persons :

1. unmarried Chouhada widows ;
2. disabled ex-service men ;
3. minor parties to the proceedings ;
4. any requesting party in the area of alimony ;
5. the mother in the case of child custody ;
6. workers in the case of occupational accident or industrial illness and their successors in interest.

It should be noted that a new draft amendment of this same order scheduled for the year 2008, is being prepared. Apart from the assistance granted to poor justiciables, this draft amendment provides for legal assistance by right to victims of human trafficking, trafficking of body parts, illicit trafficking of migrants, terrorism and disabled persons.

Apart from the handling of requests by the different jurisdictions, the demands of the citizen are considered at the level of the central administration of the Ministry of Justice.

Reduction of time frames :

In this regard, the following should be noted :

- the treatment of files by the penal jurisdictions is done within a maximum period of 3 months, thanks notably to the improvement of the working conditions of magistrates who systematically benefit from retraining courses in Algeria and abroad.
- the easy access to judicial services and the sensitization of the magistrates for providing care to the citizen as soon as the latter appeals to the justice system as well as the creation of a one-stop service and the organization of reception days at the level of the jurisdictions (orientation of the citizen).
- the treatment of files by civil jurisdictions within 6 months.
- the promulgation of the Code of Civil and Administrative Procedure on 23 April 2008, which mainly aims at simplifying the procedures, including the reduction of the legal time frames. This text will enter into force on 24 April 2009.
- Before the application of the above-mentioned law, there will be the organization at the national level of several seminars to present the new provisions of the said code before the magistrates, judicial officers and all persons having a link with the justice system.
- the automatic registration and treatment of the judicial activity making it possible:
 - to facilitate the flow of information between services and between jurisdictions;
 - to meet immediately the request from citizens through the information and issue of documents through an electronic window.

Increasing the total number of staff :

1. In the face of the shortage of magistrates, whose number did not exceed 2,500 at the beginning of 1999, and in application of the programme of the President of the Republic aimed at increasing the number of magistrates to 50% by 2009, adequate measures were taken for the recruitment of the necessary number of student magistrates. Given that the total number is 3,582 magistrates after the graduation of a new group in July 2008, representing magistrates represents 36.82%.

600 other student magistrates are presently being trained and the last group numbering 300 started their training in September 2008.

2. Concerning the other categories of staff of the justice system, the total number in 1999 was less than 11,000 public servants, of which 8,000 belonged to registry bodies and joint bodies.

Thanks to the recruitment operations initiated since 2003 and which also targeted the different specialities (statistics, archives and data processing), the total staff increased to 15,653 public servants at the end of 2007, of which women represented 54.82%. It is planned to strengthen the sector with 2,000 additional staff in 2008.

3. It should be noted, finally, the recruitment in 2008 of 1,000 notaries and 1,000 bailiffs in order to ensure better coverage of the national territory.

Magistrates are trained in Algeria and abroad.

In Algeria, it is pursued at a considerable rate of 950 beneficiaries per year for the continuing training and 25 for the long specialized training to which are added seminars and local training. All courses are organized on themes that have an impact on improvement of the output at the qualitative and quantitative levels which, eventually, contributes to the reduction of the judgment time limits.

Abroad, it is pursued with the different foreign partners: 12 long-term scholarships and 50 short-term scholarships granted annually by France. With Belgium, it is envisaged to grant 45 short-term scholarships (3 weeks) for the years 2008-2009. The support in the framework of the Euromed Justice Programmes should be underlined (17 beneficiaries in 2007, 15 planned for 2009). The same applies to the MEDA II project. With the USA, 12 magistrates were offered scholarships (2007). This figure will increase with the implementation of the mutual assistance protocol between the Ecole supérieure de la magistrature and the American Bar Association (ABA). Mention should also be made of the support from other partners.

For the training in human resources, it is planned to train each year abroad 2 management staff in human resources and 6 in management of training and education.

Within the country, training sessions were organized for 87 trainers (2007) with the support of French experts.

Facilitation of access for vulnerable persons :

Particular attention is paid to vulnerable persons who resort to the justice system, through some ongoing actions such as :

- construction of an access ramp for disabled persons in all the jurisdictions,
- fitting out a reception hall and a specific counter as well as a first-aid infirmary in all the jurisdictions,
- acquisition of Braille printers for the blind

Judicial Coverage :

Access to the justice system is facilitated by :

- bringing the justice system closer to the justiciable, through a judicial coverage of the entire national territory;
- pursuing the installation courts of justice in accordance with Ordinance 97-11 of 19 March 1997 on judicial division, which stipulates the installation of courts of justice in each Wilaya;
- pursuing the installation of courts in accordance with Executive Decree 98-63 of 16 February 1998 fixing the competence of the courts and the operations of Ordinance 97-11, and which now number 194, with the objective of increasing the number to 214 courts;
- creating annexes of courts in the communes, taking into consideration the density of the population and the distance separating it from the courts. There are currently 20 annexes;
- regularly installing judicial poles specialized in civil proceedings, in accordance with Law 08-09 on the Code of Civil and Administrative Procedure..

A programme for the construction of headquarters of Courts and tribunals was launched a few years ago.

The country will take delivery of 25 headquarters of Courts and 66 headquarters of tribunals by the end of 2009.

Follow-up of Court Sentences :

The follow-up of court sentences falls within the competence of bailiffs and the District Attorney's office intervenes to ensure the execution of judgments, where necessary, by the requisitioning the law enforcement authority.

Hence provision is made for sanctioning the failure to follow-up court sentences and hindrance of the execution.

Local committees have been set up at the level of the courts to ensure the



follow-up of the said decisions and a branch in charge of following-up court sentences as well as the analysis and study of the statistics on the follow-up of court sentences has been created (the rate of follow-ups of court decisions in civil proceedings is 87%).

Development of a code of ethics for competing professions: lawyers, notaries, bailiffs, qualified investigators :

- Amendment of Executive Decree 89-144 of 8 August 1989, fixing the conditions of access, exercise and discipline of the profession of notary as well as the rules of organization and functioning of bodies of the profession (new text published).
- Amendment of Executive Decree 90-81 of 13 February 1990, organizing the accounts of notaries and fixing the conditions of remuneration of their services (new text published).
- Development of a draft executive decree fixing the conditions and modalities of recruitment of staff of the notary.
- Development of a draft executive decree fixing the conditions and modalities of management and conservation of the documentary archive.
- The draft executive decree on the code of ethics of the profession of bailiff will be examined after adoption of the following draft executive decrees:

amendment of Executive Decree 91-185 of 01 June 1991 fixing the conditions of access, exercise and discipline of the profession of bailiff as the organization and functioning of the bodies of the profession;

- amendment of Executive Decree 91-270 of 10 August 1991, organizing the accounts of bailiffs and fixing the conditions of remuneration of their services;
 - development of the draft executive decree fixing the conditions and modalities of recruitment of staff of the bailiff.
- The draft executive decrees on the code of ethics of the professions of court expert and auctioneer will be developed after the adoption of the bill on the court expert and amendment of Ordinance 96-02 of 10 January 1996 on organization of the profession of auctioneer.

It should be recalled that the amendment of the Ordinance on legal assistance, scheduled for 2008, is ongoing and that the main aim of the amendment is

to extend the assistance to new categories of vulnerable justiciables.

Apart from the treatment of requests by the different jurisdictions, the demands of the citizen are examined by the central administration of the Ministry of Justice, at the same time as a number of actions carried out to facilitate access to legal services, the sensitization of the magistrate to assist the citizen as soon as he resorts to the justice system, the creation of the one-stop service and reception at the level of the jurisdictions.

Development of Culture :

Many actions have been undertaken since several years by the public authorities in the area of promotion of culture :

- classification of a number of sites and creation of protected sectors;
- the development of a draft Presidential Decree on the creation of the national Book Centre;
- the establishment of a network of regional and communal libraries;
- the organization of caravans of the book;
- the provision of all penal institutions with libraries for the detainees and prison staff.
- projects for the creation of museums: :
 - of contemporary modern art,
 - of miniature paintings and illumination,
 - the Algiers Maritime Museum.
- the creation of the Institut supérieur des métiers de l'audiovisuel et des arts du spectacle;
- the restoration of many entertainment buildings;
- the extension of copy rights and neighbouring rights..



OBJECTIVE 4 :

Confirming the Separation of Powers, including the Protection and Autonomy of the Judiciary and an efficient Parliament

The Constitution is based on the principle of separation of powers and Organic Law 99-02 of 8 March 1999, falls within this framework.

The independence of the justice system is, moreover, a principle established respectively by :

- the Constitution (Art.138, 147 and 148);
- the Organic Law on the status of the Judiciary, which enhances the protection of the Magistrate and his autonomy;
- the Organic Law on the Conseil supérieur de la magistrature, which gives a sense of responsibility of the Magistrate before his peers, organized into the Conseil supérieur de la magistrature and subjects its action to the strict respect of the Ethics Charter of the Magistrate. The Charter in question was adopted and promulgated in 2007.

OBJECTIVE 5 :

Ensuring efficient, competent, effective and accountable Public Service

Administration in the service of economic development. (cf. Chapter II “Economic governance and management“.

Reducing bureaucratic bottlenecks in the offer of public service.

This objective requires, apart from the reform of the procedures and adaptation, the modernization of the management tools of the public service and improvement of the conditions of civil servants and other actors involved in its management.

Improvement of the professional conditions of the civil servant

It should be underlined that the adoption of the general status of the public service under Ordinance 06-03 of 15 July 2006 marks an important stage in the overall process of modernization of the State and consolidation of good governance.

In its content and purpose, the new general status of the public service enshrine the principles and rules of a real reform of public administration on the basis of new values aimed at promoting a culture of public service based on the requirement of integrity, efficiency and competence.

The reform of the public service also aims at facilitating the emergence of an impartial and efficient administration so that it can meet the expectations of the citizens.

The implementation of the new general status of the public service is

organized around three stages scheduled to be completed in the period 2007 - 2009.

In this regard, it should be specified that the provision of the regulatory texts implied by the new general status is about 75 decrees resulting from :

- the reform of the system of classification and remuneration in the public service;
- the development of new special status of the different corps and grades of public servants;
- the development of texts on the various components related to the career of public servants;
- the review of the benefit plans of the different corps of public servants.

The timetable for the development of all provisions of application of the general status of the public service is as follows :

2007: Establishment of the new system of classification and remuneration of the public service

This operation was expressed by the adoption of the regulatory texts on the classification and remuneration of public servants, the remuneration of managers holding high functions of State, the bonus index applicable to holders of high posts and the fixing of the constituent elements of the remuneration of contract agents.

The regulatory provision on the system of classification and remuneration of jobs is enshrined in the following texts :

- Presidential Decree 07-304 of 29 September 2007, fixing the salary scale of wages and the system of remuneration of civil servants.
- Presidential Decree 07-305 of 29 September 2007, amending Executive Decree 90-228 of 25 July 1990, fixing the mode of remuneration applicable to civil servants and public agents occupying high government positions;
- Presidential Decree 07-307 of 29 September 2007, fixing the modalities for granting bonus indexes to holders of high positions in public institutions and administrations.
- Presidential Decree 07-308 of 29 September 2007, fixing the modalities for recruitment of contractual agents, their rights and obligations, the constituent elements of their remunerations, the rules on their management as well as the disciplinary regime applicable to them



2008: Reform of the specific statutes governing the different corps of public servants

The development of new specific statutes numbering more than 45 should govern the 282 corps and 478 grades in the public service sector.

This large-scale operation will be implemented throughout the year 2008.

As planned, the special statutes fall within the framework of the principle of statutory flexibility, which is one of the bases of the new public service system.

In this regard, the special statutes adopted in the form of decrees shall aim at adapting the rules of the general status to the specificity of the missions inherent in the different corps of public servants.

In this perspective, it is important to stress that the development of the special statutes is in line with the new realities of public administration, on the one hand, and the profound political, institutional, economic and social transformations experienced by the country these past years, on the other hand.

That is why the new special statutes are expected take into account the referents of the general status of the public service with a view to promoting the emergence of a modern and efficient administration, capable of meeting the expectations of the citizens, to operate at less cost and evolve with its environment.

Besides, it will involve adapting the missions of the public service to the new role of the State and reform the management of human resources by improving the qualifications.

All these changes impose new strategic orientations whose main objective is to provide the administration with qualified human resources, in order to get the best out of it and create a dynamics of adaptation of the skills to the trends of the internal and external environment.

Indeed, in the framework of the redeployment of government missions, the special statutes should refocus the different corps of public servants on their real public service and public authority missions. State authority is basically linked to its capacity to ensure the sustainability, continuity and equal access to the public service.

To date, sixteen (16) decrees on the special status of certain corps of public servants have been adopted and published in the Gazette, namely :

- Executive Decree 08-04 of 19 January 2008 on special status of public servants belonging to joint corps, institutions and public administrations;
- Executive Decree 08-05 of 19 January 2008 on special status of professional workers, drivers and attendants;



- Decree 08-129 of 3 May 2008 on special status of research teacher of teaching hospitals;
- Executive Decree 08-130 of 3 May 2008 on special status of research teacher;
- Executive Decree 08-131 of 3 May 2008 on special status of permanent research teachers;
- Executive Decree 08-167 of 7 June 2008 on special status of public servants belonging to specific corps of the Prison Service;
- Executive Decree 08-1817 of 23 June 2008 on special status of public servants belonging to specific corps of the administration in charge of fishing;
- Executive Decree 08-198 of 6 July 2008, on special status of public servants belonging to specific corps of the phytosanitary authority;
- Executive Decree 08-199 of 6 July 2008 on special status of public servants belonging to specific corps of the administration in charge of cottage industry;
- Executive Decree 08-232 of 22 July 2008 on special status of public servants belonging to specific corps of the administration in charge of the environment and land use planning;
- Executive Decree 08-286 of 17 September 2008 on special status of public servants belonging to specific corps of the administration in charge of agriculture;
- Executive Decree 08-302 of 24 September 2008 on special status of public servants belonging to the corps of inspectors of tourism;
- Executive Decree 08-315 of 11 October 2008 on special status of public servants belonging to the specific corps of the education sector;
- Special status of public servants belonging to specific corps of the administration in charge of culture (being published);
- Special status of public servants belonging to specific corps of the administration in charge of water resources (being published);
- Special status of bailiffs of jurisdictions (being published)..

The other special statuses are either being considered by departments of the public service or being developed by the administrations concerned.

Moreover, the general texts on management of the careers of public servants are adopted as and when they are finalized by the departments of the public service.

The main objectives of these texts are :

- the conduct of the confirmation of practical training of public servants;
- the rules governing the different statutory positions such as secondment, temporary layoff and detached position;
- the modalities of organization of competitive examinations and professional examinations;
- the conditions of access and modalities of organization of training cycles of public servants;
- the organization and functioning of joint administrative committees and appeals committees;
- the organization and functioning of the High Public Service Council;
- the organization of the promotion systems of public servants;
- the administrative management of contract agents..

2009: Review of the compensation schemes of the different corps of public servants :

This is the last stage of the implementation of the system of remuneration. The intervention of the decrees on the structure of allowances attached to the different corps of public servants is scheduled for the year 2009, after the adoption of all the special statutes.

Modernization of public service management :

The realization of Objective 5 was also expressed by the significant extension of the electronic services to the citizen and the multiplication of Internet sites having as a vocation the offer of public services on line. This is particularly the case with the justice and education sectors, concerning the results of examinations or registration in the University, like the banking, financial and postal services, which have, moreover, registered a major development.

The operation of computerization of the Civil Status and the Civil Status of persons on the move has attained considerable speed and should lead to the implementation of the digital national identity card, the biometric passport and computerization of the communal service of the Civil Status. These are gradual deliberate actions given the complexity of this ancestral and systematic public service. The creation of a central website at the level of the Ministry of Interior and the Local Communities is launched. The objective is to popularize the procedures as a first step. It should be noted that the infrastructure that should house the national centre for issuing the National

Identity Smart Card is being constructed.

The justice sector has carried a number of actions in the area of digitization translated notably by the following :

- a central web site: General Public information on all the activities of the justice sector;
 - jurisdiction web site: targeted information on the local populations;
 - the Portal of the law comprising jurisprudence, international agreements and treaties intended for law professionals and students;
 - the Intranet network for internal communication among staff of the sector;
 - the system for managing legal files with transparency and objectivity from the registration to the final settlement thus facilitating quick access to files for all the actors, including the justiciables.
- Production of reliable and regular statistics shedding better light on general policy decisions.
 - Creation of the National Police Record Centre (system of managing Police Records on line):



- The main objective of the creation of this centre is the improvement of justice public service. It facilitates the delivery Form 3 in record time and at any point of the national territory, including for people outside the country.

This centre also enables the administrations concerned to obtain information directly from the court, in addition to the assistance that it provides to the jurisdictions to facilitate their rapid and efficient treatment of detainees' files, notably by the investigating judge or the District Attorney, especially in cases of decision-making on release from prison or temporary detention.

- a system for managing the arrest warrant: helps to guarantee for the citizens protection of their liberties (updating of arrest warrants for the law enforcement community).
- the creation of an electronic one-stop service: information on the situation of cases and delivery of judgments and any useful document that can be consulted at a distance from any jurisdiction,

notably cases in appeal after the Supreme Court.

- processing and issuance of certificates of nationality in a day.
- Establishment of a national computerized system of management of the prison population, which helps :
- to control the management of the penal situation of all detainees.
- to develop statistics on the different categories of detainees.
- to facilitate the study of the most common offences, the cases and reasons for repeat offending.
- to control the optimal distribution of detainees among penal institutions.
- to provide reliable and rapid information to the central administration.

Participative Role of the Civil Society :

The draft legislative texts being finalized (law on the Wilaya, the commune and associations) establish the principle of participative management associating primarily civil society organizations at the local, regional and national levels.

The associative movement in Algeria expressing the re-ownership of our ancient ancestral traditions and values of self help and solidarity, freedom of association, quickly found concrete expression in the great number of associations constituted at the national and local levels. To date, the number of authorized associations is around 78,928 local associations and 948 national associations.

This high number of associations is certainly due to the combination of several factors, the most significant resulting from the alleviation procedures introduced by the legislation in force.

This testifies to the will and concern of the public authorities to eliminate impediments instituted by the old texts, notably those of 1987, specifically to meet the expectations of the civil society by enabling it to fully and totally express its concerns and aspirations and by raising it to the rank of a real actor of national life.

This desire of the State is based on the conviction that participation presupposes consultation with the representatives of the economic, social, cultural and health interests of the population who have an in-dissociable dual mission of expressing individual, professional and group interests and promoting general interest through the search for convergence on the public interest of the nation.

It is also based on the increasingly present reality of multi-party democracy. The typological distribution of the national associative movement is significant of the centres of interest of the civil society and the objectives that the concerned citizens assign for themselves.

This restructuring informs in an edifying manner on the deep and real motivations of the present organization of the Algerian society and on the expressive expectations and aspirations of its approach.

More globally, the regrouping of local associations into major typological families highlight the existence of diverse motivations and proximity motivation with 16,683 associations of district committees, educational motivation with 13,828 parent-teacher associations, the sporting motivation with 13,113 associations, religious motivation with 11,438 associations as well as other opportunities of interventions of the associative movement at the local level, namely associations of the youth, children, environment, art and culture and others.

Just as for the national associations, the corporatist motivation accounts for 190 associations, the health and medicine motivation is 127 followed by the cultural and educational motivation with 112 associations.

For the foreign associations, numbering 18, the law in force has devoted a whole chapter on provisions that are specific to them. The foreign association, according to the law, is any association irrespective of the form or purpose that has its headquarters abroad or which having its headquarters on the national territory is directed totally or partially by foreigners.

The democratic development and economic liberalization plead for the strengthening of the participation of the civil society in the management of the affairs of the community. This reality already experienced with the application of the provisions of the law in force, has however helped to underscore the need to improve the management and functioning of these associations at the administrative and financial levels. That is why the Minister of Interior and Local Communities has paid greater attention to the consolidation of the associative movement.

In this regard, a bill on amendment of the law on associations has been finalized. This text, which was drafted after a vast consultation process, aims at :

- consolidating the national and local associative movement;
- introducing the principle of differentiated status with a view to enriching the methods of organization (foundation, professional civil society, public utility association ...);
- clarifying the relationships with the public authorities;
- organizing the procedures relating to the financial support of the associative movement by the State and the local communities in a partnership framework. .



Apart from the adaptation of the legal provision to the ongoing changes in the country, flexible and encouraging measures for promoting the associative movement are regularly implemented :

a. At the legal level :

The declarative system for creating the association in accordance with Article 7 of the Law that stipulates that the registration slip is issued by the competent authority within a maximum period of sixty days from the date of submitting the application.

The agreement on financial grants on government budget, local budgets (Wilayas and communes) as well as grants from special-purpose funds.

The fee for the use of the public domain: the provisions of Decree 93/156 of 7 July 1993 grant the transfer of a fee for the use of goods from the national domain to social associations and organizations. This measure is aimed at encouraging the associative movement to show greater efficiency in the management of the tasks entrusted to it. The use of this measure is currently registering an appreciable recovery.

For information, a programme for construction of 48 housing units for the associations (known as solidarity homes), developed by the National Solidarity sector is being implemented. These infrastructures constitute venues for meetings, consultation, work and training for the associations. Several homes are already functional in the Wilayas of Algiers, Khenchela, Naâma and Tlemcen. Many others are being constructed in the other Wilayas.

Tax incentives such as exemption from customs duties and taxes are envisaged for donations from abroad if the latter are for humanitarian purposes.

Donations: all the associations are authorized to receive donations from foreign donors; the control mechanisms envisaged do not constitute obstacles to the drainage of these donations.

b. At the institutional level :

Following the promulgation of Law 90-31 of 4 December 1990 on associations, the Ministry of Interior and Local Communities enhanced the value of the management of the associative life by making it a full-fledged attribution and by creating the necessary management structures.

In the same context, it should be noted that the will and desire expressed by the associative movement to actively participate in the social life, constitutes an approach shared by the public administration.

The statutory presence of associations within the different councils and



advisory boards of the State, the local communities and advisory boards of public institutions as well as the National and Local Solidarity Committees, commissions and working groups and orientation councils of the specialized agencies like the Social Development Agency, the National Agency for Management of Micro Credit...

This approach of the public administration expresses the desire to solicit the support of all components of the civil society for the construction of a society based on democracy, multi-party politics, equity and solidarity.

**DISTRIBUTION OF AUTHORIZED NATIONAL
ASSOCIATIONS BY SCOPE OF CONCERN**

TYPE	NUMBER
COOPERATION FRIENDSHIP EXCHANGES	25
OLD PUPILS AND STUDENTS	29
CULTURE ART EDUCATION TRAINING	112
VARIOUS ASSOCIATIONS	53
HUMAN RIGHTS	07
CHILDREN AND ADOLESCENTS	12
ENVIRONMENT AND LIVING CONDITIONS	32
FOREIGN-BASED ASSOCIATIONS	18
FAMILY REVOLUTION	09
WOMEN	23
DISABLED PERSONS AND MISFITS	17
HISTORICAL ASSOCIATIONS	19
YOUTH AND CHILDHOOD	45
MUTUAL ASSOCIATIONS	34
PROFESSIONAL ASSOCIATIONS	190
RELIGIOUS ASSOCIATIONS	10
RETIREES AND ELDERLY PERSONS	08
HEALTH AND MEDICINE	127
SCIENCE AND TECHNOLOGY	39
SOLIDARITY RELIEF CHARITY	23
SPORTS AND PHYSICAL EDUCATION	90
TOURISM AND LEISURE	26
TOTAL	948

DISTRIBUTION OF AUTHORIZED LOCAL ASSOCIATIONS BY SCOPE OF CONCERN

TYPE	NUMBER
PROFESSIONAL ASSOCIATIONS	3548
RELIGIOUS ASSOCIATIONS	11438
SPORTS AND PHYSICAL EDUCATION	13113
ART AND CULTURE	8338
PARENT-TEACHER ASSOCIATIONS	13828
SCIENCE AND TECHNOLOGY	881
DISTRICT COMMITTEE	16683
ENVIRONMENT	852
DISABLED PERSONS AND MISFITS	1005
CONSUMERS	115
YOUTH AND CHILDHOOD	2273
TOURISM AND LEISURE	542
RETIREES AND ELDERLY PERSONS	133
WOMEN	644
SOLIDARITY AND CHARITY	2143
RELIEF	71
HEALTH AND MEDICINE	527
OLD PUPILS AND STUDENTS	75
VARIOUS ASSOCIATIONS	2719
TOTAL	78928

If the figures augur well for a prosperous civil society, the fact still remains that internal problems in connection with its organization and its own institutional weaknesses reduce the scope of its action. However, there are areas and actions where its partnership should be underlined.

Charitable associations intervene as a privileged partner of the solidarity sector in the implementation of home aid and assistance programmes for the elderly and/or disabled persons or the opening of proximity medico-psycho-pedagogical units for the care and support for children in difficulty and parental guidance.

To date, 129 establishments specialized in care and support for vulnerable categories are managed with the help of the State by associations including 08 structures for elderly persons with a capacity to accommodate 800 people.

277 social associations directly or indirectly cater for elderly persons, of which

23 associations devote themselves specifically to the care and support for senior citizens.

The associations also participate in various solidarity actions including the following :

- assistance to poor people and homeless people;
- home aid and personalized care and support for people in difficulty;
- assistance and support for dependent people;
- illiteracy elimination and education support;
- organization of life in the neighbourhoods and development of leisure activities;
- sensitization campaigns against social ills;
- the Ramadhan Solidarity operation;
- the development of trades in the social sector consisting in the offer of services to citizens at home, such as keeping children, assistance to the elderly, disabled persons or other people that need personal aid at their homes or aid for mobility in the proximity environment;
- the development of district structures that constitute citizen associations regrouping district representatives, local communities and the inhabitants themselves for the maintenance of the environment in cities so as to facilitate the reintegration of unemployed youth (proximity jobs).

Moreover, the associations constitute privileged partners in proximity social action, notably the identification and targeting of beneficiaries of government assistants, the implementation and monitoring of the different solidarity operations in favour of poor people (educational solidarity, Ramadhan solidarity, charitable establishments ...).

The associative movement intervenes in the fight waged by the State against residual pockets of illiteracy and functional illiteracy through various contracts with, notably the education sector which launched in 2008 a large-scale operation associating the divisions of the national distance education Centre and the IQRAA association (cf. Chapter 4 socio-economic development).

For the Justice sector, and in the same vein, apart from the agreements signed between the Prison Service and different public organizations and UNICEF, the law on organization of the Prison Service and the social reintegration of detainees allows under its Article 36 the visit of associations

and humanitarian or charitable governmental and non-governmental organizations which have special interest in the prison environment.

In this regard, a national forum and regional seminars were organized as well as visits to penal institutions by civil society organizations.

It should also be noted that several agreements were signed by the Prison Service which depends on the Ministry of Justice, with different associations such as the IQRAA and the Ouled El Houma association.

At the same time, 65 partnership agreements were signed at the local level between the Prison Service and associations operating in different areas concerning the social reintegration of detainees. The most recent agreement of the kind was signed in 2008 with the association for the promotion of the young girl.

An agreement was also signed between the general management of the Prison Service and reintegration and the Organization of the Algerian Muslim Scouts (SMA), in July 2003, with a view to promoting educational and cultural activities of minors. This agreement was amended on 29 July 2007 to extend it to the categories of women and young groups.

In this regard, the country registered the opening of 5 centres in the Wilayas of Sétif, Médéa, Oran, Chlef and Mostaganem in collaboration with the organization of SMA for these categories after their inauguration in order to assist them in their reintegration as well as the organization of training courses for chief scouts responsible for the above-mentioned centres.

The civil society is also a privileged partner in the area of sports and youth. Hence, the sector in charge of the area in the concern to promote a new mode of partnership, instituted a system of partnership platform between the civil society and government institutions. It consists in providing financial support for associative projects aimed at :

- ensuring rational use of public funds;
- facilitating a synergy between the action of the public authorities and that of the associations.

In this perspective, several actions were undertaken :

- the search for consensus around this mode of partnership through the organization of meetings with the associative movement;
- the training of a core group of trainers (14 teachers from training institutes of the sector) in management of project cycles, who were



charged with the supervision of internships for associative leaders (2,339 associative leaders trained between 2006 and 2007).

The year 2008 saw the establishment of a new policy on the youth, the process of which was launched on the occasion of the Government-Walis meeting initiated by the President of the Republic in October 2007 and adopted by the Cabinet meeting held on 13 May 2008, chaired by the Prime Minister. The Minister of Youth and Sports initiated a series of meetings with the youth, which led to the definition of a set of orientations (10) that could constitute programmes of partnership with youth movements..

Hence, 130 associations from 48 Wilayas with 130 projects on the priority orientations identified were funded on the budget of the Ministry of Youth and Sports.

At another level and with a view to promoting the participation of the youth, notably through their associations in the definition and implementation of programmes intended for them, other actions were initiated such as :

- the inclusion, in Decree 07-01 of 6 January 2007 on transformation of the Youth Information and Activity Centres into Offices of Wilaya Youth Establishments, of a provision granting to associations the right to sit on the Management Board of the Office (Article 9);
- introduction in the same decree (Article 27) of provisions to enable the associations to manage youth establishments or recreational centres in their communities, on the basis of a book of specifications;
- the participation of the youth in the definition, implementation and evaluation of activity programmes developed within youth establishments was established by Circular 01 of 20 April 2008 on the pedagogical organization of activities within youth establishments;
- the launching of a process of establishing consultation forums to facilitate communication and consultation with the associative movement for dealing with issues of common interest through the 48 Departments of Youth and Sports of Wilayas.

The preceding facts illustrated the participation of the civil society and are definitely not exhaustive. Local associations participate a lot in proximity management. It should, moreover, be recalled that every sporting activity is supervised by the associative movement and that the construction of places of worship and their management are also ensured by the associations.

OBJECTIVE 6 :**Fighting corruption****Evaluation of the status of corruption :**

In the framework of the application of Law 06-01 of 20 February 2006, on the prevention and combating of corruption, the following were registered :

680 cases tried by the jurisdictions for the year 2006;

1,054 cases at the level of the jurisdictions of which 861 cases were tried for the year 2007.

Prevention of corruption :

The action of the public authorities intended to prevent corruption was mainly expressed through :

the ratification in 2006 by Algeria of the international conventions on the prevention and combating of corruption;

the promulgation of the Law of 20 February 2006 on the prevention and combating of corruption;

the implementation of the systematic obligation of the declaration of the heritage to the competent bodies.

**Programme for combating of corruption :**

In the area of the fight against corruption, particular mention should be made of the following :

- the ratification of the United Nations Convention on corruption and relevant African conventions,
- the adaptation of the national legislation by the promulgation of a special law: Law 06-01 of 20 February 2006, on the prevention and combating of corruption. This law provides notably for :

*the definition of offences associated with corruption (embezzlement, influence peddling, favouritism in the award of government contracts, extortion by public officials, corruption of foreign public agents and civil servants of public international organizations, abuse of power, illegal

enrichment, hindrance of the smooth functioning of the justice system);

*the creation of a national body for the prevention and combating of corruption, in charge of implementing the national strategy on the prevention and combating of this scourge and providing it with vast prerogatives in relation with the nature of the role assigned to it. The creation decree has been published and its implementation is ongoing;

*the protection of witnesses, experts, informants and victims;

*the use of the relevant international judicial cooperation, notably confiscation of the product of the corruption offence.

- Promulgation of the regulations of Law 06-01 mentioned above :

The texts are as follows :

1- Presidential Decree 06-413 of 22 November 2006 fixing the composition, organization and operational modalities of the national body for the prevention and combating of corruption.

2- Presidential Decree 06-414 of 22 November 2006 fixing the model of the declaration of property.

3- Presidential Decree 06-415 of 22 November 2006 fixing the modalities of declaration of assets by public agents other than those provided for by Article 6 of the Law on prevention and combating of corruption.

4- the Ordinance of 2 April 2007 fixing the list of public agents expected to declare their assets and which came into effect to give full substance to the said law.

- the adaptation of the Code of Penal Procedure, by the establishment of the principle of non-applicability of statutory limitations of public action and the sentence, and the extension of the competence thanks to the creation of specialized penal poles.
- the training and sensitization of Magistrates at post and student-Magistrates on the challenges of the phenomenon of corruption, dilapidation of public funds, abuse of social goods, self-dealing abuse, as well as on the means of combating the scourge..

In this regard, the basic training programmes comprise modules involving the sensitization and training of student-Magistrates on the challenges of the phenomenon of corruption, dilapidation of public funds, abuse of social goods, self-dealing abuse as well as resources for combating the scourge.

A specialized training of five (05) months in the area of commercial law is

organized since 2000 for 25 Magistrates each year comprising a module entitled “corporate penal law” in which aspects relating to the above-mentioned offences are taught.

Moreover, the local training contributes each year to increase the number of beneficiaries to include all the categories of Magistrates concerned by the fight against this phenomenon. Magistrates are sent every year to France (ENA) for training on this theme (2 Magistrates were sent for the course in 2008).

- the improvement through training of the capacities of the central and local services in the preparation and execution of the budget and the management of public expenditures and the use of auditing.

It should be noted that two (2) central Managers benefit each year from training sessions in France (ENA) on the theme “Control, evaluation and audit of public expenditures”; other Managers benefit from training courses on government contracts.

- Magistrates are selected and appointed after a security check apart from the verification of previous convictions. The same applies to the other management staff.
- Magistrates and officials are paid a substantial remuneration to which is added for the Magistrates, starting from January 2008, a highly significant housing allowance of DA 40,000.00 (equivalent to 600.00 US dollars).
- the remuneration of the registry staff will be increased soon after the publication of their special statutes..

OBJECTIVE 7 :

Promotion and Protection of Women’s Rights

A number of aspects relating to women’s rights have been dealt with in the previous chapters. The emphasis will therefore be placed on the specific right regarding the woman’s condition which has just registered a remarkable progress by virtue of the constitutional review of 15 November 2008. Indeed, the amended Constitution now provides in its Article 31a that the State should strive to promote the political rights of women by facilitating their access to representation in elected assemblies, and that the modalities of application of this Article should be fixed by an organic law.

The rights of women, notably political rights, have been the subject of many discussions and constitute an issue of major concern for political actors and the high authorities of the country headed by the President of the Republic who solemnly urged, during the celebration of the International Women's Day, on 8 March 2008, the political parties to improve the position and role of women in the political sphere, notably through the amendment of their by-laws.



the algerian women present in all activity sectors

Mention should also be made of the improvements in the legislation on this issue :

- the bill amending the Penal Code providing for offences on human trafficking, particularly trafficking of women and children following the adhesion of our country to the "Supplementary Protocol to the United Nations Convention against Trans-national Organized Crime, aimed at preventing, reprimanding and punishing human trafficking, particularly trafficking of women and children" ratified by Presidential Decree 03-417 of 9 November 2003.
- The adaptation of the national legislation on the International Convention on Elimination of all forms of Discrimination Against Women (CEDAW), ratified by Presidential Decree 96-51 of 22 January 1996.

The efforts deployed by the State for elimination of all forms of discrimination against women were notably through actions consisting in providing equal chances for access to the different jobs, grades and positions in the Prison

Service;

The law on prison organization and social reintegration of detainees is aimed at instituting the principles and rules for establishing a prison policy based on the idea of social protection which makes the execution of sentences a means of protection of the society through the re-education and social reintegration of detainees. Whereas this law concerns detainees of both sexes, some of its provisions have been exclusively devoted to female detainees and constitute a positive discrimination. They concern, notably :

- the creation of specialized institutions for women (Article 28). Failing that, special quarters will be reserved for them;
- the establishment of more favourable detention conditions for pregnant women in the area of feeding, health coverage, visiting rights in a close visiting room;
- the possibility for the female detainee to keep her child with her up to the age of 3 years in the absence of another more appropriate venue capable of ensuring the child's protection and education.

Family Code :

The Family Code has been amended to cater for the change aspirations expressed by the society and for its harmonization with the conventions ratified by our country, notably the Convention on Elimination of all Forms of Discrimination Against Women. (cf. Objective 8 above on the promotion and protection of the child and the youth).

With regard to the popularization and sensitization of the civil society on amendments to the Family Code, the services of the Deputy Minister in charge of the Family and Women's Condition, in coordination with the civil society, organize conferences to explain the provisions of the Family Code in several Wilayas of the country.



Nationality Code :

- ***The most important amendment of this Code concerns Article 6 which stipulates that the child born in Algeria to an Algerian father or mother enjoys the Algerian nationality of origin.***
- ***The proof of Algerian nationality of origin is observed by the parentage resulting from the two ascendants in paternal or maternal line born in Algeria. This amendment helps to eliminate the reservation to***

Article 9/2 of the Convention on the Elimination of all Forms of Discrimination Against Women.

Penal Code :

The Penal Code makes no distinction between the man and the woman. However, it provides for the protection of the latter from certain offences such as rape and sexual molestation and provides for the aggravation of the sentence when the victim is a minor under 16 years of age (Article 336).

The Penal Code incriminates torture as an independent offence in Articles 363a and subsequent Articles.

The Penal Code has made provision for the aggravation of the sentence for rape if the victim of the offence is a pregnant woman (Art 350a).

It also provides for the offence and incrimination of sexual harassment in its Article 341a. In this regard, it should be noted the holding of three regional seminars organized by officials of the women's associative movement around the theme "violence against women: sexual harassment".

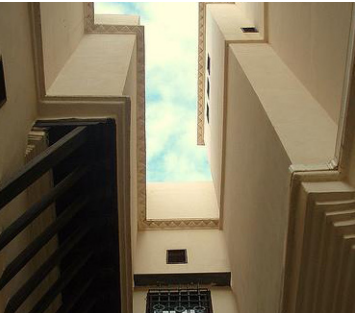
A bill amending the Penal Code is being adopted by the government. It proposes to crack down on human trafficking, notably trafficking of women and children.

A sensitization campaign conducted in support of the various associations such as «Women in despair», and the support of women's union sections, is ongoing.



the women active within the security forces

At another level, it should be stressed that all the provisions on employment



and employment support provide for special provisions for women.

Particular interest is, moreover, given to this issue by the structures in charge of the production of statistics in general and that of employment in particular. In this regard, the following actions were negotiated :

- establishment of a programme for creation of observatories on sectoral women employment like the Female Observatory of the Ministry of Energy and Mines, which is in line with the new approach to management of human resources (job market, call for nominations and organization of the mobility of managerial staff);
- moral incentives for employers' organizations;
- organization, in March 2008, of a series of seminars on female entrepreneurship with the participation of institutions concerned by the issue;
- the micro project mechanism that facilitated the creation of 46,791 activities on 25 April 2007 and which generated at least the same number of permanent jobs. Women represent nearly 66 % of the beneficiaries of this scheme.

Concerning pre-school education and baby-sitting structures, the national education sector has presently registered 147,285 children in preparatory classes available in primary schools, the extension of preparatory education for the 2008-2009 academic year aims at reaching 80% of all children aged 5 years.



Moreover, the number of nurseries and kindergartens established by the communities is still rising, funded notably by the solidarity funds of the local communities for communes with population of more than 15,000 inhabitants.

Concerning the definition of the institutional framework for dealing with the issue of "gender", the National Council for the Family and Women was established by Executive Decree 06-421 of 22 November 2006 and installed by the Head of Government on 7 March 2007. The Council organizes meetings to define its programme of action. It contributes, among other things, to the enrichment of the strategy for the promotion and integration of the woman.

The issue of gender was retained as one of the priority actions in the government's programme. In this regard, a strategy for the promotion and integration of the woman in Algeria was developed by the services of the Deputy Minister in charge of the Family and Women's Condition and adopted by the Cabinet on 29 July 2008.

The main objectives of this strategy are as follows :

- to enable women to benefit from development policies and programmes based on the recognition of the difference of their needs and consequently the necessary empowerment of women;
- to contribute to the promotion of an environment conducive for sustainable development based on an efficient partnership between men and women.

With regard to combating violence against women, a draft National Strategy for Combating Violence against Women was developed by the Services of the Deputy Minister for Family and Women's Affairs in collaboration with UNFPA, UNICEF and UNIFEM in December 2006. The strategy was presented to Cabinet and officially launched on 29 October 2007. As part of its operationalization, a communication and advocacy programme for behaviour change, sensitization and social mobilization for preventing and combating violence against women from a socio-cultural perspective, public health and rights of the individual, are planned.

A five-year plan on the fight against gender violence (2007-2011), introduces some priority intervention programmes aimed at strengthening the technical and institutional capacities of the different partners with a view to ensuring prevention and adoption of adequate measures to fight against all forms of violence and discrimination.

The development and operationalization of sector plans are integrated into a national executive plan whose major orientations consist in :

- the establishment and/or the enhancement of a methodological system for the collection and use of data on gender violence by analyzing the level of each sector and organization, including associations, with a view to harmonizing the data collected; which would facilitate the creation of a national data bank in the area;
- the creation of diversified and adapted services in order to ensure care, security and protection, which requires the development of parameters and appropriate programmes intended to ensure adequate care and support for this category and the training of providers of these services, in the area of counselling, psychological care and support, legal assistance or care, the orientation; this, in addition to the support provided by existing services;
- the self-empowerment of women and young girls in difficulty and their reintegration into the economic and social life through the development of their resources and their personal capacities by providing them with social and legal support and also through the knowledge of their needs in the area of vocational training in order to empower them and strengthen their capacities, notably through access to micro credits.;

- the elaboration and operationalization of a communication strategy for prevention, sensitization and social mobilization activities.

Regarding retraining and upgrading of the skills of the associative officials, the services of the Deputy Minister in charge of Family and Women's Condition have organized training cycles for officials from the associative movement in the areas of gender, strategic planning, advocacy techniques, gender-based violence and interpersonal communication. This training is still pursued up to today.

OBJECTIVE 8 :

Promotion and Protection of the Rights of Children and the Youth

The legal provision on the protection of the rights of the child and the youth is particularly guaranteed since in addition to the Penal Code, the Code of Penal Procedure and the Family Code, on the Ordinance on the protection of children and adolescents and the Ordinance on creation of establishments and services in charge of the protection of children and adolescents as well as the provisions contained in the legislation on labour, education, training and health.

In terms of access to housing, the applications for public rental housing units are processed by the Committees of Dairas on the basis of criteria that facilitate equitable access to this segment reserved for low-income population groups. It should be underlined that this scheme in force provides that the third of the social housing programmes be reserved for young applicants aged below 35 years.

In the area of education and training, it should be noted that the National Education Orientation Law has been reformed and promulgated (Law 08/04 of 23 January 2008).





the president Bouteflika with the youth: a permanent concern

As part of ongoing development programmes, the number of establishments housing services in charge of the promotion and protection of children and adolescents has registered a mark increase, accompanied by a reform of their status and improvement of their reception conditions.

Apart from the right to education and decent housing (cf. Chapter I, objectives 1 and 4), the social and legal protection of the child and the youth has been largely enhanced and codified.

The Family Code : Several Articles of the Family Code deal with the protection of the child, by ensuring that his interest is taken into account in procedures concerning him, notably in the area of classification of the beneficiaries to the right of custody and the obligation on the part of the father to provide his children with a decent home and failing that his rent and the area of guardianship, the granting to the mother of the right to stand in for the father in case of his absence or in case of an impediment and the granting of the guardianship to the person who has his custody, in case of divorce.

It also provides for the possibility of resorting to modern scientific proof in the area of establishment of the parentage in the framework of illegitimate marriage (Article 40) and the possibility to resort to artificial insemination, in case of legal marriage and under certain pre-determined conditions.

Moreover, a bill on the search for paternity is being finalized. Its objective is to define the modalities for determination of parental filiations through the search for paternity for the child born outside wedlock who has no surname and having been legally recognized by the biological father.

The Nationality Code: The establishment of the right to acquisition of Algerian nationality by origin through the filiations to the father or mother of children born in Algeria.

Provision has been made for non-extension of the laws of Algerian nationality to minors and the spouse.

Other legal provisions on protection of the child and the youth are being amended. They are the Ordinance on protection of children and adolescents, the Ordinance on creation of establishments and services in charge of the protection of children and adolescents.

Code of Penal Procedure: Article 454 provides for the mandatory representation of the minor by a lawyer in all proceedings and judgment. Similarly, Article 8 bis1 provides that the prescription of public right of action on crimes and offences committed against a minor starts from the date of his civil majority.

Code on Prison Administration and Social Reintegration of Detainees: This law provides for the separation of minors below 18 years from major detainees within penal institutions. It is planned to create centres for re-education and reintegration of minors and the institution of the re-education committee for minors in the centres for minors and in quarters reserved for minors in penal institutions.

The code granted to minors advantages in the area of :

- food ration in sufficient quantities and balanced in order to facilitate their growth,
- permanent health coverage,
- flexible disciplinary sanctions,
- institution of a system of re-education and appropriate treatment,
- application of the system of visits in close visiting rooms.

There are presently institutions under the Ministry of Justice intended for imprisoned minors :

- 02 centres for re-education and social reintegration of minors situated at Sétif and Gdyl;
- 77 quarters for minors specially arranged within penal institutions.

As part of the economic recovery programme, it has been decided to construct five new centres for re-education and social reintegration of minors at Adrar, Djelfa, Biskra Saida and Tijelabine (Boumerdès).

It should be underlined the continuing training of judges of minors and actors intervening on behalf of minors to ensure efficient care and support for this category of detainees (psychologists, social workers and heads of quarters for minors).

The re-education activities for minors and young offenders may be summarized as follows :

- signing of an agreement between the general management of the Prison Service and Reintegration and UNICEF, which resulted in the holding of five training cycles for actors on behalf of minor detainees: judges for minors, psychologists,
- social workers and supervisors of quarters for minors in penal institutions as well as Directors of specialized centres for minors;
- organization of an international workshop on the fight against drug addiction of young people in prison environment;
- organization of workshops on the legislation on the rights of the child on 23 - 24 April 2007 in collaboration with the organization "Penal Reform International".
- preparation of a protocol of cooperation between the Ministry of Justice and UNICEF for the year 2007-2011.
- 31,806 detainees of all levels benefited from training courses between 1999-2007.
- detainees who benefited from professional training courses for the same period were 24,798 in 79 subject areas.
- detainees who passed the Baccalauréat examination were 1,239 out of 3,014 candidates for the same period.
- detainees who passed the Brevet de l'enseignement moyen were 1,499 out of 3,063 candidates for the same period.

Law 04-18 of 25 December 2004, on prevention and repression of the

use and illegal trafficking of narcotics and psychochemical agents. This law punishes the offer of narcotics to a person for his personal consumption with aggravation of this sentence when the narcotics are transferred or offered to a minor.

Bill on child welfare: The bill on child welfare enshrines the legal protection of delinquent children and proposes, to that end, flexible procedures at all stages of the legal proceedings, by giving the child the right to express his views and associating him with all decisions that may be taken concerning him. Hence, the priority is first of all given to his maintenance in the family environment, and then his handing over to a person or his placement in a reputable family and, finally, in an adapted home-care centre specialized in child welfare or in a hospital centre, if it is in his best interest.

- The establishment of special rules in the area of temporary detention of delinquent children that take into consideration the specific nature of the justice of minors so that the period of temporary detention does not exceed one year given the fact that the priority is given to protection measures; which, therefore, requires speed in the investigation and judgment.
 - The establishment of the social protection of the child, which is ensured by the National Delegate for Protection of the Child, represented at the local level, by the Wilaya delegate for protection of the child. The delegate caters for children in danger and exercises his functions in coordination with the justice department.
 - The establishment of new rules in the area of legal protection of children, notably delinquent minors; by fixing a minimum age for criminal liability; by instituting mediation as a legal means making it impossible to pursue the child and to repair the damage caused to the victim. In the same vein, the attribution of the judge for minors have been extended and new provisions introduced in the area of temporary detention of children, notably in terms of time frames.
- An action plan in favour of children in Algeria has been developed in collaboration with all the ministries and organizations concerned. This action plan, adopted by Cabinet on 19 February 2008, reserves a dominant place for the promotion of the rights of the child.
 - A communication plan for the promotion of the rights of the child is being developed. Reflection workshops on the theme of promotion of the rights of the child were organized with managerial staff

from ministries and national organizations, officials of associations, communication professionals, journalists and the children themselves.

Moreover, a strategy for combating violence against children was developed in June 2005. An assessment of its implementation is carried out on regular basis.

Regarding the development of a national strategy for children, a national action plan was examined by Cabinet on 19 February 2008. It is expected to be launched at the end of 2008.

Concerning the development of a national plan in favour of adolescents, a task force composed of representatives from several ministerial departments and experts with the contribution of multilateral institutions, has, since its installation in November 2005, been dealing with the issue of adolescence in Algeria.

OBJECTIVE 9 :

Promotion and Protection of the Rights of Vulnerable Groups

The Penal Code provides for the aggravation of the sentence for certain offences when the victim is a vulnerable person as well as the law on prevention and repression of the use and illegal trafficking of narcotics and psycho-chemical agents, which provides for aggravation of the sentence when the narcotics of psycho-chemical agents are offered or transferred to a vulnerable person (minors, disabled persons...)

In terms of facilitation of access for vulnerable persons, it should be recalled that particular attention is paid to vulnerable persons who seek redress, through some ongoing actions such as :

- generalization of the provision of an access ramp for disabled persons in all the jurisdictions;
- fitting out a reception hall and a specific counter as well as a first aid infirmary in all jurisdictions;
- acquisition of Braille printers to be used by low-sighted persons.

An ambitious plan for the construction of structures for the reception and care and support for vulnerable categories is under implementation, while special efforts are being deployed for improving the supervision of the administrative and pedagogical management of specialized establishments thanks to the programmes already launched.

In the area of employment, the law on the promotion and protection of disabled persons makes it mandatory for every employer to reserve 1% of jobs for disabled persons.

Moreover, a pension benefit is paid to any person aged over 18 years without resources suffering from a congenital or acquired invalidity estimated at 100% resulting in total disability and quasi-total dependency such as bedridden persons, quadriplegic persons, multiple handicapped persons suffering from profound mental retardation.

Concerning children without a family, temporarily or permanently, they are offered care and support by government institutions and benefit from special aid by virtue of the law on the protection of children and adolescents. Children aged 0 - 6 years, received in the 38 nurseries listed, are placed in Kafala or in a nursing family in the framework of the paid nursery, which is DA 1,300.00/month for a valid child and DA 1,600.00/month for a disabled child.

In the area of care and support for elderly persons, notably the poor among them, the following actions were taken :

- the increase of the monthly Flat Solidarity Allowance to DA 3,000.00 with possibility of accumulation;
- the creation of a national committee for the protection of elderly persons;
- the creation of a telephone hotline to provide information, guidance and support to elderly persons in difficulty.

Associations are now involved in the offer of care and support to elderly persons. They include the following :

- 23 authorized associations cater for elderly persons ;
- 277 other humanitarian associations directly or indirectly cater for elderly persons ;
- 8 centres receiving 800 elderly persons are managed by the associations, with support from the State.

Finally, concerning care and support for persons in difficulty, particularly those living in the street and the homeless, the national solidarity sector has instituted a "Social Samu" service to offer emergency aid as well as long-term solutions to the problems faced by this population category. More than 5,000 people of both sexes, benefit from care and support under this scheme.

CHAPTER II



ECONOMIC GOVERNANCE AND MANAGEMENT



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OBJECTIVE 1 :

Promote the macro-economic policies which support sustainable development.

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OBJECTIVE 2 :

Implementation by government of healthy, transparent and predictable economic policies.

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OBJECTIVE 3 :

Promotion of sound management of public finance.

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OBJECTIVE 4 :

Fight against corruption and money laundering.

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OBJECTIVE 5 :

Harmonisation of monetary, trade and investment policies for regional integration.



Introduction

Following the oil shock that laid bare the structural problems in the Algerian economy, the government authorities embarked on a vast programme of reform underpinned by the two standby agreements signed with the International Monetary Fund (1989/1990 and 1990/1991), and a third standby agreement (1994) followed by a medium term agreement known as an enhanced facilitation agreement (FFE) from 1995 to 1998.

Algeria's macroeconomic situation is tenable with a return to macro financial balance and a clearly positive evolution of the real sector.

There was an expansion in volume of macroeconomic growth over the period 1999-2005, at an annual average rate of around 4 %, with more marked periods of strong acceleration in 2003, 2004 and 2005, representing 6.9 %, 5.2 % and 5.1 % respectively.

There was a firm consolidation in the external financial position at the beginning of the 2000s, rooted in a viability of the balance of payments; its improvement from 2001 to 2007 was further buttressed by a favourable external environment in terms of the crude oil prices.

The improvement in the external financial position has helped to bring external debt indicators to sustainable levels, particularly since 2004 when the country started advance payments on its external debt, and the level of official exchange reserves also increased substantially.

Annual evolution of external debt

(Billion USD)

	2001	2002	2003	2004	2005	2006	2007
Multilateral loans	5.42	5.01	5.03	4.23	2.59	0.50	0.33
Bilateral loans	4.75	4.92	5.27	5.21	4.12	3.89	3.85
Financial loans	0.00	0.30	0.44	0.51	0.57	0.64	0.70
Unentured commercial loans	0.13	0.13	0.23	0.09	0.10	0.03	0.02
Resche duhing loans	12.14	12.19	12.24	11.37	9.11	0.00	0.00
Total of MLT debt	22.44	22.54	23.20	21.41	16.48	5.06	4.89
Midle term debt	0.26	0.10	0.15	0.41	0.71	0.54	0.72
External debt	22.70	22.64	23.35	21.82	17.19	5.60	5.57

External debt was contained at 4 billion US dollars in 2008.

Public finance : Mindful of the predominance of petroleum tax in the

budgetary revenues and their vulnerability to fluctuations in crude oil prices, the government, in 2000, instituted a Revenue Regulation Fund (FFR) to secure budgetary predictability.

Currently, Algeria's budgetary policy is sustainable thanks to the availability of the Fund and this, despite the fact that the national budget which draws heavily on the Fund's resources for projects in connection with the two development programmes being implemented by government to shore up economic growth, over the 2001/2004 and 2005/2009 periods, at a cost of 7 billion USD and 240 billion USD respectively.

Evolution of execution of the state budget

	(billion DZA)						
	2001	2002	2003	2004	2005	2006	2007
Budgetary revenues	1 401.6	1 570.3	1 520.5	1 599.3	1 719.8	1 835.5	1 951.4
Petroleum tad	840.6	916.4	836.1	862.2	899.0	916.0	1 715.4
Budgetary expenses	1 471.7	1 540.9	1 730.9	1 859.9	2 105.1	2 543.4	3 194.9
Functioning depenses	1 037.7	1 038.6	1 163.4	1 241.2	1 232.5	1 452.0	1 642.7
Equipment expenses	434.0	502.3	567.5	618.7	872.5	1 091.4	1 552.2
Budgetary balance	-70.2	29.4	-210.4	-260.6	-385.3	-707.9	-1 243.6

The improvement in Algeria's external position and the substantial improvement in its foreign exchange reserves combined with a sustained accumulation of the resources in the Regulation Fund over the 2000-2007 period, has brought to light the persisting problem of excess savings from investment as a structural feature of the country's economy.

The consolidated monetary situation shows that the evolution of money supply in terms of M2, continued to be tied to changes in the aggregate net external assets, which, since end-2005, has exceeded liquid monetary d quasi-monetary assets in the nation's economy.

To stem the excess of structural liquidities and curtail its inflationary effects, the Bank of Algeria has resorted, since 2002, to mopping up the excess liquidity through a flexible and well articulated use of the indirect instruments of monetary policy. These measures have enabled the Bank of Algeria to stabilise the monetary situation.

This monetary stabilisation was accompanied by a policy of « controlled floating » of the dinar meant to **stabilise the real effective exchange rate** (TCER) around its long term equilibrium level. The TCER level at end-2003 is taken as the benchmark.

Economic and financial situation of Algeria in 2007

The Algerian economy has been trending upwards since 2000, in association with the upward trend in prices on the international oil market. The economy has been showing a continued consolidation of macro-financial equilibrium and a distinctly positive evolution of the real sphere

The key macroeconomic and financial indicators have evolved as follows :

- 3% economic growth in aggregate, and 6,3% out of hydrocarbon sector, driven mainly by the BTPH sector (9.8 %) and services (6.8 %).
- declining unemployment rates, down by 3.5 points compared to 2005 and 0.5 points in comparison to 2006.
- sustainable fiscal balance, as result of the Revenue Regulation Fund (FRR).
- inflation contained in a context of expansion and excess liquidity of the economy.
- a sharp decline in the internal outstanding public debt ; external debt outstanding has stabilised at below 1 billion dinar.
- growing volume of credits to the economy, oriented significantly towards the private sector.
- a strong surplus external position, consolidated by the increase in export revenues from oil and petroleum products. despite an increase of over 30%, in current dollars, of imports.
- a strongly positive current account balance
- gross reserves of over 110 billion US dollars, representing almost 40 months of non factor goods and services. At the same time as this improvement in external balance, the trend towards the depreciation of the US dollar continued, particularly against the Euro, and this, together with the rise in import prices, is seriously eroding our capacity to import goods from our foreign exchange reserves since the bulk of our imports comes from the euro zone.
- the currency parity of the dinar against the major currencies of payment of our foreign trade shows an appreciation of the dinar against the US dollar and its depreciation against the euro..



The real sector

The budget recovery process, begun in 1999 and sustained by a favourable oil sector, led to an aggregate growth rate of 3% in 2007 as against 2 % in

2006 and growth, net of hydrocarbon sector, was 6.4 % compared to 5.6 % in 2006.

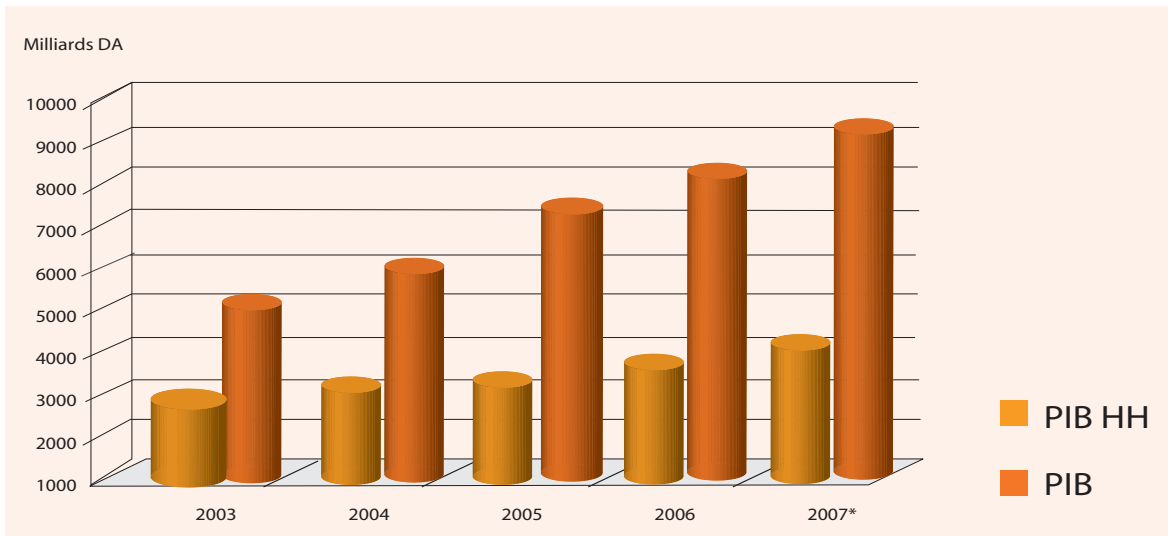
GDP growth continues to be strongly influenced by the pattern of production in the oil and petroleum products sector given the weight of the sector in the formation of value addition; 44 % in 2007.

As a result, aggregate economic growth stood at 3% ; growth, in the hydrocarbons sector, in terms of volume, and stabilised at more or less the same level as in 2006 (- 0.9 % in 2007 compared with 2006).

Excluding the petroleum and hydrocarbons sector, GDP growth reached 6.3%, driven essentially by activities in the BTP sectors (+ 9.8 %) and services (+ 6.8 %) ; due especially to higher public investment spending, generated by the implementation of the supplementary growth support programme and the two « Hauts Plateaux » and « Sud » programmes.

Changes in GDP and GDPexcl, HH

In current value



The contribution of the industry sector to GDP formation remains negligible. Growth of its production, in volume, stabilised at less than 1 % ; this sector being universally considered as crucial to sustainable growth generation.

The evolution of production and the near-15% increases in for goods and services imports and -0.7 % for exports, shows a 9.4% growth in gross domestic expenditure compared with 2006, it accounted for 49.8 % for final consumption of households and public administrations, and 50.2 % for pour accumulation (ABFF+ stock variations).

Household consumption increased 4.7% in volume, outstripping population

growth and an indication of an improvement by over 2.5 points in average consumption per capita.

Investment grew in 2007 by nearly 9.8 % in real terms, a 25.4% rise compared to 23.1 % in 2006.

A look at the equilibrium between savings and investment confirms, yet again, that resources from savings are quite substantial (savings rate in 2007 was 57%) and that problems in mobilising savings for growth financing remain, necessitating a significant improvement in the performance of the financial and banking system, in terms of intermediation between agents with financing capacity and those in need of financing, expected within the next few years.

Public finance in 2007, measured through the situation of Treasury operations, was characterised by :

- a quickening in the pace of consumption of credit payments towards the capital budget : the credit consumption rate, in terms of disbursements, grew by almost 40 %. In ratio to GDP, these expenditures increased from 6 % in 1999 to 12 % in 2006 and 15% in 2007.
- a marked worsening of the deficit in the operations of the Treasury, excluding FRR : the result, in part, of credit payments being used up at a faster rate and that the fact that budget estimates under its « crude oil tax » component were based on 19 \$/bl. In 2007, Treasury operations resulted in a cash flow deficit representing 13.8 % of GDP, it had assets worth 3 215 billion dinar at end- December 2007 (34 % of GDP) after the deductions in 2007, then 4280 billion DA (estimation December 2008).

These deductions, amounting to 1 454 billion dinars, were used to partially finance the Treasury deficit of 532 billion DA, (37% of the deficit), and to reduce the public debt of 922 billion DA, including 608 billion DA in advances by the Banque d'Algérie to the Treasury.

Public debt was characterised in 2007 by the treatment of domestic public debt, essentially through anticipated payment of advances to the Treasury by the Banque d'Algérie.

The aggregate amount involved in this operation was 608 billion DA, including 507 billion DA for repayments of advances from the Banque d'Algérie to the Trésor for the external debt and 101 billion DA for the payment of an advance dating back to 1993 (Art.123 of the 1993 Appropriation Bill).

In 2007, domestic debt outstanding declined by 44% compared to 2006,

from 1 780.7 billion DA to 1 044 billion DA respectively. In 2008, it was brought down to 733 billion DA.

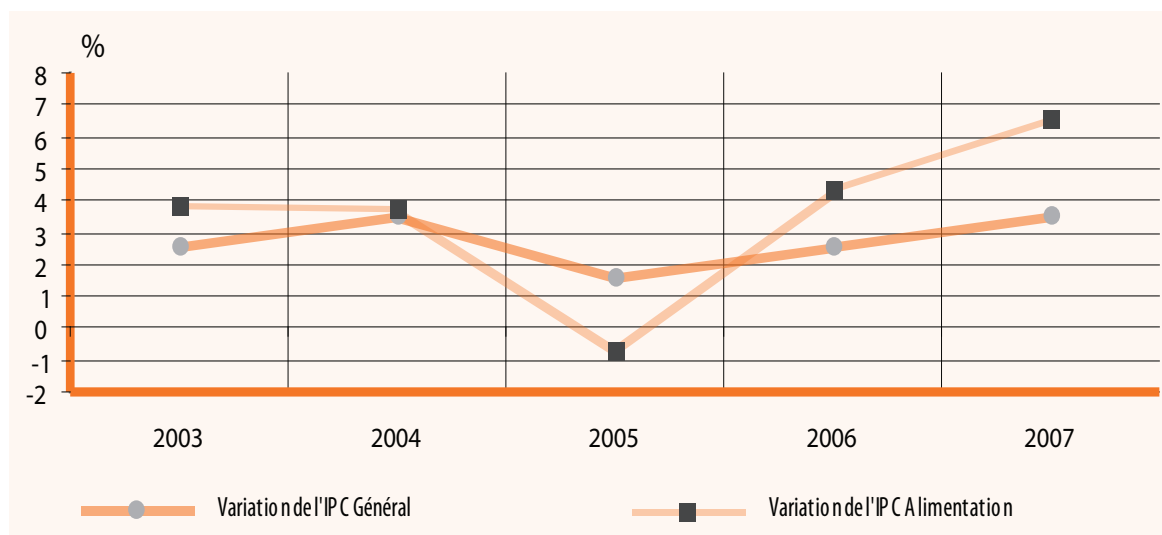
The domestication of the financing of the economy which continued in 2007 kept public external debt virtually stable, compared to 2006. Debt outstanding rose from 880 million USD in 2006 to 910 million USD in 2007. This slight variation was due to the effects of the parity of the Euro to the dollar and disbursements towards old loans from the French Development Agency and the Saudi Development Fund.

Inflation, in 2007 rose by 1 point compared with 2006. The variation in the general consumer price index reached 3.5 %, as against 2.5 % in 2006. This price increase resulted from the combination of two separate phenomena. First was the price of food products, especially the prices of fresh produce, which rose sharply, and secondly, the prices of products with a high import content which experienced the shock of escalating world prices, particularly of cereals and dairy products, and food products, which Algeria imports in massive quantities.

1.

1. **Variation of the consumer price index**

1. **(General Index and Food Index)**



The external financial position, in 2007, was characterised by a marked improvement of the aggregate balance of payments, which, as was to be expected, boosted exchange reserves, which rose from 77.8 billion US dollars to 110.2 billion US dollars by end- 2007, then to 130 billion US dollars by November 2008.

This aggregate balance of the balance of payments, which stood at 29.6 US billion dollars, by far exceeded the 2006 surplus of 17.7 billion US dollars. It was almost unchanged from the level of the external current surplus. (30 billion USD).

The external current surplus is due to the balanced movement of goods imports and exports in 2007, which did not seriously narrow the trade balance surplus as exports rose by 5.8 billion USD and imports by 5.7 billion USD over 2006.

The capital account improved markedly in 2007. It went from -11.22 billion US dollars in 2006 to -1.05 billion USD in 2007, aided by the positive fallout from a sharp contraction of external debt in 2005 and 2006, on which principal payment was only 1.28 billion USD, as against a « peak » of 12.87 billion USD in 2006 and 4.46 billion USD in 2005.

Exchange rate : Against the backdrop of serious exchange rate fluctuations for the major currencies on the international exchange markets, Algeria in 2007 continued its controlled floating policy to help stabilise effective exchange rate of the national currency. The average rate of the US dollar went from 71.3008 dinars in the first 2007 quarter to 70.4280 dinars in the second quarter and 68.6330 dinars in the fourth quarter.

Implementation of an economic management and governance master plan

Ongoing reforms and the implementation of an action plan for improving economic governance and management have resulted in :

Level of ratification and implementation of international codes and standards :

Through the reform that Algeria has been implementing over these past few years it has been able to harmonise its domestic legislation and structures with codes and standards of economic governance and management, and has especially drawn lessons from best practices as regards :

- budgetary transparency with the implementation of the project for the modernisation of budgetary systems (MSB),
- public debt management with advance payment of external public debt,
- fiscal transparency with modernisation of tax administration,
- audit and accounting,

- monetary and financial transparency through a strengthening of the rules for good conduct in the formulation and administration of monetary policy.
- banking control and supervision, notably, application of regulations on the fight against money laundering and the Council regulation on money and credit, and the introduction of new, more appropriate, regulation governing the movement of capital to and from abroad.
- supervision and regulation of insurance through the adoption of a law on insurance (Law n°06-04) which aims to revitalise the activity in general, but also to promote personal insurance, and strengthening of supervision.

Key actions in recent times in this area are summarised below :

- **Adaptation of government accounting** to international accounting standards (IPSAS) to improve the quality of accounting information and comply with intelligibility, relevance, reliability and comparability et de comparability criteria.
- Application of these standards is being done progressively. Four fundamental norms have already been adopted relating to the presentation of financial statements, tables of changes in financial position, and budgetary information.
Implementation of a new financial accounting system which will be effective as from 1st January 2010 (Art. 62 of Executive Order of 24 July 2008 establishing a supplementary 2008 bill.). This new system will ensure that transactions are transcribed faithfully and will help ensure autonomy of the accounting law in relation to fiscal law. It has adopted a conceptual framework for the IFRS and a simplified accounting system for small entities.
- **Subscription to the IMF's General Data Dissemination System (GDSS)** as a prelude to the National Special Data Dissemination Standards (NSDD) that will help to develop and modernise the statistical system within a structured framework. The system will be geared, essentially, towards maintaining data completeness, reliability and availability. The statistical data in question should cover the real sectors, public, financial and external sectors as well as socio-demographic data.

In terms of concrete achievements, meta data and improvement plans for public finance, and for the financial and external sectors for the short, medium and long terms were prepared and will be presented in the IMF's bulletin board. Work is ongoing on meta data for the real sector.

The work carried out so far in this connection has helped to improve the periodicity and timeframes for dissemination of data on the monetary,



financial and external sector. These data and the methods used to compute them are published regularly on the website of the Banque d'Algérie. With regard to public finance, a regular reclassification of statistics in the Summary of Treasury Operations in the cash flow of the MSFP 2001 is carried out. These data are forwarded to the Department of Statistics at the IMF for publication in the IFC Yearbook.

- **Implementing the Basel II accord** for subscribing banks and financial establishments (implementation of its three pillars) with the aim to improve risk management, strengthen prudential supervision and promote market discipline.

This arrangement (especially its Pillars 2 and 3) will replace Basel I which focused on prudential regulation. The Basel II arrangements seek to evaluate credit risks to banks by the banks themselves through their internal systems and how much funds they must set aside to cover risks (Pillar 1), relates to prudential supervision and recommendations on risk management, transparency and regulatory responsibility (Pillar 2) and the set of disclosures that banks must make to allow the market to have an overall risk position, the procedures for evaluating risks, and thus allowing subscribing banks to set aside adequate risk capital. (Pillar 3).

On the structuring project, the Bank d'Algérie, in implementing the Basel II arrangements, has adopted a progressive and concerted approach with the banking community and has taken the following key actions :

- constitution of a team charged solely with the implementation of the Basel II project and working with external assistance ;
- preparation and transmission to commercial banks of two questionnaires designed to help assess how ready these banks are to comply with the three pillars of Basel II ;
- the Banque d'Algérie is currently preparing a study on the quantitative impact (amount of credit risk to be earmarked).

It is also worth noting that the above group works in consultation with the team responsible for implementation of international accounting standards.

Reform and modernisation of the customs administration, to adapt the customs service to national and international changes, improve the way customs public service operates and develop the intervention capacity of the customs administration.

To implement this reform, the customs administration has prepared a draft preliminary law on the Customs Code and this will be submitted for adoption in December 2008 as well as a Medium Term Modernisation Plan for 2007-2010.

In the area of organisation, a number of actions have already been taken, such as reorganising the central administration, including the General Inspectorate.

Efforts have been made relating to customs facilitation. They are geared to address the under-utilisation of economic customs regimes and upgrade «customs facilitation», considered as the lever for enhancing competitiveness of enterprises, especially those in international trade. They include: promoting the Kyoto standards, developing «customs enterprise » period appraisal of procedures with external assistance, introduction of e-payment of duties and taxes, and strengthening of post-audit verifications.

Several measures have also been taken to combat fraud, counterfeiting and illegal transfer of capital, including the following :

> **Efforts to fight fraud** : A successful system has been introduced and strategic actions taken, most especially :

- creation of information pathways and coordination of the activities of all involved within the international trade logistic chain.
- the establishment of a risk analysis and intervention unit for immediate and post audit verifications.
- an overhaul of the corps of customs clearing agents ;
- training of staff ;
- improving coordination with the other government special services based on signing of agreements (tax administration, national security, the gendarmerie..).

> **Efforts to combat counterfeiting:** The Customs Service has set up a structure within its central administration to deal specifically with counterfeiting and has signed several agreements with copyright owners (BAT, MALBORO, SEITA, NESTLE etc...). Additionally, to make it easy to trace imports and exports, a memorandum of understanding has been signed between the customs Service and the Tax Directorate. This agreement is based on the principle of exchange of information on commercial transactions, which will make it easier to follow the goods trail and improve the traceability of goods imported.

Efforts to combat illicit transfer of capital-, the customs administration

has set up a joint commission (Ministry of Trade and the Algerian Chamber of Commerce and Industry) for the purpose of identifying a bracket of values that will serve as a benchmark. For all declarations of a suspicious customs value, the customs service will organise an inquiry and alert the Financial Information Processing Unit (CTRF).

To upgrade its data system, the Algerian customs service is reorganising its national computerised information centre (CNIS) and reviewing its SIGAD computerised system.

Reform of the legislative system, governing the conditions and modalities for concession of domain lands reserved for implementation of investment projects : This reform aims to permanently exclude the transfer of State lands set aside for investments of any kind and confirming that the land belongs to the State, independently of any value additions that may have been made to it, which are the property of the operators who erected them. Furthermore, State lands can now be allocated only through public auctions. Only the Council of Ministers can decide on land allocations by private arrangement.



OBJECTIVE 1 :**Promote the macro-economic policies which support sustainable development****Strengthening the macro-economic framework :**

Economic growth resumed in Algeria over a decade ago. The expansion rates have been positive, albeit below the level required to curb the increased unemployment which stood at 27.3 % in 2001.

In order to stimulate the growth, the authorities embarked on an economic recovery support plan (ERSP) for the 2001/2004 in the sum of 7 billion US dollars, the bulk of which was devoted to upgrading basic infrastructure in the region's most affected by terrorism and drought.

This plan led to the growth of the public works and service sectors, as well as some branches of industry, particularly building materials and wood industries.

The growth rate has been going up since 2002, from 4.2 % in 2002, to 6.8 % in 2003 and 5.2 % in 2004.

To support this level of growth in the 2005/2009 period, a complementary growth support programme (CGSP) as well as « Sud » and « Hauts Plateaux » programmes were launched, financed from the budget, for a total sum of more than 200 billion US Dollars US. The larger part of it was set aside for restoring national balance by developing and modernising the road and rail network, providing water, improving living conditions of citizens, in the area of housing and access to health care, meeting the increasing need for national education, higher education and vocational training, and for developing and modernising public service.

With these programmes, economic growth was accelerated and the trend of reinforcing macroeconomic and financial equilibrium was pursued. The favourable evolution of the principal macroeconomic and financial indicators, which reflects this trend, can be seen in the results recorded in the last few years.

Sustainable budgetary equilibrium :

It should be noted that in the framework of the continued implementation of development programmes and execution of ongoing projects, the operating budget of about 2 500 billion DZD, will increase to more than 3 300 billion DZD. This trend will upset the budget equilibrium because the ratio of budget deficit to GDP will rise from an average of 7.9 % in the 1999-2007 period to 18.5% in 2008 and to an estimated 20.5 % in 2009. Today the trend is manageable, in light of the comfortable amount available under the revenue regulation fund (RRF). All the same it harbours a future risk to the extent that the funds available are subject to the performance of the price of crude oil on the global market.

In the face of the uncertainties inherent in this external factor, and the high level of recurrent expenditure, due to the management and preservation of additional public assets, deriving from the ongoing public investment programmes, a new direction of reducing public spending is being envisaged. This would mean recourse to, among other things, extra-budgetary financing, management and renewal of public amenities, review of current price support and welfare transfer policies, in such a way as to better the beneficiary social categories more effectively, sectoral, quantitative and qualitative evaluation of employees budgeted for, and through it. At the same time, consideration should be given to the possibility of some of these parameters changing dramatically.

In order to improve the efficiency and effectiveness of public spending, a vast move to reform the public finance sector is in progress (modernisation of budget systems, fiscal and customs administration reform ...). Action has already started to make the public spending system more efficient and more transparent, and to increase tax revenue, other than from petroleum products, the level of which still falls short of funding needs, even if it is recording an upward progression.

Moreover, in order to evaluate economic and social policies, and to conduct the perspective and sustainable development studies, a general commission for planning and forecasts [Commissariat Général à la Planification et à la Prospective (CGPP)] was established in June 2008. A series of measures were taken to ensure the take off of the new organisation. In this connection, for 2009, the Commission decided to draw up a master plan to ensure the coherence of economic decisions, to evaluate the implementation of capital programmes for the period 2001-2009 with a view to setting forth the conditions for monitoring the next long term government development programme (2010-2014) and to launch a postgraduate training course in economic forecasting.





Agriculture: ensure the country's food security

One of the priorities of the newly installed CGPP is the harmonisation of the national statistical information system. For this the following measures have to be taken as soon as possible: organisation and strengthening of the NSO, improvement of its status to make it an efficient tool for government policy, giving impetus to the national statistical council by initiating the activities of the national statistical programme, in particular by validating the change of index base and migrating to the United Nations accounting system.

Sectoral Policies :

The government has implemented policies in many sectors to promote sustainable development

> **In agriculture and rural development**, a sustainable development strategy was developed in 2006 (Renouveau Rural) and in 2008 (Renouveau de l'Economie Agricole).

The goal of the Renouveau de l'Economie Agricole (2009-2013) as a national sustainable development strategy for agriculture is mainly to bolster food security in the country. It is based on the following five (05) major axes :

- promotion of an enabling environment for agricultural operations, agribusiness operators and a suitable support policy ;

- development of regulatory instruments particularly through the regulatory system for key food commodities « SYRPALAC » and guaranteeing security for producers of wealth (farmers, livestock farmers, agricultural processing manufacturers) ;
- introduction of 10 specific production intensification programmes : grains, milk, potatoes, oil, dates, seeds and seedlings, red and white meat, water management and integrated agricultural poles [pôles agricoles intégrés (PAI)] ;
- raising a younger corps of farmers and building their technical capacity, by boosting the training, research and extension apparatus;
- modernisation of the department of agriculture and strengthening relevant public institutions (forestry, veterinary, plant health, labelling services ...).

> **The Renouveau Rural** is strengthened by the support programme for the Renouveau Rural (2007-2013), which aims to provide the framework and modalities for the gradual revitalisation of the rural areas through the resumption of economic activities in diverse ways, making broad use of the neighbourhood integrated rural development projects [projets de proximité de développement rural intégré (PPDRI)].

The agriculture and rural development sector also initiated two types of performance contracts with each Wilaya, one for agriculture, concerning the Renouveau de l'Economie Agricole (10 programmes), and the other for Renouveau Rural relating to the rural revival policy (12000 PPDRI). These contracts which cover the period 2009-2013 will be operational from the 2008 - 2009 harvest season.

> **Industry.** A strategy was drawn up for the development of the industrial sector. It has three objectives: to move from the stage of mere exporter of primary products to producer with more value added (petrochemicals, steel and aluminium, hydraulic binders, chemicals); to strengthen the industrial sector, and to promote new industries (automobile, ICT). With the implementation of this strategy the branches sought after by the international markets were identified, and the extent of their competitiveness evaluated while specific facilities were installed to promote new industries (cf. Chapter III : Corporate Governance).

> **Energy and mines** acquired a transparent and attractive institutional framework, following the promulgation of the Electricity Law, and the institution, at the beginning of 2006, of the Operator responsible for the management of the « transport production » system and four (04) distribution

subsidiaries for electricity and gas (Algiers, Centre, East and West), owners of distribution networks established in their geographical zones on one hand, and the promulgation of the hydrocarbon law on the other.

With the promulgation of three major laws, the Energy sector acquired a legal and institutional framework which clearly spelt out the responsibilities and missions of each of the different activities :

1. Law n°01-10 of 4 July 2001 called the Mining Law, amended and complemented by Edict n°07-02 of 1st March 2007, established two distinct agencies – the National Mining Agency [Agence Nationale du Patrimoine Minier (ANPM)] and the National Geological and Mining Control Agency [Agence Nationale de la Géologie et du Contrôle Minier (ANGCM)].

The ANPM is responsible for promoting the mining sector, by issuing mining licences and permits, whilst the ANGCM has a supervisory role.

These agencies have modern management and mineral resource control instruments (geological and mineral database, mines registry, instruments for controlling and monitoring exploitation and respect of the environment.

2. Law n°02-01 of 5 February 2002 on electricity and distribution of gas through pipes, leading to the establishment of the National Electricity and Gas Regulatory Commission [Commission de Régulation de l'Electricité et du Gaz (CREG)], an independent agency with legal personality and financial autonomy, responsible for ensuring competition and transparency in the electricity market and pipeline gas distribution.

3. Law n°05-07 of 28 April 2005, on hydrocarbons, amended and complemented by Edict n°06-10 of 29 July 2006, established the Hydrocarbons Regulatory Authority [Autorité de Régulation des Hydrocarbures (ARH)] and the National Agency for the Development of Hydrocarbon Resources [Agence Nationale pour la Valorisation des Ressources en Hydrocarbures (ALNAFT)].

The role of ALNAFT is to promote upstream petroleum investments. It is responsible for managing the data banks, issuing prospecting permits, calling for tenders and evaluating them and determining exploitation and research perimeters. The ARH is responsible for ensuring that tariff regulations are respected, access is given without discrimination to pipe transmission networks and to the storage system, as well as for hygiene, industrial safety and environmental protection. It examines requests for the granting of pipeline transmission rights.

The sector was further strengthened by a medium term development programme (2009–2013) which aims mainly to improve drilling performance, launch a prospection programme for the renewal of reserves, develop projects downstream to increase the liquefaction capacity of natural gas, build twelve stations for desalting sea water, for a total production capacity

of 2.26 million m³/day in order to secure the supply of potable water for the populations of coastal towns, increase electricity production and build 16 solar villages (solar electricity).

> **SME and Artisanat** A Law was passed in 2001 to govern the promotion of SME. Providing a legal basis for the SME support and promotion actions, this law sets forth the fundamentals of creating and developing SMEs. The economic environment of the SME was strengthened when the government formalised and adopted 46 implementing provisions. These legal and regulatory documents provided the backing for a series of actions and projects which aimed mainly to :

- facilitate access of the SMEs to funding through the SME Credit Guarantee Fund [(Fonds de Garantie des Crédits à la PME (FGAR)] and the Investment Credit Guarantee Fund [Caisse de Garantie des Crédits à l'Investissement (CGCI)]. This significantly increased the SMEs' chances of obtaining bank loans, as can be seen from the balance sheets of the two institutions after a short test period.
- An Investment Fund was also created for the benefit of the SMEs under the 2008 budget;
- develop activities to accompany and facilitate the establishment of SMEs: to this end the government implemented a vast programme to introduce support and accompanying measures. They include the establishment of a network of facilitation centres and business incubators all over the country to accompany project initiators during the gestation period of their ideas and provide them with accommodation, technical advice and coaching during the first years of development of their enterprises. The objective is to ensure that by the end of the first five year 2004/2009 period, the sector will have 17 incubators and 32 facilitation centres spread all over the country ;
- upgrade Algerian SMEs : this action is informed by the vulnerability of the SMEs on one hand and by the keen competition facing them in a market economy.

An initial upgrade programme was initiated in the MEDA I programme. It was closed in May 2007 with a total of 716 SME involved in an upgrading process.

The Ministry of SME and Artisanat has its own upgrade programme, the purpose of which is to improve the competitiveness of about 3000 SME. It is being implemented by the National SME Development Agency.

- Establishment of synergies between SMEs and the University:



regular meetings in form of Enterprise/University forums are organised to build bridges between the University and the SMEs and develop research and innovation among the SMEs. To this end, a national competition for the most innovative SME will be organized annually starting from 2009.

The law on SME promotion is currently being revised and updated in light of the new exigencies of the economic environment. The amendment to the law would consist in clarifying definitively the definition and classification of SMEs and fixing new assistance and support measures for SME promotion.

OBJECTIVE 2 :

Implementation by government of healthy, transparent and predictable economic policies .

The reforms embarked upon by government in order to ensure the implementation of healthy, transparent and predictable economic policies included financial and budgetary reforms,

Budgetary reform : There is an ongoing project to modernise budgetary systems [modernisation des systèmes budgétaires (MSB)], estimated to cost 24.4 million USD, of which 18.4 million USD is financed by the IBRD. Its purpose is to totally revise the system of preparation, execution of control accounting, computerisation and monitoring of the State budget by :

- introducing a multiyear results-based budget procedure. The notion of programmes, measured by performance indicators, will enhance their monitoring;
- improving the presentation and dissemination of the budget by using a computer application for budget preparation (SIGBUD);
- improving budget policy formulation by introducing a medium term framework (CDMT) which sets income and expenditure objectives;
- restructuring the public spending execution process, by simplifying the procedure for executing public spending and computerizing it through the development of the integrated budget management system [système intégré de gestion budgétaire (SIGB)].

In terms of achievements and for the smooth running of the project, when the Ministry of Finance was reorganized by decree on 28 November 2007, a division of budget reform was created, located in the budget department, as well as a division of information systems to implement the computer masterplan of the Ministry. An agency was also established for the computerisation of public finance, responsible for the design and coordination of the deployment of the State's new budget, finance and account information systems. It should also be noted that the distribution of the manual of procedures describing all stages of processing expenditure and preparing the preliminary draft budget, was adopted by Cabinet on 12 March 2008. It sets forth the conditions for preparing, executing and controlling public spending.

Financial and banking reforms: the objectives are to improve the governance of banks and insurance companies by increasing the stability and profitability of the banking sector, substantially developing mortgage and modernising and strengthening the technical and material infrastructure of banks in order to foster the banking culture among the population and improve the quality of banking services. In terms of implementation, the following should be noted :

Banking sector¹ :

- improving the governance of public banks by means of performance contracts, improving the role of the boards of directors and management of banks.

The new performance contracts were developed following an evaluation of the performance contracts signed in 2004. They include a new remuneration system for bank executives.

To improve the role of Boards of Directors, they were reconstituted, and new rules of procedure were introduced, particularly an audit committee. This action will be strengthened by increased professionalisation of members and improved management with the development of a charter of managerial

1. It should be recalled that the Algerian banking sector comprises 25 banks and financial institutions and one development bank. Public banks are predominant on account of their wide network of branches all over the country. However, the rate of spread of private banks has increased considerably over the last few years. The network of public banks apart from Banque d'Algérie, comprises 1 093, whilst that of private banks and financial institutions has 196 branches.



responsibilities as well as a code of ethics.

To improve the conditions of banking operations and environment by preparing the banks for the introduction of the new accounting plan, and the Basel II standards, and through better human resource management (new performance-based variable remuneration system).

- Increased efficiency and financial intermediation, through bank restructuring and improved commitment capacity of banks.

Implementation of the process that was to result in the opening up of the capital of some banks was suspended e.g. CPA whose operation was frozen in November 2007, due to unfavourable conditions on the international markets which had a negative effect on the main banks that applied. For the CPA, as well as other public banks, there is need for more prudence in view of the prevailing situation of uncertainty on the international markets and poor results of the international banks and their redeployment strategy.

Still on restructuring, mention should also be made of the redeployment projects envisaged for some financial institutions such as the restructuring project of the BAD² and the project to transform SOFINANCE³ into an investment bank.

On the restructuring of the BAD, a redeployment plan has been developed in which the institution will be organised around two pillars, as a State financial agent and as a development agent. Its mission would be to manage public equipment operations (financial audit, departmental accountants), study and raise funds for development projects, funding of major public projects, setting up and financing of public enterprises from its own resources.

With regard to the restructuring of SOFINANCE, the project to transform this public financial establishment into an investment bank is under study, in consultation with MIPI. At the moment, SOFINANCE is exploring the possibilities of receiving assistance from specialised institutions (EIB, AFD and IFC). It has also started work on developing a business plan and identifying projects capable of constituting the source of business for the future « investment bank ».

In terms of improvement of management, and upgrading of major banking functions in public banks, the institutional and financial upgrading plans have been implemented. They are based on institutional and financial audits, signing of reinforced assistance contracts, cooperation with foreign banks and more professional training in partnership with overseas experts.

Furthermore, to increase the commitment capacity of banks, the level of equity capital of the banks was increased. A target level of equity was

2. Banque Algérienne de Développement

3. Société financière d'investissement, de participation et de placement.

decided upon by the bank which was in correlation with its development plan and the financing of big energy sector projects.

In 2007, the equity capital of banks increased by more 11 billion DZD, in 2008 by 153 billion DZD and in 2009 it will increase by 77 billion DZD. 42 % of this increase is financed by State grant, 27 % by bank profits allocated to the operation, and 31 % by asset re-valuation.

Improving the commitment capacity of banks is also provided for in article 81 of the 2008 Appropriation Law which authorises the Treasury to put in place a medium and long term credit line for banks, to finance investment projects of enterprises, at rates and under conditions defined by regulation.



- Simplifying the balance sheet of banks and improving the profitability of assets by handling public enterprises: the plan for handling public enterprises has been put in place. It affects 146 non-viable unstructured enterprises (no market prospects) and 206 viable unstructured enterprises with differentiated financial systems. The decisions to freeze the overdrafts of the non-viable EPE were signed and implemented. For the viable EPE, the operation is being put in place alongside the recovery plans produced.

The introduction of a medium and long term credit line for the banks, to finance investment projects of enterprises ; improvement of the level of equity of the banks to augment their commitment capacity ; institution of a legal framework for investment capital companies ; establishment of an intermediate clearing house; development of fixed and movable assets leasing activities; establishment of savings and loan cooperatives; introduction of a mass remote clearing system and of new secured and personalized cheques. In addition an insurance supervisory commission was established.

- Introduction of financial innovations through densification of the market for bonds issued by the companies and drafting of the legal and regulatory framework for the launching of marketable credit instruments: treasury bills and certificates of deposit. Moreover, the promulgation of the new insurance law provides a suitable framework for the development of banc assurance. To this end partnership agreements have been signed between the banks and insurance companies.
- Improving the quality of clients and financing offer of banks by putting in place the regulatory framework, comprising the provisions for the revaluation of venture capital and investment companies. The following are noteworthy :

- Establishment of an investment company between the Algerian state and the Kingdom of Saudi Arabia, which has been operational since the beginning of 2008.
- Commercial reorganisation of the network of banks by putting in place retail banking centred on the commercial dimension with the installation of pilot centres within the public banks operating according to international standards. This organization will be deployed gradually to the entire banking network.
- Introduction of the legal framework for mutuals through the promulgation of the law on the establishment of savings and loan cooperatives.

With regard to the development of mortgage and improved legal and institutional environment of mortgages, the Appropriation Laws of 2005, 2006, 2008 and the 2009 Appropriation Bill introduced a number of provisions, seeking to reduce the charges on mortgage transactions. They include support for bank credit and the promulgation of the law on securitization of mortgages which released additional bank commitment capacity.

On modernisation and reinforcement of the technical and material infrastructure of banks, a system of real time gross payment of large sums and urgent payments, an internal information system and a mass remote clearing system (ATCI) were introduced in 2006. This system has become operational; by the end of July 2008, 96.4% of clearing of payment instruments was done electronically. With the installation of this system, the legal and regulatory framework was adapted, standards applicable to all payment instruments including electronic payments adopted, a suitable, reliable and secure interbank telecommunications network installed, standardised and secured cheques produced, and supervision reinforced

In the area of banking control and supervision, to ensure the integrity and soundness of the banking system, the Banque d'Algérie and the banking commission in accordance with the regulation issued by the Money and Credit Council, regularly conduct rigorous monitoring of the banks and financial institutions, particularly their risk evaluation, monitoring, and management procedures. Thus, apart from checking the declaration documents forwarded by the banks and financial institutions to Banque d'Algérie, control missions are dispatched to the banks and financial institutions. The strategic objective is to ensure the orderly development of banking intermediation.

In banking supervision, checking of documents is the first level of an alert system which allows for better monitoring of the banking system. All the 24 registered establishments, i.e. 18 banks and 6 institutions are subject to this form of supervision. From 2002 to 2007, 2558 queries were addressed to the banks and institutions. They relate mainly to delays in the transmissions of reportings, standards not respected, errors and inconsistencies and requests



for additional information.

The ongoing improvements introduced to the bank information systems through modernisation of the payment systems, are gradually reducing the delays in declarations and better risk monitoring. However, additional efforts are being expected.

Financial market : In a bid to mobilise internal resources more vigorously, it has been strengthened over the last few years with the densification of bond issues, continued development of the State securities market. The securities constitute, for periods of 3 months to 10 years, benchmark securities introduced to the State stock exchange: OAT treasury securities and with the commissioning of the central securities clearing system « Algérie Clearing », a modern institution for the management and administration of stocks, according to universal security standards.

Insurance sector : Strengthening stability and profitability continued with the amendments made to the insurance edict. The objectives are to : boost activity, financial security of companies and reorganisation of supervision. Achievements include :

- Introduction of a mechanism for selling insurance products at bank counters and signing of distribution agreements between the insurance companies and the different banks ;
- Installation, at the Ministry of Finance, of an insurance supervisory commission ;
- Installation of a foreign company specializing in personal insurance;
- Signing of partnership agreements between Algerian and foreign insurance companies (SAA with MACIF France, CAAT with FIATC) ;
- Increasing the equity capital of the insurance sector.

On insurance sector reform, an insurance market development plan was prepared. It serves as a road map for different actors. In particular, it aims to improve the governance of insurance companies by modernising information systems, generalising the use of performance contracts for key functions, standardizing missions of audit committees and strengthening internal control.

OBJECTIVE 3 :**Promotion of sound management of public finance.**

With regard to promoting the sound management of public finance, in addition to all the actions carried out in the framework of financial and budgetary reform, the progress made by the Tax authority in implementing a modern efficient tax policy and in reforming local taxation deserves to be mentioned.

> **Tax authority reform :** its objectives are to stay coherent with the transformation of the country's economic landscape which is characterised by the increase in the number of stakeholders, both national and foreign, in the production of goods and services, and better relations with taxpayers, so as to facilitate the collection of general taxes. The share of the latter in the overall budget resources remains relatively low, even though it is increasing from year to year.

The first effects of the reform are noticeable the level of :

- **Collection of general taxes:** the products of general taxes are increasing every year, despite a strong tendency towards tax exemptions and reduction in tax burden. Today the volume is estimated at 5 billion DZD. The share of general tax in total budget resources rose from 39 % in 2001 to 50 % in 2007. Revenue allocated to local authorities account for 20 % of general tax collected. It is clear that this proportion falls short of the financing needs of the local authorities and that only the ongoing reform of local taxation can provide appropriate solutions.
- **Handling tax disputes:** the handling of tax disputes has improved significantly since reforms were introduced to the dispute procedures under the 2007 Appropriation Law. These reforms which centred on deconcentration of contentious decisions and reduction of time of processing claims resulted in a clear improvement in the rate of processing, from 50 % in 2002 to 76 % in 2006 and 91% in 2007. These reforms also led to a clear reduction in the rate of outstanding cases; from 21% in 2002, it went to 12 % in 2004 and 2005 and has stabilized at 10% in 2006 and 2007.
- **Internal control of tax administration:** the internal control missions, alongside management missions, are intended to generally oversee the activities of the administration to ensure smooth running and prevent corruption, misappropriation or embezzlement. By way of illustration, the number of cases of

embezzlement has reduced considerably in 2007, compared to previous years: 4 cases for a total loss of 1.6 million DZD in 2007, as against 5 cases totalling 112 million DZD in 2006 and 13 cases worth 112 million in 2005.

> **With regard to tax policy**, there are two constant strategic objectives behind the legislative action. The first objective consists in gradually conferring the characteristics of a modern and efficient system on the Algerian system. The second objective, largely dependent on the realization of the first, consists in ultimately substituting general tax for petroleum tax as a lasting source of providing State budget income. For these objectives to be realised, the fiscal system in force has to be simplified, pressure reduced, the fight against fraud and tax evasion strengthened and the tax authority has to assume its role as socioeconomic catalyst and guide.

To this end a series of measures was taken with the successive Appropriation laws, and particularly the 2007 and 2008 initial and supplementary Appropriation laws. These include :

- **Implementation of a continued process of simplification.** This action takes many forms, and has affected both taxes (institution of the single lump sum tax [Impôt Forfaitaire Unique« IFU »] for small taxpayers) and the mode of determining income (institution of simplified system). In this connection since 2007, 800 000 traders are being monitored at the IFU and pay their tax every quarter, without any other formality.
- Still with respect to the continued modernisation and simplification of litigation procedures, important measures were introduced by the 2008 Appropriation Law. They include further deconcentrating litigation decisions by raising the ceiling on the value of declarations that can be treated at each level. For Wilaya directors of taxation it was raised from 10 million to 20 millions DZD. For the department of big enterprises [DGE (direction des grandes entreprises)], it was raised from 30 million to 100 million DZD. Furthermore, the scope of deconcentration was extended to include VAT refund decisions. Thus the powers of the Director General of Internal Revenue to decide and approve VAT refunds were transferred to the Wilaya Directors of Taxation and the Director of Big Enterprises.
- **Lightening the tax burden**, mainly by eliminating the lump sum payment, the rate of which stood at 6 % of the wage bill in 2000. This rate was reduced annually by one percentage point since 2001, until its total elimination in 2006 through a reduction in the profit tax of manufacturing, public works and tourism companies from 30 % to 25% in 2006 and from 25 % to 19 % in 2008.



- **Tax exemptions**, by encouraging leasing as a means of financing investments. VAT exemption was granted for acquisitions made by banks and financial institutions through leasing arrangements. Also there was exemption from tax on total income (IRG), in respect of capital gain upon cession of developed and undeveloped real estate. Constitution of groups of companies was also encouraged as the turnover of the group was VAT and TAP exempt.
- **Consolidation of tax revenue of local authorities:** measures were taken to strengthen the financial resources of local authorities, including increasing the share of VAT due to them from 5 % to 10 % and allocating 50 % of the proceeds of the tax on total income (IRG) to rental income.

> **Gradual introduction of new measures:** the new method of tax management by « clientele », which is in conformity with international developments, is reflected in the creation of three new departments and a tax information processing unit :

- **Department of Big Enterprises [La direction des grandes entreprises (DGE)]** is responsible for managing and securing State fiscal income, managing petroleum tax and modernising the organisations and procedures through progressive automation of management and dematerialisation of the fiscal obligations of enterprises. Commissioned in January 2006, it manages a portfolio of 1 340 enterprises, collects the entire petroleum tax and nearly 50 % of general tax. Its scope of operations is expected to broaden in 2009-2013 when it will be expected to account for more than 70 % of tax collected.
- **Tax centres [centres des impôts (CDI)]** for companies that are not eligible for DGE, individual enterprises having their own accounts departments and the liberal professions. The tax centres, numbering about 70, will replace the existing tax offices and inspectorates, thus offering taxpayers quality service, as the sole fiscal interlocutor. Moreover, they will help to improve the services of the DGI in terms of controlling tax files, thanks to their structure and the introduction of modern tools and qualified personnel. Eight CDI are expected to take off between the 4th quarter of 2008 and the 1st quarter of 2009. The construction work has been completed on the pilot CDI at Rouïba, and it is ready for inauguration. A computer application is currently being validated at the site.
- **Neighborhood tax centres [Les centres de proximité des impôts (CPI)],** set up mainly for collecting the taxes of small taxpayers

and personal income tax, are responsible for managing personal income, and for handling massive and integrated management of the personal and professional data of each taxpayer. The 250 CPI will be installed progressively at the same pace as the CDI. The first two CPI are scheduled to be commissioned in the 2nd quarter of 2009.

- **Establishment of a central tax information registration and processing unit [La création d'une unité centrale d'immatriculation et de traitement de l'information fiscale (DID)]** in 2006 further strengthened the capacity for collecting tax information and constituting data bases, in collaboration with other State institutions (Banque d'Algérie, Register of Companies etc..) and for implementing the right to communicate with third parties. It is responsible for information research, collection, processing and reproduction and for the constitution of centralised data bases necessary for the prevention and control of fraud, tax evasion, capital flight, informal economy and money laundering, corruption and financial crime. Since its inception, the DID has worked hard to give legal and physical persons as well as administrative entities tax identification numbers, on the basis of which the national directory of taxpayers and the tax record will be constituted, in accordance with the provisions of articles 176 to 178 of the Tax Procedure Code [code des procédures fiscales (CPF)]. In this connection, the administrative, customs and banking procedures relating to external trade operations will start on 1st October 2008 with a new magnetic card bearing the tax identification number.
- **Creation, in 2008, of a central department of public relations and communications** for the purpose of meeting the expectations of taxpayers with respect to reception and provision of information, facilitating contact between users and staff and informing users of new means placed at their disposal for the accomplishment of their tax obligations (electronic declaration and payment).



OBJECTIVE 4 :**Fight against corruption and money laundering.**

The authorities took legal and institutional measures to fight corruption and money laundering. Legally, steps were taken to ratify the principal international conventions (cf. chapter 1 Political Governance). Internally the authorities worked to harmonise national legislation with international ones. Thus, on the regulation on government contracts, a presidential decree amending and supplementary to the presidential decree of 24 July 2002 on public contracts was published in October 2008 (n° 08-338 of 26 October 2008). The revision aims to :

- **evaluate and improve the control of public finance** by extending the scope of application of the contracts awarded by government economic enterprises and financed totally or partially from the State budget, and ensuring the respect of the general principles of public contracts (free access of the public, equal treatment for bidders and transparency of procedures).
- **introduction of new measures for incorporating labour clauses**, guaranteeing the respect of labour legislation, in application of the international labour convention which Algeria has ratified.
- **introduction of new measures** to facilitate the implementation of development programmes by actors, particularly at local level (PCSC, rural and agricultural development).

Furthermore, given its importance and its impact on the legality and efficacy of public spending, control is being carried out through :

>the National Capital Fund for Development [La Caisse Nationale d'Équipement pour le Développement (CNED)] the principal missions of which consist in increasing efficiency of State capital expenditure, improving the process of executing, monitoring and evaluation of major economic and social infrastructure projects and in diversifying sources of financing and optimizing the cost of financing big projects.

In this connection the CNED carried out several actions, including the review of studies, monitoring of execution as well as a retrospective analysis of big economic and social infrastructure of several sectors. Out of the programme evaluated at a total of 3.4 billion DZD, the CNED monitors projects representing an amount of more than 2.2 billion DZD, broken down as follows :

- public works : 1.117 billion DZD out of 1.226 billion DZD

recorded,

- transport : 507 billion DZD out of 1.537 billion DZD recorded,
- water resources : 405 billion DZD out of 537 billion DZD recorded,
- territorial development : 171 billion DZD out of 194 billion DZD recorded.

To support its control mission, the CNED carried out a training programme for its staff, set up an information system and a data bank in the framework of an African Development Bank assistance programme, and distributed gestation and monitoring guides for the execution of big projects to the main ministries and agencies responsible for the projects.

By way of prospects, the CNED intends to continue implementing the evaluation and consultancy programme for big economic and social infrastructure projects, to enlarge the scope of intervention of the CNED to include all big projects for which more than 20 billion DZD was approved, and to strengthen its means of intervention by mobilising national and international expertise, to organize training session on the utilization of the gestation and monitoring guides for big projects for officers of ministries and agencies responsible for big projects.



> **Inspectorate of Finance [Inspection Générale des Finances]** is an administrative post-audit organ, for accountants and authorizing officers. Its scope of competence covers financial and accounting management of government agencies, local authorities and agencies falling under public accounts as well as any other entity that receives State grants.

Edict n°08-01 of 28 February 2008 extended the scope of operations of the IGF to include Economic Public Enterprises.

In the financial year 2007, the IGF effected and forwarded 128 audit reports. During the first half of 2008, 103 missions were conducted, 14 of them were referrals from appropriate authorities) and 95 reports were written and forwarded to the appropriate authorities.

Different types of missions were carried out: management control, audit, investigation, evaluation and criminal auditing.

These missions, executed under the annual programmes, validated by the Ministry of Finance and referrals from the appropriate authorities, covered no fewer than 18 sectors, in particular, sensitive sectors that had received substantial budgetary allocations. (agriculture, housing, education, health).

In addition to its traditional missions, the Inspectorate conducted management audit missions to some economic public enterprises (Algiers Métro, E.P.L.F Boumerdès, Algiers Ports Authority, SNVI, etc...), in accordance with the directives given by the highest authorities of the State.

The reports produced are sent to the line ministries which should follow up and implement the conclusions of the reports.

The government also set up a financial information processing unit [cellule de traitement du renseignement financier (CTRF)] in 2007, to promote integrity, accountability and transparency in public and private sector management and support international cooperation and technical assistance in order to prevent and fight corruption.

In terms of achievements, this unit continues to maintain contacts with its institutional environment comprising financial agencies and security services. It has also initiated relations with the liberal professions. Media and sensitisation campaigns have been carried out on the fight against money laundering and funding terrorism, addressed to the chief executives of public banks and clearing and forwarding agents.

With regard to assistance and information exchange protocols, the unit has just signed an administrative agreement with Senegal. It has also engaged negotiations with 17 countries comprising the Middle East & North Africa Financial Action Task Force (MENAFATF). The agreement with Qatar will be signed shortly.

Government gave special attention to the control of public spending on account of its impact on the legality and efficiency of public spending. Thus a number of control actions were initiated whilst others were consolidated.

OBJECTIVE 5 :

Harmonisation of monetary, trade and investment policies for regional integration

Algeria continues to consolidate and intensify cooperation and diversify its trade with all African and Arab Maghreb Union countries.

> **With the Arab Maghreb Union** : a draft convention on the establishment of a free trade zone between the Arab Maghreb Union (AMU) countries has been under discussion for the last few years. The last meeting of the working group to finalise this draft convention was held in Rabat in May 2007. Its next meeting is scheduled to hold in the second half of this year. The regional political context marked by the incomplete decolonisation of Western Sahara, according to the United Nations resolutions, is one of the obstacles to the realisation of the objectives set forth in the treaty establishing the AMU.

> **With the African continent**, the active participation of Algeria at all meetings of African Ministers of Trade under the aegis of the African Union Commission (AUC), as well as those of the Committee on Trade, Cooperation, and Regional Integration, initiated by the United Nations Economic Commission for Africa, is proof that Algeria has made Africa an essential element of its economic and trade policy.

The trans Saharan highway, which links Algeria to its neighbours south of the Sahara has received a lot of funding under different programmes (PCSC, PSHP, PSS..), amounting to more than 64 billion DZD. With these funds, the southern part of this strategic road can be completed and the northern part developed into a highway at Blida Laghouat. The positive impact of this project is further boosted by the building of a gas pipeline and a fibre optic cable between Abuja (Nigeria) and the Port of Beni Saf, via Niger.

Aware of the importance of economic integration to promote intra-regional trade through the regional economic communities (REC) created under the Abuja Accord, Algeria took suitable measures to deepen its economic relations with African countries. In this connection, it embarked on discussions with the Union Economique et Monétaire Ouest Africaine (UEMOA) in order to sign a trade and investment agreement with the Union. The second round of negotiations is now being prepared. This action is in line with the initiatives engaged by Algeria to develop South-South trade in general and within the New Partnership for Africa's Development (NEPAD) in particular.



With regard to the Union Economique et Monétaire Ouest Africaine

(UEMOA), the initiative to sign a trade and investment agreement with this Union of eight (08) countries (Benin – Burkina Faso – Côte d'Ivoire, Senegal, Mali, Niger, Togo and Guinea Bissau) was taken in conformity with the commitment of Algeria to the African continent and in a bid to maintain a stronger economic presence at regional level. Only one negotiation session was held from the 28 to 30 January 2008 at Ouagadougou, at which the positions of the two parties on trade issues were reconciled. The 2nd session of negotiations, initially scheduled for end of 2008 at Algiers, did not hold because the UEMOA countries have not yet finalized their consultations.

In the Arab Free Trade Zone, following the decision taken by the President of the Republic at the 19th Arab Summit in Riyadh to implement the executive programme of this free trade zone, the Ministry of Trade, in relation with all sectors concerned, has been working hard to meet the preliminary conditions which are :

- Preparation of a document to be forwarded to the Arab League on the commitment to accede, total exemption from customs duties and taxes of equivalent effect for imported products and application of the rules of origin adopted by the Economic and Social Council ;
- Dissemination of the instruction that all products of Arab origin be imported duty free to all customs services at borders and forwarding of a copy of the Algerian customs tariff to the Arab League Secretariat ;
- Designation of a focal point for monitoring the implementation of the executive programme of the zone and resolving problems relating to its application;
- Drawing up of the list of products excluded from the provisions of the executive programme of the zone for health, security, environmental and religious reasons

In addition to these preconditions to membership of the Arab free trade zone, the Ministry of Trade, in collaboration with relevant sectors, prepared a first list of products that should be protected, in line with article 15 of the Arab Trade Facilitation and Development Convention. In any case, Algeria should accede to the free trade zone very shortly.

> **Euro Mediterranean regional integration:** The purpose of economic integration in the Euro Mediterranean region is to grant preferential access to Algerian products in the European market and promote European investment in Algeria.



The first results in the area of trade indicate that with the exception of hydrocarbons, the balance of trade deficit with the European Union persists. This is worsened by the low level of European investment in exports, since the exigencies of the European market in terms of standards and the multiplicity of free trade agreements between the European Union and the rest of the world make access the European market even more difficult.

Algeria participates in all Euro Mediterranean discussions on better regional economic integration.

Within the framework of Euro Mediterranean regional integration, the project for the gradual integration of the « electricity markets of Algeria, Morocco and Tunisia into the European Union domestic market » should be mentioned.

A national 400 kva East-West ridge for the transmission of electricity is being built by Algeria. This project, which meets the first objective of optimizing the national electricity grid, is also in line with the prospects of Euro-Mediterranean partnership for the interconnection of grids, with the ultimate goal of integrating Maghreb and European energy markets.

> Accession of Algeria to the WTO: with the accession of the country to the WTO it is expected that the economic reforms embarked upon will be consolidated, and it will better integrate the global economy. The process has reached an advanced stage.

Having considered that they have a critical mass of information, members of the Working Group gave the green light to the WTO Secretariat in February 2005 to begin preparing the report of the Working Group.

The first version of the draft report of the Working Group on accession of countries was examined on 21 October 2005, and a revised version of this report was presented to the Working Group at its 10th session held on 17 January 2008.

On that occasion members of the Working Group appreciated the progress made. The current debate is on the finalization of the report and protocol of accession as well as its annexes (lists of tariff commitments and specific commitments on services).

> Negotiations with the European Free Trade Association (EFTA): Algeria is currently holding negotiations with a view to signing a free trade agreement with the four member countries of the European Free Trade Association - EFTA (Switzerland, Norway, Iceland and Lichtenstein).

To date three rounds of these negotiations have taken place, the first at Algiers in November 2007, the second at Geneva in February 2008, and the last in May 2008 at Algiers. This agreement is expected to be finalized by the end of 2008.



> **Cooperation within the Group of 77** : Algeria, as an active member of the group of 77, participates in the cycle of negotiations on the Global System of Trade Preferences (GSCP) [Système Global des Préférences Commerciales (SGPC)] among developing countries to promote trade cooperation among South countries on the basis of reciprocity through the exchange of concessions.

In this connection, Algeria participated, on the margins of the 12th session of UNCTAD held at Accra (Ghana) from 20 to 25 April 2008, at the two meetings in respect of the third cycle of Sao Paulo, i.e. :

- Senior officials' negotiation committee ;
- Extraordinary session of the Committee on Participations at the level of Ministers of Commerce of member States of the Global System of Trade Preferences among developing countries.

In the area of direct investments and with a view to better integration among different African countries, Algeria and Nigeria have signed a partnership agreement for the realisation of the Trans Saharan Gas Pipeline (TSGP), of about 4300 Km length and a gas pipeline to transmit natural gas to European markets from the Niger Delta region south of Nigeria, via Niger and Algeria.

This project is included in the programme of the New Partnership for Africa's Development (NEPAD), as is one of the three major founding projects of the programme, alongside the Algiers-Lagos trans Saharan highway and the fibre optic links between Nigeria and Algeria.



construction of a road in Algiers suburb

1. ECONOMIC MAJOR INDICATORS

	Unités	2000	2001	2002	2003	2004	2005	2006	2007
DGP	Milliards DA	4 123.9	4 227,1	4 521.8	5 247.5	6 135.9	7 544.1	8 463.5	9 389.6
Rate of growth									
•	PIB	2.2	2.7	4.7	6.9	5.2	5.1	2.0	3.0
•	GDP net of hydrocarbons	1.2	5.4	5.3	5.9	6.2	4.7	5.6	6.4
•	Agriculture	- 5.0	13.2	- 1.3	19.7	3.1	1.9	4.9	5.0
•	Oil	4.9	- 1.6	3.7	8.8	3.3	5.8	- 2.5	- 0.9
•	Industry	1.2	2.0	2.9	1.5	2.6	2.5	2.8	0.8
•	BTP sector	5.1	2.8	8.2	5.5	8.0	7.1	11.6	9.8
•	Service	2.1	6.0	5.3	4.2	7.7	6.0	6.5	6.8
GDP/H.H	US \$	1 801	1 786	1 819	2 130	2 631	3 125	3 480	3 970
Investment rate	%	20.7	22.8	24.6	24.1	24.1	22.3	23.1	25.4
Saving rate	%	41.4	39.7	38.5	43.3	46.7	52.1	54.7	57.0
Unemployment rate	%	29.5	27.3	25.7	23.7	17.7	15.3	12.3	11.8
Inflation rate	%	0.3	4.2	1.4	2.6	3.6	1.6	2.5	3.5
Treasury operations									
Budgetary receipts	Milliards US\$	1 124.9	1 389.7	1 576.7	1 525.5	1 606.4	1 714.0	1 841.9	1 949.7

Budgetary expenses	Milliards US\$	1 178.1	1321.0	1550.6	1690.2	1891.8	2052.0	2 453.0	3 092.7
Global balance net of FRR	Milliards US\$	- 54.4	55.2	- 16.1	- 10.4	- 187.3	- 472.2	- 647.3	- 1 295.4
Global balance including FRR	Milliards US\$	398.9	179.1	10.4	438.7	436.2	896.7	1 150.7	443.4
Availability of FRR	Milliards US\$	232.1	171.5	28.0	320.9	721.7	1 842.7	2931.0	3215.5
External outstanding public debt	Milliards US\$	20.39	18.10	14.61	14.89	13.50	11.58	0.88	0.91
Domestic outstanding public debt	Milliards DA	1 022.9	999.4	980.5	982.2	1000.0	1094.3	1779.7	1044.1
Monetary status									
Net external credits	Milliards DA	775.9	1310.8	1755.7	2342.6	3119.2	4179.7	5515.0	7415.5
Net domestic credits	Milliards DA	1 246.6	1162.7	1145.8	1011.8	618.9	- 22.1	- 581.4	- 1420.9
Credit to the economy	Milliards DA	993.7	1078.4	1266.8	1380.2	1535.0	1779.8	1905.4	2205.2
Credit to the public sector	Milliards DA	702.0	740.5	715.8	791.7	859.6	882.5	848.4	989.2
Credit to the private sector	Milliards DA	291.7	337.9	551.0	588.5	675.4	897.3	1057.0	1216.0
Liquidity and near-money (M2)	Milliards DA	2 022.5	2473.5	2901.5	3354.4	3738.5	4157.6	4933.7	5994.6
Balance of current account	Milliards US\$	8.9	7.1	4.4	8.8	11.1	21.2	29.0	30.6
Balance of major account	Milliards US\$	- 1.4	- 0.9	- 0.7	- 1.4	- 1.9	- 4.2	- 11.2	- 1.1
Balance of balance of payments	Milliards US\$	7.6	6.2	3.7	7.5	9.3	16.9	17.7	29.6
Raw reserves	Milliards US\$	11.9	18.0	23.1	32.9	43.1	56.2	77.8	110.2
Reserves in mouth of import	MOIS	12.2	18.1	19.1	24.3	23.7	27.4	36.7	39.7
Outstanding foreign debt	Milliards US\$	25.3	22.7	22.6	23.4	21.8	17.2	5.6	5.6
Ratio of debt servicing	%	21.2	22.8	22.8	16.7	16.6	12.0	23.2	2.3
Foreign direct investments	Milliards US\$	0.4	1.2	1.0	0.6	0.6	1.1	1.8	1.5
Average oil price	US\$/ Baril	28.6	24.9	25.3	29.0	39.6	54.4	65.4	74.4
Exchange rate	DA/USD	75.3	77.3	79.7	77.4	72.1	73.4	72.6	69.4

CHAPTER III



CORPORATE GOVERNANCE



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OBJECTIVE 1 :

Create a favourable environment and a framework for effective regulation/control of economic activities.

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OBJECTIVE 2 :

Ensuring that enterprises behave as good citizens in terms of human rights, social responsibility and sustainability of the environment

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OBJECTIVE 3 :

Promote adoption of an ethics code in terms of business in the pursuit of enterprises' objectives

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OBJECTIVE 4 :

Ensure that enterprises treat all their partners in a proper and fair manner.

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OBJECTIVE 5 :

Anticipate the responsibilities of enterprises, directors and managerial staff

Introduction :

The issue of enterprise and entrepreneurship is today at the heart of the debate between management and labour, with the following major concerns on the table :

1. diversification of the economy in favour of non-oil sectors ;
2. creation of sustainable and decent jobs for a younger, more qualified labour force.

Algeria initiated a mechanism for consultation between the different actors on the social and economic scene i.e. employers, labour unions, and government. It led to the implementation of the National Economic and Social Pact. On this pact there was a consensus on the rehabilitation of the role of the enterprise in the structure of economic growth and also as a factor of human development.

In this connection, several actions have been initiated in various sectors of activity to foster the emergence of local competitive enterprises, capable of responding to economic, social and environmental exigencies.

These actions apply to various domains, and aim basically to :

1. accelerate the process of privatisation ;
2. improve the business climate ;
3. adapt institutions and regulations to the exigencies of competitiveness and transparency ;
4. upgrade qualifications to international standards ;
5. utilise information and communications technology (ICT).

OBJECTIVE 1 :

**Create a favourable environment
and a framework for effective
regulation/control of economic activities.**

Sub objective 1 :

**Improve the business climate
and enhance the attractiveness of investments**

The public policy on economic reforms introduced since 1999 seeks to put in place the necessary legislative and regulatory instruments for the functioning of a market economy. In this connection, the following actions

were taken :

Improvement of the regulatory mechanism :

In a bid to improve the business climate, the Authorities have constantly adapted the business climate mechanism so as to simplify administrative procedures. This is how amendments were made to Edict 01-03 of 20 August 2001 through Edict 06-08 of 15 July 2006, and to the legal texts governing the National Investment Development Agency to ensure its conformity with universal standards and practices.

The new framework introduced the following provisions :

1. **reintroduction of operation incentives:** (exemption from tax on company profit [impôt sur le bénéfice des sociétés (IBS)], exemption from tax on professional activity), for projects under the general regime;
2. introduction of **criteria for identification** of projects under special dispensation, in the interest of real **transparency** ;
3. replacement of the VAT exemption and reduction of customs duties by **exemptions** in order to simplify the procedure and take due account of the ongoing dismantling of customs duty for most imported equipment ;
4. **reduction of time** for issuance of the decision to grant incentives to **72 hours instead of 30 days** by the National Investment Development Agency [Agence Nationale de Développement de l'Investissement (ANDI)] ;
5. greater protection for the rights of investors with the institution of an **administrative appeal Commission** to examine any difficulties arising from the implementation of the investment promotion mechanism by the different administrations.

The National Investment Council [Conseil National de l'Investissement (CNI)] whose key mission is to **monitor the implementation of the law**, is strengthened in its role as investment development strategist, which explains the **continuous efforts** of the government to improve the investment climate.

Redeployment of ANDI :

ANDI's role had been limited to administrative surveillance, control and authorization. With the adjustments to the regulations and procedures, and in particular with the simplifying of the function of managing incentives, the Agency was able to refocus on the most important missions, including :

1. legal, economic and technical investment information, with the use of computer technology;
2. promotion of «destination Algeria » for investment;
3. investment facilitation and assistance;
4. identification of sectoral and national investment opportunities ;
5. consultation with investment stakeholders, particularly local authorities (CALPIREF, sectoral committees...) and with ANIREF.

The refocusing at ANDI led to structural and qualitative improvements :

organisational improvement :

Separation of the mass of small investors from big investors involved in bigger projects or comprising more value added.

elimination of prior authorization whenever they were not required by the legislation in force:

The objective is for ANDI to evolve an attitude of administrative power to an attitude geared towards promoting investment.

individualised processing of cases:

An office was set up to assist investors make necessary corrections. The officer in charge becomes the sole and permanent interlocutor of the investor.

putting in place of instruments

for analysing and evaluating the real benefits of the project for the national economy: tenders have been called for the institution of a (macro) economy evaluation capacity for capital projects.

commercial viability of projects (feasibility and profitability),

study and analysis of costs, advantages and effects of projects from the point of view of the national economy.

bringing the Agency closer to investors

by increasing the number of single windows to 13 today. They are expected to total 16 by the end of this year. These are at Biskra and Jijel.

improved efficiency of the Single Window:

Each window has an investors' office to provide them with services similar to those of a business centre (telephone, fax, internet, access to



the legislative and regulatory database and office equipment).

monitoring of investments:

Finally, in order to monitor investments, in May 2008, ANDI started a comprehensive survey of all investment projects that benefited from incentives during the period 2002-2007. Data gathering has ended and following the sifting out which is in progress, it will be possible to determine the level of realization of these projects.

Result of restructuring of ANDI

Investment declarations : the number of projects declared in 2007 doubled and reached **11,497** ;

Total volume of investment, exceeded **932 billion DZD, i.e. 224 billion DZD more than in 2006** ;

Employment estimates rose from **123,590 to 157,295** expected posts ;

Projects involving foreigners, 134 projects in 2007 compared to **100** in 2006 ;

Investment related imports :

During the 2002-2007 period, **857.1 billion DZD** (11.7 billion USD) worth of equipment was imported by promoters under the arrangement to encourage investments (ANDI). 47% of this was done for the 2006-2007 period alone.

The first half of 2008 recorded **85.1 billion DZD**; this trend is on the rise with regard to investments.

Establishment of a real estate market.

Legislative and regulatory measures were taken to resolve the real estate issue – which has been a major constraint to investment. They include :

1. Institution of the principle of convertible concession of right to assign private land for investment projects (Edict n° 08-04 of 1st September 2008);
2. Establishment of the National Land Agency (Executive Decree n°07-119 of 23 April 2007) under the supervision of the Ministry responsible for investment promotion. Its main mission is to ensure the management (protection and granting) of the fixed assets of dissolved public enterprises and the surplus land held by existing enterprises. The ultimate goal is to regulate the land market, particularly assets coming from the residual and surplus assets of economic public enterprises ;
3. Establishment of a Committee to assist in localization and promotion of investments and land regulation, chaired by the Wali. (Executive decree n°07-120 of 23 April 2007).

These two organs were set up to investors with information on available land on the basis of the principle of equal access to this resource. In the medium term this should lead to the emergence of a free land and real estate market.

National Agency for Land Regulation and Intermediation [Agence Nationale d'Intermédiation et de Régulation Foncière (ANIREF)] :

This agency was set up to contribute to the emergence, in the short term, of an organized, transparent and regulated land and real estate market.

Within 6 months, the agency became fully operational with its head office, budget, staff and portfolio.

In 2008, the objective of the agency is to open local branches. Regional heads have been designated.

A web site has been developed for the agency and put online on 1st April 2008. Apart from the legal instrument applicable to the available land and the specifications thereof, this publicly accessible site has a data bank of properties which by end of August, covers 416 available properties.

With the management tools thus developed, ANIREF was able to organise, jointly with the Lands Department of Blida Wilaya, **two operations resulting in the concession of 10 out of 14 properties proposed, for a total sum of more than 37 billion DZD, and an undertaking to create 2,082 jobs.**

Key missions of ANIREF :

Intermediation, promotion and management of properties and real estate for investment purposes;

Regulation, through a commercial real estate observatory and its participation in the work of CALPIREF ;

Dissemination of information to investors on available commercial property and real estate.

Actions for improving the investment climate :

In a bid to constantly improve the investment climate, MIPI, in collaboration with the IFC, a subsidiary of the World Bank, embarked on a process of simplifying procedures for the installation and take off of enterprises by means of decentralised one-stop windows with ANDI and relevant government departments represented. This is done under a technical assistance agreement signed by the two parties in October 2006. The one-year project was launched in January 2007.

A « Doing Business Algeria » team comprising representatives of government

involved in investment and the business climate was constituted in order to maintain the tempo of improving the criteria for evaluating the Doing Business classification.

The project is in three phases :

- Mapping of procedures required for establishing an enterprise
- Study of reduction in time and cost of procedures
- Proposals for reforms to simplify procedures.

In collaboration with the Ministry of Finance, conventions were negotiated with several countries on the reciprocal protection and promotion of investments. Similarly, businessmen's meetings, show room, forum, fairs, economic delegations are organized regularly at national and international levels.

Development of industrial estates :

Decree n°73-45 of 28 February 1973 and decree n°84-55 of 3 March 1984 provided for the creation and management of industrial estates.

These are delineated zones for locating industrial investments.

Once the work is completed and the plots of land ceded out, specialised agencies (EGZI then SGI) take over the management of the estates.

A vast programme for the rehabilitation of developed areas was initiated in 1999 (more viable areas).

The principle decided upon is that henceforth the zones are developed with an eye on sustainable development (respect for the environment, waste water purification station, controlled discharge, green spaces) and especially support services (postal agency or bank, restaurants, dwelling...).

In other words, they will no longer be limited to warehouses, but a pleasant working environment will be created.

The SGI, by resolution of the CPE, replaced the EGZI, established by decree, in the management of these estates.

It should be noted that the investment mechanism provides that :

1. The development of the estates be boosted, and that they be determined with a mind to balance and spatial equity, which would require the contribution of the State.

A system of reinforced incentives has been provided in the interest of better spatial distribution of investment and its mobilisation for the benefit of the economically disadvantaged parts of the country. A draft decision has been proposed to members of the CNI to kick start its implementation.

2. Benefits be extended to projects implanted at production phase for a duration of three years in order to boost national production and increase its contribution to growth. An interministerial decree is being prepared to set forth the conditions under which operations could be said to have commenced. This will be issued by the Internal Revenue department to investors that have completed their projects in accordance with their commitment.

3. Protection be guaranteed. This is a crucial factor to make the estates attractive. It has to do with guaranteeing the transfer of invested capital and profits net of tax.

Energy and mines sector :

In order to encourage investment in this sector, an attractive institutional framework was put in place with the promulgation of three laws :

1. Law n°01-10 of 4 July 2001 on mining law amended and complemented by by Edict n°07-02 of 1st March 2007, which provided for the establishment of two agencies equipped with modern instruments for the management and control of mineral resources :

- National Agency for Minerals [Agence Nationale du Patrimoine Minier (ANPM)],
- National Agency for Geology and Mineral Control [Agence Nationale de la Géologie et du Contrôle Minier (ANGCM)].

2. Law n° 02-01 of 5 February 2002 on Electricity and Distribution of Gas by pipeline.

This law established the **Electricity and Gas Regulatory Commission [Commission de Régulation de l'Electricité et du Gaz (CREG)]**, an independent agency having a legal personality and financial autonomy, **responsible for ensuring competition and transparency in the electricity market and distribution of gas** through pipelines, in such manner as to serve the interest of consumers and operators.

3. Law n°05-07 of 28 April 2005, on Hydrocarbons amended and complemented by Edict n° 06-10 of 29 July 2006.

This law led to the establishment of two agencies :

Hydrocarbon Regulatory Authority [Autorité de Régulation des Hydrocarbures (ARH)] whose primary mission is to ensure that regulations of the sector are respected (tariffs and free access to pipeline transmission networks and to storage, hygiene, industrial safety, environment protection, specifications on

building of infrastructure, application of technical standards on the basis of best international practices).

It is also responsible for examining requests for transmission rights and making recommendations to the Minister of Energy and Mines who grants the necessary authorisation.

National Agency for the Development of Hydrocarbons [Agence Nationale pour la Valorisation des Ressources en Hydrocarbures (ALNAFT)] which is responsible for promoting operations information and investments, managing data banks, issuing prospection permits, calling for tenders and evaluating them, assigning research and exploitation perimeters, monitoring and controlling the implementation of research and/or exploitation contracts, examining and approving development plans.

The missions assigned to the two agencies sanction the new mode of sharing roles between the State and the enterprises of the sector. By this the State disengages from economic activities and recovers its powers of supervision and regulation as owner of the mining domain, promoter of investments and protector of public interest.

An overview should be presented of the progress made by this important sector of the Algerian economy in the bid to develop Algerian natural resources:

HYDROCARBONS :

Hydrocarbons account for 48 % of the country's gross domestic product (GDP), 97 % of external revenue and 77 % of State budget income in 2007.

The contribution of the country to the global energy balance is considerable for crude oil (11th largest producer with 1.4 million barrels a day), natural gas (3rd exporter with 65 billion m³) and other petroleum products; (largest world exporter of condensate and second producer of LPG).

Contracts signed (2001-2007)

Since 2000, 36 association contracts have been signed, of which 35 are for Research and 1 for Prospection.

Oil production reached about 1.4 million barrels/day (mbd) in 2007 compared to 890 000 barrels/day in 1999 i.e. an increase of 57 %.

Big projects have been constructed with partners for the development of downstream activity, particularly in liquefaction, aluminium production and desalination of sea water.

There is an ongoing programme for the rehabilitation and modernisation of refineries.

Refinery capacity which in 2007 was more than 22 million tonnes, will be increased by 20 million tonnes by 2015 with the inauguration of two new refineries at Skikda (5 million tonnes in 2008) and Tiaret (15 million tonnes in 2015).

Production of petroleum products is about 20 million tonnes/annum. It is expected to double in the coming years with the completion of the new refineries at Skikda and Tiaret for capacities of 05 million tonnes and 15 million tonnes respectively.

Rehabilitation and renovation work has been done progressively on the refinery to enable it cope with national demand and for the products to meet international specifications and standards.

To honour its commitment to sell LNG, SONATRACH began to build several complexes for liquefying natural gas and recovering LPG. The current capacity is 26.7 billion m³.

The Gassi Touil project and the new LNG train of Skikda will contribute an additional 14 billion m³/an in 2012.

In 2007 petrochemical production reached an average of 202 thousand tonnes/annum as against 194 thousand tonnes par annum in 1999. This is an average growth rate of 4 %

An ambitious programme was launched to build ten plants in order to raise the production of petrochemicals to 18 million tonnes/annum.

The volume of exports increased sharply: annual average of exports almost doubled from 72 million TOE during the period 1971-1999 to more than 132 millions de TOE between 2000 and 2007.

The value of exports almost quadrupled to 34 billion dollars US per annum during the period 2000-2007 compared to 9 billion dollars US annually during the period 1971-1999.

International activity of the sector: 11 projects in partnership with the following countries: Peru, Mali, Libya, Niger, Mauritania and Egypt.

Since 2000, the sector has embarked on a vast reform process in order to respond to environmental preservation, health, and welfare concerns.



Sonatrach has realized 32 projects since 1973, taking the recovery rate of flared gas to 93 %.

Similarly, Sonatrach entrapped and stored CO₂ at the In Salah Gaz project in 2004. This resulted in the recovery of quantities of CO₂ evaluated at 1.2 million tonnes annually or 20 million tonnes for the duration of the exploitation of the deposit.

Moreover, within the framework of the sector's strategy to protect citizens from industrial risks, the sector inaugurated the construction of the new town of Hassi Messaoud.

ELECTRICITY AND GAS :

Sonelgaz was reorganized by transferring its basic activities to subsidiaries: electricity production, electricity and gas and system operator.

The development of new and renewable sources of energy in Algeria entered a new industrial phase with the establishment in 2002 of New Energy Algeria (NEAL).

The objectives of New Energy Algeria are to participate in the global movement to reduce green house gases, rationalize the use of hydrocarbon reserves and more concretely provide energy for the remote regions of the country.

In the Wilaya of Laghouat NEAL has already commenced a project for the production of electricity with solar energy and natural gas, for a capacity of 150 MW. The contract was awarded to the Spanish company Abener for an investment of 300 million US Dollars. It also initiated a 10 MW wind energy farm at the Wilaya of Tindouf.



electrification: more than 98% of the national territory covered

These projects are part of a vast development programme for renewable energy which envisages raising the share of renewable energy in total national electricity production to 5% by 2015.

MINES :

Algeria has considerable mineral potential which remains under tapped. The mining sector is a purveyor of raw materials for the processing industry situated downstream, as well as a creator of jobs.

31 partnership operations have been concretised with foreign mining companies from Australia, Canada, China, India, and Egypt.

The volume of investments realized under these partnerships in 2007 amounted to nearly 33 million US Dollars.

Phosphate production increased significantly during the period 2000-2007 with an annual average of more than 1 million tonnes compared to 912 thousand tonnes during the period 1962 to 1999.

However, iron production has declined from an annual average of 2.3 Mt in the period 1962-1999 to 1.6 Mt in the period 2000-2007.

The production of salt fluctuated during the period 1962- 2007 due to the difficulties ENASEL experienced in selling it on the international market.

The production of aggregates was stable during the period 1985 to 1999, but increased by 20% per annum from 2001 to reach 36.5 million m³ in 2007.

The turnover of the mining sector more than quadrupled to 68 billion DZD in 2007 from 15 billion DZD in 2000.

Employment in the sector rose to 28 400 employees in 2007, of which nearly 15 000 jobs were created by the private sector.

Over the years the energy and mining sector developed an innovative culture with regard to human resources, involving the introduction of new approaches and human resource management.

The institution of a job fair, vacancy advertisements, orientation programmes for fresh recruits, mobility as well as observatories for female employment are all aimed at boosting this new process.

Enhanced efficiency of investment guarantee funds :

Access to bank loans for SME type investment financing remains a big challenge for all stakeholders. By way of palliative, two mechanisms– FGAR and CGCI- PME – have more or less attenuated the problem. .

These two guarantee mechanisms, introduced in 2004 and 2006 respectively, have yielded the following results :

- The SME credit guarantee fund (FGAR) granted 289 guarantees for a total of 7.7 billion DZD and projects costing a total of 34.9 billion DZD, capable of generating 16 121 jobs ;
- The guarantee fund for SME investment loans [caisse de garantie des crédits d'investissement PME (CGCI-PME)] gave 91 guarantees



for a total of more than 1.2 billion DZD and projects costing a total of 2.5 billion DZD and generating 1568 jobs.

Improving support for potential promoters: In the industry sector, the following actions being implemented should be noted :

- a data base, establishing identification files for enterprises in the country;
- a prototype of the SME installation card nationwide.

Support for project promoters is also being strengthened with the implementation of a vast programme for the promotion of support and accompanying measures for the establishment of SME. They include the establishment of a network of enterprise facilitation and incubator services all over the country to accompany project developers and provide them with accommodation, technical consultancy and coaching during the first years of their SME in order to ensure the sustainability of their businesses and minimise the risk of failure.

The goal by the end of the first five years 2004/2009 is to provide the sector with 17 incubators and 32 facilitation centres spread all over the country.

In terms of achievements, two facilitation centres have been commissioned (Tipaza and Oran and Tamanrasset have been handed over) and five incubators handed over in 2008 (two of them at Oran and Annaba will be commissioned before the end of the year).

Simplification of procedure for Business Registration : In this connection, seven (07) documents were eliminated :

- bailiff's report on the business premises ;
- evidence of payment of taxes on property and business;
- valid police report ;
- birth certificate issued by local government authority of origin;
- attestation of current valid membership of a social security fund for non salary earners;
- permit issued by bailiff for change of activity;
- attestation of tax position.



The number of documents required for business registration was thus reduced from (13) to five (05) for legal persons and from six (06) to three (03) for physical persons.

Reduction in time frame for issuance of business registration :

Following the transfer of the handling of challenges from the National Business Registration centre to the courts, in accordance with the provisions of article 04 of Law n° 04-08 of 14 August 2004 on conditions for conducting business activities, the time frame for the issuance of business registration **which was two (02) months was reduced to one day.**

Facilitation measures thus introduced into business registration had a positive influence on the creation of enterprises.

Tourism :

Since 1999, tourism has gradually resumed its growth thanks to the renewed interest shown by the authorities and the policy they adopted to encourage it.

A tourism industry was launched as a result of development plans backed by facilitation and support in order to allow the tourism infrastructure to emerge rapidly, to make up for the lapses observed in this area. ²

This was accompanied by legal restructuring of the activities and professions in order to position them internationally and to see the emergence of a tourism industry based on quality, competitiveness and openness.

The following actions were engaged :

a. introduction of a master plan for tourism development by 2025, which has been accepted by all stakeholders in the industry and adopted by the government.

b. definition of a procedure for investments in tourism :

- creation of 07 poles of excellence in tourism which will be symbolise the emergence of Algeria as an authentic, sustainable, competitive, innovative, and excellent tourism destination. They are: NORTH EAST-NORTH CENTRE, NORTH WEST, OASIEN TOUAT – GOURARA, TASSILI and AHAGGAR.
- support for investment : budget vote for capital expenditure 2008.
- institution of a management partnership approach to tourism investment projects: 80 tourism projects were given approval in

principle in January 2008, confirming the support of the authorities and the commitment of the promoters.

Information and Communications Technology (ICT) :

Law n° 2000-03 of 5 August 2000 which fixed the general rules of posts and telecommunications opened up this market, thus putting an end to the monopolies in the two sectors. One regulatory authority and two entities – one an economic public enterprise/limited liability company « Algérie Télécom » and the other a public industrial and commercial company Algérie Poste- were created with their respective regimes of operations.



ICT development has achieved considerable progress

Missions and activities of the sector

Posts :

Law n° 2000-03 sets forth three regimes of operations

- Exclusive rights are given to Algérie Poste, which means that by regulation, the maximum weight of objects to be posted in the letter box is fixed: this system also relates to postage stamps and other postage marks, postal orders and postal cheque services;
- Authorization, issued by the regulatory authority for the provision of services determined by regulation;

- Simple declaration, for the provision of services not covered by the exclusive rights and authorisation regimes.

Telecommunications :

Four regimes of operations were created for the establishment and/or operation of public or private telecommunications networks and provision of telecommunications services.

- License, issued by exclusive decree to any person who wins a competition for the granting of license, and who has undertaken to respect the specifications thereof;
- Authorization, issued by the regulatory authority;
- Simple declaration, deposited with the regulatory authority; and
- Approval issued by the regulatory authority, which is binding on all terminal equipment or radioelectric installations to be used as provided for by the law.

An exclusive decree indicates the list of telecommunications services and installations as well as the corresponding regimes.

Regulation :

Under the law, an independent regulatory authority having legal personality and financial autonomy was established. It is under the financial control of the State.

Its missions include :

- Ensuring the existence of effective and fair competition in the post and telecommunications markets ;
- Planning, managing, assigning and controlling the utilization of radio electric frequencies in the waves assigned to it;
- Granting operation licenses, and approving postal and telecommunications equipment;
- Arbitrating in case of disputes between operators or with users;
- Producing the financial reports, annual accounts and fund management accounts for the universal service.

The procedures for obtaining licenses, authorisations or approvals are



relatively simple and flexible. This has led to the emergence of an ICT landscape - post, telecommunications, Internet, value added services...- which is fundamentally different from that which existed prior to the promulgation of law n° 2000-03. With the opening of the post and telecommunications market, new operators have arrived in all segments of the two markets.

In telecommunications there are 2 fixed telephone operators, 3 mobile, 3 personal mobile global by satellite, 3 VSAT, about ten internet service providers and operators of call centres and audiotex services.

In the postal services market, apart from the historic Algérie Poste, which has exclusive rights, there are 5 international EMS operators, including the EMS department of Algérie Poste, and 37 local courier service operators.

Investments and jobs

More than 5 billion US Dollars have been invested in ICT in Algeria.

The number of jobs in the posts and ICT sector, apart from the ICT industries has gone from 45,000 in 2000 to more than 135,000 at the end of 2007, i.e. a growth rate of more than 300 % in 7 years, as indicated in the table below.

Distribution of jobs in the ICT sector by operator TIC

Operators and service providers	2005	2006	2007
Algérie Télécom fixed	22 409	23 017	23 368
Algérie Télécom Mobile	1743	2662	3005
Orascom Télécom Algérie	2589	3035	3187
Wataniya Télécom Algérie	1077	1256	1319
Consortium Algérien des Télécom	340	533	533
Sub Total fixed and mobile telephony	28 744	30 503	31 412
KMS (estimate)	59160	60343	64167
Cybercafé (estimate)	10100	10201	10000
ISP (estimate)	640	640	760
Audiotel (estimate)	42	37	44
VoIP (estimate)	131	480	550
VSAT (estimate)	10	267	150
GMPCS Thuraya & WMCSAT	14	14	60
Others (estimate)	400	450	480
Sub total other ICT services	70 497	72 432	76211
Algérie Poste	25194	25415	27215
Other postal operators	379	450	500
Sub total Postal	25573	25865	27715
Total Postal + ICT	124814	128800	135338
Active Population	8 100 000	8 900 000	9 100 000
Ratio P and ICT / active population	1,54%	1,45%	1,49%

Sub objective 2 :**Improving the organisation
and functioning of the enterprise****Programme and mechanism for upgrading industrial enterprises :**

The first operations in the programme for upgrading industrial enterprises started in 1999 within the framework of cooperation with UNIDO and consisted in defining the content of the programme and the procedures relating to its execution.

Twenty (20) industrial enterprises (15 private and 5 EPE) benefited from the upgrading actions (diagnostic studies, technical assistance, training) financed by par UNIDO to the tune of 1 269 000 US Dollars. Thirty (30) other enterprises (16 private and 14 EPE) had operations financed from the capital budget of the Ministry of Industry to the tune of 120 million dinars.

This pilot programme was used to test the viability of the mechanism and sensitise all stakeholders to the expected effects of upgrading.

**Measures taken :**

1. Creation of the Special Allocation Account n°302-102 by Law n°99-11 of 23 December 1999 (article 92) or Budget Appropriation Law 2000, entitled Industrial Promotion and Competition Fund [« Fonds de Promotion de la Compétitivité Industrielle » (FPCI)], in line with the principle of ensuring the sustainability of the programme by means of direct financial assistance to enterprises retained on the basis of criteria and conditions fixed by the National Committee on Industrial Competitiveness.
2. Executive Decree n°2000-192 of 16 July 2000 fixing conditions for the functioning of the National Committee on industrial Competitiveness which is an interministerial organ.

Enterprise Upgrade Programme:**2001-2008**

Launching and consolidation of the enterprise upgrade programme 2001-2008:

433 enterprises applied to join the programme,

310 were retained for the diagnostic phase on the basis of the eligibility criteria set forth.

145 enterprises were retained to benefit from financial assistance from the Industrial Promotion and Competition Fund.

The total amount of financial aid estimated for the implementation of the different actions, in respect of which conventions were signed with the 145 enterprises is 2 753 Million DZD , broken down as follows :

1,367 million DZD for 1.133 intangible actions, including diagnostic studies.

1,386 million DZD for 794 tangible actions..

The main upgrading actions were :

Intangible :

1. Development of trade surveillance through marketing training, putting in place of appropriate computer equipment such as integrated management software (PGI or ERP), product promotion, development of communication ...
2. Improving the qualification of personnel.
3. Enhancing effective management
4. Introduction of analytical accounting and production management by computer (GPAO) and maintenance (GMPAO). Computerization of key functions
5. Utilisation of information and communications technology–WEB sites, portals, (intranet and Internet networks)
6. Introduction of technological surveillance and innovation.

Tangible :

1. Investment in maintaining production tools ;
2. Investments in modernizing production tools (modern technology to improve competitiveness of the enterprise in terms of product quality and lower costs) ;
3. Acquisition of laboratory and metrology equipment to improve the quality of product and respect for standards ;
4. Acquisition of information technology equipment and setting up of intranet network.

Impact Assessment :

The impact of the upgrading mechanism on the performance of the enterprises has not yet been evaluated comprehensively. However, an examination of the diagnostic study and the upgrading plans as well as the

contacts made with the enterprises concerned have led to the following conclusions :

- The mechanism triggered off awareness within the enterprises of the issues of globalization and the need to constantly upgrade and improve in a market that has become highly competitive, bearing in mind that the majority of them have undergone a long period of heavy disinvestment.
- The intervention of consultants also led to the introduction of a culture of upgrading within enterprises resulting in a desire and commitment to the objective of boosting their industrial activities and focusing their efforts on integrating the market economy.
- Preparation of diagnostics enabled the enterprises to identify their internal strengths and weaknesses y, opportunities and threats in light of the external environment (market, competition, technological progress ...) and to evaluate their strategic position.
- Testimonies obtained from enterprises involved in the upgrading process have indicated their satisfaction with the technical assistance provided during the diagnostic exercise and with the results recorded: :
 - changes introduced within the organisation,
 - improved productivity and production capacities,
 - better product quality,
 - increased turnover and value added ...

It should be pointed out that out of the 16 enterprises competing for the Algerian Quality Prize [Prix Algérien de la Qualité (PAQ)] organized by the MIPI for 2007, there were 9 industrial enterprises, of which 5 signed up for the upgrading mechanism.

Upgrading programme by the Ministry of SME /European Union

Euro Development Programme :

Under a similar programme called Euro Development (ED-PME), financed by the Ministry of SME and Handicrafts and the European Union, 450 SME have benefited nationwide from the programme as follows :

- 36% in the centre,
- 34% in the east,
- 19% in the west,
- 11% in the south.

Another SME upgrade programme was implemented in 2007 and 3000 SMEs expressed the desire to take part, of which 294 have already commenced the first upgrade actions.

The national programme for upgrading SME [Programme National de Mise à Niveau des Petites et Moyennes Entreprises (PNM-PME)] launched in 2007 targets the following beneficiaries :

- Small and Medium Enterprises (SME)
- The immediate environment of the small and medium enterprise

A budget of 1 billion dinars is allocated annually; special allocation fund n°302-124 called National SME Upgrade Fund [« Fonds National de Mise à Niveau des PME »] was established to this end.

For its implementation, a national SME Development Agency [Agence Nationale de Développement de la PME (AND-PME)] was created by Executive Decree n°05-165 of 3 May 2005, on its establishment, organisation and operations.

Objective of PNM-PME :

Upgrading SME/SMI is defined as a process of continuous learning, reflection and information with a view to the acquisition of new attitudes, reflexes and behaviours by the entrepreneurs, as well as dynamic and innovative management methods.

The objective of the PNM is to accompany a significant number of SME, so that they can improve their competitiveness by aligning with international standards of organization and management in order to consolidate and monitor their future development in a sane environment.

The PNM's operational objective during the execution phase is to introduce **6 000 PME** to a sustainable upgrade programme.



Nature of actions to be financed by the PNM-PME :

Part I : SME Upgrade Actions

Principal Actions :

- Preparation of global strategic pre-diagnostic and diagnostic analysis
- Drawing up of upgrade plans for SMEs retained
- Implementation of upgrade plans for SMEs retained

Specific Support Actions :

- Conducting market studies;
- Accompanying measures for quality certification;
- Supporting staff training plans for SME staff;
- Supporting standardization, metrology and industrial property;
- Supporting technological innovation and research development within SMEs.

Part II: Upgrade actions for immediate environment of SMEs

- Conducting studies for branches of activities;
- Preparing studies for the strategic positioning of branches of activities;
- Conducting general studies (monographies) for each wilaya ;
- Building intervention capacity for professional associations in order to better disseminate and supervise the upgrade programme;
- Financial enhancement and intermediation between financial establishments, banks and SMEs to facilitate access to bank loans and financial support facilities;
- Realisation and implementation of a communication and sensitisation plan on the programme;
- Publishing of specialized reviews on upgrading;
- Evaluation and monitoring of operations embarked upon as well as surveillance on the effects of the programme..

Eligible Enterprises :

The PNM is for SMEs that have expressed the desire to take this approach and meet the following conditions :

- Algerian enterprises that have been in operation for at least (2) years;
- Enterprises of the SME sector, irrespective their legal status;
- Enterprises having a healthy financial structure..

Results of the (PNM-PME) programme since its inception :

Implementation of the national upgrade programme is beginning to bear positive fruit. After a vast communication and sensitisation programme which covered the entire national territory, **3.000 SME** have indicated interest in joining the programme.

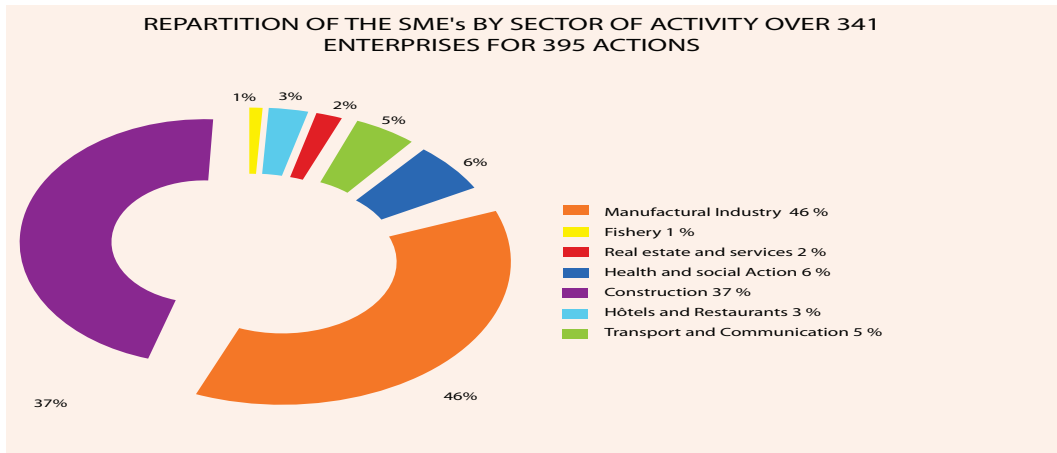
- 747 SME/VSE have indicated their desire to join the National SME upgrade programme;
- 422 SME/ VSE have applied to join the National Upgrade programme;
- 341 applications have been treated either through pre diagnostic operations flash diagnostic or upgrade actions.

The results of the implementation of the PNM-PME executed by ANDPME as at 31/10/2008 covered 174 VSE which benefited from flash diagnostics and 167 SME for pre diagnostics totalling 341 Enterprises, of which 7 have already been upgraded.

The upgrade actions were in the areas of: organisation, Marketing, quality management system – ISO 9001, production costs, management of construction projects, production management, management procedures and HACCP – ISO 22 000 system.

Similarly, and in order to encourage the innovative SME and promote innovation within them as a factor for improving their competitiveness, an executive decree has just been promulgated, instituting an annual prize for innovation among the SMEs to recompense the best SMEs that have incorporated innovations into different functions in the enterprise and that were able to use the results of scientific research.

Evaluation of the national SME upgrade programme as at end of October 2008



Similarly the following actions have been implemented :

- diagnostic analysis and situation report of innovations in SMEs;
- organisation of regional SME/university fora ;
- establishment of conventions for the creation of incubators in universities;
- preparation of draft decree instituting a national prize for innovation by SMEs;
- six studies for the branches of activities commissioned ; the one on agribusiness has been completed ;
- organisation of fairs to exhibit national handicrafts products;
- organisation of national and international salons for the promotion and sale of national handicraft products;

It should be stressed that a Task Force instituted in 2007, by the forum of chief executives of enterprises and the CARE (Cercle Algérien de Réflexion sur l'Entreprise) group, seeks to come up with a code of good corporate governance in Algeria. The Ministry of SME and Handicrafts is the focal point of the Task Force.

The regular meetings, in form of the Enterprise/University Forum, will be organised to forge links between the university and the SME and develop research and innovation within SMEs.

Action in support of industrial enterprises :

National Quality System

The objective of this action is to strengthen and come up with a national tool for supporting industrial enterprises through the redeployment of INAPI, ALGERAC, IANOR and ONML.

1. Institut National Algérien de la Propriété Industrielle

«L'INAPI» The missions of the Algerian National Institute for Industrial Protection were strengthened in terms of support to protect patents, products, innovations and industrial property rights.

2. Organisme Algérien d'Accréditation « ALGERAC »

The Algerian Accreditation Agency was established in the framework of enhancing quality through the setting up of a national quality institution responsible for accrediting agencies for evaluating the compliance of enterprises.

3. Institut Algérien de Normalisation « IANOR »

Algerian Standardisation Institute, for standards..

4. Office National de la Métrologie Légale (ONML)

National Office for Legal Metrology, for the control and development of instruments of measure.

5. Centre algérien du contrôle de la qualité et de l'emballage

(CACQE) Algerian Centre for Quality Control and Packaging, for quality control

The Algerian National Institute for Industrial Protection [Institut National Algérien de la Propriété Industrielle (INAPI)] has a mission to support industrial enterprises in :

- Promoting the advantages of the protection and patent policy in industrial enterprises, universities...
- Contributing to protecting national production by fighting counterfeiting, in collaboration with institutions that curb counterfeiting (Customs, Gendarmerie, Police, Judiciary).
- Serving as liaison between inventors and industrial enterprises.
- Encouraging inventors and innovators and stimulating innovation by all means possible (prizes, national and international fairs...).

- Enabling and encouraging innovation by means of data existing at INAPI particularly with regard to patents that have entered the public domain.
- Promoting and fostering relations with chambers of commerce and industry, universities and research/development centres.
- Developing the protection of national production through the promotion of industrial property rights of national enterprises abroad.



The Algerian Accreditation Agency [Organisme Algérien d'Accréditation «ALGERAC»] :

The establishment of **ALGERAC (decree n° 05-466 of 06 December 2005 establishing ALGERAC)** is in line with the quality improvement drive initiated by the authorities through the creation of a national quality infrastructure in order to improve the competitiveness of enterprises and facilitate their integration into the global economy.

The Quality Infrastructure [Infrastructure Qualité (IQ)]

Putting in place a national quality control system is an essential element of any industrial strategy and an indispensable condition for any good economy. Several countries have created this system to protect their economy and promote their production on the global markets.

In Algeria, this infrastructure took the form of different agencies (IANOR for standards, INAPI for industrial protection, ONML for legal metrology, ALGERAC for accreditation, CACQE for quality analysis...). The ultimate goal is to protect national economy and particularly the strategic sectors, **guarantee the quality of goods and services, promote the Algerian label on world markets and protect the consumer.**

Main actions taken :

- Training of some experts and evaluators (72) across the country;
- acquisition of vehicles, computers, furniture etc. ;
- institution of a system of documentation, procedures and adoption of a manual on quality;
- institution of an Algerian accreditation system;
- communication and sensitisation campaigns for enterprises concerned by accreditation through participation of ALGERAC in seminars, exhibitions and national television and radio

programmes and articles in the press.

- Coaching consisting in simulating evaluation; this is conducted by the Evaluation and Conformity agencies [Organismes d’Evaluation et la Conformité (OEC)] with the assistance of international experts.

Actions to be carried out over the next two (02) years

ALGERAC intends to implement a work programme which will cover the next two years and will centre on the following actions :

- Having a corps of about (100) evaluators and three hundred (300) technical experts between 2007 and 2010 according to international yardsticks;
- Finalising its procedures, developing and introducing the specific requirements of ALGERAC ;
- Introducing accreditation in Algeria ;
- Building ALGERAC capacity in self evaluation and participation in technical committees of international accreditation organisations;
- Achieving peer review of ALGERAC for regional and international recognition;
- sensitising economic operators and State institutions;
- participating in the implementation of the industrial strategy initiated by the authorities;
- joining and participating actively in regional and international organisations responsible for accreditation (OADIM EA, IAF, ILAC);
- concretising bilateral (PTB-Germany, AFNOR-France, TUNAC-Tunisia,..) and multilateral (EU-MEDAll) agreements for cooperation and technical assistance in order to benefit from real transfer of technology and at the same time consolidate the national accreditation system.

The Algerian National Institute for Industrial Property [Institut National Algérien de la Propriété Industrielle (INAPI)]

Actions undertaken with respect to industrial property included the revision and promulgation of the following texts :

- Edict n° 03-06 of 19 July 2003 on trademarks and Executive Decree

n° 05-277 of 2 August 2005 fixing the modalities for registration of trademarks;

- Edict n° 03-07 of 19 July 2003 on patents and Executive Decree n° 05-275 of 2 August 2005 fixing modalities for depositing and issuance of patents;
- Edict n° 03-08 of 19 July 2003 on protection of configuration of integrated circuit systems and Executive Decree n° 05-276 of 2 August 2005 fixing modalities for deposit and registration of configuration of integrated circuit systems.

Algeria has also acceded to and signed international treaties :

- l'Adhesion of Algeria to the Patent Cooperation Treaty (PCT) on 08 March 2000 ;
- Signing by Algeria of three international treaties under the aegis of the World Intellectual Property Organisation (WIPO) in :

1999 : the Hague Agreement concerning the International Registration of Industrial Designs

2001 : Patent Law Treaty (PLT)

2006 : Singapore Treaty on the Law of Trademarks (TLT).

Working conditions were improved in order to reduce the time taken to treat the applications, reduce the delay accumulated in treating applications, generalise the protection system and develop the notion of industrial property, curb informal and counterfeiting activities as well as participate in the development of a healthy and competitive economy with fair competition.

The following actions were implemented :

- Creation of a website on industrial property (www.inapi.org) ;
- Installation and utilisation of an intranet network for the internal management of industrial property (trademarks and patents) ;
- Installation and management of a data bank on brands and patents;
- Widespread use of computer technology;
- Digitalisation of documents on patents and development of a CD-ROM distributed in Algeria and abroad in the framework of

exchanges between industrial property offices;

- Publishing and distribution of the official bulletin on industrial property.

National Office for Legal Metrology [Office National de la Métrologie Légale (ONML)] :

The following actions were taken with regard to legal metrology :

- Simplifying the procedure for the issuance of import permit for measuring instruments;
- Drafting, in collaboration with ONML and MIPI in 2007, of an Executive Decree on importation of measuring instruments;
- Installation of an intranet network ;
- acquisition of equipment ;
- launching of the construction and equipping of four (04) metrology laboratories (Constantine, Ouargla, Tipaza, Oran) ;
- construction of 25 antenna sites ;
- organisation every year of the Metrology Day (celebrated on 3 November 2008) ;
- Publication of a quarterly magazine on metrology.

Algerian Centre for Quality Control and Packaging [Centre Algérien de Contrôle de la Qualité et de l'Emballage (CACQE)] :

With regard to quality control of products and services, the Centre has a network of 19 laboratories scattered all over the country. To strengthen this network, 13 new laboratories are being built.

A project for the construction of a national test laboratory [laboratoire national d'essai (LNE)] is being commissioned, for the analysis of the quality of industrial products.

Energy sector enterprises,

Significant action was recorded with a view to improving the organisation and functioning of the enterprises, including :

1. Restructuring of SONELGAZ as an industrial group on the principle of legal separation of trades, with the establishment of :

- Electricity production company [Société de production de l'électricité, SPE];
- Electricity system operator [Opérateur du système électrique, OS] ;
- Electricity transmission network manager [Gestionnaire du réseau du transport de l'électricité, GRTE] ;
- Gas transmission network manager [Gestionnaire du transport du gaz, GRTG].

2. International redeployment of SONATRACH to the international subsidiary called « SIPEX »

3. (SONATRACH International Production/ Exploration) present n several African countries.

Introduction of HSE best practices to all enterprises in the sector.

Sub objective 3 :
To enhance the efficiency
of road transportation and infrastructure

The road transport programme comes within the framework of a dynamic national development policy. Its aim is put an end to the isolation of regions that do not have a sufficient transport network, ensure that citizens have access to modern, inexpensive transportation, whilst allowing the sector to play its natural role as an engine of growth, by integrating different modes of transportation – road, rail, air and marine.

In implementing the National Territorial Development Plan [Schéma National d'Aménagement du Territoire (SNAT)] by 2025, priority was given to rail transport as a vector of development, growth and modernisation. About 2 139 billion DZD was earmarked for all modes of transportation.

Rail Transport :

The objectives of the programme retained are

- Lmodernisation of the transport network by dualisation of the North bypass,
- signalisation and electrification of the North bypass,
- completion of preliminary studies on the construction of the Hauts Plateaux and the South Loop bypasses.
- acquisition of traction and passenger transport equipment to improve services to the public.



North Bypass :

Upgrading the North Bypass to make it compatible with an operating speed of 220 km/h. This project covers the portions of the line which link the East border with the West border of the country.



1. the rail: An extension and renovation plan implemented

Development of the suburbs of Algiers :

Additional investment has been earmarked for the improvement of the transport network, in view of the heavy traffic in the suburbs of Algiers.

Rail links of Hauts Plateaux and South Loop :

The rail links to be built, for which studies have been completed, are the Relizane - Tiaret - Tissemsilt, Saida -Tiaret, Tissemsilt - Boughezoul - M'sila links.

After completion of the technical studies, the next batch would be the other lines of the South Loop, from Djelfa to Touggourt via Laghouat, Ghardaïa, Ouargla and Hassi Messaoud.

Rail equipment :

As at 31 August, from the total investment, 433 km of new lines have been built to reinforce the 3000 km of national railway network.



By end of 2008 it is expected that an additional 498 km would have been completed.

The national railways, SNTF, last 31 August, received the entire 30 electric diesel locomotives ordered, 10 out of 17 railcars and 6 trains out of the 64 expected, as well as 8 other trains. In addition 28 others are expected in 2009 and 22 in 2010.

New rail links and electrification of the network are being planned under the 2009-2014 National Development Programme, as well as the reopening and gradual modernisation of old railways.

Urban Transport :

Improving the quality of urban public mass transportation is one of the priorities of the 2005-2009 five-year plan.

Algiers Metro :

The first of the 14 underground trains planned took place at the end of September 2008.

Tenders were called for the realisation of the extension of the metro from the Grande Poste to Place des Martyrs in September 2008 and the one from Hai El Badr to El Harrach is being constructed.

Tramway projects :

Three tramway lines are being built in Algiers, Oran and Constantine. In addition the feasibility studies for those of Sétif, Annaba, Sidi Bel Abbés, Ouargla, Batna and Mostaganem have been completed or are about to be. The East Algiers tramway which is 16.3 km long and will have 30 stations is 25 % completed, and the deadline for completion is February 2010, whilst it is expected to be commissioned in August 2010.

The extension of this line by 6.3 km and 8 stations is scheduled to be completed by August 2010.

In Oran, the 18.7 km tramway with 32 stations is expected to be completed by the end of 2010 just like that of Constantine which is 8 km long and has 11 stations.

Cable cars :

Oran received its cable cars in 2007, and Algiers, Constantine and Annaba have since received their own installations.

In Blida, Tlemcen and Skikda, the cable cars will be operational by the end of 2008. The study for that of Tizi Ouzou will be launched before the end of 2008.

Establishment of public transport enterprises :

Four new enterprises will commence operations by the end of 2008 (Tizi Ouzou, Tébessa, Tlemcen) in addition to those already in operation.

Bus station projects :

The national programme intends to provide 35 Wilaya capitals with bus stations, of which 8 are multimodal, respecting the standards of comfort and security, thus offering quality service.

39 garages and 35 rest areas are being built under the Hauts Plateaux programme whilst 15 garages and 11 rest areas are being built under the South regions programme.

Road Safety and Accident Prevention :

Efforts have been made since 2004 to reduce the number of road accidents, despite the large number of vehicles in circulation which rose from 3 million private cars in 2005 to more than 5 million in 2007.

These efforts were mainly in the area of :

Widespread introduction of technical supervision of automobile vehicles, considering that 4% of accidents are due to defective vehicles;

- Installation of a national driving licence centre, for sustained management of tests and examiners and for pedagogical reorganisation and upgrading of driving schools to ensure quality service in accordance with road safety requirements;
- Decentralisation of activities of the National Road Safety and Prevention Centre [Centre national de prévention et de sécurité routières (CNPSR)] at Wilaya level to ensure that all agencies involved in road safety and accident prevention participate;
- Upgrading of driving schools.

Public Works Sector :

Nowadays, the public works sector constitutes a basic component in the country's socio-economic life. And it is for this purpose that the country needs to carry out strategic functions toward revitalising the economy and

promoting investments for wealth and job-creating opportunities.

Indeed, the strategic nature of this sector stems from the desire to lay the necessary foundation for a national **development** strategy that is resolutely **sustainable** and the **historic commitment** of the highest authority in the country in terms of including big structural projects following the example of the East-West Highway mega projects. This goes to demonstrate the **high importance** that the public works sector occupies in the national economy through the following :

- a **powerful contribution to growth**;
- a **significant contribution to the employment policy**;
- an induced impact on development effect thanks to investments made, and a **knock-on effect on other sectors of activities**;
- participation in **the national income redistribution** policy through the impact on employment and relief plans offered to enterprises carrying out public and private projects, the provision of services and supply of heavy infrastructure equipment.



construction of the East-West Highway (1200 kms)

In view of the strategic role it plays in country's development, a programme of action was decided focusing on the following qualitative objectives :

- the construction of a **modern and structuring road network** within the framework of implementing vast regional planning alternatives;
- the maintenance and **modernisation** of existing **road network** and its adaptation;
- improving the level of road network service through actions aimed at maintaining and improving **operational** conditions;
- maintaining and adapting maritime infrastructures based on future needs as well as creating new infrastructural facilities for **trade, fishing, and tourism**;
- improving geometric characteristics of **airport infrastructures** based on specific needs and international standards (ICAO).

The transport development strategy is based on three wide-ranging operations, which are as follows :

- **catch up operation,**
- **upgrading operation,**
- **development and modernisation operation.**

These operations were carried out in the light if the following observations :

- road infrastructure on Algeria continue to account for more than 95% of les trade volumes over land;
- changes recorded in the total number of vehicles are increasing continually (3% annually) and the development of road infrastructure remains lower than road traffic needs;
- the congestion of major trunk roads in the north and the need to build roads to open up areas in the hinterland in favour of the population, notably those people living in the high plateau and southern part of the country;
- the need to further develop major highways in a bid to open up Algeria in three areas, namely at national, international and regional levels;
- the port facilities must be adapted to the new modes of transport and to develop such for modern and optimal exploitation of fishing resources;
- the airport network needs to be modernised and maintained;
- the maintenance of basic infrastructure require large-scale upgrading activities and above all recommendations relating

to sector-based 2005-2025 master plans with a coherent development policy that is implemented in such a way as to meet the country's short, medium and long term socio-economic needs.

Development of road and highway infrastructure :

Following in the footsteps of other countries, road infrastructure in Algeria play a major role in the movement of people and goods, thereby contributing to the country's socio-economic development. This role plays a particular importance on road infrastructure, made up of more than **110.000 km** of roads and over **5 000 civil engineering works**.

Road and Highway Master plan 2025

In order to meet current and future needs, the sectoral policy is based on the guidelines under the **Road and Highway Master Plan (2005/2025)**. These guidelines are aimed at:

- implementing a development strategy within the coherent and comprehensive framework through the conduct of structural projects.
- progressively servicing the whole country.
- upgrading of networks based on international standards.
- modernising and upgrading of infrastructure by strengthening international connections in a multimodal vision.



The Public road service maintenance and promotion policy

The main objective of the road maintenance policy is to improve the level service rendered to the citizen. The new strategy adopted for concretizing this policy focuses on the following pillars :

- conservation of assets;
- promoting quality of road equipment;
- improving public road service;
- improving safety of road users.

The set objectives through this policy are notably :

- upgrading national roads;
- maintenance and expertise on civil engineering works;
- la signalisation routière sécurité routière ;

- la promotion du service public routier.

Development of road infrastructure :

- The linear construction of roads led to several civil engineering works (creation of new roads, modernisation, and reinforcement). These roads have reached **29.960 km** from 1999 to 2008, representing **55%** of all linear roads built from 1962 to 1999.
- The resurfaced linear roads witnessed an increase of **8%** from 72.761 km to **78.801 km** in 2008, representing an increase of 6.040km as far as newly built linear roads are concerned during the 1999/2008 period.
- The number of civil engineering works rose sharply thanks to the construction of 1.193 new units during period between 1999 and 2008, accounting for about 41% of new civil engineering works completed from 1962 to 1999.
- The linear modernised roads with a width above or equal to 7 meters increased significantly from its earlier level of 36.380 km to 47.280 km, representing **30%** and **10.900 km in terms of linear roads**.
- The surface area density of the road network (km/km²) went up by **40%, from 0.5 to 0.7**. This indicator is a pointer to the efforts deployed towards developing the road network system and improving access to the regions and the people living there.

East-West Highway and the Express Ways :

- The construction of the East-West Highway witnessed a high level of government intervention from 1999 to 2008. Invariably, this led to linear roads rising from 49 km before 1999 to 376 km, thereby accounting for the highly significant increase of 767%.
- Meanwhile, the construction works of the remaining 927 km commenced in 2006 and are supposed to be completed by 2009.
- Concerning the expressways and bypasses, only 715 km were completed during the 1999 to 2008 while 725 km of road was completed prior to 1999.

The Trans-Saharan Road :

- The trans-Saharan road that links Algeria to its neighbours south of the Sahara received a very high budgetary allocation of more than 64 billion Algerian dinars under various programmes (PCSC, PSHP, PSS...). This allocation will help in completing this strategic

road in the southern part and its upgrading into an highway in the Blida-Laghout northern part.

- The positive impact of this project is supported by the construction of a pipeline and an optic fibre cable between Abuja (Nigeria) and Beni Saf Port, passing through Niger Republic.

Quality of network and improvement of public service roads :

- In terms of maintaining and improving the quality of the road network, a vast programme was implemented during the 1999-2008 period and this accounted for a total of **44.678 km** of roads out of which about 10.000 km are linear roads (**representing 13% of the resurfaced network**) solely for 2008 compared to 591 km in 1999.
- The total of maintenance works carried out since 1999 have led to a substantial improvement of the general state of the national road network, that rose from **56% to 92%** in terms of acceptable road conditions.
- The annual renewal rate relative to resurfacing the roads increased above 10% for National Roads. This rate is in **line with international standards** stipulating that the standard rate is fixed at **10% annually**.
- A vast programme of building **500 units of county homes** was launched in 2003. These county homes will further enhance the maintenance of the road network.
- About **15 new regional parks** were created under the PCSCE with the provision of adequate resources to guarantee the sustainability of the public service roads (snow removal, sand removal in the event of bad weather to ensure the network's viability...)
- A large-scale operation was launched since 2000 with the purpose of upgrading all the road signs and other road safety equipment. This exceptional operation that was conducted previously in a limited and haphazard manner consisted of building **58.014 km** in terms of horizontal road signs, 829 km of crash barriers, and **183.253** road sign units.

The impact of public works sector projects :

- On one hand, the various programmes (notably PSRE, PCSC, PSS and PSHP) have helped to create about **688.947 jobs** between 2001 and 2008.
- On the other hand, these programmes improved access to the landlocked areas and guaranteed access to a population of nearly

7.300.000 people whose living conditions were improved thanks to the benefits derivable from the road.

- The road constitutes a powerful leverage in the regional development policy ensuring more than **95%** of transportation in terms of goods and persons. In addition, the road plays a leading role in other sectors of the economy.

Socio-economic impact of public works sector projects

2001-2008 period :

- Creation of about **688.947 jobs** between 2001 and 2008.
- Opening up of the landlocked areas and improving the living conditions and guaranteeing access to a population of nearly **7.300.000 people**.
- Strengthening the road network ensuring more than **95%** of transport activities relative to goods and persons and playing a leading role on other sector's of the economy.

Aside from this programme, other supporting programmes to the sector-based policy should back this programme through :

- modernisation of the Administration,
- enhancing the operational efficiency of services,
- adding value to human resources and staff training,
- applied research and computerisation of services.

Within the framework of this policy, an **Advanced Institute for Big Project Management (ISGP)** and a **National Quality Control Centre (CNCQ)** will be established.

The implementation of the proposed East-West Highway also constitutes a veritable vehicle for know-how and technology transfer. It is also a catalyst for the effective development of human resources in the sector. It is within this context that several continuous training programmes were organised for engineers and professional staff in the sector.

Prospects

- Setting up administrative programmes (ERP) for standardizing business management software (payroll, accounting, inventories, fixed assets...) in all public works directorates of Wilaya
- Setting up Geographical Information Systems: within the National Development Scheme (SNAT 2025), the budget allocated was dedicated to the realisation of infrastructure and equipment programmes for all modes of transport, air and maritime navigation safety as well as meteorology

Sub-Objective 4 :

Improving the situation relative to infrastructures and maritime, port and airport transport

Maritime and port infrastructures

Algeria is largely open to the outside world. Its Mediterranean waterfront, which covers **1.280 km**, constitutes a vital economic interface and a link between the African continent and Europe. The economic potential along the Algerian coast, the investment programme focusing on the maritime sector through the interplay of a Master plan is quite recent.

Henceforth, progress in this sub-sector will be in line with envisioned plan for these programmes.

Indeed, the entire long term needs are expressed in the **2005-2025 Master Plan**, covering the entire maritime sector (transport, trade, tourism, fishing as well as the exploitation of fishing resources). The maritime sub-sector extends its scope of activities to the protection of sea banks to ward off coastal erosion. Within the framework of implementing the Government's general policy thrusts and action programmes, the Public Works sector defined its strategic goals

National Master Plan for Maritime Sector 2025

Strategic Pillars

Maritime infrastructures :

- preserving the existing infrastructure through maintenance and improvement;
- building new fisheries and leisure infrastructure ;



- valorisation of the coast through shore protection.

Maritime sign postings and markings :

- maintenance and protection of maritime sign posts through rehabilitation engineering works,
- renovation, modernisation and computerisation of maritime markers.

Airport infrastructure

Airport infrastructure is today a highly strategic element when it comes to the issue of a country's sustainable development and socio-economic integration, given the dependence of economies in the South on the countries in the North..

Of the 55 aerodromes in the country, 36 are open to air traffic Public Air Traffic (C.A.P). The other aerodromes are open for limited use : medical evacuation, locust control, air mail service, flying clubs.

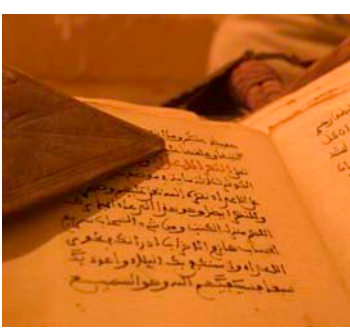
The sector strategy is built around **aerodrome improvement, adaptation development and construction programmes**

Scheduled programmes (short and medium term)

For improving airport infrastructures

- Establishment of the Touggourt (Ouargla) aeronautical cluster;
- Extension of the current 2900 meters wide tarmac of the Sétif airstrip;
- Establishment and extension of aircraft parking lots (in Bejaia, Biskra,Ghardaïa and Annaba airstrips) ;
- Integration of concrete slabs at the airstrips;
- Protection against floods;
- Continuous maintenance and repairs of airstrips;
- Construction and provision of equipment for airport sections;
- Conduct of technical studies for reinforcement, rehabilitation, adaptation and development;
- Setting up a procedure for standardization of products used in the airport sector..

Airport Infrastructure



A considerably high protection and upgrading programme in accordance with ICAO standards with regards to airport platforms was implemented. This programme focused on 102 operational works during the 1999-2008 period, including **4 new works**, thereby showing the interest given to construction of these infrastructures in a bid to open up the landlocked regions and enhance the country's security.

Port Infrastructure

Progress made in port infrastructures 1962-2009

- Prior to independence, the assets outlay consisted of 24 ports :
 - * 10 trade ports;
 - * 13 fishing ports and fishing shelters;
 - * 01 leisure port.
- During the 1962/1999 period, 32 ports were built :
 - * 02 ports specialised in hydrocarbons;
 - * 01 trade port;
 - * 05 fishing ports and shelters.
- 2007-2009 Goals
 - * 2007-2008: 10 fishing ports and shelters built;
 - * 2009: 08 fishing ports and shelters under construction
- The **10 fishing ports and shelters** built within the 1999/2008 period are as follows: *Gouraya (Tipaza), Bouzedjar (Ain Temouchent), Zoumouri El Bahri (Boumerdes), Azzefoun and Tizirt (Tizi-Ouzou), Boudis (Jijel), Beni Haoua (Chlef), Khemisti (Tipaza), Small Port (Mostaganem) and El Djamila (Alger)*
 - Representing a total of 42 ports 2008
- The following 8 fishing ports and shelters are under construction : *Cap Djinet (Boumerdes), El Aouana (Jijel), El Marsa (Chlef), Salamendre (Mostaganem), El Kala (El Tarf), Tala Guilef (Béjaia), Kristel (Oran) and Marsa Ben M'Hidi (Tlemcen)*
 - The port assets base will be made up of 50 ports by 2009, compared to 32 in 1999.
- 18 fishing ports will be built during the 1999/2009 period compared to 5 ports built during the 1962/1999 period.

Maritime and port sectors :

Two big projects are scheduled under the development programme of the transport sector :

- the VTMS project (integrated system for control, surveillance, safety and security management of maritime sector and ports). The feasibility studies and the relevant terms of reference were finalised. The launching of tenders is scheduled for September 2008 and the works slated to commence during the first quarter of 2009 for a 36-month deadline.
- the COSS (Operational safety and security surveillance of ships and port installations). The works were completed in July 2007 and the progressive commissioning is ongoing.

Pertaining to the port sector, the launching of works on the transshipment container terminal at the Djendjen Port (protection of new port wharfs) scheduled for the year 2009.

- Concessioning of the Djendjen Port.

Balanced development of the civil aviation system.

This programme focuses on achieving conditions for balanced development of the national air transport sector, which must be in compliance with international standards and norms. In this regard, the following was scheduled and implemented :

- after completing in 2003 the project concerning the radar coverage of Northern Algeria (Trafca), the President of the Republic inaugurated it on 23 December 2003, the radar coverage for the South airspace (PDGEA) will be launched. The completion is slated for 2011 and the setting up of a regional control centre in Tamanrasset. This project aimed at improving the airspace management surveillance system will strengthen the country's air traffic control;
- construction of 5 new control towers for which studies are ongoing, will eventually beef up the capacity of Alger, Oran, Constantine, Ghardaïa and Tamanrasset airports;
- the acquisition of tarmac approaching aids and landing equipment in the airports;
- the replacement of aircraft laboratory by a more modern one;
- the national carrier Air Algerie acquiring new aircrafts;
- modernisation of meteorological forecasting equipment;



- construction of 68 weather stations including 10 automatic ones to handle risks related to natural disasters;
- strengthening and modernising the processing and meteorological tools by acquiring 5 other stations and a super calculator in order to fine tune the weather forecasts.

Improving services in the fishing ports :

Following the completed rehabilitation of a high performing and efficient administration, the government committed itself to an ambitious but realistic programme aimed at :

- having better knowledge of the resources so as to management them better,
- modernise the flotilla of fishing trawlers for optimum performance,
- improve the aptitude of professionals,
- improve the handling capacity of the flotilla by using optimally the existing infrastructure and building new ones,
- strengthen the industrial base by adapting it to world-class standards,
- promoting aquaculture into to add value to the country's water resources potentials and to make this activity an essential component of the sector by giving it the status of a full-fledged economic activity it deserves,
- finalising the legislative and regulatory framework in order to clarify the best practices rules of the activity and ensuring the transparency and visibility required towards all the stakeholders in the sector,

The Fishing and Fishing Resources Ministry carried out the following programmes by :

- earmarking a budgetary allocation of 839 million dinars for erecting administrative infrastructures,
- ensuring the training of 280 professional staff through skills' training and retraining courses in a short, medium and long term,
- encouraging the training of more than 13000 students in various fishing and aquaculture sectors,
- increasing the operating budget that rose above 92 million dinars in 2000 culminating at 840 million dinars in 2007.

Relative to organising the profession, the Chamber of Fishing and Aquaculture was created in 2002. The number of associations and cooperatives increased from 38 in 1999 to 219 in 2007 while the creation of National Consultative Council for Fishing and Aquaculture in January 2004 boosted the supplemented the option adopted by the ministry in terms of its participatory policy.

With regards to the flotilla of ships, the sector through a support and incentive-laden programme has contributed to an increase of more than 74% in terms of fishing equipment that rose from 2552 fishing units in 2000 to 4442 units in 2007.

Likewise, the maritime population rose from 28225 bargemen in 2000 to 53853 bargemen in 2007.

Concerning knowledge of fishery resources, the following actions were taken :

- two resource evaluation resources campaigns were carried out in the waters under national jurisdiction in 2003 and 2004, thanks to the cooperation between Algeria and Spain. These campaigns confirmed the availability of potential fishing stock in the neighbourhood of 220 000 tons,
- an appraisal campaign to assess the coral resources of which the results are still being exploited,
- a guideline for fishing activities and aquaculture by 2025,
- the launching of a study concerning the setting up of a satellite-based fishing ship control and surveillance system (VMS) and a study concerning a development and management plan for Algerian fisheries

The creation of a National Centre for Fishing and Aquaculture Research and Development, which has its disposal human and material resources notably a research ship), will enable the sector to rely on national competencies to ensure resource monitoring in the future.

In order to supplement these resource-based programmes, the procedures for the construction of 12 fresh fish markets and the modernisation of the Algiers fresh fish market in a bid to ensure a better monitoring of off-loaded fish consignments.

A national laboratory and two regional offices are being built and this will help the sector in promoting hygiene and cleanliness of products intended for the consumers.

Concerning support to the production tool, 16 ship building and repair yards,

9 maintenance and repair workshops, 29 points of sale of fishing equipment and spare parts and 5 victualling stations were received.

With regard to support for production, 6 fishing product processing units, 52 expedition units, 15 ice-making facility, 45 cold rooms and 425 retail points of sale for fish products were built.

The second economic component of the sector, namely aquaculture witnessed real growth during this decade due to the fact that it was still at a very stage of development in the past. The sector only seeks to equal the performance of the major component, which is fishing.

In the past, it was only confined to the exploitation of lakes in the east of the country, aquaculture witnessed renewed interest among operators and this led to the implementation of five pilot structures in the shellfish-producing sector at Bou Ismail (Tipaza), sea aquaculture (farming of sea perch fish and sea bream fish) at the National Centre for Fishing and Aquaculture Research and Development at BOu Ismail, shrimps farming at Oued El Kebir (Skikda) and continental fishing at the Boukerdane dam (Tipaza).

In addition, the ministry reinforced the fishing population in dams, thereby leading to the production of 4000 tons and the creation of 3000 jobs.

In terms of developing the private sector initiatives that are supported by the Government, the following points are noteworthy :

- the construction of two shellfish farming units at Tamenfoust (Algeirs) and at Ain Tagourait (Tipaza) with a cumulated production capacity of 100 tons annually,
- the construction of six integrated fresh water fish breeding farms at Saida Ghardaïa, Ourrgala, Setif, Bordj Bou Arreridj and Relizane with a cumulated capacity of 6000 tons annually,
- the construction of three sea fish farms situated in Wilayate Ain Temouche nt, Oran and Tizi Ouzou with a production capacity of 3000 tons of sea perch fish and sea bream fish

New achievements :

Taking over three components of modern and sustainable fishing: coastal, deep-sea and oceanic.

Optimisation : rationalising the handling capacity at basins and overland

The existing and projected handling capacities, in the short and medium term, will be around 6152 berthing quays for a total flotilla, which is a little above 4169 professional fishing units.

The initiated programme in collaboration with fishing port management companies led to the inclusion of 64 projects in ports for a total cost of 2.7 billion dinars that produced 1197 direct jobs.

The port infrastructures built facilitated a supplementary gain of docking stations and more than 22 hectares of sand filled land intended to host support superstructures for soil production.

In the short and medium term, 20 beaches for ships aground were included in the development and equipment programme for a total budgetary allocation of 1.4 billion dinars.

Parallel to these projects, a specific fishing port management entity was established, namely the SGP/Ports, which in turn produced fishing port management companies in Algiers, Oran, Mostaganem, Ghazaouet, Ténès, Bejaïa, Jijel, Skikda and Annaba.

Sub-objective 5 :

Speeding up enterprise reforms

Regulatory and legislative framework under privatisation

The presidential order n°95-22 dated 28th November 1995, considered to be the first institutional framework for privatisation, defined the institutions in charge of privatisation, namely the national privatisation council, the holdings, the privatisation operations supervisory commission. This order produced the first set of privatisation operations and highlighted some constraints that helped the government to learn the necessary lessons and to revitalise the process through a new second-generation mechanism.

This new mechanism under Presidential order 01-04 of 20 August 2001, defines the privatisation, the scope of intervention, and forms of privatisation. Likewise, it identifies the decision bodies and the privatisation process monitoring organs, supplemented by a set of regulatory enabling laws for its implementation and notably 5 enabling decrees :

- Executive decree n°01.253 of 24.9.01 relative to the composition and functioning of the State Investment Council.
- Executive decree n°01.283 of 24.9.01 focusing on the particular form administration body and management of public enterprises.
- Executive decree n°01.253 of 10.11.2001 setting the conditions and modalities for exercising specific actions.
- Executive decree n°01.353 defining the conditions for employee



corporate takeovers relative to public enterprises.

- Executive decree n°01.354 of 10.11.01 determining the composition, duties and functions of the Privatisation Operations Supervisory Commission.

It is noteworthy to indicate that numerous reforms were previously carried out that contributed directly to government disengaging from the economic activities investment promotion. It is worth mentioning that among these reforms, there are the following :

Business registration code : It was adapted to the commercial status of the enterprise showing the liberal forms of commercial enterprises (Partnerships (SPA), Commercial and Industrial Partnership (SNC), Limited Liability Company and others).

Tax System : It was revised to meet the new economic requirements by introducing new taxes such as VAT, Corporate Tax, and Guarantee Income Tax (IRG) with the adoption of a specific and advantageous tax regime suitable for investments.

Corporate Legislation : Adapted to the new economic reforms, it seeks to promote the right to go on strike, the right to trade unionism, and confirms the deregulation of the labour market. In addition, the mechanism stipulates the establishment of a national unemployment board and a social development agency as an instrument for social security in order to reduce the negative effects of privatisation.

The financial and banking system : The reforms at this level helped to “demonopolise” the banking system by promoting the creation of private banks and the establishment of a stock exchange.

In addition, the granting of incentives to investors is an act that is part of the privatisation promotion policy because these incentives enable the investors, notably the foreign buyers, to benefit from the free transfer of capital with protection against expropriation and the possibility of having recourse to international arbitration

The result of this commitment to the reform process helped since the promulgation of the law 01-04 of 20 August 2001 relative to the privatisation of public enterprises, the registration of 458 privatisation operations. While 89 operations only were conducted between the 2001 and 2004 financial years, a rapid progression was observed between the 2005 and 2006 financial years, when 113 operations were concluded in 2005 and 116 in

2006 respectively.

The privatisation operations were basically anchored on :

- agrifood industries 20 %
- Local enterprises 20 %
- Electric industries 11%

Socio-economic impact of the privatisation process

The privatisation operation contributed to the success of the socio-economic plan through :

- the preservation of 40.000 jobs;
- the projection of job creation up to 19.000 positions over a period of 5 years;
- the investment of 890 billion dinars over a period of 5 years;
- privatisation revenue to the tune of more than 136 billion dinars;
- taking responsibility for 50 billion dinars representing the buyers' debt relative to privatised enterprises.

Moreover, the accumulated experience in terms of privatisation produced the following results :

- the constitution of a significant experience capital that can be measured with respect to the fast declining number of litigations recorded over time. This point to the accumulation and capitalisation of know-how in this area;
- possession of procedures and experience in privatisation management;
- training of staff in charge of conducting privatisation operations;
- existence of institutional structures dedicated to privatisation operations.

SME sector

1999-2008 :

The 1999-2008 period witnessed a growth cycle in the creation of SMEs to the tune of **86.57%**. The sector's contribution in the formation of GDP excluding hydrocarbons in the 1999-2005 period stood at **76.74%**.

In 2001, the promulgation of the framework law to boost SME growth laid out the essential fundamentals for the creation and development of SMEs. The visibility of the economic climate for SMEs was consolidated through a mechanism whereby the government formalised and adopted 46 enabling laws.

The rate of SME creation, on an annual basis, was estimated at **24000** SME on average

Progress made in the sector (2007-2008) :

It was observed that by 2007 ending, a population of **293.940** private SMEs employed **1.064.980** permanent employees.

In 2006, **24.140** private SMEs were newly created, representing a growth rate of 8.9%.

In December ending 2008, the number of private SMEs will reach **320.000** SMEs employing **1.150.180** jobs.

The implementation of the national upgrading programme has started produce tangible results. About **3.000 SMEs** were recorded to have benefited from components for the programme while **294 SMEs** signed memorandum of understanding to enter into the process of diagnosis and upgrading.

Concerning financial intermediation, the SME Credit Guarantee Fund (FGAR) despite exogenous constraints linked to ever changing banking practices, confirmed its ranking in the support evidenced in the granting of bank loans. By **July ending 2008**, **294** guarantee applications were processed for a **total amount of 7.7 Billion Algerian dinars accounting for total bank loans requested for that stood at 21 billion Algerian dinars**. All this generated **16.450** loan uses.

The SME Investment Loans Guarantee Scheme (CGCI-PME) by end of June 2008 granted 91 guarantees accounting for a total amount of 1.2 billion dinars, for a total number of loan requests of **2.5 billion dinars** that generated **1568** loan uses.



Programmes implemented :

the conduct of sector-based studies (Agrifood, pharmaceutical industries...)

the National SME Development Agency formalised a code of conduct through the publication of a white paper that sets out the principles and rules for handling applications.

Forthcoming programmes :

revising and consolidating the legal and regulatory framework governing the SME sector;

developing appropriate financial services in line with the specific nature of SMEs;

setting up consultative work groups ANDPME/ABEF/ Banks and Financial institutions;

consolidating on the two guarantee mechanisms (FGAR and CGCI-PME).

Organisation of the commercial public sector**Concerning enterprises under the purview of MIPI****Envisaged programmes :**

1. redeployment hinged on the pursuit of the process of enterprise privatisation;
2. the proposed redeployment of government equity investments based on the recommendations of the Country's Industrial Strategy;
3. the redeployment of Government equity investments must ensure the promotion of the industry;
4. the emergence and development of new industrial activities;
5. opening up the capital and sale of enterprises within the framework of the partnership/privatisation programme.

Reform of the commercial public sector**Pillars**

This redeployment policy derives from the total restructuring of the conceptual framework that represents (03) three entities and having different



economic objectives. They are :

- Economic Development Companies (SED) that responsible to ensure the development of activities that will confer on the Nation an internal integrated specialisation and inward-looking capability in terms of growth-related decisions;
- Economic Promotion and Development Companies (SPD) that will be responsible for promoting activities already existing structural entities and/or new industrial activities;
- Industrial Promotion Companies (SPI) that will be responsible for promoting activities, which have high knock-on effect and integration capabilities on the world market. These companies will bring together activities in steel, ship building and repairs, automobile and ICT.

In the same vein, the SGP will have responsibility for a new mission geared towards the promotion of other companies not catered for in the SED. This promotion will be done through the search for priority partnership so as to bolster their growth.



Set Objectives:

- Creation of powerful Industrial Groups through the development of high-yielding sectors, having latent competitive potentials on the international market.
- Refocusing the public sector that will be done exclusively on activities that touch on the specialisation of national economy and capability building for global competition

Programmes aimed at supporting industrial enterprises to improve quality :

It is worth recalling that in Algeria, quality infrastructure (QI) was put in place through the establishment of the following organisations :

1. IANOR for standardisation,
2. INAPI for industrial protection,
3. IONML for legal metrology, and finally,
4. ALGERAC for accreditation.

Today, ALGERAC is operational and quite capable of embarking on the process of accrediting organisation evaluation conformity (OEC) mentioned above. **The year 2008 will be dedicated to consolidating on the enterprise**

potential in view of making it completely operational and issue in the same year, the first set of accreditation certificates to some national and foreign enterprises that have already submitted applications in this regard.

Sub-objective 6 :

Control and supervision of economic activities

Implementation of the tourism quality plan: This concerns the excellence standards in terms of accommodation offers, food and beverages, leisure and operations of travel agencies as well as local tourism offices.

Programmes undertaken :

Performance contract in the 2008 tourism season: selection of 14 pilot beaches.

Tourist guides: quality service in welcoming tourists

Consultation and support for tourism booklets towards producing such tourism booklets for Algeria

Tourism figures :

These past years witnessed a notable increase in the number of tourists. Undoubtedly, this situation will usher in new prospects for the country in view of the existing tourism potentials, whereby a range of diversified and high-value products are on offer.

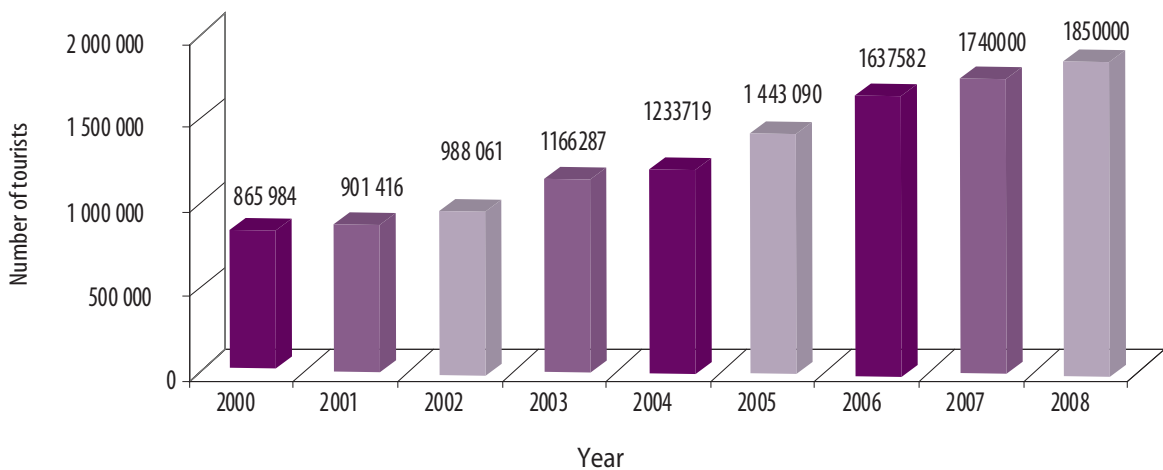
Tourism figures

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Total	748 536	865 984	901 416	988 061	1 166 287	1 233 719	1 443 090	1 637 582	1 740 000	
Growth Rate (%)	-	15,69	4,09	9,61	18,04	5,78	16,97	13,48	6,5	6,5
Foreigners	140 861	175 538	196 229	251 145	304 914	368 662	441 206	478 358	511 000	550.000
Growth Rate (%)	-	24,62	11,79	27,99	21,41	20,87	19,71	8,42	7	7,6
Algerians living abroad	607 675	690 446	705 187	736 915	861 373	865 157	1 001 884	1 159 224	1 230 000	
Growth Rate (%)	-	13,62	2,13	4,50	16,89	0,44	15,80	15,70	6	6

Source : Border Police

- By 2007 ending a total of 1.740.000 tourists entered Algeria, representing an increase of 6.5% compared to the 2006 figures (1.637.582 tourists). Among them are 51.000 foreign tourists, representing a growth of 7% compared to the same period in 2006.
- The number of tourists is estimated at 1.850.000 by 2008 ending.

Tourism Trend Figures



Movement of Algerians Abroad

Figures of Citizens' movement across the borders

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Citizens	903	1 006 382	1 189	1 256	1 253	1 416	1 513	1 349 113	1 500	1 550.000
	286		910	515	901	861	491		000	
Growth Rate (%)	-						6,82%		11%	3%

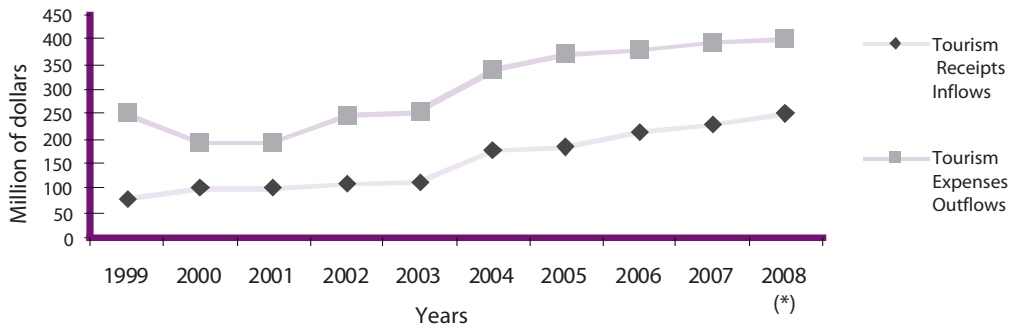
(*) Estimates

* Algerians travelled abroad in 2007 and these figures represent an 11% percent increase compare to the same period in 2006. (1.350.000 travellers).

- the major destinations that Algerians travelled to are as follows :
- Tunisia : **686.000** travellers.
- France : **384.000** travellers.

* The recorded statistics for 2007 in terms of entry of tourists and exit of citizens across Algerian borders indicated a difference of about 250.000 tourists, thus confirming the passage of Algeria from a tourism producing country to a tourism destination.

Balance of Payment Trend



The amount of tourism receipts for the year 2007 stood at \$218.9 million, representing a 7% increase compared to 2006 figures.

Despite the increase in the number of tourists entering the country in recent times, the amount of foreign currency spent by Algerians citizens abroad remains higher than the foreign currency generated via the entry of non-residents into Algeria.

Jobs in the tourism sector

1. Algeria's huge tourist potentials will place the tourism sector as the alternative sector for wealth creation and ensure the entry of youths into professional carriers.
2. Jobs in the hotels, cafés and restaurants represent 1.8% of the total working population in Algeria.

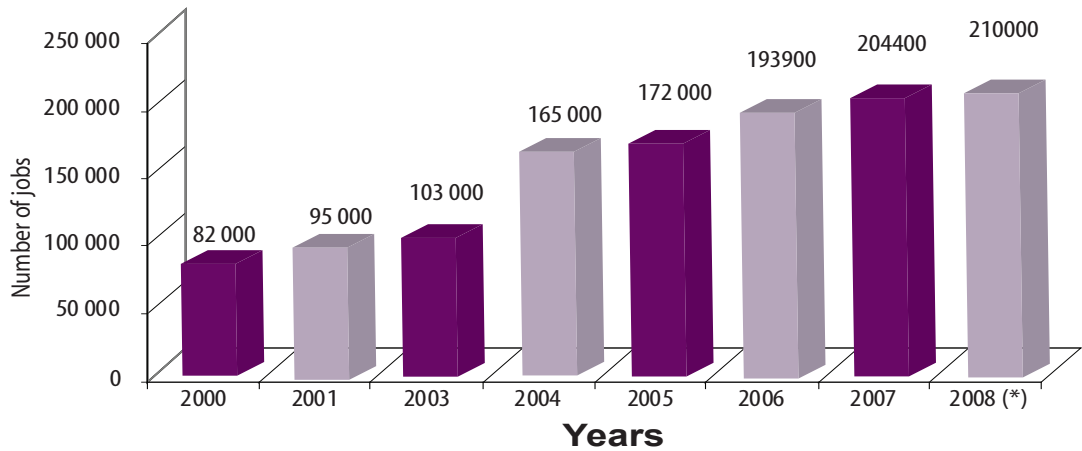
1. Employment trend in hotels, cafés and restaurants

Year	2000	2001	2003	2004	2005	2006	2007	2008*
Figures	82 000	95 000	103 000	165 000	172 000	193.900	204.400	210.000
Growth Rate	-	15,85%	8,42%	60,19%	4,24%		5,42%	2,74%

(*) Estimation

Source: ONS

Employment figures in hotels, cafés and restaurai



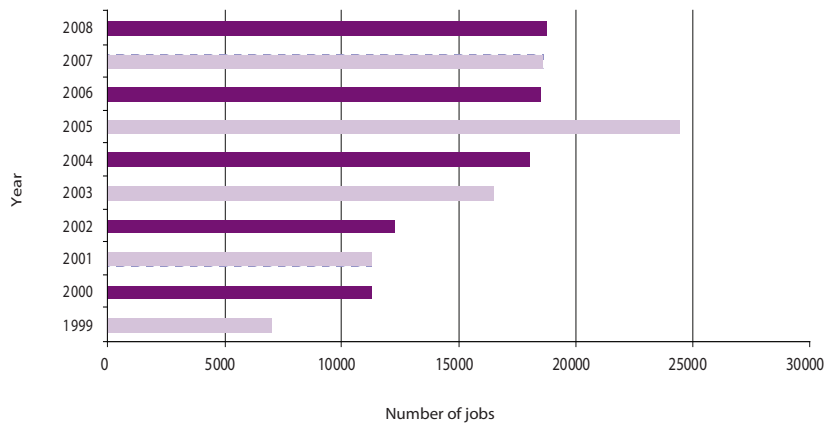
2. Employment trend in hotels

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Total	7.000	11.290	11.288	12.261	16.516	18.040	24.412	18.500	18.600	18.750
Growth Rate	-	61,29%	-0,02%	8,62%	34,70%	9,23%	35,32%	-24%	1%	1%

(*) Estimation

Source : Directorate of Tourism Wilayas

Employment trends figures in hotels



Percentage share of the Tourism sector in the GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Percentage share of tourism in the GDP	1,8	1,4	1,6	1,6	1,7	1,8	1,7	1,02	1,7	1,7

(*) Estimation

Source: ONS



The share of the tourism sector in the national effort towards wealth creation, as measured by value addition, remains very low and relatively stable for many years. The sector's contribution stood at 1.7 % on average per year.

OBJECTIVE 2 :

Ensuring that enterprises behave as good citizens in terms of human rights, social responsibility and sustainability of the environment

Sub- OBJECTIVEve1 :

Contribution of enterprises to the preservation of the environment

1. Condition of Implementation

General Evaluation

Due to the concerted action with industrialists in a participatory and transparent framework, what was noted during these recent years, was a high level of sudden awareness of environmental problems, a proper understanding of the solutions to be provided to ensure a durable management of the industry and a resolution by industrial operators to work in partnership with environmental administration. Actions launched concern mainly the following matters :

- development of environmental protection program;
- significant reduction of industrial waste products and pollution
- improvement in storage, treatment and evacuation conditions of special waste products
- putting in place a waste products treatment policy
- sensitization of stakeholders and emergence of citizenship-in-enterprise concept
- more effective implementation of the Environmental Impact Study (EIS) procedure, through formulation and provision of a guide related to EIS, in order to facilitate procedure control, understanding of methodologies and evaluation (100 EIS were realized)
- realization of environmental audits (diagnostics and analyses) to inform the public about the environmental situation of industrial units with reference to ISO 14000 type of environmental management norms: three (03) first audits out of the ten given priority have been realized

implementation of a contract-based approach between the State and the enterprises, through performance contract whose objectives are to reduce gradually the quantities of polluting waste products and encourage putting in place internal control and supervision procedures (100 contracts were signed).

new fiscal system – 10 ecological taxes – witnessed an unprecedented growth (Pay as You Pollute) :



- removal of household refuse
- reduction in the storage of dangerous industrial waste products
- reduction in the storage of waste products from care activities
- oils, lubricants and lubrication preparations
- plastic sachets
- pneumatic tyres
- fuel
- polluting activities dangerous for the environment
- industrial waste water
- industrial atmospheric pollution

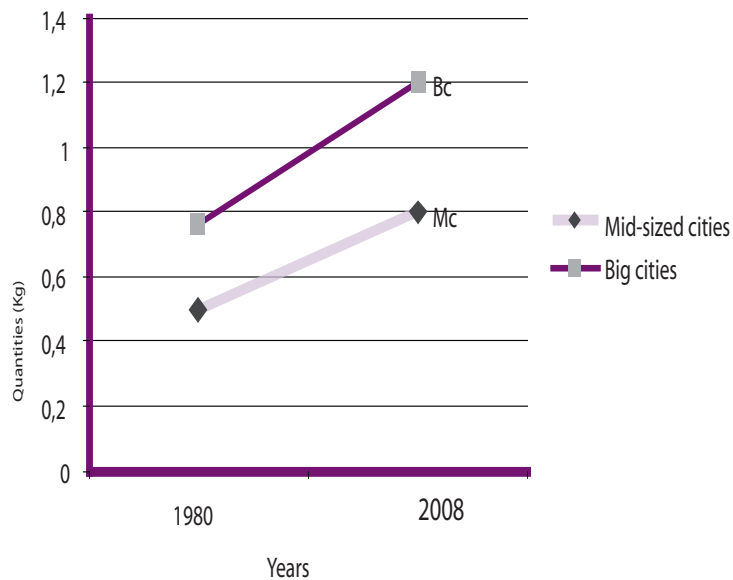
In the peculiar area of solid household waste products, it should be noted that the evolution of the waste products was done according to the following table :

**Évolution of daily quantity
of waste generated per resident and per day**

Year	1980	2008
Average cities	0,5 Kg	0,8 Kg
Big cities	0,76 Kg	1,2 Kg

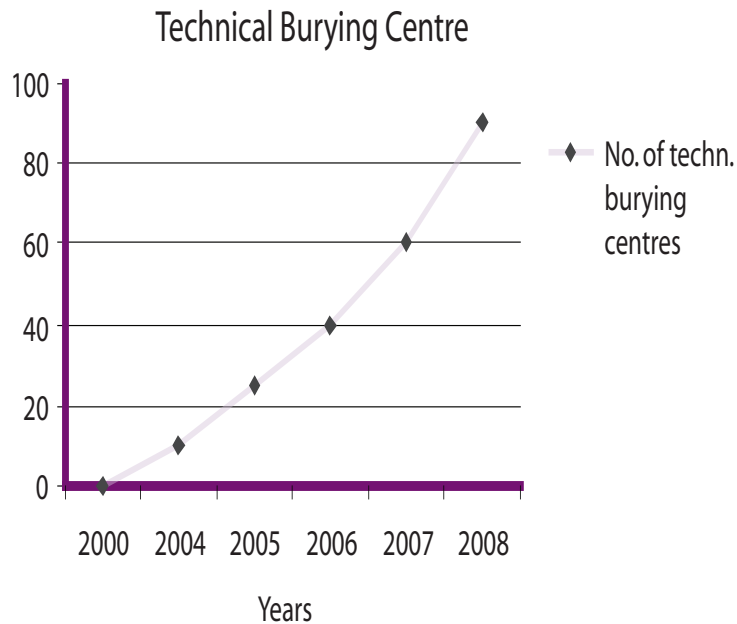


Environment at the heart of the government concern



To take adequate charge in the area of waste products management in Algeria, the National Program for Household Waste Products Management (2008) was established and comprises four main actions :

1. formulation of guiding schemes for household waste products management
2. creation of Centres for Burying Technique (CBT), provision of material resources
3. closure and rehabilitation of barbarous discharges areas
4. financing through Tax on Household Refuse Disposal (THRD): revisable to cover, in stages, management costs.
 - **Organization of waste products collection by local communities:** 1,000 guiding schemes for household waste products management are programmed 595 of which are finalized .
 - **Management and treatment:** 300 centres for burying technique are programmed 90 of which are completed or towards being completed.



- **Rehabilitation of discharge areas:** 20 primitive discharge areas are programmed for rehabilitation 7 of which are in progress (**Alger (Oued Smar), Annaba, Skikda, El Tarf, Tebessa, Djelfa, Tiaret**).
- 1,069 communes are provided with modern devices (device for collecting and for transportation of waste products (packing trunk, hermetically sealed container, ...).
- **ECOJEM:** Reduce, Re-use and Re-process (**3R**), an unexploited field of raw materials (760 000T/per yr):

1.	Paper	85 000 T/per yr
2.	Plastic	130 000 T/per yr
3.	Metals	100 000 T/per yr
4.	Glass	50 000 T/per yr
5.	Material	95 000 T/per yr
6.	Miscellaneous	

The law 01 – 19 on waste products management, control and disposal obliges generators and/or their holders to either:

1. ensure by themselves and at their expense, after labeling, Auto-valorization such as ENPEC and ENPC ;

2. entrust an approved and labelled enterprise (enterprise specialized in valorization of waste products: 15 micro enterprises in recovering valorizable waste products are approved);

3. join the public system (ECO-JEM, Pepsi cola, Ifri, Fruital, Coca Cola, NCA Rouiba, Hammoud Boualem, El Golea, Sidi El Kebir, Fruidor ...)

Areas of notable progress with enterprises

Several pollutant industrial units have resolved to integrate environmental protection requirements in their developmental projects and have made important investments in cleansing.

Electrolytic zinc process complex of Ghazaouet: significant reduction in sulphur dioxide emissions (from 1500 to 400 ppm), (realized cost of investments amounts to 1147 millions DA on the enterprise's own funds)

ASMIDAL fertilizer production complex of Annaba: Cleansing of Big Annaba (88% reduction of sulphur monoxide and 98% of nitrogen monoxide) :

- With ASMIDAL complex, stoppage of sulphuric acid unit and conversion of phosphoric acid unit into production unit of simple super-phosphate.
- NOX evacuations into the air now have concentrations below 250 mg/Nm³.
- Servicing of unit NPK de-dusting equipment. Evacuations have reduced up to 50mg/Nm³
- Reduction in dust and NOX content of smoke coming from ammonium nitrate unit at a rate below 150 ppm

The cost amounts to 17 million US \$, one part of which has been self financed and the other through CPI

Iron and Steel complex MITTAL STEEL (ex- ISPAT) in Annaba: a number of antipollution measures in ISPAT complex – installation of de-dusting systems, biological treatment station, re-habilitation of precipitators, filtering stations – LAF and LAC – (the cost of investments amounts to 4 million US \$), due to those measures, air pollution in Annaba city was divided into 10.

The Corps Gras Complex of Maghina: The complex has made efforts in the area of cleansing, recuperation and valorization of by-products. More than 4,5t per day of glycerin are recovered and meant for exportation

Corn Mill Unit of Maghina: establishment, through funds raised internally by the enterprise, of a refining station adapted to the nature of its evacuations.



TAMEG tawery unit of Rouiba: this unit has, using its own funds, completed the establishment of a refining station adapted to the nature of its evacuations.

Cement factories of Meftah, Zahana and Hamma Bouziane: these cement factories have made important investments in the modernization and renovation of their antipollution equipment: 616 million DA for Meftah cement factory, 100 million DA for Zahara cement factory and 220 million DA for Hamma Bouziane cement factory.

Cleansing of hydrocarbon installations (Sonatrach) :

- renovation of liquefied natural gas installations
- realization of new treatment units, recovering and re-injection of flared gas
- three de-oiling units are functional and two others are under completion – savings estimated at 34 million dollars per annum
- realization of a STEP (base February, 24) whose treatment process is biological with bacterial bed
- in Guellala farm, the production centre is provided with an oil separator unit, a storage unit and gas booster pump unit
- in Benkahla, the production centre comprises an oil separator unit and a gas booster pump unit
- the district headquarters of Haoud Berkaoui has completed three de-oiling stations for Haoud Berkaoui, Guallala and Benkahla centres (HC content in evacuation water below 10mg/l, removal of 'mes' at the rate of 30mg/l)
- the total cost of investments for treatment of industrial liquid waste for the enterprise as a whole is estimated at 2.3 billion DA

Other actions

- setting up of follow-up, prevention, alert and intervention devices by integrating an HSE department into the administrative chart of enterprises
- taking charge of lasting developmental aspects in the Business Plan of enterprises
- networking through seminars, workshops, exchange of information by involving various parties: enterprises, SGP, APRUE, laboratories specialized in analyses, local communities, CNTPP, CNFE, ONEDD, associations for environmental protection, associations for consumer protection, universities, research centres

- information from the enterprise on continuous improvement in environment: giving priority to the enterprise's contribution on environment preservation
- putting in place a financial set up for taking care of programmed environmental actions in the development plans of enterprises.

In Energy, several actions are to be highlighted :

- production of own energy by supplying 20 villages with solar energy, construction of a central solar hybrid of 150 MW in Hassi R'mel, launching of a wind mill farm of 10 MW in Tindouf
- creation of a sea cleansing society OSPREC SPA
- de-localization of Hassi Messaoud town and construction of a new town in Oued el Maraa

OBJECTIVE 3 :

Promote adoption of an ethics code in terms of business in the pursuit of enterprises' objectives

Sub objective 1 :

Adoption of a business code of ethics

Recasting the law on competition: dismantling of monopolies, opening of foreign trade, liberalization of economic and commercial activities, encouraged the emergence of new economic operators and consequently the growth of certain fraudulent practices harmful to consumers as well as the national economy

To eradicate those practices and establish a sound and fair competition among different parties in the market, arrangements have been made by the authorities to finalize the recasting of the law related to competition in the proceedings of the Parliament

Setting up an effective policy for consumer protection: the requirements of globalization, the eradication of informal market and the effective concretization of the principle of constitutional freedom for commerce and industry, lead the authorities to devise and actualize a vast plan of reforms that concerns mainly :



1. adaptation and modernization of legislation and regulations applicable to competition, commercial practices and commercial activities, commercial register and consumer protection. This action has translated into :

1. the proclamation of laws related to general rules on importation and exportation of goods, competition, commercial practices and conditions of carrying out commercial activities ;
2. the proclamation of 23 executive decrees taken in accordance with the legislative texts earlier mentioned ;
3. the adoption of a bill by the Cabinet related to consumer protection and fraud control. The bill is at present before the House of Representatives ;

Putting in place a National Committee on CODEX Alimentarius

Adaptation of control modalities in accordance with the limits on imported products as well those related to labelling and presentation of food products ;

2. reinforcement of market management and supervision as well as consumer protection. In that regard, the following measures were applied :

recruitment of 1,500 university personnel specialized in quality control

launching of studies for the realization of a national test laboratory for taking care of analyses of industrial products.

establishment and rehabilitation of 13 laboratories for quality analysis and fraud control

implementation of program on modernization of control tool approved by government in 2004 that has to do with the acquisition of 280 vehicles and inspection equipment for preliminary control (225 small boxes)..

Setting up an effective policy on normalization :

be in conformity with the legislation and regulations of normalization of OTC
revision of nomenclature of endorsed norms (compulsory)

Expected results:

competitiveness of enterprises and protection of the consumer
conformity of products with Algerian norms and regulation technique

Fight against informal commercial activities: in terms of the management of informal markets, the departments in Ministry of Commerce are working

in conjunction with concerned parties (APC, Dairas, Wilayate, professional associations) to those spaces into an organized framework (delimitation, arrangement, purchasing of articles and conditions of sale conform with the regulation, etc.)

Launched actions involved :

- counting, in wilayas's case, of spaces used to shelter non sedentary or informal activities with a brief evaluation of parties concerned
- conforming through wilaya decree the active markets without prescribed seating
- taking charge of and studying APC's proposals that have to do with regularization of active non sedentary markets or creating new spaces by converting informal parties into a legal circuit
- recovering and rehabilitation by APC of a good number of commercial areas of the dissolved enterprises (ASWAK, ADGA, ...) and allocating them to informal parties or jobless youth
- involving UGCAA in the actualization of commercial projects with the financial participation of future beneficiaries and contribution from local authorities, mainly for land sites
- Encouraging private promoters to invest in the building of commercial infrastructures



Generally, actions involved at the local level are below the targeted objectives considering the extent of non sedentary activities and the resulting multiple dysfunctions.

The weakness, at the local level, of a significant and sustained policy of modernization, organization and generalization of commercial areas that conform with and are integrated into urban structures, affects efforts meant to contain and supervise informal commercial activities.

The situation is intensified by two recurrent constraints, connected with the financial fragility of local communities and the non-availability of foundation fields necessary for the implementation of new projects.

The involvement of the private sector will encourage investment in the area of commercial infrastructures.

OBJECTIVE 4 :

Ensure that enterprises treat all their partners in a proper and fair manner.

Sub-objective 1 :

Fight against corruption (treated in the chapter on Political Governance and Democracy)

Sub-objective 2 :

Protection of ownership rights

INAPI for industrial protection :

1. to promote the advantages of protection and patent policy with industrial enterprises, universities, etc.
2. to contribute to protect national production by fighting counterfeiting in conjunction with institutions engaged in the fight on counterfeit (customs, police, justice, ...);
3. to serve as liaison between inventors and industrial enterprises
4. encourage inventors and innovators and stimulate innovation through every possible means (price, National and International trade fair, ...);
5. to allow and encourage innovation by making use of existing data with INAPI mainly through patents dropped into the public ;
6. to promote and develop relationship with Chambers of Commerce, industries, universities, research and development centres;
7. to highlight the protection of national production by promoting the protection of industrial ownership rights of national enterprises abroad .

OBJECTIVE 5 :

Anticipate the responsibilities of enterprises, directors and managerial staff

Sub objective 1 :

Insufficient information from/to enterprises

Improvement in transparency of social accounts :

The legal publication of social accounts of financial societies and establishments was decentralized to allow the concerned enterprises to fulfil the obligation of the establishment with wilayas.



Port of Algiers.

In fact, under the provisions of commercial law and law no. 04-08 of 14th August 2004 related to the terms of practice of commercial activities, morally sound individuals must ensure the legal publication of their social accounts in the months following their adoption during General Meeting. The submission of social accounts to the National Centre National du Registre du Commerce is as good as they being published

Improvement in access to information and its channel :

Two (2) complementary projects are being worked upon by the Centre National du Registre Commercial and are connected with the implementation of telematic networks and electronic system of management of archives. The project started in June 2007,

Actions en direction des supports et de l'organisation de l'information :

- 1- creation by the Postal services and Information and Communication Technology sector of three on-line schools that give training related to development and use of management software.
- 2- introduction of a new accounting system: International Financial Reporting Standards (IFRS), International Accounting Standards (IAS)
- 3- enterprises are obliged to put in place an audit and internal control structure
- 4- re-evaluation of enterprises' fixed assets
- 5- extending to SARL the obligation to have a certified auditor
- 6- permanent action to hold general meetings and board meetings
- 7- permission to exploit the IP channel
- 8- establishment of PME/University program to create incubators
- 9- establishment of specialized study centres to improve on knowledge of the PME
- 10- organization of national and international trade fairs and salons
- 11- creation of a data bank with a land grant of over 200 assets (ANIREF.DZ)
- 12- formulation and finalization of an executive decree fixing modalities for the formulation and implementation of internal intervention plans by industrial installation operators industrial establishments
- 13- promotion of security in industrial establishments
- 14- training of personnel in methods of risk assessment
- 15- training of audit security officers: internal audit, audit by third party
- 16- training in emergency intervention
- 17- establishment of Government Intranet Network, made possible through optical fibre-buckling of the central platform that contains main servers and local network background information in 50 institutions and public establishments

CHAPTER IV



SOCIO-ECONOMIC DEVELOPMENT



209

OBJECTIVE 1 :

Promote sustainable economic growth

253

OBJECTIVE 2 :

Improve Inter-Category and Inter-Generational Balance

302

OBJECTIVE 3 :

Environmental Preservation

Socio-economic development, an indicator of the level of national governance, is faced with strategic challenges which are rooted in the principle of social justice and which, in the main, relate to the provision of the social needs of the different categories of the population.

Essentially, the main challenges that present concern how to protect social achievements, reducing regional imbalances, fighting poverty, ensuring a performing educational system and public health, and access to decent jobs and housing.

How successful the State is at achieving this object confirms the extent to which it is committed to taking the right measures needed to make socio-economic development part of its vision of sustainable development.

OBJECTIVE 1 :

Promote sustainable economic growth

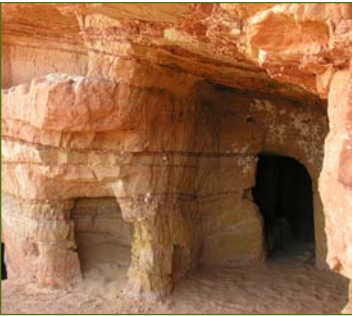
Sustainable growth : Algeria's performance has improved in response to the positive effects from its macroeconomic stabilisation policy and its approach to the efficient ensuring efficient emphasis on efficient exploration of its resources.

The country is again on the path to economic growth, thanks to the determinant effects of the different development programmes, including the special Economic Recovery Programme (PSRE), the Complementary Growth Support Programme (PCSC- 2005-2009), as well as the special « Hauts Plateaux » and « Sud » programmes, implemented at a total cost of 207 billion US dollars. Growth has brought an improvement in the capacity to meet the social requirements of the citizens, particularly low-income earners and persons in difficulty.

Algeria has own resources to carry out its action plans to improve good governance in every domain.

Over the period 1999-2007, economic activity was characterised by sustained growth, GDP having grown at an annual average rate of 4%. Although economic growth was satisfactory over the period, it was nonetheless vulnerable owing to its heavy dependence on the oil and petroleum services sector, which continued to account for over 45 % of GDP, 97 % of goods exports and nearly 65 % of tax revenue.

It is important to note that the non-oil industrial sector consistently recorded very low growth rates (2 % on average over the period). The sector evolved



in a context of « disinvestment » and this, combined with other factors, constrained its growth

At the same time, public finance recorded budget surpluses throughout the entire period (except 1999 with -DA11.2 Billion) and accounted on average for 6.5 % of GDP. In 2007, the budgetary balance rose to DA596 Billion.

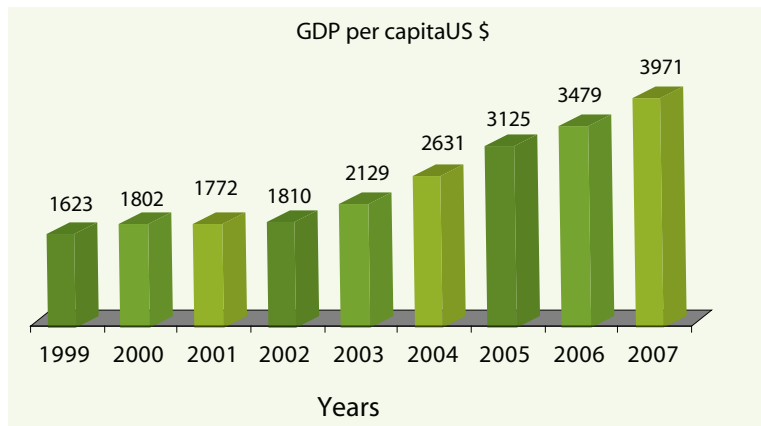
There was a strong consolidation of Algeria's external financial position, especially as regards the following aspects :

- positive balances of payments throughout the entire 1999- 2007 period. With 30.4 billion US dollars in 2007, the balance of payments in ratio to GBP was 23% as against a negative balance of 2.2 billion US dollars in 1999.
- the ratio of debt service to exports of goods and services was only 2.7% in 2007 ; in 1999 it was 36.1%,
- the debt stock in the medium and long term was 2.7 % of GDP in 2007 compared with 58.3 % in 1999 and stood at 28.1 billion US dollars.
- foreign exchange reserves equivalent to over 40 months of imports of goods and services in 2007, compared with 4.6 months in 1999..



In the social services sector, in addition to the positive results in education and other basic services, certain aspects deserve mention :

- GDP per capita increased substantially, from current \$623.3 in 1999 to \$3971 in 2007, representing a nearly 12% average annual increase over the period.



- in conjunction with an increase in their available income, households saw their final consumption of households rise significantly by an annual average rate of 3.7 % during the period 1999-2007.



Industry : a considerable growth

It is important to note here that the Guaranteed National Wage (SNMG)

doubled during this period, up from 6 000 dinars/month in 1999 to 12 000 dinars/month currently; an indication of the government's determination to protect and consolidate purchasing power and improve living conditions especially for the poorest, and reset the scale of values in favour of the middle class, essentially through salary increases for workers in all sectors combined.

The progress achieved in terms of the growth of activity kept unemployment on a downward trend. The unemployment rate, which was 29.3% in 1999, fell sharply and consistently to stand at 15.3 % in 2005, 12.3 % in 2006, then 11.8 % in 2007. If this pace is maintained, unemployment should be less than 10% in 2009/2010.

While inflation was contained with an increase in consumer prices at around 2.5 % an average annually over the period, 2007 saw a progression of consumer prices which, peaked at 4.2 % and 3.6 % in 201 and 2004 respectively, but was nothing to be compared with the early 90s when inflation stood at around 30%.

The employment market :

Changes in employment patterns :

The employment market during the 2000-2007 period was characterised by:

- a net average job creation rate that saw between 350,000 and 400,000 new jobs annually;
- an employed workforce, of which 1/3 were holding down permanent salaried jobs (33.8%);
- a stabilisation of the numbers of employers and self-employed persons at around 30% of total employment throughout the 2001 – 2007 period.

The number of people in employment rose from over 6 millions in 1999 to 9.3 million in 2007 representing a 655 increase during the period.

The results in the area of employment creation during the period under review are detailed in Tables 1, 2 and 3 below :

Changes in the employed workforce by sector of activity (1999-2007)

Heading	1999	2004	2005	2007
Employed workforce, incl :	6.073.000	8.046.000	8.497.000	9.300.000
Agriculture	1.185.000	1.617.000	1.683.000	1.852.000
Industry	493.000	523.000	523.000	522.000
BTP	743.000	977.000	1.050.000	1.258.000
Trade- Services Adminis- tration	2.477.000	2.859.000	2.966.000	3.143.000
Special forms of employ- ment (informal + employ- ment support mecha- nisms + home office ...)	1.175.000	2.070.000	2.275.000	2.525.000

(Source Plan)

Changes in net employment creation by sector of activity (2000-2003)

	2000	2001	2002	2003	CNE (2000-2003)
Total net employment creation incl. :	168.000	356.000	320.000	361.000	+1.205.000
Agriculture	-	143.000	110.000	127.000	+380.000
Industry	6.000	4.000	1.000	6.000	+17.000
BTP	38.000	22.000	57.000	47.000	+164.000
Trade – Services – Administration	36.000	52.000	95.000	99.000	+282.000
Special forms of employment (informal + employment support mechanisms + home office ...)	88.000	135.000	57.000	82.000	362.000

(Source Plan)

*During the period 2000-2003, net employment creation reached 1.205.000 jobs

Changes in net employment creation (CNE) by sector of activity (2004-2007)

Heading	2004	2005	2006	2007	CNE (2004-2007)
Total net employment creation incl. :	773.000	448.000	505.000	267.000	+1.993.000
Agriculture	52.000	66.000	97.000	72.000	+287.000
Industry	13.000	-	2.000	-3.000	+12.000
BTP	73.000	70.000	110.000	98.000	+351.000
Trade- Services - Administration.	102.000	105.000	86.000	91.000	384.000
Special forms of employment (informal + employment support mechanisms + home office ...)	533.000	206.000	211.000	9.000	959.000

(Source Plan)

* During the period 2004-2007, net employment creation rate reached 1.993.000 jobs

** During the period 1999-2007, net employment creation rate reached 3,198,000 jobs.

Action Plan for Employment Creation and Combating Unemployment

To maintain and improve performance in the labour sector, especially in the area of assistance to young entry-level job seekers, the Government in April 2008 adopted the **Action Plan for Employment Creation and Combating Unemployment** aimed at :

- fighting unemployment using an economic approach ;
- promoting the development of a qualified workforce;
- developing entrepreneurial spirit ;
- reducing unemployment rate.

The new employment creation policy is in line with an economic approach to unemployment and is based on seven (07) main pillars set out in the Action Plan for Promoting Employment Creation and Combating Unemployment :

- promote training that leads to the award of certificates to facilitate entry into the workforce ;
- promote an incentives policy for enterprises ;
- improve and modernise management of the employment market;

- promote youth employment ;
- reform and modernise the civil service labour management g through ANEM, the National Employment Agency (Agence Nationale de l'Emploi (ANEM) ;
- create and establish intersectoral coordination bodies ;
- monitor, control and evaluate the mechanisms in place for the management of the employment market ;
- support entrepreneurial development ;
- support the promotion of salaried employment.

From 1st June, 2008, the fourth pillar of the action plan, « youth employment » was realised through the launch of the new Professional integration arrangement (DAIP) for entry-level job seekers with or without qualifications, who are provided with jobs I (102 480) in accordance with the following employment contracts :

- Pre-employment contracts for degree holders (CID) for those with degrees from higher institutions and senior technicians : 34 506 ;
- Vocational pre-employment contracts (CIP) for young secondary school leavers and those with training and vocational training certificates : 21 821 ;
- Training pre-employment contracts (CFI) for young people with no training or qualification : 46 153.

This arrangement also provides, at the end of the pre-employment period, assistance towards the salaries of young entry-level workers to be recruited for permanent jobs in the economic sector, for periods ranging from one (01) to three (03) years.

The legislation also provides for incentive measures to encourage employment in the form of tax and para-fiscal reductions for employers who recruit, particularly from the Grand Sud and Haut-Plateaux Regions.

60,000 people have been employed in the economic sector as a result of this arrangement, launched in June 2008.

Concerning the regulation of the employment market, ANEM, the national Employment Agency, benefited from an extensive rehabilitation and modernisation programme, during the 1999-2008 period, designed to :

- strengthen the number of people available to provide assistance and advice to job seekers ;
- provide training and retraining for consultancy staff ;

- provide computer equipment and an internet network ;
- extend the network of agencies (reorganisation and construction of headquarters).

Placement of workers was also extended to private operators by virtue of Law 04-19 of 24 December 2004 concerning placement of workers and control of employment. Nevertheless, this arrangement gives communes powers to place workers in cases where the Local Employment Agency (ALEM) does not have a representation in their constituency, and also empowers private organisations to sign an agreement with ANEM.

In 2007, an interministerial commission for granting approval to private employment agencies was established.

All these measures are part of the application of international labour conventions of the International Labour Organisation (Convention n° 181), ratified by Algeria.

Regarding consultation and social dialogue, the review period saw the signing of a the Economic and Social Pact, which is a remarkable advance in establishing dialogue and consultation between the government authorities and the different economic and social partners (labour unions - employers organisations- government).

Since 1990, and by the end of the first 2008 half year, 55 industry-wide agreements had been signed as well as 92 industry-wide agreements ; 2,796 industry-wide conventions and 13,105 industry-wide agreements with companies.

As part of efforts to strengthen the control function by the labour inspectorate, , especially as regards the monitoring of working conditions, a new specialised institute, the National Institute for Prevention of Professional Risks (INPRP).

The control capacity of the labour inspectorate was also boosted with the provision of 131 vehicles and tools for assessing professional risks (sound meter, luxmètre, radioactivity measuring units, hygrometre.....).

Concerning the civil service, it must be stressed that the adoption of the general status of the civil service by virtue of Order n° 06-03 of 15 July 2006, was an important step in the global process of modernising the state and consolidating good governance. (cf. Chapter I : Democracy and Political Governance, Objective 5 – item 2).

Generalise access for all to education, from the primary to the higher level :

National education:

The restructuring of education cycles that is part of the ongoing reform



has reorganised compulsory and post compulsory education. It divides compulsory education into two clearly identified units : primary level and middle school level. While primary education has gone from 6 to 5 years, middle school has gone from 3 years to 4 years. The reduction in the duration of primary education is accompanied by a progressive generalisation of preparatory education.

This restructuring of the education system also reorganises post-compulsory education into 3 segments : general and technological education and vocational training. This segmentation makes a clear distinction between a general secondary education and technological education, which prepares students for entry into university and technical and vocational education, which prepares mainly for employment.

In the long and medium term, this restructuring of the duration of primary and middle school and the generalisation of preparatory school will have serious consequences on intake and coaching facilities and is aimed at making compulsory basic education more efficient.

It should also be recalled that, in common with other countries, Algeria has reiterated its commitment to achieve the six (6) objectives of the Education for All (EFA) and the Millennium Development Goals (MDGs) by 2015.

In addition to these international objectives, which our country intends to achieve, there are also the goals contained in the development plan for 2005. This will consist in pursuing the efforts that the national community has been making to promote education through the reform of the educational system along the lines fixed by the Council of Ministers on 30 April 2002.

This presentation on the restructuring of reform is meant to show that the focus is not only on developing the education sector but also to set the qualitative directions expressed through reform, and those defined in the EFA goals and the MDGs.

Improving teaching quality and the performance of the educational system in its entirety, which is the aim of the education sector reform, aims to achieve the following :

- progressively extending preparatory education to all five-year olds ;
- ensuring that all children of school age are enrolled in school;
- ensuring that 90% of an age class complete the compulsory education stage even after they have repeated 1 or 2 times bearing in mind that there is a 24 point difference between that objective and the situation at present ;
- offering 75% of pupils who complete compulsory education access to post-compulsory education ; however, improving this score depends on developing vocational education ;
- orient 70% of pupils who reach post compulsory education

towards general secondary and technological education, the remaining 30% should be oriented towards technical and vocational study ;

- ensuring that 75% of pupils in Year 3 of secondary school the secondary school pass the secondary school baccalaureat

Changes in overall number of pupils

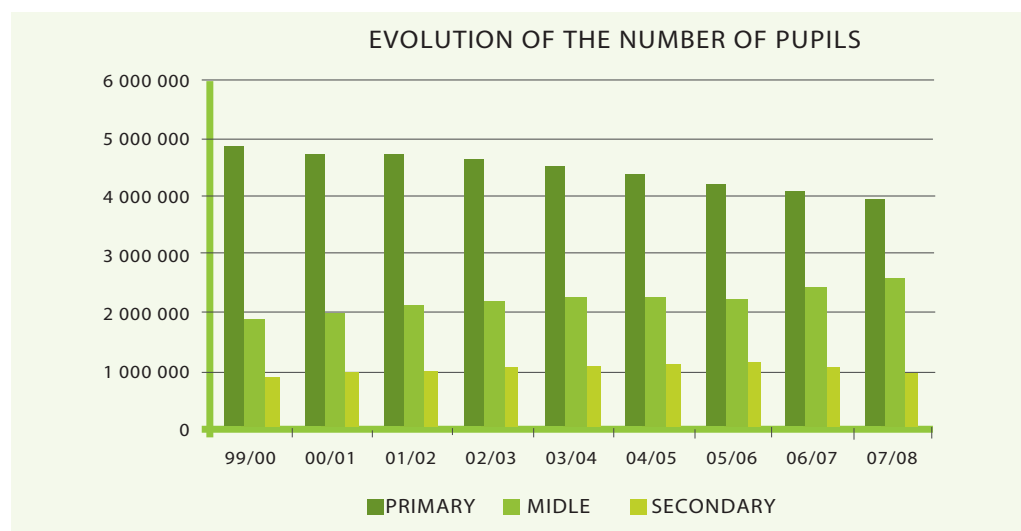
YEAR	TOTAL	GIRLS	BOYS	PARITY
99/00	7 661 023	3 689 735	3 971 288	92,91
00/01	7 712 182	3 726 603	3 985 579	93,50
01/02	7 849 004	3 806 416	4 042 588	94,16
02/03	7 894 642	3 845 670	4 048 972	94,98
03/04	7 851 893	3 848 282	4 003 611	96,12
04/05	7 741 099	3 804 512	3 936 587	96,64
05/06	7 593 639	3 748 665	3 844 974	97,50
06/07	7 557 994	3 738 932	3 819 062	97,90
07/08	7 636 531	3 777 233	3 859 298	97,87

Source : Statistical Yearbook Ministry of Education

Between 1999/2000 and 2007/2008, the aggregate number of pupils regressed by more than 24,000 pupils ; the difference between these two limits corresponds to a decrease by about 112,000 boys and an increase of over 87,000 girls.

Parity (that is, the number of girls for every one hundred boys) has improved considerably, from 93 girls for every hundred boys to nearly 98 girls. Currently, within the sector, there are about as many girls as boys overall, that is for all education cycles combined; a detailed look shows significant differences between the cycles.





Number of pupils enrolled in primary education

YEAR	TOTAL	GIRLS	BOYS	PARITY
99/00	4 843 313	2 264 608	2 578 705	87,82
00/01	4 720 950	2 210 114	2 510 836	88,02
01/02	4 691 870	2 204 374	2 487 496	88,62
02/03	4 612 574	2 166 045	2 446 529	88,54
03/04	4 507 703	2 119 454	2 388 249	88,75
04/05	4 361 744	2 049 927	2 311 817	88,67
05/06	4 196 580	1 973 901	2 222 679	88,81
06/07	4 078 954	1 926 560	2 152 394	89,51
07/08	3 931 874	1 860 190	2 071 684	89,79

Source : Statistical Yearbook Ministry of Education

Between the start of the 1999/2000 and 2007/2008 school years, one notes a an aggregate regression by over 910.000 pupils, including more than 404,000 girls and over 507,000 boys. It is worth noting that it was not that enrolment numbers fell but was due rather to a drop in birth rate, which reduced the mass of pupils over a seven-year period. However, it should be noted that pupil numbers at primary level will begin to increase because the number of live births in 2005 exceeded 700,000 children. These children will enter their first year of primary school in 2011 and, starting from that date, there will be a steady growth in the numbers of pupils in primary with the number expected to reach 4 million pupils by 2025.

It should be pointed out that parity of 90 girls to every hundred boys has not yet been achieved, despite the fact that primary schools have been located closer to families. A survey on girls' school enrolments should be conducted to find out the reasons for this major imbalance between girls and boys.

It is important to note that during the 2007/2008 academic year, over 134,000 pupils were also enrolled into preparatory school. These under-six children were accommodated in over 5,300 unoccupied classrooms in primary schools. They are taught by some 5,250 teachers, including 4,250 women. Catering for this population fringe was made possible by reducing the number of enrolments into primary schools.

This thus marks the beginning of the process of progressively introducing preparatory schooling, a process that is expected to be completed by 2014/2015.

Number of pupils enrolled in middle school

YEAR	TOTAL	GIRLS	BOYS	PARITY
99/00	1 895 751	908 608	987 143	92,04
00/01	2 015 370	968 544	1 046 826	92,52
01/02	2 116 087	1 016 556	1 099 531	92,45
02/03	2 186 338	1 057 978	1 128 360	93,76
03/04	2 221 795	1 083 046	1 138 749	95,11
04/05	2 256 232	1 106 260	1 149 972	96,20
05/06	2 221 328	1 088 324	1 133 004	96,06
06/07	2 443 177	1 216 025	1 227 152	99,09
07/08	2 595 748	1 280 541	1 315 207	97,36

Source :Staistical Yearbook Ministry of Education

During the 1999/2000 to 2007/2008 period, the number of pupils in middle school rose by around 700.000 pupils, and these included over 371,000 girls and almost 330,000 boys. Intake figures were particularly high in 2008/2009 because of the admission in 1st year of pupils passing out from the two AM 6th AF and 5th AP, which will bring the total pupil numbers in the cycle to almost a million.



Education : huge public investments

Still during the period under review, parity improved by more than 5 points and in 2007/2008 , there were as many girls as boys in middle school..

Number of pupils enrolled in secondary school

YEAR	TOTAL	GIRLS	BOYS	PARITY
99/00	921 959	516 519	405 440	127,40
00/01	975 862	547 945	427 917	128,05
01/02	1 041 047	585 486	455 561	128,52
02/03	1 095 730	621 647	474 083	131,13
03/04	1 122 395	645 782	476 613	135,49
04/05	1 123 123	648 325	474 798	136,55
05/06	1 175 731	686 440	489 291	140,29
06/07	1 035 863	596 347	439 516	135,68
07/08	974 748	570 842	403 906	141,33

Source : Ministry of Education Statistical Yearbook

It is important to note that between 1999/2000 and 2005/2006 pupil numbers increased by more than 253,000, which included 170,000 girls and over 83,000 boys. Between the 2005/2006 and 2006/2007 school years, numbers fell by about 140,000 pupils, including nearly 90,000 girls and 50,000 boys.

This decrease over one year is due to the fact that transition to secondary school in the 2005/2006 school year involved only those pupils who were repeating Basic Year 9 s a result of the duration of middle school had been

extended by an additional year.



Education and learning: gender parity widely achieved

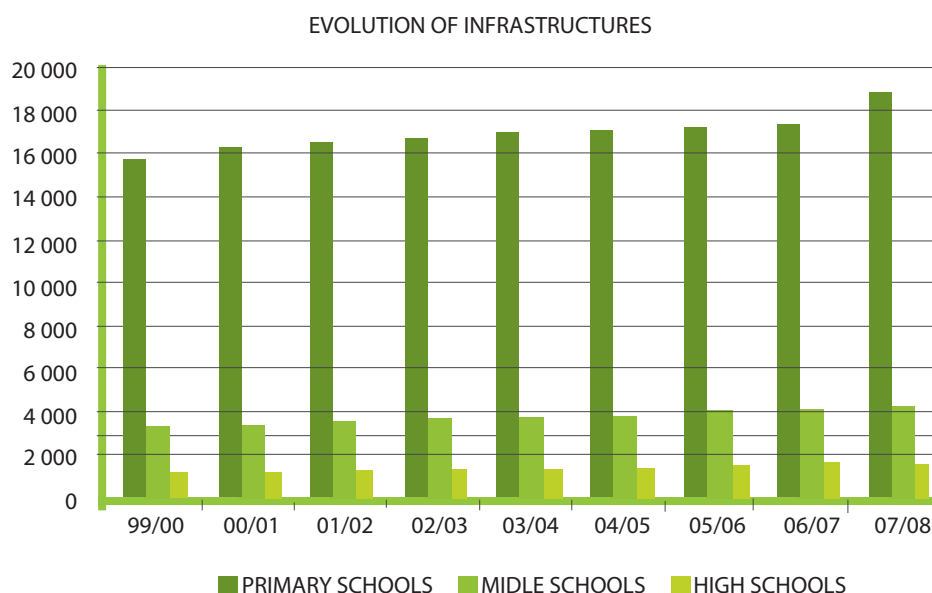
Parity in secondary education is to the advantage of girls; there are 141 girls for every hundred boys. This phenomenon is not peculiar to Algeria ; it is common in very many countries

Infrastructure :

During the period under review, pupils were admitted into facilities whose numbers changed as shown in the table below :

	SCHOOLS	CLASSES	COLLEGES	GRAMMAR SCHOOLS
99/00	15 729	121 015	3 315	1 218
00/01	16 186	122 867	3 414	1 259
01/02	16 482	125 137	3 526	1 289
02/03	16 714	126 125	3 650	1 330
03/04	16 899	127 473	3 740	1 381
04/05	17 041	128 549	3 844	1 423
05/06	17 163	125 567	3 947	1 473
06/07	17 357	130 047	4 104	1 538
07/08	18 740	129 618	4 272	1 591

Source : Statistical Yearbook Ministry of Education



Over the period, the number of primary schools grew by 3,011 new schools which added more than 8,600 classrooms to the available infrastructure.

More than 950 new CEM were added to the number of middle schools. Secondary schools increased by more than 370 new units to stand at 1 671 unit in November 2008.

It is important to recall that the type and nomenclature of teaching establishments at middle and secondary level provides for schools to have workshops and laboratories for practical science, physics and chemistry. In 2007/2008, there were 16 884 laboratories and 7939 workshops distributed as follows :

	MIDDLE	SECONDARY	TOTAL
LABORATORIES	9 059	7 825	16 884
WORKSHOPS	6 733	1 206	7 939

Source : Statistical Yearbook Ministry of Education

Each school in the middle and secondary cycle is equipped with a computer laboratory that has at least a server and 12 workstations

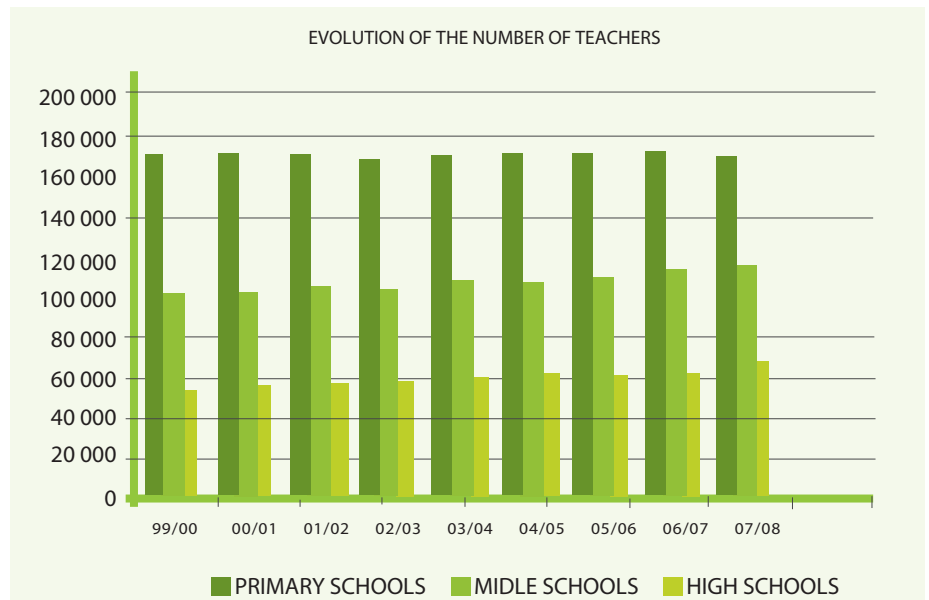
Coaching by teaching staff :

Students registered in schools were taught by teachers who were available in numbers shown in the table below :

YEAR	TOTAL	WOMEN	MEN	PARITY
99/00	326 584	152 405	174 179	87,50
00/01	327 284	154 507	172 777	89,43
01/02	331 602	160 090	171 512	93,34
02/03	329 605	161 523	168 082	96,10
03/04	337 106	169 206	167 900	100,78
04/05	339 905	172 430	167 475	102,96
05/06	343 310	177 102	166 208	106,55
06/07	345 746	181 980	163 766	111,12
07/08	354958	190674	164284	116,06

Source : Statistical Yearbook Ministry of Education

Teaching staff increased in number from nearly 327,000 in 1999/2000 to nearly 355,000 in 2007/2008, an increase by almost 28,400 teachers. This increase evolved differently in the case of male and female teachers. On notes, within the same period, a gross increase of more than 38,000 for female teachers while the number of male teachers fell by nearly 10,000. This leads to the conclusion that there is a trend towards the feminisation of the teaching corps seeing as between 1999/2000 and 2006/2007, parity went from about 88 to over 116 women per hundred men.



Teaching staff in primary education :

The table below shows changes in the number of teaching staff over the period under consideration :

PRIMARY	TOTAL	WOMEN	MEN	PARITY
99/00	170 562	78 662	91 900	85,60
00/01	169 559	79 093	90 466	87,43
01/02	170 039	81 388	88 651	91,81
02/03	167 529	81 463	86 066	94,65
03/04	170 031	84 598	85 433	99,02
04/05	171 471	86 584	84 887	102,00
05/06	171 402	88 295	83 107	106,24
06/07	170 207	89 966	80 241	112,12
07/08	168962	89697	79265	113,16

Source : Statistical Yearbook Ministry of Education

Over the period, teacher numbers in primary education decreased by 1,600. One notes, however, that the number of female teachers grew by more than 11,000, while the number of male teachers decreased by 12,500. This phenomenon indicates that the feminisation of teaching staff in primary schools is occurring even faster with the parity changing from 87 women per hundred men to more than 113.

Teaching staff in middle education :

The table below shows the evolution of teaching staff in middle school between 1999/2000 and 2006/2007 :

MOYEN	TOTAL	WOMEN	MEN	PARITY
99/00	101 261	50 242	51 019	98,48
00/01	102 137	51 150	50 987	100,32
01/02	104 289	52 949	51 340	103,13
02/03	104 329	53 462	50 867	105,10
03/04	107 898	56 683	51 215	110,68
04/05	108 249	57 074	51 175	111,53
05/06	109 578	58 293	51 285	113,66
06/07	112 897	60 975	51 922	117,44
07/08	116285	64000	52285	122,41

Source : Statistical Yearbook Ministry of Education

There has been a substantial increase in teacher numbers in middle education : compared to the basic year, numbers have increased by more than 15,000 teachers made up of about 14,000 women and more than 1,200 men. This increase, much higher for women, makes it clear that there is a trend towards feminisation of this education cycle with parity higher from 99 to more than 122 women per hundred men.

Teaching staff in secondary education :

The table below shows the evolution in the number and parity of teaching staff :

SECONDARY	TOTAL	WOMEN	MEN	PARITY
99/00	54 761	23 501	31 260	75,18
00/01	55 588	24 264	31 324	77,46
01/02	57 274	25 753	31 521	81,70
02/03	57 747	26 598	31 149	85,39
03/04	59 177	27 925	31 252	89,35
04/05	60 185	28 772	31 413	91,59
05/06	62 330	30 514	31 816	95,91
06/07	62 642	31 039	31 603	98,22
07/08	69459	32734	31725	103,18

Source : Statistical Yearbook Ministry of Education

There was an appreciable increase in secondary level training staff during the period under review, estimated at nearly 14,700 additional teachers, including over 9,200 women and 465 men. This upsurge in the number of women brought parity during the period from 75 to more than 103 women for a hundred men. Teaching at secondary level has shown a welcome option for feminisation.

Textbooks :

The table below shows the production of school textbooks by the Ministry of National Education through the Office National des Publications Scolaires during the 2004/2005 and 2007/2008 academic years :

	2004/2005	2005/2006	2006/2007	2007/2008	TOTAL
PRIMARY	21 423 633	10 720 207	17 496 068	24 168 718	73 808 626
MIDDLE	19 760 642	7 673 533	13 909 396	13 851 125	55 194 696
SECONDARY	2 697 759	5 540 385	3 915 528	6 713 590	18 867 262
TOTAL	43 882 034	23 934 125	35 320 992	44 733 433	147 870 584

Source : Office national des publications scolaires

Support measures :

The support infrastructure provided consists of provision of school canteens for primary schools and half-board for colleges and grammar schools, for which there is an extremely high demand in the society. On the other hand, there is less demand in boarding schools where school facilities tend to be located near to family residences.

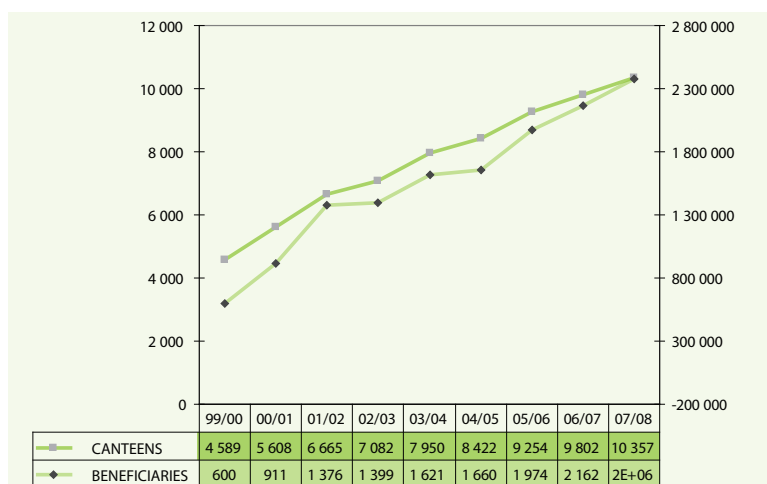
These support facilities constitute a means of improving pupil intake and enrolments and are thus an important element in the fight against poverty; they also have an effect on keeping down school dropout rates.

School canteens :

In 2007/2008, the number of pupils with access to school canteens was 2,381,364, +61% more pupils in primary school whereas in 1999/2000, they were to be found in only 12.5% of primary schools with just over 600,000 beneficiaries. The table below shows how the number of canteens and the number of beneficiaries have evolved.

YEAR	CANTEENS	BENEFICIARIES
99/00	4 589	600 434
00/01	5 608	911 815
01/02	6 665	1 376 340
02/03	7 082	1 399 930
03/04	7 950	1 621 087
04/05	8 422	1 660 253
05/06	9 254	1 974 697
06/07	9 802	2 162 674
07/08	10 357	2 381 364

Source : Statistical Yearbook Ministry of Education



This remarkable progression was made possible by vigorously pushing forward the school canteens provision programme, but was mostly as a result of the substantial increase in funds voted for the operation of these canteens, which have grown 15-fold in 8 years from less than DA500 million in 1999 to 11.80 billion DA in 2008.

Years	Budget	Coverage
99/00	DA 0.462 billion	12,45%
00/01	DA 1.5 billion	18,00%
01/02	DA 2.0 billion	22,56 %
02/03	DA 2.4 billion	30,00 %
03/04	DA 3.6 billion	34,84 %
04/05	DA 3.9 billion	35,68 %
05/06	DA 6.0 billion	46,00 %
06/07	DA 6.4 billion	52,00%
07/08	DA 1.80 billion	60,57%

Source : Department of Finance and Resources, Ministry of Education

Day boarding

At middle school level, in 2007/2008, the number of day boarders was in the region of 260,000, about 10% of the total number of pupils whereas, at secondary level, there were a little more than 135,000, or around 13%.

The table below shows changes in the number of day boarders in each cycle.

	MIDDLE	SECONDARY
99/00	70 714	52 650
00/01	118 630	61 431
01/02	109 495	83 680
02/03	137 078	98 613
03/04	140 583	111 096
04/05	168 905	120 800
05/06	187 744	132 024
06/07	246 823	135 169
07/08	261 364	132 094

Source : Statistical Yearbook Ministry of Education

In view of the number of students in middle and secondary school, and considering that schools offering day boarding are almost without exception, located in the county seats of the Wilaya and Daïra, families find it difficult to pay for their children's transport and feeding in this type of establishment. This makes it absolutely necessary to provide many more day boarding schools so that by 2015/2016 they will cover at least one-third of pupils enrolled in each of the cycles concerned.

In addition to this situation, we must bear in mind that preschool education is in its infancy as shown in the table below :

	PUPILS	CLASSROOMS	TEACHERS
2005/2006	96 946	3 651	3 790
2006/2007	116 376	4 363	4 484
2007/2008	141 681	5 327	5 606

Source : Statistical Yearbook, Ministry of Education

In view of the situation portrayed by the above facts, there is need to ensure that the improvement of school enrolments is organised in a manner that will make the education system more productive. To achieve such qualitative education will necessitate reform and fulfilment of the following conditions :

- a ratio of 20 pupils to a teacher in one class ;
- primary education should develop with a classroom occupancy rate at primary level of 25 pupils and 22 pupils per teacher ;
- education at middle school level evolves with a ratio of 30 pupils per pedagogical division and 18.50 pupils for every teacher ;
- no more than 30 students per pedagogical division and 16.50 students per teacher ;
- the support measures are seen to be significantly impacting the life of pupils at primary level and one third of students in colleges and grammar schools

The national literacy strategy :

The national literacy strategy is consistent with the objectives fixed by the international community, which aims to achieve a 50% reduction in the number of illiterates by 2012.

Algeria is aiming to eradicate illiteracy and is ready to mobilise the necessary material, financial and human resources to this end by 2016.

The action plan that has already been launched is based on the following modalities :

The number of illiterates in 2005 was put at 6.2 million. To halve the current number of illiterates 3,100 persons will need to be educated by 2012. This is the minimum target that must be met to eradicate illiteracy by 2016.

To ensure the success of such a vast endeavour, the literacy strategy has

been hinged on the anchor principle of giving civil society and all the sectors of the State responsibility for fighting illiteracy. Key partners are the State institutions, in this case the Ministries that have the capacity to supervise actions to combat illiteracy and develop the potential for infrastructure, human resources and savoir-faire. The interventions of the different actors can take many forms : through the provision of expertise and technical assistance, supply of documentation and equipment, provision of premises, admissions and literacy programmes..

The literacy drive will target all illiterates with priority being given to the 15-40 age bracket.

Particular focus will be on the people most affected by illiteracy, that is, women and rural communities, and they will benefit from appropriate programmes tailored to their social and cultural conditions.

The operation will be extended to disadvantaged social groups such as people with disabilities, prison inmates and nomads for whom specific programmes will be formulated.

The literacy campaign will target, as a priority, those wilayas with the highest illiteracy rates.

The action plan will be implemented according to the following schedule :

SCHOOL YEAR	NUMBERS LEVEL I	ESTIMATED DROPOUTS 20%	NUMBERS LEVEL II and III
2007- 2008	500.000	---	200.000
2008-2009	600.000	100.000	400.000
2009-2010	800.000	120.000	480.000
2010-2011	900.000	160.000	640.000
2011-2012	900.000	180.000	720.000
2012-2013	900.000	180.000	720.000
2013-2014	900.000	180.000	720.000
2014-2015	900.000	180.000	720.000
2015-2016	---	180.000	720.000
	6.400.000	Total	5.320.000

Help with school costs :

Every year, a support system is put in place and involves helping enrolled

children who are poor and underprivileged and/or live in the hinterland to attend school without any difficulty.

- A student grant is provided to each disadvantaged child enrolled in a school establishment in the country as well as to each disabled child in a special school.
- Transport grants are provided to children from hinterland areas; they are given help in the form of transport (buses) to the communes.
- Provision and equipping of school canteens.
- Provision of school kits.
- Providing heating and/or humidifiers in classrooms

More than 3 million children receive a student grant every year.

For the 2007-2008 academic year, the student grant was re-evaluated and fixed at DA 3000 for every needy child; three million children benefited from it, at a cost of **9 billion DA**.

For the 2008-2009 school year :

- 563 buses were provided to the communes to be used as school buses,
- 500 000 school kits costing **331.5 Million DA** were distributed to disadvantaged children, and
- **200 canteens were** opened in disadvantaged areas and equitably distributed throughout the country,
- As part of the pre-employment arrangements, 7,000 university graduates were made available to the education sector to provide support and help students preparing for examinations in the Wilayas in the South and the Hauts Plateaux.

From 1999 to August 2008, the Ministry responsible for National Solidarity provided the communes with 2.721 buses.

1,000 additional Micro buses were acquired in 2008 for the communes during the 2008-2009 school year. **The financial envelope earmarked was 2,000,000.000.00 dinars.**

Also, and to enable students from cities in the deep South to attend University, the Ministry of National Solidarity pays transport costs once a year for each student. **A budget of DA66 000 000, 00 de DA is set aside for this operation annually and 6,200 students from the deep South received air**



tickets to go to university.

To take care of their leisure time, holiday camps are organised for children from poor families and managed by the sector :

In 2007, **50 779 children** (including 25000 for the « Plan bleu ») were taken into 34 centres in the 14 coastal Wilayas at a cost of DA202,142 Million.

During the summer of 2008, 22,334 children (and 60 000 for the Plan Bleu) were admitted into 47 centres opened throughout the 13 wilayas at a cost of DA 214,206 million.

Higher Education

2002, 2006 and lastly, 2008 marked three key moments in the improvement of the remunerations of university teachers, specialists in hospitals and universities and permanent researchers, resulting in a doubling of their salaries : in the national wage schedule adopted after the implementation of the civil service general orders.

The table below showing how aggregate salaries for university lecturers have evolved from 1997 to January 2008 illustrates the importance that the government authorities attach to improving remunerations for these socio-professional categories.

GRADE	Aggregate Salaries(U=DA)				
	1997	2002	2006	2008	% évolution 1997-2008
Professeur	45050	68537	80824	110012	144%
Reader / Docent	38585	57388	69266	93732	143%
Senior lecturer					
Senior Assisant (hospital-university)	32436	47073	58486	73410	126%
Senior lecturer	27375	38946	50207	67418	146%
Assistant	18095	27091	34660	40242	122%

The public authorities took other steps such as the hourly amount of allocations for the discharge of supplementary teaching and research duties which were multiplied by three (3) as well as that of allocations accorded lecturers within the framework of scientific research activities conducted by associate researchers.

In addition to these, a number of arrangements were made to facilitate the academic and scientific advancement of lecturers and researchers, particularly with the establishment of :

- incentives for the defence of theses of an amount of USD 100,000 paid to lecturers supervising PhD students;
- a training programme abroad for lecturers and researchers in the process of finalizing their PhD theses spread over five (5) years (2005 to 2009), raising 520 scholarships per year; and
- conditions for the implementation of provisions for the sabbatical year for lecturers of professorial rank: this led to sending over one hundred and fifty (150) lecturers.
- abroad during the 2006-2007 academic year with the view to enabling them, each in their field of speciality, to update their knowledge or finalize research work

Making internet service more accessible in the faculties and institutes of the national university network

Widespread access by lecturers, researchers and students (representing a population of close to one million users) to the internet has become a reality through the connection of university institutions and research centres to the Academic and Research Network (ARN), which is itself connected to the Internet and the GIANT European research network. In the month of April 2008, connection media for research institutions and centres showed the following :

- Increase in resources allocated to Information and Communication Technology in the Higher Learning and Scientific Research sector :

Within the framework of the programme of Support to Boost the Economy adopted in 2001, and in line with the world project for the development of NICT in the higher Learning and scientific research sector, the State devoted an amount of 716,000,000 dinars for distance learning. Within this framework, a video conference network and a platform for distance learning, covering all the institutions, were put in place and are being used. Coupled with this is the on-going Academic Chain of Knowledge project, benefiting from a USD one billion credit.

- Establishment of Graduate Schools :

With the objective of training trainers, lecturers and researchers, the establishment of Graduate Schools aims at bringing synergy into the human and material means of the institutions of Higher Learning and Scientific Research.

This is particularly translated in the team grouping of lecturers-researchers

according to scientific areas and the optimum use of scientific equipments in the various scientific research laboratories.

The Graduate Schools are located in a coordinating institution which ensures the relationship among the partner academic institutions.

The accreditation of the institutions to run Graduate Schools goes through an evaluation procedure which allows for appreciating the timeliness of the opening and the means mobilised.

In the course of the 2004/2008 academic year, fifty (50) Graduate Schools were accredited through the national academic network, with 4,627 PhD students.

Introduction of the LMD system :

Higher Learning develops in a context characterised by :

- an ever-increasing social demand in higher learning (currently over one million students),
- a demanding economic development which makes the training of great competences and high qualifications imperative.

As a result of its involvement in overseeing the imperatives that characterise a country undergoing massive changes, the higher learning sector introduced educational reforms aimed at conferring a central role on the university, on the one hand, between aspiration of citizens, particularly the youth, to build a future project by taking advantage of quality higher training which gives them the qualifications required for a smooth integration into the job market, and on the other, meeting the needs of the socio-economic sector in its quest for competitiveness and performance by providing quality human resource capable of innovation and creativity and by playing an active part in the expansion of research and development (R&D).

These motivations led to the adoption, like in other countries, of the universal higher learning system: the LMD system.

Status of implementation of the LMD reform :

The first step comprised a succinct account of the reform implementation, permitting to measure the achievements from its introduction in 2004-2005 to date.

After 3 years of coming into force, the reform paved the way for a qualitative phase, primarily characterised by the Launch in September 2007 of the Masters programme.

In a second phase, the present National Schools and Institutes are preparing to meet all the required conditions, in keeping with national standards, to be eligible for the status of institution of excellence.



Quality Guarantee in higher learning :

The adoption of a Quality Guarantee approach is presently crucial in the management of higher learning. That is why a triennial (2008/2010) action plan is being prepared in collaboration with international experts for the progressive establishment of quality guarantee mechanisms.

Enhanced integration of higher learning in its socio-economic environment: Spread of University/Enterprise relations :

Specific structures have been tailored in universities and are mainly tasked with organising and boosting the university's relations with its socio-economic environment.

In collaboration with the ministry responsible for Small and Medium Scale Enterprises, a vast programme is initiated aimed at establishing incubators within the universities.

Appraisal of higher learning

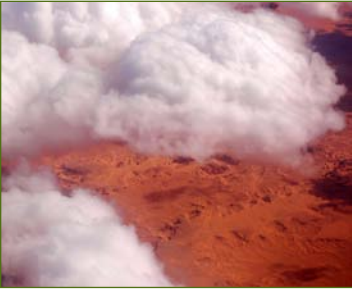
The priority actions below were taken with the objective of contributing to the national supervisory capacity building of lecturers :

- The Exceptional National Programme (ENP) which mobilises 2,600 scholarships over five years for Senior Lecturers and Teaching Assistants who are in the process of finalizing their theses;
- The implementation of the provisions of the decree on scientific vacations for Professors and Associate Professors for them to benefit from periods of knowledge update and the acquisition of new skills in foreign universities and/or laboratories; and
- Short courses.

The Exceptional National Programme, which is in its 4th year, has so far succeeded in sending 2,080 Senior Lecturers and Junior Lecturers to enable them attain professorial rank following the defence of their theses as well as 480 outstanding students of the year group to prepare their PhD.

The Programme was launched after a detailed scrutiny of the entire scholarship programme; it was in three phases :

- redefinition of its objectives and way of working based on the principle of the need for lecturers to pass and defend their thesis in Algeria;
- reception abroad of scholarship beneficiaries in the areas of excellence (renowned Big Universities and Schools) with the objective of modernising research themes in tune with the



evolution of great world trends with regard to teaching and research;

- consolidation of the role of expertise by pursuing a more qualitative policy (a more demanding selection and consolidated and rigorous pedagogical monitoring).

The new move is based on an approach by objectives of training abroad with the view to building the national supervisory capacities of lecturers of professorial rank :

- Drastic reduction in sending students to avoid losses;
- Increase in actions for teaching staff to make up for the recorded deficit;
- Mobilisation of 340 international inter-university agreements around high level human mobility (support in high level visiting foreign lecturers);
- A remarkable increase in resources;
- The establishment of an exceptional training programme of 2,600 scholarships over 5 years for Senior Lecturers and Teaching Assistants who are finalizing their PhD thesis. The programme comprises 400 national scholarships and 120 cooperation scholarships per year and 600 cooperation scholarships for outstanding students of the year group over 5 years;
- The creation of scientific vacations for Professors and Associate Professors for a period ranging from one (1) year in an Algerian or foreign university, for the acquisition of new skills, 151 Professors and Associate Professors benefited from the programme launched in January 2007; the second batch will be under way in October 2008; and
- Increase in credits allocated for short-term training costs abroad which were increased by 560% between 1999 and 2007; the credits allocated in the year 2008 stand at 3 billion dinars..



Qualitatively :

Comparatively, the results generated by the new measure are very positive. The programme of the old 1993-1999 formula which made it possible to send 509 lecturers in seven years resulted in a 1% rate of defence, representing 11 theses defended out of 509 lecturers who benefited from the programme ;

Thanks to the new measures, the rate of defence rose from 11 defences in 1999 to 321 in 2005.

On lecturers who benefited from the programme which was the subject of a radical reform, the rate of return is 100%.

For students out of 951 programmed scholarships (stock), 517 of whom are post-graduate, it is worth noting that the number of returns from training recorded is:

- **2004 and 2005:** Number of returned and posted students : **71**
- **2006 :** Recorded returns up to 31 December 2006 : **115**
- **2007 :** Recorded returns up to 31 December 2007 : **187**

Formation des étudiants étrangers en Algérie :
Training of foreign students in Algeria
Foreign students registered in Algerian university institutions
1999 to 2007

ACADEMIC YEARS	NUMBER	ANNUAL GROWTH RATE
1999/2000	6075	+07 %
2000/2001	6503	+05 %
2001/2002	6804	+06 %
2002/2003	7219	+07 %
2003/2004	7731	+04 %
2004/2005	8035	+06 %
2005/2006	8542	+04 %
2006/2007	8906	

Overall Total: 8,906 foreign students

(Graduation = 8,606 + Post-Graduation = 300).

Growth rate for the period: +55%

quota of scholarships granted by Algeria to African countries (from 1999 to 2008)

Ministry of Higher learning and Scientific Research

COUNTRY	ACADEMIC YEARS									
	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009
Angola	30	40	35	37	42	40	35	45	51	40
Benin	05	10	12	10	15	10	08	10	20	15
Burkina Faso	05	10	15	10	12	15	10	17	09	12
Burundi	20	20	25	20	30	25	30	30	24	35
Cameroon	15	15	15	17	12	10	12	15	17	10
Cape Verde		10	15	15	10	15	15	15	18	10
Congo	20	25	22	26	25	25	30	35	26	20
Cote d'Ivoire	15	12	15	20	25	30	40	45	60	55
Djibouti		10	10	15	10	10	10	10	15	10
Erythrea	10	10	10	15	10	15	20	20	20	10
Ethiopia		05	10	05			05	10	10	03
Gabon	06	08	10	05	12	10	10	10	12	10
Ghana						10	10	10	15	10
Guinea	10	15	17	15	18	20	22	25	20	15
Guinea Bissau			10	15	17	15	20	18	20	15
Equatorial Guinea					10	10	15	15	15	10
Comoros Is.	10	10	10	15	10	15	10	10	15	15
Maurice Island	05	05	05	08	10	10	05	05	10	05
Kenya	10	15	10	10	20	20	15	15	15	10
Madagascar	20	15	10	15	15	10	15	15	10	05
Mali	75	85	90	90	95	120	135	150	140	125
Mozambique	10	15	20	25	20	20	20	20	32	25
Namibia						15	25	20	30	20
Niger	60	70	75	85	90	110	150	150	107	105
Uganda		25	30	20	25	35	35	30	44	35
D. R. Congo	15	20	18	24	25	30	26	30	15	10
SADR	40	60	85	70	75	85	95	90	195	210
Rwanda	20	25	23	25	27	30	25	25	37	10
Senegal	10	15	15	17	15	18	20	16	17	15
Tanzania					15	15	20	25	52	45
Chad	30	25	35	50	60	55	65	65	63	60
Togo	05	10	12	15	10	10	10	10	15	10
Zambia				20	25	25	25	30	30	20
Zimbabwe						20	25	50	65	55

Commentary

As compared to the 1962-1998 period, the 1999-2007 period, in terms of training foreign students in Algeria, was as follows:

1. a significant increase in numbers trained in Algeria;
2. an appreciable and significant increase of annual quotas of scholarships as far as the Algerian university network can go;
3. broadening the scope of training to all disciplines;
4. the choice of targeted disciplines that best meet the training needs of beneficiary countries of cooperation scholarships; and
5. opening of post-graduate training opportunities for foreign students.

The scholarship grant for the 1961-1999 period averagely rose by 400 scholarships/year

The scholarships were meant for the National Liberation Movements (until 1985) and Governments of Partner Countries. Since 1999, the scholarship quotas were markedly increased :

- 1999-2000 = 600
- 2000-2001 = 650
- 2001-2002 = 685
- 2002-2003 = 830
- 2003-2004 = 920
- 2004-2005 = 1120
- 2005-2006 = 1220
- 2006-2007 = 1340
- 2007-2008 = 1211

Ensuring good health for the population :

On the objective related to the health of the people, results recorded during the 1999-2008 period are very significant; the objective being to ensure good health for the population, especially through creating technical and organisational conditions to enhance maternal, infant and child health and the consolidation of access to family planning.

The resident Algerian population as at 16 April 2008 stands at 34,800,000 inhabitants.

As compared to 1999, the Algerian population increased by close to 4.5 million inhabitants (4,494,729 inhabitants), representing an average annual increase of about 500,000 inhabitants.

The intercensal growth rate (1999-2008) is estimated at 1.72% for the entire population as against 2.28% for the 1987-1998 period, representing a fall of 24.6%.

With regard to demographic indicators, the 1999 to 2007 period is mainly characterised by :

- the pursuit of a decline in general mortality which fell from 4.72 for every thousand inhabitants in 1999 to 4.38 for every thousand in 2007 and to 4.32 for every thousand in 2008.
- a relative rise in birth rate which moved from 19.82 for every thousand inhabitants in 1999 to 22.98 for every thousand in 2007;
- a population growth rate which recorded a gradual increase during the period, rising from 1.51% in 1999 to 1.86% in 2007;
- infant mortality which recorded a relatively appreciable drop ranging from 13.1 points, falling from 39.4 for every thousand surviving births in 1999 to 26.1 for every thousand in 2007;
- an appreciable rise in life expectancy at birth, rising from 72.0 years in 1999 to 75.7 years in 2007;
- a significant increase ranging from 75.5% of marriage rate which rose from 5.44 for every thousand inhabitants in 1999 to 9.55 for every thousand in 2007, record threshold ever registered.

The natural annual balance recorded a relative rise ranging from 40.3% between 1999 and 2007, rising respectively from 452,000 in 1999 to 634,000 persons in 2007, representing the equivalent of a Wilaya like Bordj Bou Arreridj, Jijel or Annaba.

Evolution of indicators relating to the health of the population

Indicators	1970	1980	1990	2000	2007
- Mortality rate of children below 5 years (p.1000)	153.3	104.2	48.6	48,0	31,0
- Infant mortality rate (p.1000)	142.0	84,7	57,8	36.9	26.2
- IMR: Male	142,0	84,4	60,0	38,4	27.9
- IMR: Female	141,0	85,1	55,5	35,3	24.4
- Life expectancy at birth (years)	52.6	57,4	67,3 (1991)	72..5	75.7
- L0: Men	52,6	55,9	66,9 (1991)	71,5	74.6
- L0: Women	52,8	58,8	67,8 (1991)	73,4	76.8
- Probability of death before 40 years	253,4 (1977)	219,1	96,9	69,8	51,6
- P40: Men	253,2 (1977)	224,8	100,4	76,7	57,6
- P40: Women	253,4 (1977)	213,4	93,5	62,8	45,3
- Proportion of 1 year old children vaccinated against measles (p.100)	20.0 (1977)	52 (1986)	77.4 (1992)	83,0	90.5 (2006)
-Maternal mortality rate (p.100.000)	nd	230 (1985-89)	215.0 (1992)	117.4 (1999)	88.9
Proportion of deliveries assisted by qualified medical staff (p.100)	nd	nd	76.0 (1992)	92.0	95.3 (2006)

Demographic situation in Algeria, 1999-2007

Year	Mid-year population (in millions)	Gross birth rate (p.1000 inhabitants)	Gross Mortality rate (p.1000 inhabitants)	Natural growth rate (in %)
1999	29.9	19.82	4.72	1.51
2000	30.4	19.36	4.59	1.48
2001	30.9	20.03	4.56	1.55
2002	31.3	19.68	4.41	1.53
2003	31.8	20.36	4.55	1.58
2004	32.4	20.67	4.36	1.63
2005	32.9	21.36	4.47	1.69
2006	33.4	22.07	4.30	1.78
2007	34.1	22.98	4.38	1.86
2008	34.8*	-	4,32	-

*General Population and Housing Census (GPHC) of 16 April 2008

The demographic changes, in the trend observed between 1999 and 2007, are particularly marked by the demographic transition which is notably characterised by :

- a drop in fertility accelerated in the 1990s,
- the progressive ageing of the population associated both with a prolonged life expectancy and the drop in fertility. The population of less than 2 years remains dominant with a ratio of 5 young persons to 1 aged person of 60 or more years.

In view of these changes, the emerging implications are those associated mainly with healthcare :

- risky pregnancies as a result of the drop in female fertility;
- occupational and chronic diseases; and
- aged persons and senior citizens, particularly at risk

The epidemiological transition in Algeria is marked by a decrease in transmitted diseases and a constant increase in non transmitted diseases (NTD), primarily represented by cardiovascular diseases, diabetes, cancer and chronic respiratory diseases. This transition which is strongly associated with the passage from a pre-industrial society to a modern society is marked by:

- a progressive substitution of **non transmissible chronic diseases** to transmissible diseases as principal causes of death;
- a substitution of problems of **excess weight** and **obesity** to



problems of deficiency associated with food in the area of nutrition

Furthermore, the control of transmissible diseases through vaccination has been strengthened. The impact of the extended vaccination programme (EVP) on morbidity facilitated the recording of very significant and encouraging results.

Measles fell from 11.2 cases for every 100,000 inhabitants in 1999 to 2.4 cases for every 100,000 inhabitants in 2007. No case of poliomyelitis has been recorded since 1996.

The introduction in 2003 of the vaccine against the viral hepatitis B in the child vaccination programme has the objective of eliminating hepatitis B in the long run.

The introduction in October 2008 of the new vaccine against the *Haemophilus Influenzae b* combined with DTCoq will have a significant effect on the drop in infections due to *Haemophilus Influenza b*, mainly pneumonia and bacterial meningitis.

Incidence of diseases preventable by vaccination

Incidence of diseases (for 100 000 Inhabitants)	1999	2007
Diphtheria	0,002	0,01
Neonatal Tetanus	0,006	0,007 *
Whooping cough	0,001	0,04
Poliomyelitis	0,0	0,0
Measles	11,2	2,4

The analysis of the progressive trend of the rate of vaccination cover shows a net improvement of rates from 1999 to 2007 which is above the 95% for diphtheria, tetanus, whooping cough and polio and reaches 99% for BCG, thereby causing rarefaction of the movement of viruses and a reduction in related diseases.

Water transmittable diseases (WTD) have been on a net decline these past ten years. For typhoid fever, the incidence rate fell from 9.8 cases for every 100,000 inhabitants in 1999 to 1.6 cases for every 100,000 inhabitants in

2007. No case of cholera was recorded since 1996.

The incidence of malaria dropped remarkably from 3.3 cases for every 100,000 inhabitants in 1999 to 0.4 cases for every 100,000 inhabitants in 2007. *Plasmodium falciparum* is the main imported species found.

The number of accumulated AIDS cases rose from 479 in 2000 to 837 as at 31 December 2007, including the 2,910 HIV positive cases as at the same date. The incidence rate (new case) rose from 0.11 cases for every 100,000 inhabitants in 1999 to 0.14 cases for every 100,000 inhabitants in 2007.

With regard to non transmittable diseases, the results of the "MICS3" survey, conducted in 2006 by the Ministry of Health in collaboration with UNICEF and the National Statistics Office (NSO) made it possible to record the prevalence rates of certain Non Transmittable Diseases among the people.

Besides, the registers on cancers show a gross national annual incidence of 93.9 cases for every 100,000 inhabitants.

Non Transmittable Diseases

(MICS3 Survey conducted by the Ministry of Health in collaboration with UNICEF and NSO)

Pathologies	2006 MICS3 Survey Result
Cardio-vascular diseases	1.11 % of the total population, representing 362.000 cases
Arterial Hypertension	2.10 % of the total population, representing 691.000 cases
Diabetes	2.10 % de la population totale soit 691.000 cas
Asthma	1.20 % of the total population, representing 394.860 cases
Incidence of cancer according to the national registers on cancer	
Cancer	93.9 cases/100,000 habitants : hospital prevalence



Responding to health needs of the population

Care for the remaining transmittable diseases and that of non transmittable diseases led to the creation of a structure within the health department specifically responsible for Non Transmittable Diseases and the implementation of twenty-six permanent (new and updated) prevention and care programmes.

New health organisation

The diagnosis established since 1999 revealed that the existing health system had reached its limits and was suffering from a number of structural and organisational dysfunctions which limited its performances. It was for this reason that the hospital reform policy was initiated with the objective of enabling the national health system to get modernized while improving its performances in the management and general care of users.

In line with the reform, and in view of the need to handle the double-edged demographic and epidemiological transition, the health sector benefited from a vast development programme based on the principles of densification and proximity with the effect of further bringing basic specialised healthcare to the citizen.

A new health organisation was promulgated in May 2007 separating hospital establishments from those providing basic healthcare. The role

of the new organisation was to enable the hospital concentrate on its hospital missions while offering preventive activities a special space strictly devoted to basic healthcare and the improvement of the relation of proximity to the citizen.

Furthermore, and upon presidential instruction, budgetary positions were opened for the recruitment of all batches of general and specialised practitioners as well as paramedics to improve the rate of supervision and to cater for the new structures that were to be delivered.

Since 1 January 2008, the new health organisation was put in place as well as the new hospital establishments' constitution. The new health organisation's objective is the promotion of basic healthcare by differentiating them from the hospital structures.

These organisational and statutory changes resulted in a new nomenclature of health infrastructure. This led to the health sector being replaced by two bodies :

- **Hospital public establishment (HPE);**
- **Proximity health public establishment (PHPE),** which brings together all the extra hospital structures, comprising a polyclinic and healthcare rooms.

In order to satisfy the citizens' demand, the promotion of the public health policy was also accompanied by an intense investment initiative by the State to broaden and consolidate the network of health infrastructure for better care of the sick and a better medical cover. Thus, for just the 2005-2009 period, the health sector benefited from USD 244 billion of public investments for the execution of a total of close to 800 hospital and proximity infrastructure.

The on-going densification of the network of general hospitals, specialised hospitals (cancer, psychiatry, drug abuse, paediatric, cardiac surgery, orthopaedics, mother and child, large burns, waist and others), polyclinics, healthcare rooms and diagnostic networks (medical and laboratory imagery) is the result of the launch in all the Wilayas of the country, since 2000, of a vast development programme of health structures in the various plans (support programme to boost the economy – SPBE – the South and Hauts Plateaux programme, growth consolidation and support programme – GCSP – and the various complementary presidential programmes).

The medical corps also experienced a growth of close to 70% in the course of that decade in public structures, rising from 21,000 practitioners (4,000 of whom are specialists) in 1999 to 35,000 practitioners (3,000 of whom are specialists) in 2007.



Health : a quality development of structures

This was further coupled with the consolidation of the presence of specialist doctors inside the country. This resulted in the number of specialist doctors practising today in public health structures, through the Wilayas of the Hauts Plateaux rising from 307 in 1999 to 2,174 in 2007. For the Wilayas of the south, the specialist doctors who were only 80 in 1999 rose to 1,000 in 2007.

It is important to note that the actions taken through the various development programmes of the health sector made it possible to obtain remarkable results for all the health indicators, notably :

Demographic indicators :

- Life expectancy at birth which rose from 72.5 years in 2000 to 75.7 in 2007
- The infant mortality rate which dropped from 36.9 in 2000 to 26.1 in 2007
- The maternal mortality rate fell from 117.9 deaths for every 100,000 surviving births in 1999 to 88.9 in 2007.

Health cover indicators :

- The number of beds for every 1,000 inhabitants rose from 1.16 in 2000 to 1.94 in 2007
- The number of inhabitants to 1 doctor (general + specialist) fell from 1177 in 2000 to 830 in 2007, then to 786 in 2008.
- The number of beds rose from 57,110 in 2000 to 61,819 in 2007.

Health expenses/GDP (%) rose from 3.80 in 2,000 to 6.77 in 2007

This was also coupled with the consolidation of the presence of specialist doctors inside the country. This resulted in the number of specialist doctors practising today in public health structures, through the Wilayas of the Hauts Plateaux rising from 307 in 1999 to 2,174 in 2007. For the Wilayas of the South, the specialised doctors who were only 80 in 1999 rose to 1,000 in 2007,

The training and vocational learning sector resolutely initiated a vast reform programme since 1999 to rehabilitate it in its original calling and to provide the conditions and means required to meet the needs of the national economy in terms of professional qualifications and competences.

The actions taken within this framework brought about appreciable improvements in the sector's organisation, functioning and facilities. This is mainly translated by :

- the reception of a significant number of training structures;
- the consolidation of technical teaching facilities;
- ICT development; and
- the introduction of jobs related to the new knowledge-based economy.

The significant achievements recorded within the framework of the two support and economic growth stimulation programmes made it possible to double the number of infrastructure and increase training capacities.

The qualitative leap was particularly translated by the adequacy of training courses for the requirements of the various branches of economic activity, especially the construction, agriculture and craft industry.

Vocational training has become more accessible to the youth. It is more adapted and responds better to national economic needs.

The public sector has experienced significant development in infrastructure, moving from **492** establishments in **1999** to **1035** in **2008**, representing a growth of **114%**. This training and vocational learning infrastructure is broken down as follows, according to types of establishment :

INFRASTRUCTURE	1999	2008
Specialised National Institutes for	37	92
Vocational Training (SNIVT)	443	620
Vocational Training and Learning Centres (VTLC)	-	20
Annexes of SNIVT	-	291
Annexes of VTLC	07	07
Teaching Engineering Institutions :	-	-
- National Vocational Training Institutes (NVTI)	01	01
- Vocational Training Institutes (VTI).	05	05
Support Institutions	01	01
- INDEFOC	01	01
- FNAC	01	01
- CERPEQ	01	01
- ENEFP	01	01
- CNEPD	492	1 035
Total		

It should be stated that the sector has **282** detached sections opened in rural areas in premises made available by local communities.

In the private sector, the vocational training institutes increased from 505 in 1999 to 537 in 2008, representing a growth of 6%.

The development of the vocational training sector is illustrated by changes in the following aspects :

- Public training and vocational learning institutions saw their teaching capacities move from 160,000 training posts in 1999 to 248,000 training posts in 2008, representing an increase of 55%;
- Boarding facilities recorded an increase of 61%, rising from 28,700 beds in 1999 to over 45,000 beds in 2008;
- The teaching facilities of the private vocational training institutes rose by 50%, moving from 28,600 training posts in 1999 to 42,000 training posts in 2008;
- The numbers of trainees and apprentices moved from 269,750 in 1999 to 474,000 in 2007 (+76%), with a forecast of 654,000 at the start of the 2008/2009 academic year, scheduled for 25 October 2008 (+142.44%);
- Foreign trainees rose by 149%, moving from 254 in 1999 to 700 in 2008;
- On private institutions, training figures rose by 31%, moving from 15,300 in

1999 to 20,000 in 2007, with a forecast of 18,000 trainees for the start of the 2008/2009 academic year (+18%);

- The numbers of certificate holders rose from 86,400 in 1999 to 172,100 in 2007, representing an increase of 88%;
- The numbers of teaching supervisors rose by 46%, moving from 9,150 in 1999 to 13,350 in 2008;
- The number of building projects of training and boarding structures is 438 projects, made up of 56,050 training posts and 9,120 boarding places.

Development of in-house training :

In-house training constitutes the special partnership instrument of companies in their strategy to update their staff in view of economic changes.

Within this framework, broad consultations with all actors and partners of the national in-house training system and all representatives of the economic sector resulted in the formulation of a legal framework governing in-house training. Support measures to put in place mechanisms and instruments for an efficient management of in-house training have been formulated, namely the :

- in-service training management guide;
- skills appraisal;
- validation of professional skills; and
- in-house training data collection system.

The appraisal for 2007 and the first half of 2008 highlighted the conclusion of 7 **framework conventions** which led to the signing of 456 specific conventions, resulting in the training of **27,809 workers** in various specialities.

The professional training curricula were implemented on experimental basis in certain specialties at the start of the academic year in September 2005. The curricula will be applied across the board as from the beginning of the 2009-2010 academic year.

Modernization of the sector through sustained consolidation and widespread use of the INTERNET and INTRANEFPP in all professional and academic training institutions and structures. The same will be the case for the INTRANEFPP network.

CISCO academies: this project took shape with the establishment of 33 academies 3 of which are regional, each academy responsible for **10** local academies.

The role of the regional academies, which constitute resource centers, is to

train and upgrade the skills of specialized teachers of local academies and validate training protocols, procedures and curricula.

The local academies are responsible for the training of qualified professionals in the field of networking.

Launch of grassroots community tele-centres: the community tele-centre is an academic space for the training and enlightenment of young job seekers and rural women, to enable them to have a firm grip of system tools and the new technologies and to enhance their employability and social integration. It is noteworthy that mobile telephonic tele-centres and the design of the curricula for multimedia training for both mobile and fixed telephonic tele-centres have been launched. These training curricula will be put on line on the Algeria's tele-centres website : <http://telecentres.mfep.gov.dz>.

Legal and Institutional Framework

The blue print law on professional and academic training :

pursuant to the recommendations of the National Commission for Reform of the Educational System, a legislative text was initiated by the sector. The objective is to institute consistency with the two other segments of the educational system and to more effectively address the competency needs of the productive sector. The law in question was Law 08-07 of 23 February 2008 entitled Blue Print law on professional and academic training.

This legislative text consists of the following three sections :

- **General provisions** defining the place and the role of professional and academic training in the job training system. These provisions also set forth the framework for intervention of public and private operators in an institutionalised approach and in a national perspective ;
- **Institutional framework** which spells out the components of the national system of professional and academic training, the channels for consultation among these components and the place of public authorities, namely: the State, as the regulator of the professional and academic training system and the designer of the national strategy for development of the system ;
- **Organization and operation of the national system for professional and academic training** which involves the modalities for integrating professional and academic training initiatives, including all stages of the educational engineering facility. Preparation of a draft executive decree on the special status of workers undergoing professional and academic training:

This draft decree which was formulated in consultation with the social partner

was examined by workers at local, regional and national levels.

Establishment in 2008/2009 academic year, of the consultation structures prescribed by **Law 08.07 of 23 February 2008** titled Blue Print Law on professional and academic training. The structures in question are :

* **Professional and Academic Training Observatory** - a regulatory, organizational and appraisal tool. The function of this structure is to define the short, medium and long-term professional training policy and monitor adaptation of the training graduates' profiles ;

***Partnership Council for Professional and Academic Training.** This structure participates in the formulation and definition of the national policy on professional and academic training by putting forward recommendations and proffering opinion in that regard ;

* **National and Regional Training Conferences.** These structures are a framework for consultation, coordination and appraisal of professional and academic training activities.

OBJECTIVE 2 :

Improve Inter-Category and Inter-Generational Balance

Attainment of this objective is in consonance with the challenge of ensuring equal access to human rights for all segments of the population as far as day-to-day living is concerned, including economic, social and cultural rights, and more especially the challenge of promoting gender equality and protecting the vulnerable segments of the population.

The various measures taken on this score were marked by the results obtained in the implementation of sector programmes; results that form part of the elements that could help eradicate poverty.

Algeria has already attained the first millennium development goal of eliminating extreme poverty. With regard to general poverty, this has been reduced significantly.

As regards the measures taken to upscale the resources set aside for micro-credits, budget allocations to the micro-credit support fund saw substantial increase, moving from **500 million DA** (Algerian Dinnar) in 2005 to **1 billion DA** in 2006 and 3 billion in 2007.

Encouragement to Entrepreneurship :



There was a net increase in the funding of activity creation initiatives during the period. Two new projects were launched, namely: **the project for promoter's aged between 35 and 50 (CNAC) and the micro-credit initiative. An agency for micro-credit management (ANGEM) was also established during the period.**

In terms of the outcomes of the activity creation initiatives (ANESJ-CNAC), appraisal of the period 1999-2007 underscored the financing of nearly 94,000 micro-business projects which generated nearly 260,000 direct jobs.

In light of the aforesaid and pursuant to the directives of the President of the Republic, fresh measures were taken and adopted by Government in July 2008 with a view to facilitating the financing of projects for young people as part of the micro-activity initiative (projects of the National Agency for Youth Employment Support (ANSEJ), the National Agency for Micro-Credit Management (ANGEM) and the National Unemployment Insurance Fund (CNAC).

The decisions listed hereunder were designed mainly to support promoters from the start up to the conclusion of their projects :

- Empowerment of agencies in the sphere of projects financing;
- Decentralization of decision-making on projects financing at local level;
- Reduced timeframe for processing promoters' projects (cut down to two (2) months);
- Training of banking institutions officials responsible for project management;
- Establishing a cartography of projects for each wilaya and by activity sector with a view to integrating the projects into the policy on local development of enterprises;
- Increasing the number of projects with the objective of establishing 30,000 projects for each initiative.

The above measures are currently being implemented effectively on ground and have started to yield concrete results.

The National Agency for Micro-Credit Management (ANGEM) set for itself the objective of financing the creation of 100,000 activities by the end of 2008.

The activities of this agency will be intensified in favour of the marginalized and disadvantaged social groups especially housewives, persons with specific needs (the disabled) and victims of national disasters.

Appraisal of Micro-Credit as at 31 August 2008: Active Clients

Measures	IFL (interest free loans granted by ANGEM), for procurement of raw materials	Projects triangular financing (Bank, ANGEM, Beneficiaries)	Total
Number of Projects	59.410	3.716	63.126
Number of Direct Jobs	89.115	5.574	94.689

In furtherance of poverty reduction and the social policy for national solidarity, programmes development for the vulnerable segments of the society living in conditions of extreme deprivation and exclusion, was evidenced by the establishment of grassroots units, number of which stood at 152 in March 2008 as against 105 in 2006.

With regard to the social component and in pursuance of the social assistance and national solidarity programme, 626,371 persons were granted ex-gratia solidarity allowance (AFS) in 2007 as against 589,297 in 2005 and 605,870 in 2006.

Additionally, a programme for continuous updating of the list of State social assistance beneficiaries was put in place with the strengthening of the community bureaux for social action.

It is needful at this juncture to mention the involvement and collaboration of socio-economic and political players in the pursuit of development objectives.

In addition to the consolidation of existing measures, an action plan was developed covering the following activities :

- improvement of educational conditions for children especially those in landlocked and disadvantaged areas;
- upgrading the national assistance and solidarity measures and the alignment of these measures with the needs and expectations of the beneficiaries;
- grassroots community action particularly for rural populations;
- establishment of new reception structures suited to emergent phenomena;
- creation of life support facilities for home assistance to old people;
- creation of emergency assistance centers for people in temporary need; and
- re-energizing the community social action bureaux for solidarity intervention at the grassroots.

The formulation, implementation and monitoring of community development projects were undertaken on the basis of the work done by the grassroots units with the participation of the beneficiary populations. The projects in question were social in nature and met the expressed needs of the people. This programme comes as supplementary to community development plans and, in particular, targets landlocked areas not covered by other local programmes.

As an example, the number of community development projects executed increased from 171 in 2005 to 165 in 2006 and 243 in 2007.

Some constraints:

For these projects, the beneficiaries' financial contribution is required, but this participation sometimes poses problems. Beneficiaries' input (10% of the cost of project) is provided by the commune rather than by the beneficiaries. This input comes in several forms such as labour, accommodation, etc. Many communes especially the most disadvantaged complain about lack of financial resources.

Support to the disadvantaged and/or vulnerable groups is anchored on grassroots community action by multi-disciplinary teams, organized in units.

As at 30 June 2008, this network comprised 152 community grassroots units run by 460 workers. 21 of these units were created in the first half of 2008 (131 had been created as of 30 December 2007).

These units operate in the sphere of social action, community health, psychological and therapeutical care and support, mediation and social communication.

The number of units will reach the 200 mark by the end of the current year

To enhance the social and vocational autonomy of disabled people, the first structures for integration through work have been launched (Executive Decree 08-02 of 2 January 2008).

These integration structures, the first of their kind, are: sheltered work institutions such as sheltered workshops and centers for distribution of homebound employment as well as institutions for assistance through work (centers for assistance through work and academic structures).

Disabled persons admitted into these institutions are covered by legal and regulatory texts on social security, health, hygiene, work medicine and remuneration for work done.

The first structures will be functional at the end of 2008.

As regards the assistance offered by the State under the employment promotion and social support initiative :



The public authorities went all out to bolster and downscale the number of employment promotion measures (creation of activities, stop-gap jobs and formulation of social support programmes) during the period 1999-2008, the objective being to meet the numerous needs of the various segments of the population across the country.

With regard to stop-gap jobs and social support programmes, not less than four programmes have been put in place since the past over ten years.

Pre-employment contract programme (CPE) :

This programme involves the professional integration of young graduates of higher educational institutions as well as high-level technicians from national training institutes.

Substantial resources have been mobilized for this initiative under the regular programme, with two special development programmes for the high plateaux and the southern regions.

Under the regular programme, the number of jobs created (placements made) stood at 90,098 in 2006, out of which 62,538 contracts were extended with 27,560 new placements; and at 96,344 in 2007, out of which 56,372 contracts were extended with 39,972 new placements. The financial commitment for this programme rose from 6,914.63 million DA in 2006 to 7,098.98 million DA in 2007.

As for the development programme for the High Plateaus, the number of jobs created (placements made) was 14,287 in 2006 and 27,413 in 2007, with 18,071 new placements and 9,342 contracts extended. The financial outlay rose from 1,093.72 million DA in 2006 to 2,904.28 million DA in 2007.

Under the programme for development of the southern regions, the number of jobs created (placements made) stood at 2,962 in 2006 and 5,820 in 2007, including 3,944 new placements and with 1,876 contracts extended. The financial outlay for this programme rose from 246.77 million DA in 2006 to 566.28 million DA in 2007.

Programme for seasonal employment at local level (ESIL) :

Huge resources were mobilized for this initiative under the regular programme and the two development programmes for the high plateau and southern regions.

With respect to the regular programme, the number of jobs created (placements made) was **81, 793** in 2006, and **65, 190** in 2007. The financial outlay rose from **2,376.96 million DA** to **2,092.60 million DA**.

As for the development programme for the high plateaux, the number of jobs created (placements made) stood at **34, 523** in 2006 and at **57,124** in 2007. The financial outlay shot up from **831.14 million DA** to **2,110.97**

million DA.

Under the development programme for the southern regions, the number of jobs created (placements made) was **3,835** in 2006 and **3,952** in 2007. The financial commitment increased from **92.33 million DA** to **157.64 million DA**.

In the first half of 2008, **126,622** placements were recorded under the three aforementioned programmes, with financial outlay of **2,214.26 million DA**.

High labour intensive public works programme (TUP-HIMO) :

This initiative was accorded particular attention in the special development programmes (southern and high plateaux regions). The resources mobilized towards this initiative helped to boost this programme. A financial outlay of 5, 328, 390, 424.00 DA was devoted to the programme over the period 2006-2009.

With respect to the development programme for the high plateaux, the number jobs created (job man/year) stood at 2, 934 in 2006 and 2, 913 in 2007. As regards 2008 and 2009, it is expected that 2,933 and 2,941 construction projects, respectively, will be launched.

Under the development programme for the southern regions, the number of jobs created (job man/year) was 2, 116 in 2006 and 1, 672 in 2007. As for 2008 and 2009 respectively, it is expected that 2,023 construction projects will be launched each year.

Taking into account the beneficiaries of the “Blanche Algérie” programme, the total number of jobs created was 19, 660 for 4, 803 construction works in 2006 and 17, 309 for 5, 132 construction works 2007. The financial outlay was 5,204.81 million DA and 5, 400.94 million DA, respectively.

With regard to 2008, the financial outlay mobilized was 3, 762.22 million DA of which 1,589.70 million DA was set aside for the Blanche Algérie programme. The number of jobs expected was 8, 188 for the 2,264 construction works to be undertaken.

In 2008, the Ministry of National Solidarity reviewed the integration programmes (CPE, ESIL and TUP-HIMO).

The review culminated in the establishment of three (3) new programmes, namely:

1. programme for social integration of young graduates (PID) which replaced the pre-employment contract programme (CPE);
2. social integration activities programme (PAIS) to replace the seasonal local employment programme (ESIL); and
3. collective needs activities programme (ABC) to replace the high labour



intensive public works programme (TUP-HIMO).

State assistance in support of the disadvantaged segments of the population :

Assistance for protection of the disabled :

Law 02-09 of 8 May 2002 on protection and promotion of the disabled is the legal basis for the existing legislation, applicable in matters of protection and promotion of this segment of the population.

The protection and promotion of the disabled was given concrete expression in the implementation and development of special programmes anchored on more meaningful alignment of social assistance with the needs of this category of vulnerable persons and on enhancement of measures that facilitate access to basic social services such as education, training, health care, transport and housing. With regard to allowances, the monthly allowance for the disabled was reviewed upwards by 100% in July 2007.

Social assistance to the disabled reviewed upwards by 100% :

“Allowance shall be accorded to any one aged over **18** who has no resources, with congenital or acquired disability valued at 100% resulting in total inability to work and in virtually complete dependency situation, such as bedridden persons, quadriplegic persons, persons with multiple handicap and persons with serious mental retardation.” This allowance was reviewed upwards by the 2007 supplementary appropriation law, from **3,000 to 4,000 DA** a month.

The number of 100% disabled persons receiving the allowance increased from 140, 181 in 2005 to **150, 850** in 2006 and to **164 384** in 2007. The financial outlay for three years stood at **5, 000, 000, 000 DA, 5, 076, 000, 000 DA** and **5, 400, 000, 000 DA**, respectively.

As regards 2008, a budget of **7,440, 000, 000.00 DA** was set aside to cover 180,000 disabled persons under the scheme.

Full or partial support towards the cost of land and rail transport: the financial outlay for 2007 stood at **44,864,800 DA** and the total number of beneficiary disabled persons was estimated at **600,580**.

The cost of social security registration for 100% disabled persons in 2007 was paid for **170,765 persons**. The financial outlay stood at **1,579,275,000 DA**.

Assistance to children without family and to assisted children



Paid family placement :

Children without family and that had not been placed in Kafala for various reasons may benefit from paid family placement with an individual or a family.

For each child of less than 19 years of age without family, financial allocation of 1,300 DA/month is accorded. For disabled children without family, this allowance stands at 1,600 DA/month. Financial allocation shall also be provided for "the care of any person over 19 years of age pursuing a course of study or any unmarried female over 19 years old, without employment".

In 2007, the number of children receiving support and care under this assistance scheme was 17,262 children. The financial outlay for this scheme was 167,459,000 DA.

In 2008, a financial commitment of 180,000,000.00 DA was set aside for this category of persons.

Residential care and support for disabled and/or vulnerable persons :

The network of care and support structures comprises **276** specialized institutions (as against 253 institutions in 2007).

The current number of **pensioners** stands at **19,061**. The operational budget for these structures increased from **5,385,089,037.66** DA in 2007 to **6,681,269,000.00** DA in 2008.

To meet fresh needs, the national solidarity sector put in place a programme to create 139 structures at the cost of 8.5 billion DA. This programme also comprises rehabilitation operations and expansion of reception capacities.

In all, 347 institutions will be put in place by end of December 2008 in favour of 20,585 persons: 19 will be newly established, 18 will be in the process of establishment and 34 on the way to completion as of that date.

The resources mobilized for special development programmes for the period 2005-2009 and for construction of new reception infrastructure stood at around 17 billion DA.

Social Safety Net :

Ex-gratia solidarity allowance (AFS) :



This allowance is designed for persons unable to work. The number of target beneficiaries receiving this support was 605,870 in 2006 and 626,371 in 2007.

Taking into account the cost of social security contributions for the beneficiaries, the financial commitment for this scheme was 12,016.08 million DA in 2006 and 12,917 million DA in 2007.

In 2008, 5,162 new beneficiaries were included on the list of persons covered by this scheme, thus bringing the total number beneficiaries to 681,092 in the first half of 2008.

Allowance for General Activities (IAIG) :

This allowance is paid to disadvantaged persons able to work. The number of beneficiaries was 217,590 in 2006 and 252,980 in 2007.

Taking into account the cost of social security contributions for the beneficiaries, the financial commitment for this scheme stood at 9,583.04 million DA in 2006 and 11,512.44 million DA in 2007.

This scheme resulted in the social integration of a large number of poor people, especially in the disadvantaged regions with low economic development. The scheme also helped to improve the living conditions of the people through facilities and heritage maintenance and protection measures implemented as part of the programmed activities.

For these two schemes, operations to upgrade the list of beneficiaries are carried out periodically.

In 2008, 3,140 new beneficiaries were placed on the list of persons covered by this scheme, thus bringing the total number of beneficiaries to 268,575 persons as at the first half of 2008.

Outlook of the Social Safety Net :

Concurrently with the measures designed to improve implementation of this scheme, actions were undertaken to upgrade the allowances on offer. Authorization was given by the competent authorities to upgrade the ex-gratia solidarity allowance which increased from 1,000 DA/month to 3,000 DA/month for old people. Improved conditions are also expected for more effective targeting and better integration of persons with very low income.

Improved Gender Situation :

With regard to gender, participation of Algerian women in economic and social development has become the order of the day in all areas of activity.

As regards the measures relating to the action programme

1. Improving the quality of information constitutes the abiding concern of specialized structures such as ONS and the General Directorate for planning and research, the departments of the Minister Delegate for Family and Women's Matters, especially the Minister of Health, through awareness-building campaigns and radio-television transmissions with the input of local radio stations and production of monthly magazines, etc.

2. Building the capacities of the associations engaged in literacy activities is carried out through various ongoing programmes backed by the relevant Ministries, the Ministry Delegate for Family and Women's matters and the Ministry of Education. This scheme was launched with the participation of NGOs like IQRA in the implementation of the national strategy for illiteracy control, with budget allocation of around 50 billion DA and facilities such as the manual edited by IQRA entitled "j'efface mon alphabétisme par la culture juridique

3. Encouraging women to engage in political activities is a permanent activity reflecting the political will expressed by the President of the Republic in his various statements and decisions on appointment of women to political positions. The number of women appointed to senior posts has significantly increased: :

Indicators/periods: Employment of women in the following sectors :	2000	2005	2006	2007	2008
Health	75.894	78.006		18%	
Education	192.866 (2002)	197.039	46,4%	49,5%	
Judiciary (women judges)	846	922	1179	35,57%	1185
Ministry of Higher Education & Scientific Research (MHESR)	21.155 (2002)	26.038	6,1%	6,5%	
Security (4%)	1749	4365	4900	5931	
Administration	375658	424402	439728	447796	
Agriculture	11% (2002)	5.775	186000	13,6%	
Number of children per woman	2,63	2,33	2,27	2,27	
Women Entrepreneurs	41.793 (2002)	18% (2002)	98.117 In .Reg. com	11524 M.C	
Women Parliamentarians	13	27	30		
Number of Women's Associations			29 associations nationales		
Number of Associations		70.000 Dont 900 nationales			

1. With regard to women's literacy promotion, the authorities invested huge efforts to reduce the illiteracy rate which, in the aftermath of independence, accounted for 90% of the population. This rate has seen a net reduction, hitting the 26.5% mark in 2003, and less than 23% in 2006 and 2008, respectively. The national literacy strategy initiated in 2007 was designed to halve the illiteracy rate by 2012 and completely eradicate it by 2015.

2. With respect to the National Council for the Family and Women, this body held several meetings after having defined its action programme 2008-2009. It discussed and enriched the national strategy for women's promotion and mainstreaming, among other things. Gender was retained among the key issues in government's programme for 2007. Under this programme, an action strategy for promotion and mainstreaming of women in Algeria was formulated and adopted by the Council of Government on 29 July 2008..

The key objectives of this strategy are as follows :

- enable women to further benefit from development policies and programmes based on the recognition that their needs are different, and hence the necessity for their empowerment; and
- help promote a conducive environment for sustainable development anchored on effective partnership between women and men.

Domaines de progrès notables :

participatory approach to issues affecting the family, women and children;

- participation of children in the process of formulating a national plan of action for children and also in the process of developing a communication plan for promotion of the rights of children;
- combating violence against women; and
- formulation of the national strategy for promotion and mainstreaming of women (2008-2011);

Areas in which progress was inadequate :

integration of the gender approach;

- participation of women in political institutions; and
- inadequate presence of women on the labor market, which raises the problem of employability of women.

Pre-school education is the responsibility of national education as from 5 years of age. The objective sought here is to generalize pre-school education in 2009, which currently stands at 80%.

As regards employment of women, it is significant that despite its very low percentage, there has been remarkable improvement especially in some sectors such as health, national education and higher education.

Enhance access by everyone to other public services (other than education, vocational training and health):

The action programme implemented in the fields of housing and urbanisation is in consonance with the goal of combating extreme poverty and exclusion.

The expected outcomes of this programme are facilitation of access to housing and improved living conditions for people in all regions of the country.



Housing :

The housing programme in place consists of the following :

- Five-year programme 2005/2009 : vbv1,034,000 units
- Supplementary programme :
 - For the Wilayas of the southern region : 62,000 units
 - For the Wilayas of the high plateaux : 98,000 units
 - For replacement of migratory housing : 194,000 units
 - For several other programmes : 69.000 units
 - This brings the housing programme to : 1,457,000 units.

In an attempt to meet the needs of the various segments of the population, especially the most disadvantaged, the housing programme has been structured, according to supply segments, as follows :



Shelter and housing : huge works launched for absorbing the deficit

* 480,000 public rental accommodation, nearly 200,000 of which are designed to replace migratory settlements. The financing of this supply segment meant for households without income or households whose income is below the



regulatory threshold of twice the SNMG, is covered exclusively by the State budget, and accounts for 33% of the overall programme.

* 924,000 State assisted housing units made up of:

- 395,000 urban housing units meant for people with income lower than six times the SNMG and with direct or indirect assistance designed to make demand credit worthy. This segment accounts for 27% of the overall programme.
- 529,000 rural housing with State financial assistance. These segments account for 37% of the overall programme and are intended to settle the rural populations and revitalize the rural space.

The financial outlay mobilized by the State towards all these programmes amount to about 1,020 billion DA, consisting of :

- 675 billion DA, that is 62% of the financial outlay set aside for public rental housing; and
- 345 billion DA or 38% of the budget set aside to finance State assistance schemes.

This exceptional budget underscores the magnitude of the efforts deployed by the State to achieve its objective of facilitating access to housing for the greatest number of low and medium income citizens.

Appraisal of implementation of the programmes as at 31/12/2007 shows that during the period 2005/2007:

- 970,000 housing units came under construction; and
- 430,000 units were delivered.

The sustained efforts invested in the production of housing units have been reflected in the improved level of comfort as far as housing is concerned. On this score, the trends in the national housing programme and in the TOL, at different periods, may be given as follows :

Year	National housing units	TOL national average
1998	5,129,868 according to RGPH 1998	5,79
2004	5,939,606 taking into account the construction of 809,736 housing units in the period 1999/2004.	5,45
2007	6,369,860 taking into account the construction of 430,000 housing units in the period 2005/2007 6,429,860 including the 60,000 self-help units built during the same period.	5,25
2009	6,973,606 taking into account the 1,034,000 housing units programme provided for under the five-year programme 2005/2009.	5
Forecasts	7,075,047 including the projected construction of 40,000 self-help housing units in the period 2008/2009.	

Eradication of migratory housing :

The public authorities attach great importance to the eradication of migratory housing. For this reason, it was decided to make annual provision for construction of 70,000 public rental accommodations with a view to gradual eradication of migratory housing units, the number of which was estimated at 500,000 as at the end of 2007.

So far, for the 2005/2008 period alone, nearly 200,000 housing units were constructed in Wilayas across the country.

For part of these units (old buildings), rehabilitation operation will be set in motion

Improving the living conditions of the people :

The efforts deployed by the State towards construction of housing units were accompanied by mobilization of substantial resources to cover the shortfall in the financing of the operations designed to improve the living conditions of the people residing in run-down districts.

A budget of over 300 billion DA was committed for the period 2005/2008 to finance rehabilitation and upgrading operations aimed at filling the infrastructure deficit. These operations concerned over 7,500 sites in all the Wilayas of the country.

With specific reference to old buildings, a financial outlay of 840 million DA was set aside to finance valuation work in the four biggest cities of the country.

The objective of this valuation operation was to conduct precise diagnosis on the basis of which appropriate solutions would be sought for upkeep and maintenance of these fixed assets.

Modalities of access to housing :

In pursuance of government measures aimed at enhancing transparency and equity of access to housing, the public authorities instituted a regulation setting forth strict criteria for selection of beneficiaries of rental accommodation and to ensure equal opportunity for applicants.

Applications for public rental accommodation are processed by Dairas committees on the basis of criteria which allow for equitable access to this scheme reserved for low income people. The lists of beneficiaries are posted in public places during the period established by regulation and petitions are considered by a committee chaired by the Wali.

The existing texts stipulate that a third of social housing programme should be reserved for young applicants less than 35 years of age.

A national ledger of beneficiaries of social housing units and of State assistance was established as far back as 2001 in the housing and urbanization sector, to prevent any form of favouritism in granting State assistance for housing and allocation of housing units.

Post and information and telecommunication technologies :

The reforms instituted in the post and telecommunications sector in 2000 resulted in richer and more varied offer of telecommunications services; they paved the way for investments amounting to US\$ 5 billion as at 31 December 2007 and the creation of over 16, 000 direct and 100,000 indirect employment. The number of jobs generated in the ICT sector, including the postal sector, stood at nearly 135,000 as at that date.

As the country's active population accounts for 9,100,000, the ratio of ICT employment figures to the active population was 1.49%.

The annual growth rate in the fixed and mobile telephonie sector is the highest in the Maghreb region with nearly 72.5% between 2003 and 2007! The overall telephonie density indeed increased from 11.6% in 2003 to 92.6% as of 31 March 2008.

Training claims an important position in the aforementioned process, thanks in particular to the two institutes of the sector – National Institute of Post and ICT and the National Institute for Telecommunications and ICTs – which dispense training courses on the LMD system; and also thanks to the creation of three on-line academies which offer training courses on development and use of management software, the objective of which is to improve the governance modus of enterprises through more effective management of their resources. These academies are synergy spaces which share the initiatives of the academia and of the ICT sector.

Establishment of MultiServices Network (MSN) which operates on the IP/MPLS Protocol (Internet Protocol/MultiProtocol Label Switching) constitutes the appropriate platform for the processing and routing of voice signals, data and multimedia – Television and Video on request – channelled through direct fiber to households (FTTH or Fiber To The Home).

The telecommunications market is run by two fixed telephony operators - Algérie Télécom and Consortium Algérien des Télécommunications with the trade name LACOM, three operators for mobile telephony - Algérie Télécom Mobile or MOBILIS, Orascom Télécom Algérie or DJEZZY and Wataniya Télécom Algérie or NEDJMA; three for VSAT satellite telecommunication systems, and three also for personal mobile communication through the GMPCS satellite.

Each of these operators has procured a licence which allows it to establish public telecommunications networks and to offer telecommunication services. Algérie Télécom has obtained all the requisite licences in its capacity as traditional operator.

The number of internet users has been on steady increase, thanks to reduced cost of access to the telecommunication network and also to the reduced price of micro-computers.

According to the Post and Telecommunication Regulatory Authority (ARPT), the number of internet access and services suppliers, respectively, stood at seventy, 39 of which were active as of 2006, and at 76, 25 of which were active as of March 2008. Moreover, the ARPT report for 2006 published on website "arpt.dz" indicates on page 65 that there were 4,867 cyber cafés in 2006.

As regards the number of high performance ADSL access available as at 31 March 2008, its installed capacity was 1,060,000 for 410,000 connected subscribers. The reduced ADSL tariffs in 2008 would no doubt result in significant reduction of this figure in 2008.

The 11 licenses issued by ARPT for voice utilization with the internet protocol (VoIP) has been complemented by another 21 licenses for establishment of call centers and 11 licenses for establishment of Audiotex centers. Also noteworthy are the advent of ADSL in all district headquarters and the commencement of operations by most of the suppliers that have been issued with VoIP licence.

11 licenses were issued for establishment of WIMAX networks. To date, only two operators have established and partially operationalized their networks. These are Algérie Télécom which covers all areas in Algiers, Boumerdès and Blida Wilayas, and SLC private supplier which covers part of the Algiers Wilaya.

Whereas the SLC network has been functional for some months, the Algérie Télécom will be open to commercial traffic as from 15 December 2008.

The connection of 1,541 district headquarters to the ADSL is already making it possible for the people to have wider internet access. However, some work still remains to be done to upscale the number of access which is still far below the needs of the market, and to increase the bandwidth capacity.

Between 1999 and 2000, in furtherance of the new economic policy initiated by the President of the Republic, a reform process was instituted to achieve greater integration of the national economy into the global economy.

The post and information and communication technologies were identified as a catalyser sector with a cardinal role to play, offering huge opportunities for economic growth and human development and the potential for increased productivity of businesses and for job creation - a sector which to a large extent, contributes to capital accumulation and the growth of overall productivity of the factors.

A clear and well-articulated ambitious reform exercise was defined and implemented. This was inspired by the global context of information society development and took into consideration the situation of the sector during that period, the major indicators of which highlighted Algeria's relative backwardness in relation to neighbouring countries, European and Asian alike.

The objective of that reform was to create a propitious environment for the development of posts and the information and communication technologies through participation of the national and foreign private sector.

This resilient policy is not confined to infrastructure development. Rather, it also incorporates organizational and managerial elements as well as culture and mentality change.

Thus, after creating propitious environment for improved access to efficient and affordable communication services, by opening the sector to private sector competition and participation, some segments of the sector, notably mobile telephonie, experienced significant growth.

In the area of post and postal financial services, very many measures were implemented. These include :

- widening, renovation and modernization of the postal network;
- gradual computerization of post office counter and behind-the-counter operations;

- reorganization of mail delivery and distribution;
- acquisition of automatic mail sorting equipment and an electronic messaging system currently being deployed;
- an electronic banking system comprising electronic payment system as well as bank notes automatic delivery machines and counters were put in place to facilitate withdrawals from CCP accounts with security smart cards - all as part of the process of reform and modernization of the national financial system and dematerialization of the means of payment.
- CCP à l'aide de cartes à puces sécurisées.

Furthermore, with regard to promotion of our philatelic heritage – the embodiment of the historical, cultural, institutional and socio-economic development of our country, the design and production of an anthology of postage stamps was undertaken in 2006; and in 2007, a high quality encyclopaedia containing nearly 1,600 stamps in 6 volumes and 45 booklets was produced.

This great artistic work was produced in four languages (Arabic, French, English and Spanish).

In the realm of information and communication technologies :

- National fixed telephonie infrastructure capacities more than doubled peaking at 4.5 million subscribed capacity, 1 million of which were in wireless technology (WLL);
- The national fixed telephonie network covers virtually the entire national territory;
- Similarly, the number of fixed telephone subscribers doubled during the same period, thus resulting in fixed teledensity of nearly 9.08% in 2007 representing 3,068,000 subscribers, as against 1,600,000 in 1999 (the number of subscribers reached the 3.2 million mark in November 2008);
- Cellular phone penetration which stood at 0.23% in 1999 with 55,000 subscribers increased to 81.5% in 2007 accounting for 27.6 million subscribers. This rapid increase was as a result of the pressure of competition created by the three operators active on the market. Algeria accounts for one of the best mobile telephonie rates in the African Continent and in the Arab world;

N.B. : with the operation to identify anonymous smart cards, the number of GSM subscribers declined to 26.7 million as of 10 October 2008.

- high performance equipment inexistent in 1999, was put in place in 2003 and accounted for 410,000 access as of 31 December 2007, thereby participating in the development of the information society anchored basically on three strategic measures, namely: infrastructure development, particularly access to high and very high performance fixed and mobile telephonie, improved rate of computerisation of businesses and households and development of the GSM content;
- the national transmission network was completely reconfigured and resized to take into account the heavy traffic generated particularly by Internet services and also by the networks of new operators. Thus, the multi-level and secured architecture of this network resulted in the establishment of 32,900 kms fibre optic cables in 2007, as against 7,000 kms in 1999; and 46,000 kms of Hertzian waves as against 28,000 kms in 1999. These facilities, together with the international fibre optic submarine cable connections, reached the 2,000 kms level as against 1,300 kms in 1999 with its obsolete (analogue) technology;
- establishment of a multi-service network (RMS) made up of new generation type IP/MPLS with a capacity of 320 Gigabytes (Gbps) bandwidth per second and 743,326 ADSL access, which facilitates the provision of a broad spectrum of services (voice, data and multimedia), a backbone Internet with 2.5 Gbps bandwidth, and a domestic satellite network of some fifty land stations and international network of five stations, local networks with nearly 5.4 million telephone lines allocated as at the end of 2007.
- Additionally, new technology networks (HONET, FTTH, WIMAX, EVDO) are currently being deployed;
- acquisition of transportable digital Hertzian transmission equipment, mini wireless subscriber connectivity networks in towable containers, VSAT stations and their power generators;
- widening of the national maritime radio navigation network to strengthen Algeria's role in the Global Maritime Distress and Safety System;
- digitalisation of telecommunications land stations to upgrade the capacity of satellite connections in favour of the populations in the south of the country;
- widening the mobile communication network through GMPCS type satellites covering the entire national territory, and the establishment in 2001 of a coastal station for maritime radio coverage as part of the Inmarsat international network for connectivity with seafaring vessels; and

- enhancing and modernising the radio frequency spectrum planning and management system as well as control of the use of the system to ensure the functioning of radio installations free from harmful interference.

Space related activities

The objective of the national space programme 2006-2020 is to ensure the mastery and development of space technologies and applications in the service of sustainable development and the strengthening of national sovereignty. To this end, the Algerian Space Agency (ASAL) embarked upon an approach relying on :

- high level human resources;
 - institutions specialised in space technologies and their applications;
 - space telecommunications and Earth observation systems;
 - specialised infrastructure :
- space technology centre, with responsibility for training and research in space related subjects;
 - space applications centre, with responsibility to implement space applications and develop tools to help in decision making;
 - satellite development centre (CDS);
 - space telecommunication systems management centre.
 - a specialised industry in related areas (machines production, electronics manufacturing, production and assembly of solar panels, wiring and welding, development and production of specialised software, manufacture of optical components and instruments, electronic maintenance, etc.); and
 - multi-directional international cooperation policy for concrete ownership of knowledge in the domain of space technologies.

The projects carried out or under way are as follows :

- launch in November 2002 of the first Algerian Earth observation satellite «AISat 1»;
- the Alsat-1B Earth observation system, that will be established at CDS by 2011. This will ensure continuity of the Alsat-1 mission;
- the generation of AISat2 satellites, made up of 2 twin satellites, AISat 2A and AISat 2B. Construction of AISat 2A has been completed and its launch is expected to take place at the beginning of 2009. As

for AISat 2B, the launch of this satellite is programmed for 2011;

- the Alcomsat-1 telecommunications satellite, whose mission is to improve inter-urban communications, accommodate sound and television broadcasting and offer audio transmission services, multimedia data, tele-education, tele-medicine and video conference services, is expected to be launched at the end of 2012..

As regards applications which constitute one of the components of the national space programme to be developed by ASAL, several projects were initiated with various sectors especially transport, land use planning, environment, tourism, energy, mines, agriculture and rural development, water resources, fishing and fishery resources, finance (cadastral survey), housing and urbanisation sectors.

Of the above projects, the following have been implemented :



- thematic maps of tourism development areas using high resolution satellite images;
- Sahara and steppe cadastral survey in 21 Wilayas. Given the huge size of the national territory, the space tool helps to process and analyse large areas speedily and at moderate cost;
- satellite image maps to identify the risks caused by industrial sites to the nearby, medium and long distance environment;
- desertification sensitivity maps of the entire Algerian semi-arid region spanning 13 wilayas;
- semi-automatic fire prevention system as well as support to anti-locust campaign decision making;
- application projects concerning the fishing and fishery resources, water resources evaluation, mapping of the risks of flooding, auscultation investigation of dams and public works for expressway routing and monitoring of construction sites.

With respect to regional space cooperation, Algeria participates in the establishment of two satellite constellations :

African satellites constellation: Algeria, South Africa and Nigeria decided to put in place a constellation of 3 Earth observation satellites to manage African resources and environment (ARMS) as well as 3 land-based control

stations. Such African space system will facilitate knowledge and rational management of the natural resources direly needed to consolidate the sustainable development process and poverty reduction in Africa.

Once operational, this constellation will allow for daily image coverage and offer of services in almost real time. A statement of intent was signed by the 3 countries on 19 June 2008. It will be followed by a Memorandum of Understanding to be signed in February 2009.

Arab satellites constellation: on the occasion of the 17th Summit of Arab Heads of State in Algiers in March 2006, it was decided to launch an Arab Earth observation satellite. The study in respect of this project conducted by ASAL was approved by Member States' experts and the Arab League Social and Economic Council at its 82nd session held in Cairo from 24 to 28 August 2008.

Research-development and technological innovation

In pursuance of its policy to develop ICT parks, the National Agency for Promotion and Development of Technological Parks (ANPT) is currently managing two vital projects :

- **Sidi Abdallah cyber-park:** which covers an area of 100 hectares in the new city of Sidi Abdallah, 30 kilometres west of Algiers. The objective is to create a technological innovation hub and develop service districts for ICT activities. The multi-purpose building, the first unit of this park, will be constructed in January 2009. As regards the incubator – the Technobridge – and the ICT Study and Research Centre, these will be commissioned early in the second half of 2009;
- **Annaba regional industrial area** which occupies a space of 17 hectares, plays an active role in the strengthening of the technological hubs in the east of the country (bio-technologies, metallurgy, siderurgy and petrochemical).

Plans are also afoot to establish another industrial area at Oran to boost technological activities reliant on advanced technologies (space, systems, telecommunications and electronics) in the west of the country.

The creation of technological parks is in line with the national policy to speed



up Algeria's transition to information economy, and to promote ICT training and research as well as the national ICT industry.

Building an information society and its corollary - knowledge economy.

Building an information society and utilizing the benefits generated by the development and use of the ICTL are a vital factor in the building of a modern State, and features among the priorities of our country.

The challenges are many. It is, indeed, an imperative to ensure for our society its rightful place in the digital world and create the conditions necessary for mastery and ownership of ICT use, especially as the development and production of these technologies are an undeniable asset for speeding up the process of sustainable development and tackling a large number of socio-economic constraints.

The importance accorded to the building of Algerian information society is evidenced by the decision to formulate and implement the e-Algérie 2013 strategy which is anchored on 12 key action areas embracing institutional and organizational initiatives, bold actions for development of the human resource and infrastructure, and creation of an environment propitious for development and intensive use of ICTs.



The action areas are:

1. **acceleration of ICT use through** development of horizontal governmental as well as sector applications, integration of ICTs into economic activities and development of sector applications in the private sector.
2. stimulation of development of knowledge-based economy ;
3. organizational measures ;
4. speeding up the coverage of the national territory in terms of high and very high performance fixed and mobile devices and enhancement of the security of the national telecommunication network;
5. development of mechanisms and incentive measures to significantly upscale access to high performance equipment and networks for households and very small enterprises
6. development of human competences ;

7. research-development and innovation;
8. upgrading the national legal framework (legislative and regulatory);
9. **information and communication** through the launch of ICT Observatory to be responsible for monitoring, analysis and dissemination of ICT related information
10. **international cooperation as the vehicle of knowledge ownership;**
11. **appraisal and monitoring** of action plans using indicators and evaluation criteria; and
12. **financial resources** to be mobilized to actualise the e-Algérie 2013 Strategy.

Data Trends from 1999 to 2007

Indicators	1999	2007
Telephone network capacity	2 271 000	4 500 000
Number of fixed telephonie subscribers	1 600 000	3 068 000
Number of mobile telephonie subscribers (GSM)	54 000	27 600 000
Fixed telephonie density (%)	5,02	9,08
Mobile telephonie density (%)	0,26	81,50
Fixed and mobile telephonie density (%)	5,28	90,58
National fibre optic network (in km)	7 000	32 900
National Hertzian wave length network (km)	28 000	46 300
Number of public (coin operated) telephone stations	5 000	12 000
Number of multi-service kiosques	9 135	40 000
Number of fixed telephonie operators	1	2
Number of mobile telephonie operators	1	3
Number of VSAT satellite telecommunication operators	1	3
Number of personal world call mobile GMPCS satellite communication	1	3
Number of Internet providers	11	76
Number of websites	20	20 000
Number of Internet voice operators (VoIP)	0	11
Number of cybercafés	100	5 000
Number of Internet users	10 000	3 200 000
Number of broad width access (ADSL)	0	410 000
Number of post offices	3 310	3 287
Postal density (number of inhabitants per post office)	9 360	9 800
Number of CCP accounts	5 000 000	9 917 315
Amount of CCP accounts holdings (in billion Dinners)	234,9	469
Number CNEP accounts	3 250 000	3 792 725
CNEP accounts holdings (in billion DA)	135	244
Number of money orders issued and paid	39 000 000	22 700 000
Amount of money orders issued and paid (in billion DA)	1620	1 728
Number of bank notes automatic distributors	110	460
Number electronic payment terminals	0	60
Number of bearers of payment and withdrawal electronic card	100 000	4 500 000
Number of postal operators	1	1
Number of international speed post operators	2	5
Number of domestic speed post operators	1	37

The action areas of the water resources development strategy are as follows :

- step up mobilization of water resources in its traditional and non-traditional forms to meet domestic, industrial and agricultural needs;
- rehabilitate and develop drinking water supply and distribution infrastructure to reduce losses to the minimum and improve service quality;
- rehabilitate and develop used water purification and treatment infrastructure to preserve and re-use scarce water resources;
- modernise and increase the irrigated areas to backstop the food security strategy; and
- reform the legal, institutional and organisational framework for more efficient water governance and improved management indicators.

Recap of the Major Indicators of the Water Resources Sector

- National Water Resources Potential	19 billion m³/an
- Ratio per inhabitant per year	600 m ³ (the World Bank scarcity threshold is 1,000 m ³ a year)
- Volume of drinking water produced	2.75 billion m ³ /year
- National water supply lines network	60.000 km
- Water supply connection rate	93% (78% in 1999 and 92% in 2007).
- Daily allocation per inhabitant	165 litres (1,23l in 1999 and 1,60l in 2007)
- Frequency of water distribution for the 1,541 district headquarters in the country	Daily: 70% (45% in 1999). 1 day/2: 18% (30% in 1999). 1 day/3 and more: 12% (25% in 1999).
- Volume of water used and thrown away	700 million m ³ /year
- Used water national treatment capacity	350 million m ³ /year (600 million m ³ /year in 2010)
- National water purification lines network	38.000 Km
- National rate of connection to purification network	86% (72% in 1999).



Water resources : 72 dams in 2009 with a capacity of 8,35 billion m³

Infrastructure :

Mobilisation :

Taking ongoing projects into account, Algeria will by 2009 have a park of huge projects for water resource mobilisation. This park will comprise 72 dams (60 are currently operational) thus raising the country's water resource mobilisation to 8.35 billion m³.

To upscale the possibilities of water resources mobilisation and transfer, large-scale structuring projects have, since 2004, been launched or reactivated equitably all over the country. The projects include :

- the water resource complex of Beni Haroun (to improve and ensure drinking water supply for four (4) million inhabitants spread across six (06) Wilayas and irrigate 40,000 hectares over four (4) large perimeters. This project was operationalised in September 2007;
- the Mostaganem – Arzew – Oran water resource complex (to



guarantee drinking water supply for this corridor), expected to be functional early in 2009;

- the Taksebt water resource complex (to guarantee drinking water supply for the Taksebt-Alger and Fréha-Azazga corridors), functional since 24 February 2007;
- transfer of 600 million m³ /year volume of water from the Albian reserve to the cities of the high plateaux. 5,000 km water pipeline in the process of being launched;
- transfer of water from the Albian reserve from In Salah to Tamanrasset over a distance of 740 kms, launched in 2007;
- transfer of water from the Chott El Gharbi (Nâama Wilaya) water reserve to the southern Wilayas of Tlemcen and Bel Abbés, about to be launched;
- transfer from the high Setifien plains, launched at the end of 2007.

As regards sea-water desalination programme, **13 stations** with varying capacities (the largest will be the station to be built at Oran; **500,000 m³/d**) were built and will eventually produce **2.26 million m³** of water per day. The two first stations under this programme (Arzew and Algiers) became functional in 2005 and 2008, respectively. This brings to 23 the number of monobloc stations already functional in the coastal cities.

Sea-water desalination will help guarantee drinking water supply in the big cities and redirect the water resources in the dams in the north of the country to areas with drinking water deficit. It will also facilitate development of irrigation and of the high plateaux regions.

Drinking water supply :

A comprehensive programme to rehabilitate the drinking water distribution networks was launched in 1999. This programme, which covers some thirty towns, started with the cities of Oran, Algiers and Constantine, and is expected to service all Wilaya headquarters. It also embraces important components of public drinking water supply (mapping, water loss detection, commercial management, tele-management and training).



President Bouteflika launches the water resources transfer project from In-Salah to Tamanrasset over a distance of more than 700 kilometers

The above measures have started to yield tangible results. For example, the losses recorded across the networks which in 1999 stood at around 45%, were reduced to between 20 to 30% in 2007.

Water treatment :

The objective sought under this sub-sector is to attain 82% national installed capacity of used water by 2010. This programme consists of the establishment of purification and lagooning stations and the expansion of urban and rural water treatment networks.

The programme has already resulted in the rehabilitation of 20 purification stations which had not been functional, and the building of 40 new stations and 50 lagooning stations.

The use of septic tanks has now become marginal. In fact, moves are under way to bring about their complete eradication and to replace them with modern systems of used water harvesting and treatment. This operation has

been carried out at El Oued and Ouargla, two cities that had been under the severe threat of water upwelling.

Apart from improving the quality of life and health of the citizens, volumes of purified used water should help to further develop agricultural activities. They also represent a significant water resource asset.

With respect to protection of the cities against floods, several projects were realised, the most significant being the draining and protection of the M'zab valley as well as the protection of the cities of Sidi Bel Abbés and Tébessa, among others.

Agricultural water management :

Concerned by this project are 24 large areas covering 219,000 ha, dominated by 29 big dams. As for small and medium-scale water management projects, the irrigated area stands at 860,000 ha.

So far, 481 mountain reserves containing 55 million m³ have served to irrigate 11,000 ha. This capacity will be increased to 78 million m³ by 2009 with the construction of 88 additional reserves, bringing the irrigable area in the mountainous regions to 15,700 ha, thereby positively impacting on the consolidation and improvement of the living conditions of the rural populations.

The objective of the above measures is to address the following two possible situations :

- meet all needs (drinking water supply and irrigation) for all the regions in the event of average annual rainfall; and
- cover all drinking supply water supply needs as well as 60% of irrigation needs in the event of a dry year.



President Bouteflika inaugurating the Desalination Plant of El-Hamma in Algiers

Water Governance :

The legal frameworks on which the Government water resource policy is anchored are :

- Law 05-12 of 04 August 2005 on water resources, as amended and updated, which puts in place a dynamic legislative framework for water resources management in Algeria;
- 44 regulatory texts in application of the above law; and
- the water resources master plan adopted in February 2007, which constitutes a flexible and effective tool for sector planning for the period up to 2025.

The following measures were carried out on the basis of the above instruments :

1. transfer of the activities and resources of EPDEMIAs as well as community facilities and services to l'algérienne des eaux (Algeria Water Company) and the National Water Processing Bureau;
2. establishment of autonomous entities for management of structuring water resources projects to ensure sustainability and effective management of these resources. The first public industrial and commercial institution for management of the Beni Haroun water resources system was established in November 2007;
3. delegated management of public water resource and purification services in the big cities through objective driven management contracts concluded with world renowned operators. This experience which was launched in Algiers in 2005 has been extended to the cities of Oran (November 2007), Annaba (December 2007) and Constantine (June 2008); and
4. the statutes of hydrographic basin agencies and definition of the missions and modus operandi of the National Water Resources Consultative Council were updated in 2008 for more effective integrated management of water resources.

Indicators of malnutrition and access to drinking water and water treatment

Indicators	1970	1980	1990	2000	2007
-% moderate underweight (WAZ)	nd	nd	9.2 (1992)	6.0	3.7 (2006)
-% population at the minimum calorie intake level	nd	nd	3.6 (1988)	3.1	1.6 (2004)
-Proportion of the population with access to clean water source (%)	37.1 (1966)	45.8 (1977)	57.8 (1987)	88.9	85.1 (2006)
-Proportion of the population with access to better water treatment system (%)	23.1 (1966)	39.9 (1977)	51.7 (1987)	91.6	92.7 (2006)



Wastewater systems: a considerable progress

Access to electricity and gas :

Algeria has made tremendous progress in terms of connecting the populations to the electricity and gas network.

In this regard, a 12 billion DA investment was made in this sector in the 2000-2007 period alone.

The Algerian electricity network coverage has now reached the 98% level for inhabited areas, and the number of subscribers stands at over 6.2 million.

With regard to public gas distribution programme, the initiatives undertaken in this sector helped to upscale the rate of gas connectivity to households to 41.2% in 2008 as against just 29% in 2000.

It is noteworthy that the number of households with gas supply stood at over 2.6 million in 2008.

Moreover, the energy sector accords great importance to solar energy development in the deep south as well as in isolated regions. The following achievements may be cited in this regard :

- solar electrification of 18 villages in the deep south under the national programme 1995-1999 for connection of 1,000 households, 15 mosques, 15 schools and 20 security stations (gendarmierie and community guards) ;
- sinking of 4 range land wells fitted with solar panels in the Tassili area, by the SONATRACH Tassili foundation.
-

Indicators of access to electricity and gas

Indicators	1966	1977	1987	1998	2007
-Proportion of housing units connected to electricity (%)	30,6	49,2	72,7	84,6	98 (2008)
-Proportion of housing units connected to city gas (%)	10,4	13,0	21,7	30,2	38,4 (2006)

Expected outcomes :

- upscaling production capacities to over 12, 000 MW by 2012;
- attaining over 98% electrification and over 50% natural gas supply level (2013);
- producing clean energy;
- relocating the city of Hassi Messaoud and building a new city at Oued El Maraa;
- launch of a 10 MW wind farm at Tindouf; and
- supply of 16 villages and 50 solar centres

As regards fishing and aquaculture, tremendous efforts have been made since 1999, in pursuance of the policy on sustainable development, to protect the legitimate interest of future generations, pursue the fight against poverty and enhance food security for the populations.

With the adoption of a master plan for development of fishing and fish production activities by 2025, the relevant Government policy aims at implementing a strategy for rational and sustainable management of fishery resources, increased fish supply from aquaculture, upstream and downstream modernisation of production activities particularly by aligning the chain of activities with universally accepted standards as well as by enhancing and improving the human management capacity of the sector.

Considered as a semi-closed sea, the Mediterranean is characterised by a

rich diversity of high quality fishery products. These products however exist in limited quantities and are, besides, threatened by pollution.

Several fishery resources assessment campaigns, including the campaigns conducted between 2003 and 2004, helped to estimate the fish stocks in our territorial waters at just over 200, 000 tonnes.

With a fishing flotilla of 4,442 units, including 476 trawlers, 974 sardine boats, 2,972 small-scale fishing boats, 9 tuna fishing vessels and 11 coral vessels, the sector achieved 149,000 tonnes production level in 2007.

80% of this production comprised sea fish (blue fish), and 20% demersal fish (white fish) and crustaceans, and helped to significantly increase the annual consumption rate per inhabitant to 5.17 kgs/year/inhabitant.

With respect to trade in fishery products, 2007 accounted for :

- 17,993 tonnes of imported products valued at 1 billion 495 million DA, and
- 2,702 tonnes of exported products valued at 992 million DA. This represents 66.35% difference between imports and exports. The relative value of exported kg was 4.41 times higher than that of imported kg.

The flotilla of fishing vessels operate from 39 ports which offer 2,946 mooring stations (available), 1,176 mooring stations under construction (ports under construction) and 2,030 mooring stations available in the medium-term at 29 landing beaches which will be refurbished for use by small-scale fisher folks (development of small-scale fishing).

It is envisaged that, by 2025, 7 multipurpose ports, 23 category I ports and 23 category II ports, that is a total of 53 ports, would have been constructed.

These ports are supposed to be fitted with all the infrastructure required to support production activities, such as :

- ship construction and dock yards;
- ice production facilities;
- provisioning stations;
- fresh fish market;

- lo-lo equipment;
- fish processing and packaging units;
- fisher folk huts and resting spaces for fish professionals.

The ultimate goal of these activities are improved organisation of fishery production in terms of both the hygiene and salubrity of the products meant for consumers, enhanced performance of production tools and better mastery of production statistics for better monitoring of fishing and effective combat against tax evasion.

The projected production for 2025 shall be fixed at around 220,000 tonnes of harvested fish of all types, so as to avoid over fishing that could result in depletion of stocks.

To respect these fundamental data and meet the ever-growing needs of the populations, public authorities have in their medium and long-term strategy underscored the need to promote aquaculture so as to make up for the deficit in fishery products.

The current aquaculture production is about 2,000 tonnes which accounts for 0.7 % of fishery production.

The National Aquaculture Plan has led to identification of 286 sites, including 100 sites conducive for marine aquaculture (fish, shrimps and shellfish) and 186 sites suitable for fresh water fish production (fish farming, inland fishing and brine shrimp production).

Under this master plan as well as the master plan for the Development of Fishing and Fish Production Activities by 2025, 450 fish production projects covering various fish production sub-sectors with expected annual production of 53,000 tonnes and creation of 4,557 direct employment, were identified.

In this connection, several fish farm projects have become functional while others will be before the end of 2008 :

- Tilapia integrated production farm at Ouargla with projected production of 1,000 tonnes per year (southern regions)
- Fish production and hatchery farm at Ghardaia with tilapia production of 500 tonnes per year (southern regions)
- Red tilapia production farm at Ain Skhouna Wilaya in Saida (High Plateaux).

- Sea fish production and hatchery farm at Azeffoun (Tizi Ouzou Wilaya): production of 1,000 tonnes of sea wolves and breams.

The objective here is to ensure 20% aquaculture participation in fish production by 2025 and bring it to the same level as sea fish production beyond 2025, as recommended by the Food and Agriculture Organisation (FAO) which encourages countries to develop aquaculture to ease the pressure on marine resources threatened by over-exploitation and, at times, even by depletion of stocks.

Culture

The challenges arising from identity and cultural issues have reinforced the deep conviction that culture constitutes one area for crystallisation of national sovereignty and the springboard for sustainable development.

The policy guidelines put in place for sustainable development of culture and the management of these guidelines for nearly a decade are already beginning to yield their first fruits, unleashing tremendous momentum both at national and international levels.

Several projects have been launched with the aim to network the national territory with the cultural infrastructure required to develop cultural practices, upgrade the facilities of these practices and ensure more effective management of cultural heritage.



Culture : a great richness and diversity to promote

This initiative has been underpinned by several development programmes: PSRE, PCSC, Special "High Plateaux" and "South" Programmes, all of which made it possible for the sector to increase by 430 % the number licenses issued, the value of which rose from 1.41 billion DA to 42,2 billion DA between 1998 and 2008.

The operational budget set aside for culture has also seen substantial increase. This budget was 3,900,686,000 DA in 1998, accounting for 0.49% of the overall State budget. In 2008, however, this allocation (14,792,873,196,000 DA) accounted for 0.73 % of the State budget.

The progress achieved by the Action Plan of the Ministry of Culture is illustrated by the following data:

Books and Public Reading :

This area of action was upgraded to the priority list because it was lagging behind at institutional, organizational, legal and infrastructural levels, whereas books and public reading are perceived as the bedrock of citizens' education and societal development.

Great decisions have been taken and vital projects launched in this area since 2002. These are :

- 1. creation of books and public reading directorate** in the organizational structure of the Ministry of Culture (books used to be under the purview of a directorate covering arts and arts related matters);
- 2. promulgation of 2 decrees:** one on dissemination of **imported books**, and the other on **a model statute for public reading libraries** adopted in September 2007;
- 3. preparation of a draft presidential decree on national books centre** adopted in May 2008;
- 4. mobile libraries enhancement programme:** before 1999, mobile libraries were 12 in number. In 2008, there were 34 mobile libraries at the stage of final acquisition and 2 specially equipped libraries for the deep south.
- 5. support to national publications:** Created in 1999, the assistance fund for arts and arts related matters enabled the Ministry of Culture to set up support mechanisms for artistic and literary creation.

In 2007, one thousand two hundred and twenty-one (1,221) titles were published for the “Algiers, capital of the Arab culture 2997” exhibition, with two (2) million copies thereof distributed to all public libraries across the country.

The momentum unleashed in 2007 was kept alive in 2008 through an extensive editorial programme involving around 200 national publishing houses.

6. institutionalisation of 2 big events: the international literature and youth books festival and the international comics festival.

In view of the success of the first literature and youth books festival which attracted thousands of visitors in August 2008, we hope to institute this initiative in all the Wilayate.

7. The “one district, one library” project

Under this project initiated with the Ministry of Interior and Local Communities, the Ministry of Culture is tasked to implement 413 projects spread across all the Wilayate by 2014. Out of this number, the Ministry executed 18 projects in 2007; and will commission 40 in 2008 and 173 in 2009. It is noteworthy that most of the projects were introduced in 2006 and 2007.

This vast network of libraries under implementation which was distributed according to the administrative divisions (one library per commune) was also informed by another criterion, namely: that of population density in accordance with UNESCO standards.

Public reading is perceived as a strategic element in the hands of the State in its pursuit of the right of the citizen to access knowledge and skills; an element that will help enhance the level of culture, foster national identity and build a democratic society with equal opportunity for its citizens.

Cultural Heritage :

This very sensitive area has, since 1999, been undergoing profound reorganization from the regulatory and institutional perspectives in application of Law 98-04 on protection of national cultural heritage, a Law which marked a departure from the host of pre-existing legal instruments inspired by colonial legislation.

- > On creation of institutions for management and development of cultural heritage

Before 2004, cultural heritage was consigned to only one archaeological domain and concerned only the northern part of the country. Between 2004 and 2008, the heritage sector was reorganized through transformation of the national agency for archaeology and protection of historical sites and monuments into three independent entities, each responsible for one specific domain. These entities are :

- Bureau for management and exploitation of cultural assets;
- National archaeological research centre; and
- National center for conservation and restoration of cultural goods.

Additionally, a national manuscripts center was established at Adrar in 2005.

- > *Establishment of museums:* up to 2004, Algeria had only 8 national museums, 6 of which were built during the colonial period. Between 2004 and 2008, **3 national museums were created** (*miniature, illumination and calligraphy museum, maritime museum of Algiers and the national museum of modern and contemporary arts*) with 6 in the process of being established (the museums of *Tamanrasset, Tébessa, Khenchela, Chlef, Bechar and Cherchell*). These museums will be commissioned in 2009. Fourteen (14) other museums have been programmed for 2014 in keeping with the master plan for development of archaeological and historical sites adopted by the government in 2007.

The operation to enrich museum collections is in progress. For example, between 2003 and 2007, **1, 779 cultural assets and works of art** were acquired.

- > *Creation of protected sectors:* before 2004, not a single urban or rural space was upgraded to a protected sector, whereas such upgrading had been prescribed by the law on cultural heritage. Between 2004 and 2008, following formulation and promulgation of enabling texts of **Law 98-04**, five (5) urban spaces were upgraded to protected sectors; these are: the kasbah of Algiers, the ancient rock of Constantine, the *M'zab valley*, the old city of *Ténès* and the *old city of Dellys*. Five other urban and rural spaces were proposed for upgrading, namely: *the village of Ait El Kaïd, the old ksar of Laghouat, the old Mila, the old city of Tlemcen and the old city of Nedroma*.



- > *Creation of Cultural Parks*: Two parks - *the Ahaggar and the Tassili* – have been in existence before 1999. **Three (3) other parks** have since been created to cover *Tindouf, Touat Gourara Tidikelt* and *Atlas Saharien* spaces ;
- > *Restoration of Cultural Assets*: Between 2004 and 2008, over two hundred (200) projects were launched. The projects involve, in particular :
 - >
 - compilation of inventories of fixed cultural assets and constituting a data bank of intangible cultural assets;
 - restoration of 36 historical monuments;
 - nine (9) studies on permanent plans to preserve and develop the protected sectors; and
 - thirty-four (34) studies on plans to protect and develop archaeological sites.

Classification of fixed cultural assets: Between 1999 and 2003, 36 fixed cultural assets were classified. Between 2004 and 2008, **49 other fixed cultural assets were classified.**

Theatre and Cinema :

Theatre :

The theatre accomplished a lot in terms of production, dissemination and relevant infrastructure throughout the national territory.

*With regard to production, about ten (10) pieces were produced annually up to 1999.

The year 2007 saw the production and diffusion of nearly 47 theatre pieces which were disseminated throughout the national territory by way of 850 shows that attracted about 300,000 spectators. This momentum was maintained in 2008 with budget outlay of 240 million DA: 52 new drama pieces mainly inspired by Algerian works were produced, 30 by the national theatre and regional theatres and 20 by independent drama troupes.

The above production initiatives were accompanied by the mobilization of significant resources through Wilaya culture departments. The resources so mobilized were used in the dissemination of all the works projected - works

which attracted hundreds of artists that criss-crossed the entire country. The production initiatives were also backed by the institutionalisation of a national festival of professional drama which made its debut in 2006.

*Up to 1999, the country had just one (1) national theatre and six (6) regional theatres. Two (2) regional theatres have since been established (Tizi Ouzou and Skikda) and 5 communal theatres were proposed for transformation into regional theatres (Oum El Bouagui, Guelma, Saïda, Souk Ahras and Mascara).

Cinema :

The cinema is a huge cultural industry which the sector is committed to promote and encourage. The work accomplished since 2004 covers, first and foremost, the following:

1. establishment of a national and audiovisual centre,
2. transformation of the national institute for performing arts (INAD) into a higher institute for audiovisual and performing arts (ISMAAS) with the introduction of cinema-related disciplines, especially the sound and image training component;
3. reactivation of film production which would not have been possible without State assistance. Apart from providing shooting equipment free of charge, the Ministry has, since 2002, given out financial assistance towards realization of 113 film projects, including 80 film productions for 2007 alone and 12 for 2008.

Despite the above support measures, the effective management of the film sector absolutely calls for successful conclusion of several actions and operations under the 2009-2014 development programmes, namely :

1. **Revamping the legislative framework** which dates back to 1968 and is totally obsolete. A draft law on film creation has been formulated.
2. **Finalization of rehabilitation** of the film library network (17 halls rehabilitated with work still under way in 10) ;
3. **Recovery of some 300 cinema halls** that had long been closed or used for other purposes.
4. **Enhancing capacities for film financing**, mainly through the arts, film techniques and industry development fund (*FDATIC*) ;

5. **Reactivation of training** in the artistic profession and in film techniques

6. **Building a real cinema complex** comprising shooting studios, laboratories and blockhouse for preservation of negatives.

A paper for reactivation of the film sector is in preparation and will be presented to Government.

Lyrical Arts :

Established in 1999 are the national symphonic orchestra, three regional ensembles, a national ensemble for Andalusian music and one ensemble for the chaâbi music. In addition to their frequent performance and the work they have been doing with higher national institute for music, these orchestras are to work together with two new research institutions dedicated to intangible heritage: the El Hadj Mohamed El Anka institute in the national centre for prehistoric, anthropological and historical research, and the future national center for Andalusia studies at Tlemcen.

As regards preservation of the national lyrical heritage, a comprehensive exercise for recording and writing the national music repertoire was embarked upon in 1998 under the responsibility of musicology specialists. The operation which received strong support on the occasion of the "Algiers, capital of Arab culture 2007" event, covers all genres of Algerian lyrics in their various forms of expression.

The ambition to promote music and lyrical arts is evidenced in a series of proposals contained in the master plan 2009-2014 for the culture sector. The proposals include :

- encouraging the teaching of music in schools in consultation with the Ministry of National Education; and
- promoting the establishment of municipal conservatories and putting in place a management facility for these institutions

Protection of copyright and neighbouring-rights :

In 1999, the public authorities devised a programme to enhance protection of copyright and neighbouring-rights. This programme was anchored on the following measures :

1. Review of the legal framework governing copyright and neighbouring-rights;
2. Development of the culture of copyright and neighbouring-rights in favour of all social segments through continuous organization of study days, symposia and seminars, both at country and international levels, and communication via the media;
3. Gradual coverage of the entire national territory through the opening of new ONDA agencies, particularly in the south of the country (ONDA currently boasts 14 agencies located mainly in the north of the country);
4. Implementation of the anti-forgery programme formulated in cooperation with all the sectors concerned by this scourge;
5. Broadening copyright and neighbouring-rights protection to embrace the new information and communication technologies (Internet, mobile telephonie, etc);
6. Undertaking grassroots management of copyright and neighbouring-rights through increasingly incisive decentralization of copyright and neighbouring-rights management measures; and
7. Development of sustained social security measures for authors and performers.

Culture Dissemination :

National cultural action has, since 1999, been one of the major areas of the cultural policy defined by public authorities, and setting out for themselves the following objectives :

- broaden culture promotion and dissemination to cover all nooks and crannies of the national territory;
- finalize the establishment of cultural animation infrastructure and practices; and
- undertake cultural action at grassroots level with a view to meeting the cultural needs of our fellow citizens in an equitable manner.

The cultural action so defined is anchored mainly on :

- public institutions and structures with national coverage such as the Office Ryad El Feth (OREF), Office du Palais de la culture and the Office national de culture et d'information (ONCI),
- the network of thirty-eight (38) cultural centers located in thirty-eight (38) Wilayas as of the end of 2008; and

- cultural associations (nearly 7,000 cultural associations registered).

With respect to cultural infrastructure accomplishments during 1999 -2008, fifteen (15) new cultural centers were built, raising the number of this infrastructure from the twenty-three (23) before 1999 to thirty-eight (38) in 2008.

For **2009**, plans are afoot to commission 4 new cultural centers in the **Skikda, Relizane, Tipaza and Blida** Wilayas, thus bringing the number of this infrastructure to forty-two (**42**).

By 2011, the 5 cultural centers being built in the **Chlef, Ghardaia, Souk Ahras, Tarf and Tindouf** Wilayas would have been commissioned, bringing the number of cultural centers to **47**.

Cultural Festivals

Before 2003, date of promulgation of Decree 03-297 of 10 September 2003 which set forth the conditions and modalities for organization of cultural festivals, not less than seven (7) cultural festivals were staged.

A policy for institutionalisation of cultural festivals has since been put in place, and ninety-three (93) cultural festivals institutionalised by ministerial edict, including sixteen (16) international festivals, twenty (20) national and fifty-seven (57) local festivals across the national territory.

The organization of editions of these festivals since 2006 when they were launched, helped to infuse fresh impetus into cultural animation and create a climate of gaiety, conviviality and normalcy, thereby rekindling hope and ushering in peaceful interaction in the day-to-day lives of our fellow citizens.

With the implementation of the grassroots cultural action strategy, the public authorities will, as from 2009, pursue :

- the programme for institutionalisation of cultural festivals so as to stage at least one international festival per Wilaya, provided the technical and logistics conditions (accommodation in particular) so permit; and
- the creation of new local festivals in each Wilaya in the domain of

music, drama, book and public reading

Cooperation and cultural outreach :

The country has, since 1999, instituted a vast cultural outreach programme aimed at reconquering its place on the regional and international cultural scene.

The organization of “Algeria’s Year in France in 2003” and “Algiers, capital of Arab culture 2007” event, helped the country to reposition itself in its geo-strategic space and project itself as one of the cultural powers of the region.

These initiatives were boosted by the organization of crucial meetings such as :

- The Conference of Ministers of Culture of Islamic Countries in 2005 ;
- The Conference of Arab and South American Ministers of Culture;
- The Extraordinary Conference of Arab Ministers of Culture in 2007;
- The Conference of AMU Ministers of Culture; and
- Several meetings with UNESCO and other regional organizations

Concurrently, the public authorities intensified their relation with many countries through the conclusion of several bilateral cooperation agreements.

Artistic Training :

Up to 2002, artistic education and training was dispensed by 3 national higher institutions and 9 pre-graduate regional institutions (5 for fine arts and 4 for music).

Fifteen new institutions were created in 2004.

For fine arts :

- 4 annexes of the regional school of fine arts at Sidi Bel Abbes, Annaba, Sétif and Biskra;

- 1 annex of the higher school of fine arts at Bejaia.

For music :

- 8 annexes of the regional music institute at Tlemcen, Bechar, Relizane, Annaba, Constantine, Bejaïa, Tipasa and Laghouat.
- 2 annexes of the regional music institute at Chlef and Sidi Bel Abbès which are expected to open before the end of 2008.

In 2009, the cultural sector will commission 6 new artistic training institutions (4 for music located at Djelfa, Mostaganem, Jijel and Ténès) and 2 for fine arts (situated in Khenchela and Djelfa).



Large-scale cultural projects :

Several large-scale projects were launched. The projects included :

1. Arab-South American Library Project

Much effort was ploughed into this project, first for its establishment in Algeria, and subsequently for adoption of the constitutive texts consistent with our vision and our organizational, statutory and functional perceptions.

In addition to the procedures for the physical actualisation of the project (currently at the level of evaluation of the bids for the architectural design) and the substantial funds mobilized for the study, all the relevant measures for establishment of the library have been put in place, and this project will be discussed by the next Summit of Heads of State of South American and Arab countries due to take place in Qatar late in 2008.

2. Arab Archaeology Center Project

This project which is designed for archaeological research and for which studies were finalized in 2007 will be located in the new city of Sidi Abdallah.

3. Project for a large Auditorium in Algiers

This vital cultural infrastructure, architectural design of which was finalized in 2004, was reactivated in 2008 for study and follow up.

Big Cultural Events :

Throughout 2007, the country was the attraction of the Arab world with the organization of the "Algiers, capital of Arab culture" event.

According to ALESCO and Arab countries, that edition of the event was the most successful in terms of organizational capacity, the cultural infrastructure created, the number and quality of the activities carried out, the productions accomplished and the turn out of Arab and other countries (Italy, Spain and Portugal).

With the success of that mega event, the country is gearing up to host two other big events; namely :

- *the 2nd edition of the Pan-African Cultural Festival in 2009; and*
- *the event christened "Tlemcen, capital of Islamic culture" in 2011*

This flagship event which comes 40 years after the prestigious and memorable

edition of 1969 is currently at take-off stage.

It will be a continent-wide event, attended by highly placed personalities and great African figures. The event will be transmitted on African televisions as well as on international television channels, apart from the national TVC, and will showcase Algeria's 2009 image as it really is, rather than the image projected by some sections of the media.

Tlemcen, capital of Islamic Culture 2011

Algeria's proposal to proclaim the city of Tlemcen the capital of Islamic Culture 2011 was endorsed at the 4th Islamic Conference of Ministers of Culture held in Algiers in December 2004 under the auspices of Islamic Science, Education and Cultural Organization (ISESCO).

Preparations for this event have already started.

Efforts deployed nearly a decade ago to actualise the development projects of the cultural sector have now started to bear fruit, helping to pave the way for a meaningful strategy anchored, among other things, on the values of preservation and protection of national identity and sovereignty, openness to the world and free access to culture - all in the spirit of the national policy for sustainable development.



OBJECTIVE 3 :

Environmental Preservation

Effective protection and development of environmental gains :

Through the creation of regulatory and organizational facilities, the new planning and sustainable development policy aims to correct all the inconsistencies and imbalances by way of a determined policy of equity between the regions and the populations. The town and regional planning sector has, in pursuance of the provisions of Law 01-20 on town and regional planning and sustainable development, put in place requisite tools in this regard, namely :

- National town planning master plan (SNAT) covering the period up to 2025;
- Regional town planning master plans (SRAT) covering the period up to 2025; and
- Master plans for Algiers, Oran, Constantine and Annaba metropolitan areas (SDAAM) covering the period up to 2025.

National town planning master plan (SNAT 2025) is the strategic tool for, inter alia :

- Implementation of the national policy on town planning and sustainable development; and
- Creating a framework for consultation, coordination of partnership and decision-making.
- It is a forward looking and regulatory tool of State policy for harmonious development of the entire national territory, a tool combining economic efficiency, social equity and promotion of individual and environmental protection

The SNAT 2025 constitutes the reference framework for action by public authorities and aims at :

- Rational exploitation of the national space and, in particular, redistribution of the population and economic activities across the entire national territory;
- Development and exploitation of natural resources;
- Protection of eco-systems: coastal, mountain, steppe and the southern eco-systems;
- Appropriate spatial relocation of towns and human settlements;
- Support to economic activities programmed according to the needs of all the regions ;
- Protection and development of the national ecological heritage;
- Protection, restoration and development of historical and cultural heritage;
- Aligning national choices with regional integration projects;
- Establishment of principles to govern the localization of the major transport infrastructure, the large-scale facilities and collective national services; and
- Integration of the various economic and social development policies relevant to implementation of the national town planning policy.

Through the SNAT 2025, the State gives concrete expression to its **large-scale town planning** project through large-scale constructions, thereby kicking off a new town planning policy.

The SNAT 2025 has set for itself three global objectives:

1. Halt/re-balance activities in the coastal areas and redeploy populations and activities to the high plateaux and the southern regions;
2. Integrate Algeria into the information and knowledge society; and
3. Enhance the attractiveness and competitiveness of the cities.

The new town planning policy and the SNAT 2025 which is an expression of this policy are underpinned by the above issues and are reliant on the following four guidelines :

- Guideline 1 : Towards sustainable cities
- Guideline 2 : Create the momentum for town and city re-balancing
- Guideline 3 : Create the conditions for attractiveness and competitiveness of the territories
- Guideline 4: Achieve territorial balance.

These guidelines are underpinned by the realities of the Algerian territory as well as the sector policies implemented in the country. They therefore integrate a large number of existing facilities but seek to align the facilities with the challenges of spatial development specific to the SNAT for the period up to 2025.

The guidelines have been implemented in respect of twenty (20) Territorial Action Programmes (PAT).

The Territorial Action Programme (PAT) comprises functional programmes for direct implementation of the SNAT guidelines which bring together varied and numerous players - the State, grassroots communities, private individuals and citizens

Regional town planning master plans (SRAT) covering the period up to 2025 :

Nine (9) Regional Town Planning Master Plans (SRAT) 2025 were elaborated pursuant to the provisions of Law 01-20 on town and regional planning and sustainable development.

These **SRATs** define the basic orientations for sustainable regional development programme. The also set forth, for the regional and sustainable development programme :

- The merits, key objectives and specific weaknesses of a given



- space;
- The localization of the major infrastructure and collective national services;
 - The provisions on rational preservation and utilization of resources, especially water ;
 - Organization of human settlements to foster economic development, solidarity and integration of the population, redistribution of activities and services and effective management of the space;
 - Promotion of agricultural activities and revitalization of rural spaces in light of their diversity, improving the living conditions of the populations in those spaces and diversifying economic activities, especially non-agricultural activities;
 - Measures to stimulate the regional economy through support to activities and employment development as well as rehabilitation and revitalization of the vulnerable spaces;
 - Economic projects that generate industrialization and employment;
 - Directives for urban infrastructure organization and harmonious development of cities;
 - Specific measures and other initiatives needed in the ecologically and economically vulnerable spaces;
 - Programming of realization of the large-scale infrastructure and collective national services;
 - Measures to preserve and develop cultural, historical and archaeological heritages through promotion of cultural development hubs and activities related to artistic creation and rational exploitation of cultural wealth.

Master plans for metropolitan areas (SDAAM) covering the period up to 2025 :

Studies for the formulation of the four (4) SDAAM of Algiers, Oran, Annaba and Constantine are in progress.

The master plan for development of the metropolitan areas (SDAAM) determines :

- the general guidelines for land use;
- delimitation of the agricultural, forest and grazing areas in the steppes as well as the zones to be protected and leisure resorts;

- localization of the key transport infrastructure and the major structuring facilities;
- general guidelines for protection of natural, cultural, historical and archaeological heritages; and
- localization of urban extensions, industrial and tourist activities and new settlement sites.

The objectives of the master plan for development of the metropolitan areas are as follows :

- plan and organize the development of metropolitan spaces in light of the sustainable criteria of regional and urban development, taking into account social and economic imperatives;
- establish a spatial, temporal and programme-based relationship between the town planning tools: SNAT, SRAT and the tools of urban nature;
- identify the structuring measures likely to positively project the image of the metropolitan space from economic, social and environmental perspectives;
- on the above basis, localize investment programmes in areas where they will yield the maximum positive outcomes ; and
- create a common culture of spatial planning beyond the administrative limits of the relevant area and establish the bases of the town planning project starting from its nerve centre, namely, the metropolitan space.

Wilaya Development Plan (PAW) :

Wilaya development plans spell out and define the guidelines specific to each Wilaya in the areas listed hereunder, in accordance with the Regional Development Master Plan :

- organization of services of local public interest;
- inter-communal development spaces;
- the environment; and
- levels and threshold of organization of urban and rural settlements..

Master Plans for the key Infrastructure and for the National Collective Services for the period up to 2025

As part of implementation of the SNAT, master plans for the key infrastructure and national collective services have been instituted. These plans relate

to virtually all activity sectors particularly water resources, agriculture, transport infrastructure, energy, training, health, higher education and research sectors.

The objectives of these master plans are :

- establish levels of integrated and inter-modal transport infrastructure network for persons, goods, energy or information so as to ensure **accessibility of the territory** ;
- achieve the **attractiveness and competitiveness** of the territory with effective services and logistics facilities;
- support **re-balancing of the territory** and the equity of this exercise by creating effective linkages among all the spaces, and enhance relations within the integrated urban system while fostering satisfactory level of relation between the cities and the countryside; and
- contribute to **sustainable development** of the territory by building a network of integrated facilities: educational, cultural, sports, etc...



Realising a viaduct on the East-West Highway near Lakhdaria (Bouira Wilayate/prefecture)

The **strategy** put in place to attain the aforementioned objectives is underpinned by:

- definition of the infrastructure programmes that backstop the town planning policy, and ensuring mutual **compatibility and complementarity of the infrastructure programmes** through inter-sector and inter-modal coordination;

- optimisation of infrastructure utilization through support to effective development of transport and communication services;
- strengthening the network of existing infrastructure and complementing them with targeted projects with real value-added;
- production of clean energy;
- delocalisation of the city of Hassi Messaoud and building a new city at Oued El Maraa;
- the launch of 10 MW windmill in Tindouf; and
- electrification of 16 villages and 50 solar centres.

Agriculture and Rural Development :

A sustainable development strategy was elaborated in 2006 for Rural Revival, and in 2008 a similar strategy was put in place for rehabilitation of the agricultural economy.

Revival of the Agricultural Economy (2009-2013) as a national strategy for sustainable agricultural development aims, in particular, to enhance food security in the country.

This strategy is anchored on the following five (05) major action areas :

- promotion of a conducive climate for agricultural activities, agro-food operators and an appropriate support policy;
- development of regulations particularly through the system of regulation of widely consumed agricultural products (SYR-PALAC) and security for wealth producers (farmers, livestock producers and agro-food industrialists);
- establishment of ten (10) programmes for intensification of specific productions and programmes: cereals, milk, potato, oil, dates, seeds and plants, red and white meat, water economy as well as agricultural and agricultural extension areas; and
- modernization of agricultural administration and strengthening public authority institutions (forestry administration, veterinary services, phytosanitary services, labelling, etc...).



The Rural Revival Programme is boosted by the Rural Rehabilitation Programme (2007-2013). The latter is intended to provide the framework and modalities for progressive revival of the rural areas through the launch

of diverse and varied economic activities and generalization of grassroots projects for integrated rural development (PPDRI).

The Rural Revival Support Programme covers four umbrella themes (PSRR) :

- modernisation of the villages and ksour for improved living conditions of rural households;
- diversification of economic activities;
- protection and development of natural resources; and
- protection and development of tangible and intangible rural heritage.

As far as results are concerned, the agricultural sector saw a steady growth (1.9% in 2005, 4.9% in 2006 and 5% in 2007), accounting for 8% of GDP. In 2000, the government launched the PNDAR, the objectives of which are to ensure food security for the country, enhance incomes and employment in the rural areas and manage the fragile natural resources in a sustainable manner.

Implementation of the PNDAR resulted in increased arboricultural potential. Between 1999 and 2006, this potential practically doubled rising from 517,000 hectares to nearly 1 million hectares. Cereals production in 2007 peaked at 43 million quintals, with 30 millions quintals in 2006 and 23 millions quintals in 2005.

Potato production experienced significant instability during 2005-2007 (overproduction followed by shortage). In July 2008, the excess production resulted in intervention by public authorities which put in place a new regulatory system: Regulatory System for Widely-Consumed Agricultural Products (SYR-PALAC). 123 thousand tonnes were stocked to guarantee stability of the market, strengthen the producer and preserve the purchasing power of the consumer.

As regards implementation of the Rural Revival Support Programme (PSSR 2007-2013), 6,510 PPDRI were formulated in October 2008 in 1,131 districts and 4,149 localities. This programme will impact on 2,738,059 households.

Create the conditions for effective protection and development of environmental gains:

The measures carried out under various programmes , over an area of 3

million hectares resulted in the treatment of 600,000 ha area from 2005 to 2007.

The 20-year National Reforestation Plan caters for anti-erosion and watershed protection activities. This plan accords priority to the dams already in use and those under construction. The global objective is to cover 1,245,900 ha, with 562,000 ha (or 45%) to be reforested as part of the programme for protection and development of watersheds in mountainous areas.

Sector Development Programmes for water and soil conservation are funded and launched on yearly basis. These include economic growth support programme, high plateaux programme, programme sud.

Studies for protection of dam watersheds were commissioned in 2003 by ANBT working in cooperation with the General Directorate for Forests. This programme entails the protection of 52 watersheds with a total area of 7.5 million ha located in 32 Wilayas.

Large-scale Integrated Development Projects with participatory approach to preparation, execution and monitoring of the programmed activities are in progress. The projects are :



- **Rural II Jobs Project:** this project which was launched in 2004 covers an area of **1,427,200 ha** in mountainous regions, concerns six (6) Wilayas (Tiaret, Tissemsilt, Chlef, Ain Defla, Médéa and Bouira) and targets a population of **1,206,340 inhabitants**. The primary objective of this project is to create jobs through high labour intensive anti-erosion construction works, stabilize the rural population and reduce rural exodus.
- **Mountain Agriculture Development Pilot Project in the OUED SAF SAF watershed :** Launched in 2003 for a period spanning **7 years**, this pilot project covers an area of **34,110 ha** in Skikda (3 communes) and Constantine (1 commune) Wilayas, with target population of 23,000 inhabitants.

Mountain Agriculture Development Pilot Project in the OUED SAF SAF watershed : Launched in 2003 for a period spanning **7 years**, this pilot project covers an area of **34,110 ha** in Skikda (3 communes) and Constantine

(1 commune) Wilayas, with target population of 23,000 inhabitants.

Social transfers from the State budget during 2000-2007 was quite significant, increasing from 262,430 million DA in 2000 to 838,947 million DA in 2007. The relevant data are as follows:

(in million DA)

Description	Years							
	2000	2001	2002	2003	2004	2005	2006	2007
Housing	67.758	74.614	76.686	99.225	8 031	11.645	15547	251 061
Support to Families	47.333	66.573	76.934	81.444	8.803	96.123	13791	206 109
Support to retirees	19.450	38.360	41.560	56.923	7.697	62.880	7124	99 812
Health	33.296	42.167	49.989	60.023	6.102	60.442	7371	108 122
Moudjahidine	60.428	56.833	78.064	63.355	7.669	75.782	9542	90 616
Support to disadvantaged, disabled and low income earners	34.165	36.464	41.540	55.363	4.127	50.612	9159	83227
Total	262.430	315.011	364.773	416.333	8 29	460.484	625.36	838.947
Transfer / GDP	6,36	7,45	8,07	7,93	98	6,10	7,3	8,93
Transfer / BGE	21,87	21,40	23,45	24,05	2,01	20,00	24,5	21,26

Source: Ministry of Finance

ANNEXES

MATRIX I

DEMOCRACY AND POLITICAL GOVERNANCE



STANDARDS AND CODES

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Standards and Codes	RATIFICATIONS	<ul style="list-style-type: none"> - Review of the ratification of the Rome Statute on the International Criminal Court is in progress - The Protocol on the Rights of Women in Africa has not yet been ratified. This instrument contains provisions that are incompatible with some provisions of the Family Code. 	
	RESERVATIONS TO INTERNATIONAL CONVENTIONS	<ul style="list-style-type: none"> -With regard to the United Nations Convention on the Elimination of All Forms of Discrimination against Women, especially the reservation to Article 9/2 on equal rights of mothers and fathers for the transfer of Algerian nationality to children may be considered null and void since the amendment of the nationality code guaranteeing this equality. - Apart from the traditional reservation (compulsory jurisdiction of the ICJ or international arbitration), Algeria expressed reservations about the convention mentioned above (Articles 2, 15/4, 16 and 29) and stated that it only applies these articles within the limits of the Family Code. These reservations do not affect the essential purpose of the legal instruments in question. - The Convention on the Physical Protection of Nuclear Material, the International Convention for the Suppression of Terrorist Bombings, International Convention for the Suppression of Terrorist Financing and the United Nations Convention against Transnational Organized Crime all arouse the same reservations about the ICJ compulsory jurisdiction clause or international arbitration, and the non-recognition of the State of Israel. 	

OBJECTIVE 01 : PREVENTING AND REDUCING INTERNAL AND INTER-STATE CONFLICTS

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
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Management of the aftermath of the national tragedy	<p>PROCESSING OF DOCUMENTS OF VICTIMS OF NATIONAL TRAGEDY AS PART OF IMPLEMENTING THE CHARTER FOR PEACE AND NATIONAL RECONCILIATION AND SUBSEQUENT TEXTS.</p> <p>MANAGEMENT OF DISAPPEARANCE CASES PURSUANT TO PRESIDENTIAL DECREE 06-93 OF 28 FEBRUARY 2006, ON COMPENSATION OF VICTIMS OF NATIONAL TRAGEDY.</p>	<p>- At 31 July 2008:</p> <ul style="list-style-type: none"> - Overall package to fund the aftermath of national tragedy: DA 22,600,000,000.00 - Compensation paid: DA 6,634,821,247.00 <ul style="list-style-type: none"> - 15,438 persons received by the Wilaya committees; <ul style="list-style-type: none"> - 8,023 disappearance cases counted; <ul style="list-style-type: none"> - 5,704 cases accepted; - 5,579 judicial sentences issued; - 6,855 records of disappearance cases issued; <ul style="list-style-type: none"> - 934 cases rejected - Compensation amounts paid to next-of-kin: <ul style="list-style-type: none"> • Overall capital: DA 371,459.390.00; • Monthly pension: DA 1,320,824,683.00. 	<p>Families affected by the involvement of their loved ones did not go to the Wilaya committees because they are well off, whilst others did not go because they do not want their loved ones who died as members of terrorist groups to be considered as terrorists</p>
	<p>STATE ASSISTANCE TO POOR FAMILIES SUFFERING FROM INVOLVEMENT OF ONE OF THEIR FAMILY MEMBERS IN TERRORISM, PURSUANT TO APPLICATION OF PRESIDENTIAL DECREE 06-94 OF 28/2/2006 ON STATE ASSISTANCE TO THESE FAMILIES.</p>	<p>12,646 case files reviewed by Wilaya committees;</p> <ul style="list-style-type: none"> - 12,437 cases accepted; - 4,805 cases rejected; - 139 cases awaiting judgment; - Compensation amount paid to next-of-kin: <ul style="list-style-type: none"> • Overall capital: DA 3,380,092,613.00; • Monthly pension: DA 523,933,701.00. 	
	<p>REINTEGRATION AND/OR COMPENSATION FOR PERSONS SUBJECTED TO DISMISSAL, FOR REASONS RELATED TO THE NATIONAL TRAGEDY PURSUANT TO PRESIDENTIAL DECREE 124-06 OF 27/3/2006.</p>	<ul style="list-style-type: none"> - 9,861 cases examined; - 5,430 cases accepted; - 5,560 approved for reintegration; - 4,940 approved for compensation; - 4,395 cases rejected; - 36 cases pending; - Compensation paid to next-of-kin: DA 1,038,510,860.00 	
Putting an end to situations of precariousness and exclusion	<p>CONSTRUCTING ONE MILLION HOUSES</p>	<ul style="list-style-type: none"> - The overall programme to date is 1,457,000 units. As at 31/12/2007, the results of the various programmes for the 2005/2007 period were as follows: <ul style="list-style-type: none"> • 970,000 houses under construction, <ul style="list-style-type: none"> • 430,000 houses delivered, • 480,000 social houses for renting, about 200,000 of which are to help reduce the lack of accommodation, • 924,000 state-assisted housing, 395,000 in the urban areas and 529,000 in the rural areas. 	<p>Funds mobilized by the State for the entire programme amount to DA 1,020 billion: DA 675 billion (62%) for government houses for renting; DA 345 billion (38%) for funding state assistance.</p>
	<p>ELIMINATING POOR HOUSING</p>	<ul style="list-style-type: none"> - During the 2005/2008 period alone, almost 200,000 houses were registered and distributed to all the Wilayas (70,000 government houses registered annually). 	<p>As at the end of 2007, over 500,000 houses were considered to be in poor condition. Plans are underway to rehabilitate the old sector later.</p>

IMPROVING THE PEOPLE'S LIVING
CONDITIONS

- An amount of over DA 300 billion was released over the 2005/2008 period to finance renovations and rehabilitations aimed at addressing the lack of facilities in 7,500 sites throughout the country's Wilayas.
- With regard to poor living conditions, a DA 840 million package was mobilized to finance a valuation exercise of the old buildings in the four largest cities of the country in order to find appropriate solutions for processing and managing this heritage.
- 11,153 removal, cleaning and sanitary vehicles provided.

Actions undertaken nationwide

PROVISION OF EQUAL ACCESS TO
SOCIAL HOUSING

- a regulatory process for selecting beneficiaries of social housing for renting was put in place;
- Put up public notices of the beneficiaries for a period fixed according to the regulations;
- Appeals are dealt with by a committee chaired by the Wali.
- Compilation, in 2001, of a national list of beneficiaries of social housing and State assistance in the Housing and Town planning sector.

Computerisation of the follow up

PROGRAMME OF SUPPORT TO THE
POOR

- The number of beneficiaries selected and managed under the lump-sum programme (AFS) rose from 589, 297 in 2005 to 605,870 in 2006, 626,371 in 2007 and settled at 681,092 in the first quarter of 2008;
- The number of beneficiaries for general interest activity compensation (IAG) increased from 181,223 in 2005 to 217,590 in 2006, 252,980 in 2007 and reached 268,575 in the first quarter of 2008.
- The lists of beneficiaries for these two allowances are periodically cleaned up.
 - Poor prisoners receive social and financial aid of DA 2,000.00 on their release. (Executive Decree no 05-431 of 8 November 2005 and inter-ministerial decree of 2 August 2006). The number of beneficiaries has risen to 12,690.
- The number of neighbourhood cells increased from 105 in 2006 to 152 in the 1st quarter of 2008.
- Distribution of 1,500,000 straw baskets and over 7,000,000 meals (in celebration of Ramadan)
- In addition to the 276 existing institutions in charge of vulnerable groups, 19 more were opened in 2008, 34 are nearing completion and 18 are in the pipeline. In all 347 institutions will be ready by the end of December 2008 to receive 20,585 people.
 - Increased reception capacities and rehabilitation work on 139 structures;
 - A "Samu Social" was set up, took care of 29,832 homeless people, 24,148 from 2004-2006, 5,359 in 2007 and 3,260 (2,410 men and 850 women) at 31 August 2008.
 - 76 structures have been reserved to receive the homeless, with a capacity of 2,377 places for accommodation/day and 683 social workers have been mobilized.

The lump-sum solidarity allocation (AFS) was reviewed upwards in 2007 from DA 1,000.00 per month to DA 3,000.00 per month for the aged who receive this assistance

EMPLOYMENT SUPPORT PROGRAMME

- Adoption of a national action plan to promote employment and reduce unemployment.
- The action plan is based on seven (7) points:
 1. support for investment in the economic sector;
 2. promote training that leads to a qualification
 3. promote an incentive policy for economic firms;
 4. promote youth employment;
 5. reform and modernize public service employment management through the national employment agency (ANEM);
 6. introduce monitoring and evaluation mechanisms;
 7. create coordination bodies.

The social and professional integration programmes were developed as follows:

*The labour-intensive public utility works programme, which aims at creating large numbers of temporary jobs in poor areas through the establishment of infrastructure maintenance and repair sites by the local communities and through the development of casual work, benefits 250,000 people annually, 40% of whom are in the 18 – 30 year group.

This programme was given particular attention in the special development programmes (SUD and Hauts Plateaux). The funds mobilized were used to improve the programme.

2,913 jobs were created under the Hauts Plateaux development programme (male employment/year) in 2007. 2,933 and 2,941 sites are expected to be launched in 2008 and 2009 respectively.

1672 jobs were created under the development programme for the southern regions (male employment/year) in 2007. 2023 sites a year are expected to be launched in 2008 and 2009.

*The "Blanche Algérie" (White Algeria) Programme: this is a programme created in 2006 to integrate the unemployed youth by setting up very small businesses, whose activities improve their living conditions and protect the environment. The programme is run in partnership with local authorities and associations. It offers the youth a twice renewable contract and assistance to start their business.

the programme is multi-annual

*The pre-employment programme (CPE) of the special development programmes (southern regions and Hauts Plateaux) currently involves over 35,000 young people. The aim of the CPE is to find employment for young graduates.

*Local seasonal jobs (ESIL):

This programme was selected by the Government as a means of integrating the youth, and consists in employing young unemployed people in temporary jobs in public utility works and services initiated by the Local authorities, the technical departments of the sectors and other local development partners.

Significant funds were mobilized to consolidate the programme. A package of DA 6,730,166,852.00 was earmarked for this programme.

34,523 jobs were created (actual placements) in 2007 under the Hauts Plateaux development programme. It is expected that 53,013 and 54,712 jobs will be provided in 2008 and 2009 respectively.

3,845 jobs were created under the Southern regions development programme (actual placing) in 2006 and 3,952 in 2007. In 2008 and 2009, it is expected that 4,070 and 4,190 young unemployed respectively will be placed.

As part of the social reintegration of released prisoners, the ministry of justice placed 1,911 prisoners in various jobs.

The new youth employment promotion policy is based on the economic approach and focuses on:

- Business development support;
- Promotion of salaried employment;

OPERATION 100 PREMISES PER COMMUNE

- Extension of the national management agency micro-credit support programme to all citizens wishing to run their own businesses, giving rise to a huge business site with 54,770 businesses of all types.
- Rehabilitation and modernization of the national employment agency (ANEM) as well as the extension of the agency network (25 new structures created).
- 19 000 registered businesses, construction work started on all of them, with 65% achieved. This operation will help create 35,000 jobs by 2009.

A draft bill has been finalized to regulate the allocation of premises and ensure transparency. The first applicants are at an advantage

Reducing social tensions	<p>IMPLEMENTATION OF THE ECONOMIC AND SOCIAL PACT:</p> <ul style="list-style-type: none"> • REVIEW SOCIAL LAWS IN ORDER TO FORMULATE A LABOUR CODE AND INTEGRATE SOME INTERNATIONAL STANDARDS. • THE CAMPAIGN AGAINST INFORMAL WORK THAT IS NOT COVERED BY SOCIAL SECURITY • IMPLEMENTATION OF THE PROVISIONS OF LAW 04-19 ON THE CONTROL AND PLACING OF WORKERS OBLIGING EMPLOYERS TO PLACE THEIR EMPLOYMENT OFFER NOTICES WITH NATIONAL EMPLOYMENT AGENCY'S (ANEM) NETWORK OF AGENCIES. 	<ul style="list-style-type: none"> - The draft labour code is being finalized - Increased social protection for workers (with social security). - Strengthening inter-sectoral coordination (in 2007, 9,810 employers with 69,091 employees were inspected).
Maintaining relations with neighbouring countries	<p>CONSOLIDATION OF INTERNATIONAL SOLIDARITY AND HUMANITARIAN AID</p> <ul style="list-style-type: none"> • SHARING ECONOMIC DEVELOPMENT AND TIGHTENING LINKS WITH NEIGHBOURING COUNTRIES. • SOLIDARITY AND HUMANITARIAN ACTION 	<ul style="list-style-type: none"> - Holding of joint committee meetings on economic cooperation and political dialogue, and the exchange of visits by high-ranking leaders. - Two gas pipelines to Spain and Italy through Morocco and Tunisia; - Project to link Algeria with Nigeria and the mega East-West highway project launched in March 2007, as well as the Trans-Sahara route; - Provision of aid and assistance to several African countries (Niger, Mali, Mauritania, Sudan, Western Sahara), which have experienced natural disasters and crises.
Putting in place an early warning system and conflict forecasting and reduction mechanism	<ul style="list-style-type: none"> - Mediatory role, particularly in the Northern Mali conflict; - The appointment of former Algerian President, Mr. Ben Bella to the African Union's Group of Elders, and the election of a new African Union Commissioner for Peace and Security, Mr. Ramtane Lamamra; - Provision of logistics support notably for transporting troops of the peace-keeping missions in Somalia and Darfur; - Sent military observers to the united Nations missions in DRC (UNMC) and in Ethiopia and Eritrea (UNMEE); - Payment of US\$ 3 million (being part of its financial 	<ul style="list-style-type: none"> contribution) to finance the African force in Darfur; - Signing of a memorandum of understanding on the formation of the North African Brigade within the framework of the African Standby Force on 17 June, 2007; - Provision of support to the African Centre for Study and Research on Terrorism in Algiers.

**OBJECTIVE 2 :
CONSTITUTIONAL DEMOCRACY, INCLUDING PERIODIC POLITICAL COMPETITIONS AND THE OPPORTUNITY TO MAKE A CHOICE, THE RULE OF LAW, THE DECLARATION ON HUMAN RIGHTS AND PRIMACY OF THE CONSTITUTION**

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Consolidating constitutional democracy	CONSTITUTIONAL REVIEW	<ul style="list-style-type: none"> - Organisation of lecture forums and parliamentary days (the lower house – APN, and the upper house – Conseil de la nation) on themes relating to the organisation of powers, the consolidation of the separation of powers and the clarification of relations between Government and Parliament; Organisation of seminars and conferences involving universities, researchers, parliamentarians and other local experts treating various subjects such as democracy, legislation, drawing up statutes and regulations, and the roles of parliament and civil society; - The ministry in charge of relations with parliament organised fourteen (14) national and international seminars and conferences, <ul style="list-style-type: none"> - 12 November 2008: meeting of parliament to amend the constitution, 15 November 2008: promulgation of law 08-19 of 15 November 2008 on the review of the Constitution. 	<p>The constitutional review of 15 November 2008 (Law 08-19 of 15 November 2008) led to:</p> <ul style="list-style-type: none"> - The national symbols which happen to be the features of the national flag and the national anthem are enshrined in the constitution - Clarification of the relationships within the executive without necessarily referring to the balance of powers - A re-formulation of article 74 of the constitution on the president's term of office which is limited to five years with a repeal of paragraph two which reduced the term of office of the President of the Republic to just one. This will help the people express their will fully with regard to the people's sovereign right to freely choose their leaders. - Strengthening gender policies by increasing their opportunities for access to representation in the elected assemblies

RATIFICATION OF TEXTS ON PROTECTION AND PROMOTION OF HUMAN RIGHTS

- Adoption of new code of civil and administrative procedure by virtue of Law 08-09 of 25 February 2008.
- Promulgation of organic Law 05-91 of 10 17 July 2005 on the administration of justice.
- Algeria presented and defended its report to the Universal Periodic Review – UPR, the new mechanism instituted by the UN human rights Council on 14 April 2008. .

All the laws on the protection and promotion of human rights have been ratified, with the presentation of periodic reports before the UN committees.

STRENGTHENING THE LEGAL FRAMEWORK ON RIGHTS AND LIBERTIES

- Modification of the legal framework on the exercise of rights and liberties by virtue of Law 06-22 of 20 December 2006 amending and completing Order 66-155 of 8 June 1966 on the Code of Criminal Procedure.
- Review of the expediency of police custody by the Attorney General,
 - Informing the person in police custody of his rights,
 - Affirmation that the person in custody has a right to a medical examination if they so wish;
 - Equipping the premises to be used for custody,
 - Inspection by the Attorney General of the premises to be used for custody,
 - Legal information;
 - Strengthening the presumption of innocence by affirming the principle of the investigation of cases for the prosecution and the defence, and by making it compulsory to give reasons for orders to remand in custody;
 - Extension of the right of appeal against the orders of the examining judge to remand in custody and place under court supervision;
 - A reduction in the time for entering an appeal concerning remand and court supervision;
 - The possibility of verbally summoning the parties' lawyers;
 - Compensation for a miscarriage of justice and unjustified remand in custody;
 - Abrogation of the death penalty for violations to property and limitation of the field of application of the death penalty.

Holding regular elections

RENEWAL OF PEOPLE'S NATIONAL ASSEMBLY
• HOLDING OF ELECTIONS
• REVIEW OF VOTERS' REGISTERS

- The last elections were held on 17 May, 2007 and featured 12,225 candidates: 11,207 men and 1,018 women (8.33%). Out of the 389 elected, 361 are men as against 28 women.
- The review of voters' register is done under the control of an administrative committee presided over by a state prosecutor, as well as the certification of individual signatures and making out powers of attorney;
- Review of appeals on the rejection of candidates is done in the administrative court.

It must be noted that, apart from the yearly review, the May and November 2007 elections were preceded by extensive reviews of the voters' registers.

RENEWAL OF THE COUNCIL OF THE NATION.

- A third of the Conseil de la Nation was elected by indirect vote in December 2007 in accordance with the provisions of the organic law on the electoral process.

	RENEWAL OF WILAYA PEOPLE'S ASSEMBLIES	- The last elections were held on 29 November 2007. 20,029 candidates, made up of 18,465 men and 1,564 women (7.81%) ran for office. Out of the 1,960 elected, 1,830 were men and 130 i.e. 6.63% are women.
	RENEWAL OF PEOPLE'S COMMUNAL ASSEMBLIES	- The last elections were held on 29 November 2007. 120,213 candidates, 117,076 men (97.4%) and 3,137 women (2.6%), participated. Out of the 13,981 elected officers, 13,879, being 99.27% are men, and 102, representing 0.73%, are women.
	PRESIDENTIAL ELECTION	- Planned for the end of the term and at the time stipulated by the Constitution and the electoral law, which, in this case, is 2009.
Intensifying the decentralization process	AMENDMENT OF THE LAWS ON COMMUNE AND THE WILAYA	- Draft bills on the municipality and on the Wilaya have been finalised.
	REFORM OF LOCAL FINANCES	- Decentralisation of tax services and recovery; - Increased share for local authorities in the VAT on urban planning permits and authorisations.
	REVIEW OF THE TERRITORIAL ORGANIZATION	- Evaluation of the current territorial management has started in the territorial administrative areas headed by the Wali delegates and is aimed at reshaping the decentralised communities.
	MODERNIZATION OF THE INFORMATION AND COMMUNICATION SYSTEM OF LOCAL COMMUNITIES	- An information network has been set up; - A monitoring and evaluation mechanism for development programmes and projects developed; - A geographic information system to visualize local investment operations monitoring (SIG/VSOI) has been put in place; - A socio-economic indicators and data base of the communes has been constituted; - Training of Wilaya users in project monitoring; - Development of a local communities' interactive Atlas

TRAINING AND RETRAINING
FOR LOCAL OFFICIALS

- Establishment of training institutions;
- A new programme registered for the establishment of six institutions in addition to the existing five.
- A training programme of several courses for the General Secretaries of municipalities, heads of local administration, technical officers initiated;
- 220 general secretaries have already been trained; 205 others are undergoing training;
- Training of 1,500 technical officers recruited and posted to the various local communities;
- Training all the local administration directors and heads of public procurement departments in procurement and project management;
- Training 157 general and Wilaya inspectors;
- Training 535 Daira chiefs: half of them are almost through with their training and the other half will begin in the next session;
- Training of 1,541 ACP presidents organised into 64 training groups;
- Launching of a new action programme before the end of the year for 48 Walis and 13 Wali delegates, 48 Wilaya secretaries general, 48 Wilaya regulation directors, 48 local administration directors, 48 Wilaya general inspectors and 6,500 administrative and technical officers

OBJECTIVE 3 :
**PROMOTING ECONOMIC, SOCIAL,
CULTURAL, CIVIL AND POLITICAL RIGHTS**

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Protecting economic and social rights	INTERNATIONAL PACT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS	Algeria's third and fourth consolidated periodic reports on the implementation of the "International Pact on economic, social and cultural rights" were transmitted in December 2007 to the Committee on economic, social and cultural rights for examination in compliance with the provisions of article 16 of the said Pact.	
	CONSOLIDATING AND MAINTAINING THE SOCIAL SECURITY SYSTEM.	<ul style="list-style-type: none"> - Strengthening the financial equilibrium of the social security funds; - Continuation of the implementation of contract-based solutions in the relationship between the social security system and the public health care institutions; - Smart card effectively installed in 5 pilot Wilayas; - Continuation of the review of the rates for medical acts; - Continuation of reform of recovery and control tools notably through the creation of a new office to recover social security contributions; - Extension of the reference tariff to other refundable medicines; - Sign a health care contract with the family doctor. 	Gradual generalization.

<p>ENHANCEMENT OF THE RIGHT TO INFORMATION</p>	<p>1. The print media - Set up an assistance fund for the press to help regulate and guide the weak sectors of the industry such as the regional, specialized and local press, as well as distribution, broadcasting and training. - 291 newspapers with a total average circulation of 2,428,500 copies per day. - Inauguration of the Ouargla regional printing house, more will be created to facilitate distribution throughout the country.</p> <p>2. Television - More programmes available through the terrestrial channel (ENTV) and two satellite channels (Canal Algérie and A3).</p> <p>3. Radio - There are currently 38 radio stations, six national and 32 local, seven of which have been in operation since September 2007; the objective is to have one radio in each Wilaya.</p>
<p>Improving access to justice</p> <p>LEGAL ASSISTANCE</p>	<ul style="list-style-type: none"> - Amendment of the order on legal aid (Law 01-06 of 22 May 2001 amending and completing Order 71-57 of 5 August 1971 on legal aid) - Provision of legal aid as a matter of law for the poor to facilitate their access to justice. - Procedure to access legal aid simplified and the time shortened. - Grant legal aid in all cases and in all courts (first instance, appeal, supreme court, Council of State) - Assigning of official defence counsel to minors and in criminal cases. - Constituting a committee to review and study the decree on legal aid. <ul style="list-style-type: none"> o Chouhada widows who have not remarried; o Disabled veterans, o Minors, o All applicants for maintenance, o The mother in custody cases, workers in industrial accident or occupational disease cases, and to their beneficiaries. .
<p>MULTIPLICATION OPPORTUNITIES FOR APPEAL</p>	<p>Apart from the management of requests by the different jurisdictions, the demands of the citizen are examined by the central administration of the Ministry of Justice</p>

REDUCTION OF TIME FRAMES

- the treatment of cases by the penal jurisdictions is done within a maximum period of 3 months.
- the increase in staffing is regularly done at the rate of 300 new recruits per year for magistrates (since 2004) and 800 for bailiffs.
- Facilities of access to legal services, sensitization of magistrates for catering for the citizen as soon as he resorts to the justice system, creation of the one-stop office and reception days at the level of the jurisdictions (orientation of the citizen).
- processing of applications by the civil jurisdictions within 6 months.
- automatic registration and treatment of the judicial activity, to ensure:
- free flow of information between services and between jurisdictions;
- and to immediately meet the request from the citizen: information and issue of documents through an electronic window.
- for the training in human resources, it is planned to train, each year, abroad, 02 officials in human resources and 06 in training and education management.
- the processing of applications or requests of detainees for granting of conditional release day parole, temporary absence, provisional suspension of the execution of the sentence, subjected to the appreciation of the Committee on application of sentences is done within a maximum period of one month from the date of their registration at the Secretariat and in case of taking a decision on an application for conditional release, within the competence of the Minister of Justice, Keeper of the Seals, the Committee on revision of sentences should take its decision within a maximum period of 30 days from the date of reception. Moreover, the latter gives a ruling on the appeals submitted to it within 45 days from the date of the appeal.

Besides, the Code of Civil and Administrative Procedure was promulgated on 23/04/2008. The text provides for simple procedures to facilitate access of the citizen to the justice system, and reduction of the time frame of the procedure. This law will enter into force on 24/04/2009

IMPROVEMENT OF LEGAL COVERAGE

- Facilitating access to the justice system by bringing it closer to the justiciable, through a full judicial coverage on the entire national territory.
- Pursuit of the courts of justice in accordance with Ordinance 97-11 of 19 March 1997 on judicial division, which stipulates the installation of courts of justice in each Wilaya.
- Pursuit of the installation of tribunals in accordance with Executive Decree 98-63 of 16 February 1998 fixing the competence of courts and the modalities of application of Ordinance 97-11;
- Creation of annexes of courts in the communes taking into consideration the density of the population and the distance from the courts.
- Installation of specialized judicial poles in civil matters will be done in accordance with Law 08-09 on the code of civil and administrative procedure.

- A programme of construction of headquarters and courts and tribunals was launched a few years ago: 25 court headquarters and 66 tribunal headquarters will be delivered by the end of 2009.
- The number of tribunals is about 194, and the objective is to increase it 214 tribunals;
- The number of annexes has reached 20.

- Execution of court decisions

- sanction for non-execution of court decisions and hindrance of the execution.
- the installation of local committees at the level of the courts to ensure the follow-up of the execution of court decisions.
- creation of the branch in charge of following up on execution of court decisions, as well as the analysis and statistics on the execution of court decisions.

The rate of execution of court decisions in civil cases is 87%. Court decisions are executed by bailiffs. The Public Prosecutor's Office intervened to ensure the execution of judgments, where necessary by requisitioning the law enforcement authority.

DEVELOPMENT OF A CODE OF ETHICS FOR COMPETING PROFESSIONALS: LAWYERS, BAILIFFS, QUALIFIED INVESTIGATORS

- Review of Executive Decree 89-144 of 08 August 1989 fixing the conditions of access, exercise and discipline of the profession of notary as well as the rules of organization and functioning of the organs of the profession.
- Review of Executive Decree 90-81 of 13 February 1990 organizing the accounts of notaries and fixing the conditions of remuneration for their services.
- Development of the draft Executive Decree fixing the conditions and modalities of recruitment of staff of the notary.
- Development of the draft Executive Decree fixing the conditions and modalities of management and conservation of the archives.
- 2- Bailiffs: The draft Executive Decree on the code of ethics of the profession of bailiff will be examined after adoption of the following draft Executive Decrees:
 - Review of Executive Decree 91-185 of 01 June 1991 fixing the conditions of access, exercise and discipline of the profession of bailiff as well as the rules on organization and functioning of the organs of the profession.
 - Review of Executive Decree 91-270 of 10 August 1991 organizing the accounts of bailiffs and fixing the conditions of remuneration for their services.
 - Draft Executive Decree fixing the conditions and modalities of recruitment of staff of the bailiff.
 - Development of draft Executive Decrees on the codes of ethics of the professions of court expert and auctioneer
 - Conferences and workshops were organized with bailiffs:
 - 01/02/2007 seminars on the execution of court decisions, and its role in the reform of the justice system.
 - 15/02/2007: seminar with bailiffs on the issue of execution and role of the bailiff in the reform of the justice system.
 - 15/02/2007: seminar on notification and execution in civil matters.
 - 02/04/2007: workshop on issues relating to notification and appearance.
 - 18 - 19/10 2007: international seminar on the promotion of the model status of the bailiff.
 - 06/03/2008: workshop on procedures of seisin of movable property.
 - 07 - 08/06 2008: international conference of the efficiency of the execution of court decisions for the promotion of investment and trade.

The draft executive decrees on codes of ethics of the professions of court expert and auctioneer will be developed after the adoption of the law on court expert and the amendment of Ordinance 96-02 of 10 January 1996, on organization of the profession of auctioneer.

	FACILITATION OF ACCESS FOR VULNERABLE PERSONS *	<ul style="list-style-type: none"> - Construction of an access ramp for persons with motor disability in all the jurisdictions, - Arranging a specific room and desk as well as first aid infirmary in all the jurisdictions. - These operations are ongoing. - Acquisition of a Braille printer for the use of the blind.
Development of culture	CLASSIFICATION OF SITES AND CREATION OF PROTECTED SECTORS	Certain sites have been classified, protected sectors have been created and the action is ongoing for other sites and sectors
	CREATION OF THE NATIONAL BOOK CENTRE	The draft decree on creation of the National Book Centre is under discussion at the general Secretariat of the Government
	ESTABLISHMENT OF A NETWORK OF COMMUNAL LIBRARIES	<ul style="list-style-type: none"> - Establishment of a network of public libraries under the project "one library per commune" - Launching of an operation for the establishment of 1 176 libraries and reading rooms with the solidarity fund of the local communities: 448 libraries and reading rooms will be completed in 2009 in their totality while an appreciable number has already been delivered. - All the penal institutions have been provided with libraries for the detainees and staff. Educational, cultural and leisure activities are strongly encouraged.
	ACQUISITION OF DOCUMENTARY FUNDS	Documentary funds (books published in the framework of the activity « Algiers, capita of Arabic culture 2007 » were distributed to libraries from April 2008).
	SUPPORT FOR ART AND LITERATURE	Aid on the funds of art, literature and cinema is implemented in 2008
	DEVELOPMENT OF MUSEUMS	<p>Projects on construction of the :</p> <ul style="list-style-type: none"> • museum of contemporary modern art • museum of miniature painting and illumination • of the maritime museum of Algiers <p>The museum of modern and contemporary art and the museum of miniature painting and illumination have been created and inaugurated in 2007</p>
	CREATION OF THE HIGHER INSTITUTE OF AUDIOVISUAL AND PERFORMING ARTS STUDIES	The high institute for audiovisual and performing arts studies is functional since 2006
	RESTORATION AND RECUPERATION 144 CINÉMA HALLS	16 cinema halls out of 144 will be completed in 2009
	ENCOURAGEMENT FOR CULTURAL ASSOCIATIONS	The associations receive annually subventions on government budgets: 6,700 cultural associations identified at the national and local levels will be concerned
	EXTENSION OF COPYRIGHTS AND NEIGHBOURING RIGHTS VOISINS	Signing of several agreements between the National Copyrights Office and Internet operators

OBJECTIVE 4 :**CONFIRMING THE SEPARATION OF POWERS,****INCLUDING THE PROTECTION AND INDEPENDENCE OF THE JUDICIARY AND AN EFFICIENT PARLIAMENT**

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Preventing any interference between the powers	CLARIFICATION OF RELATIONSHIPS: - PARLIAMENT / GOVERNMENT, - APN AND COUNCIL OF THE NATION	This issue was discussed on the eve of the amendment of the Constitution of 15 November 2008, which established the principle of the creation of the post of Prime Minister in place of head of Government who now presents his action plans to Parliament. The relationship between the APN and the Council of the Nation are still governed by the legislation in force, notably, Organic Law 99-02 of 8 March 1999.	This amendment is in line with the principle of clarification of powers. amendment is in line with the principle of clarification of powers.
	REMOVAL OF THE INVESTIGATING JUDGE FROM THE AUTHORITY OF THE DISTRICT ATTORNEY	Inclusion of the Code of Penal Proce	Principle enshrined in the Constitution (Articles 138, 147 and 148)
	CODIFICATION OF THE RELATIONSHIPS BETWEEN THE DISTRICT ATTORNEY AND THE INVESTIGATING JUDGE	- Inclusion of the Code of Penal Procedure in the ongoing reform. - The justiciables are informed and notified about decisions on classification of their requests and complaints; they have an option of making an appeal. The classification decisions are revocable.	- The relationships between the District Attorney and the investigating are in the sense of coordination et not subordination.
	RE-EXAMINATION OF THE EXERCISE OF DISOONTINUNANCE BY THE DISTRICT ATTORNEY	Inclusion of the Code of Penal Procedure in the ongoing reform.	
	DEVELOPMENT OF A CODE OF ETHICS FOR MAGISTRATES	The Charter on the code of ethics of magistrates was published in March 2007. This text contains universal principles, notably those of Bangalore.	The Charter and Statutes of the Judiciary and prerogatives of the Conseil supérieur de la magistrature enhance the accountability of the magistrate

MAKING THE JUDGE AWARE
OF HIS RESPONSIBILITY IN
THE FRAMEWORK OF THE
LEGAL PROCEDURE

- Inclusion in the Constitution (Articles 138, 147 and 148), the Organic Law on status of the judiciary, the Organic Law on the Conseil supérieur de la magistrature and the Charter on the code of ethics of the magistrate, which was published in 2007.
- The Conseil supérieur de la magistrature held in 2007 two disciplinary sessions.
- The 2007 Charter on the code of ethics of the magistrate receives its application when complaints are made against the magistrate concerned.
- An international conference on the Charter on the code of ethics of the magistrate was organized in 2007. National and regional seminars are organized with the collaboration of the American Bar Association (ABA), of USA, on the theme code of ethics of magistrates

The independence of the judge is a principle enshrined in the Constitution (Articles 138, 147 and 148). The organic law on the Statutes of the Judiciary enhances the protection of the magistrate and of its autonomy, the organic law on the Conseil supérieur de la magistrature makes the magistrate aware of his responsibilities before his peers represented by the Conseil supérieur de la magistrature and subjects his action to the respect of the Charter on the code of ethics of the laws of the Republic

DEVELOPING A CODE OF
ETHICS FOR BAILIFFS

- Developing pending (awaiting the publication of the special status of the core of bailiffs which is being developed)
- The basic training programmes comprise a module on the code of ethics of the civil servant and the staff of the bailiff. In all the continuing training activities, it is planned to present a paper on this code.

OBJECTIVE 5 :
ENSURING A MODERN, COMPETENT
AND EFFICIENT PUBLIC SERVICE IN THE SERVICE OF DEVELOPMENT

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Promoting an administration in the service of development	<p>ADOPTION OF THE GENERAL STATUS OF THE PUBLIC SERVICE (ORDINANCE 06-03 OF 15 JULY 2006) ENSHRINING THE PRINCIPLES AND RULES OF A REAL REFORM OF THE PUBLIC ADMINISTRATION ON NEW VALUES WITH A VIEW TO PROMOTING A CULTURE OF PUBLIC SERVICE BASED ON THE REQUIREMENT OF INTEGRITY, EFFICIENCY, COMPETENCE WITH THE OBJECTIVE OF FACILITATING THE EMERGENCE OF AN IMPARTIAL AND EFFICIENT ADMINISTRATION CAPABLE OF MEETING THE EXPECTATIONS OF THE CITIZENS.</p> <p>- IMPLEMENTATION OF THE NEW STATUS OF THE PUBLIC SERVICE</p> <p>- REFORM OF THE SPECIAL STATUTES GOVERNING THE DIFFERENT CORPS OF PUBLIC SERVANTS.</p> <p>- REVIEW OF SCHEMES OF COMPENSATION</p>	<p>- Adoption and gradual implementation of 75 decrees:</p> <p>(1) reform of the classification system in the public service,</p> <p>(2) development of new special statutes of the different corps and grades,</p> <p>(3) development of the text on the various components associated with the career of public servants</p> <p>(4) review of the schemes of compensation of the different corps.</p> <p>- The year 2007 was devoted to the establishment of the new system of classification and remuneration in the public service;</p> <p>- The year 2008 was devoted to the reform of the special statutes governing the different corps of public servants. All the special statutes will be adopted before the end of 2008.</p> <p>- The review of the schemes of compensation, final stage of the implementation of the new system of remuneration, is programmed for 2009 after the adoption of all the different statutes.</p>	
Reducing bureaucratic sluggishness in the offer of public service	<p>FACILITATION OF SERVICES PROVIDED TO THE CITIZEN IN THE AREA OF CIVIL STATUS AND CIVIL STATUS OF PEOPLE ON THE MOVE</p>	<p>Computerization of the communal system of the civil status:</p> <p>- establishment of the digital national identity card,</p> <p>- construction of the national identity card centre,</p> <p>- projection of the biometric passport,</p> <p>- establishment of a central web site for territorial communities, of a jurisdiction web site;</p>	
	<p>IMPROVEMENT OF GOVERNANCE IN THE JUDICIAL SECTOR</p> <p>- CREATION OF A WEB SITE</p>	<p>- portal of the law (jurisprudence, international conventions and treaties,...)</p> <p>- establishment of an online management network;</p>	

- PRODUCTION OF RELIABLE AND REGULAR STATISTICS TO SHED BETTER LIGHT ON POLICY DECISIONS.
 - SYSTEM OF ONLINE MANAGEMENT OF POLICE RECORD

- establishment of a system for managing judicial files from the registration up to the final outcome, thus facilitating access to files for all the actors including the justiciables.
- Establishment of an online network for managing police records which enables:
 - 1- the citizen to withdraw his police record from any jurisdiction on the national territory,
 - 2- the management and monitoring of the rehabilitation by right,
 - 3- the management of files on nationals born outside the country,
- establishment of a computerized system for managing warrants for arrests, which guarantees the citizens the protection of their freedoms (updating the warrants for arrests for the police services).
- creation of an electronic one-stop shop, which facilitates information on the situation of files and the issue of judgements and any useful card that may be consulted at a distance from any jurisdiction, notably cases on appeal at the Supreme Court.
- Certificate of nationality: processing and issuing within a day.
- Establishment of a computerized network for managing the prison population, which helps:
 - to control the management of the penal situation of all the detainees;
 - to develop statistics on the different categories of detainees;
 - to facilitate the study of the most common offences, cases and reasons of repeat offence;
 - control the optimal distribution of detainees among the penal institutions.

Enhancing the participative role of the civil society.

PROMOTION OF PARTICIPATIVE MANAGEMENT

- The draft legislative texts being finalized (laws on the Wilaya, the commune, associations) enshrine participative management by integrating primarily the associations
- The law on the organization of the prison administration and social reintegration of detainees authorizes in its article 36 visits by associations and humanitarian or charitable governmental or non-governmental associations that have particular interest in the prison world. In this regard, several agreements have been signed by the general management of the prison service, which depends on the Ministry of Justice, with different associations including the organization of ALGERIAN MUSLIM SCOUTS, the IQRAA association, the OULED EL HOUMA association.
- The organization of a national seminar and regional seminars on the participation of the civil society in the social reintegration of detainees.

PROMOTION OF THE CIVIL SOCIETY

The associative movement continues to develop and expand:

- the number of national associations is currently close to one million (1 000),
- the number of local associations has exceeded seventy thousand (70.000). The amendment of the law on associations is being studied.

OBJECTIVE 6 : COMBATING CORRUPTION

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Assessing the level of corruption.	LEGAL ACTIONS	<ul style="list-style-type: none"> - As part of the application of Law 06-01 of 20 February 2006 relating to the prevention and fight against corruption, it was noted that, in the year 2006, 680 cases were tried by the courts, - In the year 2007, 1054 cases were brought to court 861 of which were tried. 	
Anti-corruption Programme	RATIFICATION OF THE UNITED NATIONS CONVENTION AGAINST CORRUPTION	<ul style="list-style-type: none"> - The United Nations Convention on the Fight against Corruption has been ratified by Algeria. <p>Active participation in the various international and regional meetings on the subject as well as information on the self-evaluation list for the application of the relevant Convention.</p>	

	ADAPTATION OF THE NATIONAL LEGISLATION	<p>A specific law relating to the prevention of and fight against corruption was promulgated on 22 November 2006 including its terms of application. It establishes the following principles:</p> <ul style="list-style-type: none"> - creation of a national body to prevent and combat corruption, responsible for implementing the national strategy to prevent and combat this menace and giving it extensive prerogatives in keeping with the nature of the role assigned to it. The decree establishing this body has been published and its implementation is underway; - resorting to international legal cooperation, particularly regarding the confiscation of the proceeds of corruption; - Protection of witnesses, experts, informants and victims. - Introduction in the Penal Code of provisions dealing with: <ul style="list-style-type: none"> - The invalid nature of the public action and sentence, - Extension of competence (creation of specialized criminal poles) 	<ul style="list-style-type: none"> - Presidential Decree 06-413 of 22 November 2006 establishing the composition, organization and modalities for the operation of the national body for preventing and combating corruption. - Presidential Decree 06-414 of 22 November 2006 determining the asset declaration model. - Presidential Decree 06-415 of 22 November 2006 determining the asset declaration modalities for public officials other than those provided for under Article 6 of the law on the prevention of and fight against corruption. - Decree of 02 April 2007 establishing the list of public officials obliged to abide by the asset declaration and required to give full meaning to the said law.
	TRAINING OF MAGISTRATES	<ul style="list-style-type: none"> - The basic training programmes include modules involving the sensitization and training of trainee magistrates on the challenges of the phenomenon of corruption, of dilapidation of state funds, the abuse of social assets, insider trading and control measures. - Long-term specialized training on business law has been organized since 2000 for 25 magistrates each year comprising a module entitled «criminal business law» in which aspects relating to the above-mentioned offences are taught. - As part of continuing training initiated by the "Ecole Supérieure de la Magistrature", sessions are organized on the theme of administrative law, particularly in its 'public markets' component. - Moreover, local training helps each year to increase the number of beneficiaries covering all the categories of magistrates concerned with the fight against this phenomenon. 	
	TRAINING OF CENTRAL MANAGERS	<ul style="list-style-type: none"> - Some magistrates are sent each year to France (ENA) for training on this issue (2 judges benefited in 2008). - Two (2) central managers benefit each year from training sessions in France (ENA) on the topic «Control, evaluation and audit of public expenditure» 	
Prevention of corruption	TRAINING AT THE LOCAL LEVEL	<ul style="list-style-type: none"> - Other managers benefit from training on public markets. - Following the publication of the text on corruption (law of 20 February 2006) all the appeal courts organized local awareness campaigns for the benefit of all judges. - Besides, some magistrates who master the subject coordinate conferences for their colleagues working in the jurisdictions within their territorial competence as part of local training 	

SELECTION OF AGENTS EXPOSED TO THE RISK OF CORRUPTION	- The selection is continuous and systematic.	The selection and appointment of magistrates is done after an investigation of their suitability in addition to the verification of legal antecedents. It is the same with the other managers.
PAYMENT OF ADEQUATE REMUNERATION	- The magistrates and managers receive substantial remuneration. The former received in addition, in January 2008, a very significant housing allowance of DA 40,000.00 DA (equivalent to 600.00 US dollars) - The remuneration of court clerks will be increased as soon as their peculiar status (which is being prepared) is published.	
TRAINING ADAPTED TO SUPPORT OF VULNERABLE PERSONS VULNÉRABLES	- Training (underway) of legal personnel in sign language, on the basis of one official per court. In all, 254 persons are currently involved.	
MEASURES IN SUPPORT OF THE TRAINING SYSTEM	- Full support for magistrates and officials (housing, food and travel expenses) during the entire period of basic or continuing training, knowing that the duration of the former is 3 years for magistrates and from 6 to 7 months for officials. - The implementation of a training programme in computing and English for all magistrates and central managers and in computing for court officials. - The provision of each law court with a library, and with online access to the central library.	

OBJECTIVE 7 : PROMOTING AND PROTECTING THE RIGHTS OF WOMEN

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Ratification of the Protocol on the Rights of Women in Africa	RATIFICATION	Cf. Standards and codes	
Defining the institutional framework for dealing with the "gender" issue	ESTABLISHMENT OF APPROPRIATE INSTITUTIONS	- The National Family and Women's Council was set up by Executive Decree 06-421 of 22 November 2006 and inaugurated by the Head of Government on 07 March 2007, - The integration of the 'gender' approach in policies and programmes was accepted as a priority measure in the Government's programme adopted by Parliament in July 2007, - A National Equality and Equity Plan is being prepared to establish the gender approach.	
	COMMUNICATION AND TRAINING	- Development of a teaching manual «guide» for illiterate women in support of the IQRAA national association network (35,000 classes); - Re-publication of a «Family Code» manual taught in the IQRAA network; - Organization of 3 regional seminars for illiterate people; - Distribution of 4 brochures on the rights of women.	

Resolving the issue of under-representation of women in political institutions

WOMEN AND POLITICS

The constitutional review of 15 November 2008 dealt, among others, with strengthening the political rights of women by increasing their chances of access to elected assemblies.

The elections of 2007 made it possible to elect :

- 38 women to the APN, representing 8.33%
- 130 in the people's assemblies of Wilaya, representing 7.81%
- 102 in the local people's assemblies, representing 0.73%

Mention should be made of the effort by the President in the appointment of women in institutions such as the Council of State or the Judicial Council.

Preventing and
combating violence
against women

LEGAL PROTECTION

- Review of the legislation as part of the reform of the law and ensuring its conformity with the conventions ratified by Algeria, notably the Convention on the Elimination of all forms of Discrimination against Women of 1979, ratified by Presidential Decree 96-51 of 21 January 1996, with reservations concerning Articles 2, 9 paragraph 2, 15/1, 16 and 29/1. Some of these reservations can be removed given the new changes in the national legal ordinance.
- Ensure equal access to various employment opportunities, grades and prison administrative positions
- Crack down on people trafficking particularly in women and children - law concerning prison organization and social reintegration of prisoners. Some of these provisions are exclusively devoted to female prisoners, particularly:
 - The creation of specialized institutions for women (Article 28). Failing that, they will be given special quarters.
 - The establishment of more favourable conditions of detention for pregnant women as regards feeding, health care, visiting rights in a close visiting room.
 - The possibility for a female prisoner to keep her child with her up to 3 years if there is not another more appropriate place where the child's care and education can be ensured
- The revision of the family code has taken care of the aspirations for change expressed by the society and for bringing it into conformity with the conventions ratified notably the Convention on the Elimination of all forms of Discrimination against Women. For this reason, the response to the question of Wali women, notably concerning marriage, needs to be mentioned.
- Amendment of the Nationality Law: Article 6 provides that a child born in Algeria, of an Algerian father or Algerian mother enjoys Algerian nationality. This modification makes it possible to remove the reservation to Article 9/2 of the Convention on the Elimination of all forms of Discrimination against Women, the law which enables the mother to transfer her nationality to her children.
- The Penal Code provides for the protection of women against certain offences like rape and the violation of their decency and has provided for the increase in the sentence when the victim is a minor below the age of 16 years (Article 336). The Penal Code incriminates torture as a separate offence in Articles 363A and subsequent articles. It provides for an increase in the sentence for rape if the victim of the offence is a pregnant woman (Article 350 a). It also provides for the incrimination of 'sexual harassment' in Article 341A.
- Concerning the suppression of the trafficking of people, particularly women and children, a draft law modifying the penal code is being

STRATEGY FOR
COMBATING VIOLENCE
ANGAINST WOMEN
- STRENGTHENING
TECHNICAL AND
INSTITUTIONAL CAPACITY
OF THE VARIOUS
PARTNERS WITH THE
AIM OF ENSURING
THE PREVENTION AND
ADEQUATE PROTECTION
AGAINST ALL FORMS
OF VIOLENCE AND
DISCRIMINATION,
- STRENGTHENING THE
PARTICIPATION OF CIVIL
SOCIETY

- Implementation of a five-year plan for combating violence against women (2007-2011), whose priority interventions are aimed at strengthening the technical and institutional capabilities of the various partners;
- Development and implementation of the different sectoral plans for combating violence against women.
- The national strategy for combating violence against women is part of a general framework of action for the sensitization, protection and care of women. It was developed following a long process of consultation with the participation of all partners, representatives of ministries, parliament, constituent bodies, civil society, media and United Nations agencies.
- Awareness campaign undertaken in support of various associations and organizations – «women in distress», women's' associations...:
 - Organisation of 3 regional seminars for executives of the women's voluntary movement on the theme «violence against women, sexual harassment»;

Promoting female
employment.

STATISTICAL CONTROL OF
FEMALE EMPLOYMENT
AND TRENDS

- Distribution of a brochure on the same topic.
- Development of a programme for monitoring sectoral female employment like that of the Ministry of Energy and Mines,
 - Moral encouragement for employers' organisations,
 - Organisation in March 2008 of a seminar on female entrepreneurship with the participation of the institutions concerned with the issue,
 - The provision of micro credit helped in the creation of 46,791 activities as at 25 April 2007 and has generated at least many sustainable jobs. Women account for nearly 66% of beneficiaries of this facility.

Pre-school
education and
structuring for
caring for children
at home

OFFER OF TEACHING
POSITIONS

- The national education sector currently caters for 147,285 children registered in preparatory classes at primary school level. The extension of preparatory education will cover all children aged 5 in 2009.
 - The number of day nurseries and kindergartens under the local authorities has increased by 487 day nurseries established by the solidarity fund of local authorities for the benefit of communities with a population of over 15,000 inhabitants.

OBJECTIVE 8 : PROMOTING AND PROTECTING THE RIGHTS OF CHILDREN AND THE YOUTH

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Promotion and Protection of the rights of children and young people.	ACCESS TO ACCOMMODATION	The applications for public rental accommodation are processed by the Daira commissions based on criteria which allow for equal access to this segment reserved for low income people. It should be underlined that the system in force provides that one third of social housing programmes should be reserved for young applicants aged below 35.	
	EDUCATION AND TRAINING PROGRAMMES	<ul style="list-style-type: none"> - The National Education Orientation Law has been reformed and promulgated (Law 08-04 of 23 January 2008) - Increase in the schooling allowance from DA 2,000.00 to DA 3000.00: 3 million beneficiary pupils; - Distribution of over 500,000 school uniforms to children from deprived families or those with financial problems; 	
Legislative framework	SEARCH FOR PATERNITY AND FILIATION	<ul style="list-style-type: none"> - The Family Code provides for the possibility of resorting to modern scientific means to establish paternity within the framework of a legitimate marriage (Article 40) and the possibility of resorting to artificial insemination, in case of a legal marriage and under certain conditions determined by the said law. - A draft law, dealing with the search for paternity is in the process of being finalized. Its aim is to define the modalities for determining the parental relationship, by the search for paternity for the child born outside marriage, without a patronymic name and not legally recognized by the biological father. - The establishment of the right to the acquisition of Algerian nationality by paternity to the father or mother; for children born in Algeria of unknown parents and the establishment of the right to the acquisition of Algerian nationality for the child born of an Algerian mother and an unknown father. - Provision has been made for the non extension of the loss of Algerian nationality to minors and spouses. 	

STRENGTHENING THE LEGAL PROTECTION

The legal system is in the process of being adapted for better protection of the groups considered. These are:

- The Ordinance relating to the protection of children and adolescents,
- The Ordinance establishing the institutions and services responsible for protecting children and adolescents,
- The provisions contained in the labour, education and training laws.
- New legislative provisions have also been promulgated notably concerning:
 - The Family Code,
 - The Penal Code notably in Article 454 which provides for the obligatory representation of minors by a lawyer in all prosecution and trial cases and Article 8 A1, which stipulates that the prescription of public proceedings relating to crimes and offences committed against a minor begin to run from his or her attainment of voting age.
 - The prison and social reintegration of prisoners law of 6th February 2005 which provides for the separation of minors under 18 years from older prisoners within prisons, the creation of re-education and reintegration centres for minors and the institution of the re-education committee in centres for minors and in areas reserved for minors inside prisons. Minors have been granted privileges, including:
 - Sufficient and balanced quantities of food to help in their growth,
 - Adequate clothing,
 - Permanent health cover,
 - Flexible disciplinary actions,
 - Institution of a system of re-education and appropriate treatment,
 - The application of the system of visits in a close visitor's room.
- The Law 04-18 of 25 /12/2004 relating to the prevention and suppression of the use and illicit trafficking of drugs and psychotropic substances punishes the illegal supply of drugs to any person for his or her personal consumption with the increase in this sentence when the drugs are given to a minor.
- The bill concerning the protection of children, adopted, provides for the legal protection of children and proposes flexible procedures at all stages of the legal proceedings,
 - The establishment of special rules concerning the temporary detention of delinquent children;
- The provision of social protection for the child who is under the care of the national delegate for child protection, represented at local level by the Wilaya delegate. The delegate takes care of children in danger and carries out his functions in collaboration with the law.
- The establishment of new rules for the legal protection of children and notably delinquent minors by fixing a minimum age for criminal responsibility and by instituting mediation as the legal means to avoid taking legal action against children and to repair the harm caused to the victim. Within the same framework, the prerogatives of judges for children have been increased with new provisions concerning the temporary detention of children and notably the detention period.

Combating violence against children.

THE ADOPTION OF A NATIONAL STRATEGY FOR COMBATING VIOLENCE AGAINST CHILDREN

The strategy for combating violence against children has been put into action since 2005.

Its implementation requires step-by-step evaluation and more media exposure

Development of a national strategy for children

DRAFT LAW ON THE PROTECTION OF CHILDREN

This draft proposes better legal protection for this sensitive fringe of the population.

This is being examined by the Cabinet

Fight against
juvenile
delinquency.

DEVELOPMENT OF A
NATIONAL PLAN FOR
ADOLESCENTS

The strategy developed is Inter-sectoral and based on education and vocational training in particular
At the psycho-pedagogical level, a study of the attitudes of adolescents with the participation of adolescents themselves is planned as well as the production of a documentary film on participation of adolescents

IMPROVEMENT IN THE CARE
OF CHILDREN

- The strengthening of supervision, notably by the training of specialized people in the sector,
- The strengthening of the infrastructure network for taking care of children and adolescents with social problems,
- The setting up of multidisciplinary teams, seeking to ensure their reintegration into families and/or educational establishments.
- There are currently: 2 centres for re-education and social reintegration of minors located in Sétif and Gdyl; 77 areas for minors developed within prison establishments.
- 5 new centres for the re-education and social reintegration of minors located in Adrar, Djelfa, Biskra Saida and Tijelabine are planned as part of the Economic Recovery Programme;
- The continuous training of judges for children and stakeholders working with minors (psychologists, social workers and heads of districts for minors).
- Signing of an agreement between the prison and reintegration authorities and UNICEF, which resulted in 5 training cycles for the benefit of stakeholders working with minors: judges for children, psychologists, social workers and heads of districts for minors as well as directors of specialized centres for minors.
- Organisation of an international workshop dealing with the fight against drug addiction of young people in prison.
- Organisation of workshops on children's rights laws on 23 and 24 April 2007 in collaboration with the 'Penal Reform International' organization.
- Preparation of the cooperation agreement between the Ministry of Justice and UNICEF for 2007-2011.
- Between 1999 and 2007:
- 31,806 prisoners benefited from courses, at all levels;
- 24,798 benefited from vocational classes in 79 fields.
- 1,239 out of 3,014 candidates passed the A-levels.
- 1,499 out of 3,063 candidates passed the middle level exams.

The legislation in force provides for preventive and curative measures. The minor in difficulty can be placed in a specialized establishment for social protection in boarding school or in an open environment supervised by an open environment observation and education department (SOEMO).

The implementation of a National Youth Policy	ADOPTION OF A YOUTH STRATEGY AND DEFINITION OF AN INTER-SECTORAL ACTION PLAN	<ul style="list-style-type: none"> - Conduct of studies and surveys with the youth <ul style="list-style-type: none"> - Organisation of a national meeting (Government, local authorities, experts, Youth Association, Academics...) - Definition of objectives in various fields (Education and training, Employment...) - Adaptation of the institutional framework for the youth
Strengthening the role of the Voluntary Movement		<ul style="list-style-type: none"> - 129 other establishments for children and young people in difficulty are run by the associations with the assistance of the State. They accommodate in particular children and adolescents with mental problems. - Signing of an agreement between the prison and reintegration authorities and the Algerian Muslim scouts organization in July 2003 to promote educational and cultural activities for minors. This agreement was modified on 29/07/2007 to extend it to women and young people. - Opening of 5 centres in the Wilayas of Sétif, Médéa, Oran, Chlef and Mostaganem in collaboration with the Algerian Muslim scouts organization for these groups after their release in order to assist them in the reintegration process. - Organisation of training courses for head scouts responsible for the above-mentioned centres.
Taking care of elderly persons	ALLOCATION OF RESOURCES TO POOR ELDERLY PERSONS.	<ul style="list-style-type: none"> - Increase in the Solidarity Allocation, the monthly sum was increased to DA 3,000, for the Elderly, in 2008 with the possibility of them drawing more than one allowance. - Increase in pension - Establishment of a National Committee for the Protection of the Elderly
	SUPPORT FOR ELDERLY PERSONS FACING DIFFICULTIES.	<ul style="list-style-type: none"> - Setting up of a telephone service for the information, orientation and support of the Elderly in difficulty.
	INVOLVEMENT OF ASSOCIATIONS	<ul style="list-style-type: none"> - Involvement of the associations ensuring the provision of support for the Elderly: - 8 centres accommodating 800 elderly persons, are run by the associations, with State assistance, - 23 approved associations take care of the Elderly, - 277 other humanitarian associations directly or indirectly take care of the Elderly

LEGAL AND STATUTORY SUPERVISION

- Preparation of legislative and statutory texts for the promotion and protection of the Elderly;
- Draft law on the promotion and protection of the Elderly;
- Amendment of statutory texts governing the benefits given to the Elderly and permitting the drawing of more than one allowance;
- Texts governing the creation of private and public structures to take care of the Elderly: boarding and day facilities, old people's homes, occupational homes...etc.
- Texts and agreements with transporters for the reduction in fares for the Elderly,
- Texts governing social activities.

This draft law has been examined by experts. It will soon be presented to the Government

OBJECTIVE 9 : PROMOTING AND PROTECTING THE RIGHTS OF VULNERABLE GROUPS

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Strengthening the legal framework for protecting the rights of vulnerable groups	ADOPTION OF AN OUTLINE LAW DEALING WITH THE PROMOTION AND PROTECTION OF VULNERABLE GROUPS	Law 06-23 of 20 December 2006 modifying and completing Ordinance 66-156 of 08 June 1966 establishing the Penal Code as well as Article 13/2 of Law 04-18 of 25 December 2004, relating to the prevention and suppression of the illicit use and trafficking of drugs and psychotropic substances	The provisions of the Penal Code provide for the increase in the sentence for certain offences when the victim is a vulnerable person. Likewise, the law relating to the prevention and suppression of the illicit use and trafficking of drugs and psychotropic substances provides for an increase in the sentence when the drugs or psychotropic substances are offered or given to vulnerable people (minors, disabled persons ...)
Solidarity Policy	SOCIAL COVER FOR VULNERABLE PEOPLE	<ul style="list-style-type: none"> - For the year 2007, the number of disabled persons benefiting from social security cover reached 170,765. - For the year 2007, 600,580 disabled persons benefited from partial payment of rail, road and air transport costs. - Exemption from IRG for salaried disabled persons whose salary is less than DA 15,000.00. - Distribution of 1,500,000 baskets and over 7,000,000 meals (Ramadhan solidarity operation). 	Solidarity Policy

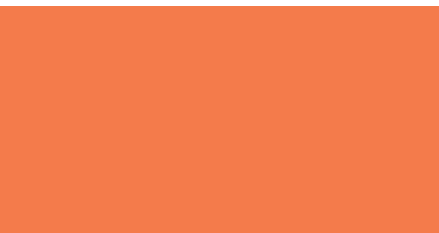
IMPROVEMENT OF RECEPTION AND CARE FOR VULNERABLE GROUPS NOTABLY IN TERMS OF ESTABLISHMENTS

- In addition to the 276 establishments intended to take care of vulnerable groups, 19 were opened in 2008, 34 are in the completion phase and 18 in the starting phase. In all, 347 establishments will be ready at the end of December 2008 to accommodate 20,585 people.
- Expansion of accommodation facilities and rehabilitation of 139 facilities.
- Setting up of a 'Social Samu', and accommodating 29,832 people in difficulty (without shelter); 24,148 in the years 2004-2006; 5,359 in 2007 and 3,260 (2,410 men and 850 women) as at 31 August 2008.
- 76 facilities were reserved to accommodate these groups, with a capacity of 2,377 places/day and mobilization of 683 social workers.
- 53 facilities were received out of the 191 projects initiated.
- Besides, a special effort is made to improve the administrative and pedagogic management of specialized institutions.

Children up to 6 years of age received in 38 listed nurseries are placed in Kafala or in a foster family where they are looked after for a fee of DA 1,300.00/month for a normal child and DA 1,600.00/month for a disabled child.

MATRIX II

ECONOMIC GOVERNANCE AND MANAGEMENT



STANDARDS AND CODES

LEVEL OF RATIFICATION AND IMPLEMENTATION OF INTERNATIONAL CODES AND STANDARDS

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF SELECTED ACTIONS AND PROGRESS MADE	OBSERVATIONS
Improvement in the quality of accounting information and the response to intelligibility, relevance, reliability and comparability criteria	Reform of the State's accounting system <ul style="list-style-type: none"> • Development of scheme for adaptation of accounting standards (IPSAS) to the Algerian situation. 	<ul style="list-style-type: none"> - 23 standards were retained, including 17 general standards (essential) and 6 standards relating to specific operations. - Four fundamental standards have already been adopted. These are in particular, standards pertaining to the presentation of financial statements, cash flow tables and budgetary information. 	Application of these standards is in progress
	Development of a collection of the State's accounting system (PCE)	<ul style="list-style-type: none"> - Description of the principal items on the accounts nomenclature. - Reconciliation of the PCE with the budgetary nomenclature in economics. - Use of the new economic and instruments with changes in the environment of the enterprise (leasing, public service concessions) 	
Adaptation of financial statements to international standards (IFRS)	Reform of financial accounting system <ul style="list-style-type: none"> • Enable users, notably investors and managers to access financial information that is transparent and directly exploitable. • Adoption of a law establishing the financial accounting system in 2007 (Law 07-11 of 25 Nov.) • Development of two draft decrees and two draft orders. • Organisation of regional seminars for accountants and other professionals 	<ul style="list-style-type: none"> - The implementation of the new financial accounting system will take effect from 01 January 2009 (Art. 41 of the above-mentioned law). - The decrees relate to the fundamental accounting principles and accounting computer system. The orders relate to the accounts nomenclature, their operation and the simplified accounting of small entities. - The new accounting system retains an IFRS conceptual framework and a simplified accounting system for small entities. - Accurate transcription of transactions - Autonomy of the accounting law compared with the tax law. 	The adaptation of accounting systems of enterprises to this system is underway. (Sonatrach, Sonelgaz).
Promotion of exhaustiveness, availability, accessibility and reliability in the production and dissemination of statistical data	Subscription to the General Data Dissemination System of the IMF (SGDD).	<ul style="list-style-type: none"> - Development and modernization of the statistical system in a structured framework in order to eventually improve the quality of data produced and disseminated. 	<ul style="list-style-type: none"> - Algeria subscribed in 2006 to the SGDD, a stage which Algeria considers a prerequisite for the Special Data Standards for Dissemination Standards (NSDD).

	<ul style="list-style-type: none"> • Appointment of the Bank of Algeria as the national coordinator. • Development of metadata and plans for the short, medium and long term improvement of the public finance sector and the finance and external sector. 	<ul style="list-style-type: none"> - Shortening of the frequency and time for the dissemination of data on the monetary, financial and external sector. This data and methods of development are regularly disseminated.. 	<ul style="list-style-type: none"> - The statistical data concerned must cover the (i) real; (ii) public finance; (iii) financial and external sectors; as well as the socio demographic data. - Underway.
	<p>Reclassification of statistics of the Summarized Situation of Treasury Operations in the cash flow situation of the 2001 MSFP for the years 2003 to 2006 and the preparation of monthly reports for the first three months of the year 2007</p>	<ul style="list-style-type: none"> - Metadata transmitted to the IMF to be presented in the «IMF data dissemination and display table» - The period for the development of data has changed from one year to one quarter, even one month for certain data. - Increase in the dissemination of public finance data and statistics. 	
	<ul style="list-style-type: none"> • Preparation of metadata for the actual sector • Project underway for the modernization of the website of the structure responsible for data dissemination 	<ul style="list-style-type: none"> - Reconciliation between the budgetary nomenclature proposed within the framework of the MSB project and the classification of expenses according to the 2001 MSFP. 	
Improvement in bank risk management through the application of the three recommendations of the Base II mechanism	<p>Integration of the Basle II mechanism into the banking system:</p> <ul style="list-style-type: none"> • Improvement in the bank risk management through the application of the three recommendations of the Basle II mechanism, a minimum equity capital of 8%, a prudent control of the appropriateness of equity capital and market discipline marked by increased demand for financial transparency. 	<ul style="list-style-type: none"> - Setting up of a team dedicated to the Basle II project ; - Preparation of a quantitative impact study (demand concerning the level of equity capital) 	<p>This working group is supervised by an external technical assistance team.</p>
Improvement in the performance of the customs public service	<p>Implementation of the reform of Customs and Excise</p> <ul style="list-style-type: none"> • Reorganisation of central administration. • Promotion of KYOTO standards, • Development of customs – enterprise partnership, 	<ul style="list-style-type: none"> - Development of a bill relating to customs legislation which will be submitted for adoption in December 2008 and a medium-term modernization plan (PMDA) 2007-2010. - Periodic appraisal of procedures with external assistance 	
	<ul style="list-style-type: none"> • Fight against fraud, forgery and the illicit transfer of capital: 	<ul style="list-style-type: none"> - Introduction of the electronic payment of duties and taxes 	

- Setting up of an efficient system to combat fraud through:
 - o Creation of information links and the coordination of actions of stakeholders in the international trade logistics chain.
 - o Creation of a risk analysis and operations unit for immediate a posteriori control.
 - o Improvement of the body of customs agents
 - o Training of personnel
 - o Improvement in coordination with the other specialized State services, by signing of agreements (administration of taxes, the criminal investigation department, the national gendarmerie).
- Fight against forgery, through:
 - o creation of a specific body to handle this matter
 - o signing of agreements with brand owners
- la signature d'un protocole d'accord avec la direction générale des impôts
- o signing of a draft agreement with the Internal Revenue Service
- The setting up of a joint commission (ministry of commerce and Algerian Chamber of Commerce and Industry) has the effect of determining the range of values which should serve as a reference in the fight against illicit transfer of capital.
- Bringing the information system up to the required level.

- Strengthening of a posteriori control.
- Reorganization of the national computer and statistical centre (CNIS) and review of the SIGAD computer system.

Reform of the land legislative system

Reform of the legislative system, governing the conditions and modalities for concession of national lands, intended for the realisation of investment projects.

- The mode of allocation of national lands will henceforth be done only through public auctions, and only the Cabinet can decide by mutual agreement and on very specific conditions.

This is aimed at preventing the transfer of national lands used for any kind of investment and maintaining the lands in the assets of the State, irrespective of the capital gains made on them which however belong to the operators who realized the gains.

Strengthening the stability and profitability of banks

Implementation of an action plan for the improvement of the governance of banks

- Development of human resources
 - Increase in the effectiveness of financial arbitration by the restructuring of banks and the improvement in the capacity of banks to meet their commitments.

- Gradual establishment of electronic terminals (TPE)
- Setting up of a distant clearing system for mass payments.
- Establishment of new secure and personalized cheques.
- Implementation by the banks and 'Algérie poste' of new bank identification numbers.

Improvement in the governance of public insurance companies through financial reform	improvement in the operation of administrative and management organs of companies	<ul style="list-style-type: none"> - Establishment of performance contracts - Reconstitution and revision of internal rules of boards of directors and setting up of audit committees 	The deployment of new systems is planned for 2008-2009.
	<ul style="list-style-type: none"> • Increasing equity capital in the insurance sector 	<ul style="list-style-type: none"> - Acquisition of software systems, 	
	<ul style="list-style-type: none"> • Strengthening of information system. 	<ul style="list-style-type: none"> - Re-evaluation of fixed assets, done in August 2007. 	
	<ul style="list-style-type: none"> •Promotion of insurance sector • Setting up of a mechanism for sale of insurance products through bank counters and the signing of distribution agreements between the insurance companies and various banks. 	<ul style="list-style-type: none"> - Entry of a foreign company specialised in private health insurance. 	
	<ul style="list-style-type: none"> • Signing of partnership agreements between Algerian insurance companies and foreign companies (SAA with MACIF France, CAAT with FIATC.)8.2. 		

SPECIFIC OBJECTIVE 1 : PROMOTING MACRO-ECONOMIC POLICIES IN SUPPORT OF SUSTAINABLE DEVELOPMENT

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF SELECTED ACTIONS AND PROGRESS MADE	Observations
Improvement in macroeconomic management	<p>Implementation over the period 2001/2004 of an economic recovery plan (PSRE), mainly devoted to the upgrading of basic infrastructure, in areas particularly affected by terrorism and drought.</p> <ul style="list-style-type: none"> • Continuation of the additional growth support programme and Sud and Hauts Plateaux programmes (2005-2009). 	<ul style="list-style-type: none"> - Continuation in 2007 of the internal and external trend to strengthen economic equilibrium. - An increase in GDP of 3% globally and 6.3%, except hydrocarbons. - Sustainable balance in the budget compared to available funds of the Income Regulation Fund (FRR). - Inflation contained within the context of an increase in public expenditure and over liquidity in the economy. - A net decline in outstanding internal public debt; current external public debt being stabilized at a level below DA 1 billion. 	A trend chart on the main macroeconomic and financial indicators for 2006 and 2007 is attached as an annex to the document (end of the chapter II).

	<p>Improvement in the effectiveness and efficiency of public expenditure, through extensive reform of the public finance sector. (Modernization of budgetary systems, reform of tax and customs administration...).</p> <p>Setting up of social and economic policy evaluation mechanisms:</p> <ul style="list-style-type: none"> • Setting up of the General Commissionership for Planning and Forecasting (CGPP). • Ensuring the conformity of the national statistical information system : 	<ul style="list-style-type: none"> - A number of measures and steps have been taken to ensure the transition to the new organization. The CGPP has retained for the year 2009 the establishment of guidelines to ensure the coherence of economic decisions, the evaluation of the implementation of infrastructure programmes for the period 2001-2009 in order to identify the conditions for the supervision of the next public programme for 2010-2014 and the launch of post graduation training in forecasting. - The launching of activities relating to the national statistical programme, particularly the validation of the basic change in indexes and the change to the United Nations Accounting System 	
	<ul style="list-style-type: none"> • Organisation and strengthening of ONS structures, as well as the improvement of its status • Improving the efficiency of the National Statistical Council 	<ul style="list-style-type: none"> - The launching of activities relating to the national statistical programme, particularly the validation of the basic change in indexes and the change to the United Nations Accounting System. 	
Strengthening the country's food security	<p>The Agricultural Economic Revival (2009 - 2013) revolves around the following five (5) main areas:</p> <ul style="list-style-type: none"> • Promotion of an enabling environment for agricultural institutions, the operators of the food-processing industry and a suitable support policy ; • Development of regulatory instruments notably through the regulatory system for widely consumed agricultural products 'SYR-PALAC' and ensuring the security of producers of wealth (farmers, livestock breeders, food-processing industries); 	<ul style="list-style-type: none"> - Increasing availability of credit to the economy significantly directed towards the private sector. - Identification of 11 themes, including the protection and expansion of useful agricultural areas (SAU) and the rational use of irrigation water. - Strengthening the regulatory role of the State, through the OAIC and ONIL 	-The confirmation of other varieties of wheat is in progress.
	<ul style="list-style-type: none"> • Setting up of 10 produce intensification programmes and specific programmes: cereals, milk, potatoes, oil, dates, seeds and plants, red and white meat, water conservation and integrated agricultural poles (PAI); • Rejuvenation of farmers and the strengthening of their technical capabilities, through the stimulation of training, research and extension programmes; 	<ul style="list-style-type: none"> - Selection of several varieties: production of 135 varieties including 79 for hard wheat and 56 for soft wheat. - Registration in 2007, for the official catalogue of 19 wheat varieties 	

	<ul style="list-style-type: none"> • Modernization of agricultural management and the strengthening of public institutions (forestry commission, veterinary services, plant protection services, labelling...). 	<ul style="list-style-type: none"> - Establishment of a network of agricultural breeders for the development of quality seed. - Launching of an interest-free credit «RFIG» for the benefit of farmers, livestock breeders and others involved in related activities, 	
		<ul style="list-style-type: none"> - Intensification of agricultural mechanization through the reinforcement of credit leasing, 	-This contract which covers the period 2009-2013 will be operational as from the crops year 2008-2009.
		<ul style="list-style-type: none"> - Strengthening of local rural mutual companies, 	
		<ul style="list-style-type: none"> - Modernization and generalization of agricultural insurance, 	
		<ul style="list-style-type: none"> - Stimulation of the Guarantee Fund against agricultural disasters (FGCA), 	
		<ul style="list-style-type: none"> - Streamlining professional and inter-professional organisations 	
		<ul style="list-style-type: none"> - Initiation of a performance contract with each Wilaya in the area of agriculture (10 programmes). 	
Support for local development	Strengthening of ordinary programmes and implementation of specific programmes notably those of the Sud and Hauts Plateaux as well as complementary programmes.	<ul style="list-style-type: none"> - A support programme of DA 4,200 billion complemented by structural projects which attained DA 14,000 billion for the housing, water resources, public works, town and country planning and transport sectors. 	
	<ul style="list-style-type: none"> • Revitalization of development programmes also through the allocation of substantial grants 	<ul style="list-style-type: none"> - Local development plans (PCD) for the period 1999-2008, estimated at DA 530 billion, or about DA 50 billion a year ; 	
		<ul style="list-style-type: none"> - Decentralized sectoral programmes (PSD) for the period 1999-2007, which amounts to DA 3,000 billion, representing an average of roughly DA 344 billion a year 	
Promotion of economic development aimed at strengthening social cohesion in rural areas	Implementation of the Rural Revival Policy through the Rural Revival Support Programme composed of 4 federative programmes:	<ul style="list-style-type: none"> - Implementation and adoption of the ascending and participatory approach (Integrated Rural Development Local Project) PPDRi 	
	<ul style="list-style-type: none"> • Improvement in living conditions of rural people (rehabilitation, modernization of villages and Ksours), 	<ul style="list-style-type: none"> - 5,000 PPDRIs undertaken during the year 2007 (pilot year of PSRR) and 2008 (year of consolidation of PSRR) 	
	<ul style="list-style-type: none"> • Diversification of economic activities in rural areas: improvement of revenue, 	<ul style="list-style-type: none"> - Constitution of a National Trainers' Panel for Rural Development (PNF-RR) in 2007 and organization of 620 training sessions for 16,000 rural development officials. 	
	<ul style="list-style-type: none"> • Preservation and development of natural resources, 	<ul style="list-style-type: none"> - Evolution of the National Decision Assistance System for Rural Development towards a National Decision Assistance System for Sustainable Development (Rural and Local) (SNADDD) 	

	<ul style="list-style-type: none"> • Protection and development of rural assets, tangible and intangible 	<ul style="list-style-type: none"> - Setting up of the Information System of the Rural Revival Support Programme (PSRR), which helps to monitor the implementation of the PPDRIs, their impact ... 	
	<p>A transversal programme consisting in strengthening human capacity and technical assistance</p>	<ul style="list-style-type: none"> - Initiation of a performance contract with each Wilaya in the area of rural development (12000 PPDR). 	<p>This contract which covers the period 2009-2013 will be operational as from the crops year 2008-2009.</p>
		<ul style="list-style-type: none"> - Development of a support programme for local officials for the period 2006/2009 which consists in the appropriation by the stakeholders of the principal tools of the rural revival policy with the contribution of experts and academics. This programme which targeted all the Wilayas and communes in the country, helped to train, in the first phase (2006/2007 period), nearly 12,000 local agents. In the second support programme for the 2008/2009 period, it is envisaged to upgrade the level and support 15,000 local agents 	
<p>Ensure the promotion of industry by supporting the emergence and development of new industrial activities</p>	<p>Implementation of the industrial strategy through:</p> <ul style="list-style-type: none"> • Policy of upgrading private industries • Identification of sectors driven by the international market <ul style="list-style-type: none"> • Encouraging the creation of partnerships for public enterprises as part of strategic alliances • Promotion of industry by the redeployment of the State's interests • Support for the emergence and development of new industrial activities 	<ul style="list-style-type: none"> - Utilization of the vast idle savings portfolio and deposits, available in banks, coupled with an active monetary policy, a favourable interest rate and exchange rate, a fiscal policy based on the reduction in fiscal pressure, a national production support policy as well as a customs policy 	<p>Public incentives to the human capital training and enhancement offer.</p> <ul style="list-style-type: none"> -Regular updating data of manpower of the vocational training in the industrial sector. - This operation has already covered 40 enterprises
	<ul style="list-style-type: none"> • Adoption of a policy for targeted redeployment of the public sector in the various areas 	<ul style="list-style-type: none"> - Setting up of specific structures to promote new industries. 	
	<ul style="list-style-type: none"> • Improvement in conditions for the organization and operation of enterprises 	<ul style="list-style-type: none"> - Evaluation of the level of competitiveness of sectors driven by identified international markets 	
	<ul style="list-style-type: none"> • Diversification and increase in exports except hydrocarbons 	<ul style="list-style-type: none"> - Diversification training channels (public-private, enterprises, professional associations) 	
	<ul style="list-style-type: none"> • Establishment of economic development companies responsible for ensuring the development and promotion of activities capable of being structured 	<ul style="list-style-type: none"> - Creation of the Industrial Competitiveness Promotion Fund and a National Industrial Competitiveness Committee. 	
		<ul style="list-style-type: none"> - Increase in resources of the FSPE (increase in the Fund's share) 	

		- Revision of the Special Fund for Promotion of Hydrocarbons (FSPE) and ensuring its conformity with WHO rules.
		- Strengthening export capacity of SMEs, as part of cooperation.
		- Support for export capacity of SMEs by public institutions through registration in the trade register.
		- Setting up of an interactive website at Algex for exporters.
		- Development of a partnership between Algex and the ICTs for more business opportunities.
		- Export assistance.
		- Meeting information needs at local level. Operation launched with a sample of 6 CCLs.
		- Creation of a 'Dar-El-Mossadar' space for exporters.
Promotion of support for SMEs and the craft industry	Consolidation of the visibility of the economic environment of SMEs by :	- Adoption of 46 applications texts
	• Increased availability of bank credits.	- Facilitating the access of SMEs to funding through the Credit Guarantee Funds for SMEs (FGAR) and the Investment Credit Guarantee Fund (CGCI)
	• Creation of an investment fund for the benefit of SMEs by virtue of the 2008 finance law	- Development of activities for the support and facilitation of the creation of SMEs
	• Implementation of a programme of creation of support structures for the establishment of SMEs, • Initial upgrading programme was initiated indicative of the MEDA programme I. It was ended in May 2007 with 716 SMEs which engaged in an upgrading process. Besides, the Ministry for SMEs and the Crafts has developed its own upgrading programme which aims at improving the competitiveness of about 3,000 SMEs. Its implementation has been entrusted to the National SME Development Agency.	- Creation and setting up of a network of centres for facilitation and young enterprises throughout the country in order to support the project drivers during the maturation phase of their ideas and assure them of housing, technical advice and coaching during the first years of development of their enterprises. The objective is to provide the sector, between now and the end of the first five-year period 2004-2009/, with 17 young enterprises (incubators) and 32 facilitation centres across the country
	• Creation of synergies between the SMEs and the University	- Organisation of regular meetings in the form of Enterprise/University forums to create links between the University and the SMEs and develop research/innovation within the SMEs
	• Ensuring the conformity of the orientation law for the promotion of SMEs with the new requirements of the economic environment.	- The amendment of the law would consist in definitely clarifying the definition and stratification of SMEs and determining the new support measures for the promotion of SMEs.

SPECIFIC OBJECTIVE 2 : IMPLEMENT SOUND, TRANSPARENT AND PREDICATABLE ECONOMIC POLICIES OF THE GOVERNMENT

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Modernization of the budgetary system	<p>The complete review of the preparation, execution, accounting, control, computerization and monitoring systems of the Government budget through:</p> <ul style="list-style-type: none"> • The establishment of a multi-year result-based budgeting. • Putting in place of a Medium Term Expenditure Framework (MTEF) that sets the objectives of income and expenditure by sector and consistency between medium –term macroeconomic projection and budget preparation. 	<ul style="list-style-type: none"> - The draft organic law on the budget acts adopted by government cabinet on 12 March 2008, will be reviewed by the Cabinet prior to its tabling before the legislative bodies. - The 2006 budget review act is undergoing finalization prior to its presentation before parliament during the tabling of the 2009 budget act before the same body. <p>The MTEF is based on a forecast of N+2.</p>	<ul style="list-style-type: none"> - The ongoing reform estimated at USD 24.4 million, USD 18.4 million of which is financed by the IBRD, - The new arrangements include: (i) the setting up of a programmatic nomenclature, with the programme becoming the unit of credit specialization; (ii) affirmation of a multi-year approach in the programming of expenditures ; (iii) greater fungibility of credits for expenditures, excluding the workforce, transfer of credits between sub-programmes being placed under the responsibility of sector ministries only (iv) a more comprehensive budgetary documentation
	<ul style="list-style-type: none"> • Restructuring of the public expenditure process through: <ul style="list-style-type: none"> - the design of a new expenditure channel that reflects the fiscal orientations defined, - simplification of channels for accelerating payment of expenditure, - Enhancing the quality of controls and integration of the budget and accounts in a management system comprising a general accounting module (period) and a budgetary accounting module (cash). 	<ul style="list-style-type: none"> - Creation of a national commission in charge of the monitoring of the MSB project chaired by the Head of Government in October 2007 to supervise works at governmental level. - Adoption of a new organization chart of the Ministry of Finance (Decree of 28 November 2007) and putting in place of a directorate in charge of budgetary reform at the general directorate of the budget and the information system directorate in charge of the implementation of the computer master plan. 	<ul style="list-style-type: none"> - The specialization of a management structure of the MSB aims at the smooth implementation of the project.
	<p>Regarding improvement of presentation of budget</p> <ul style="list-style-type: none"> • Development of budget preparation software (SIGBUD) by programme. A presentation of the functionalities of this software was made in March 2008 by the software designer in the presence of officials of the Ministry of Finance. 	<ul style="list-style-type: none"> - Creation of a Technical and Functional Committee (CFT) and an Operational Committee (CO) in December 2007 - Creation of an agency for the computerization of public finances (AIFP), responsible for the formulation and coordination of the deployment of new budgetary, financial and accounting, information system of Government, in relation with the structures of the Ministry of Finance (executive decree n° 08-94 of 10 March 2008) 	<ul style="list-style-type: none"> - The CFT is responsible for supervising and validating the implementation of the reform. - The CO is responsible for the implementation of the computer master plan and budgetary systems.

- Development of new budgetary management tools: (i) new nomenclatures of expenditure (by economic type, major functions of Government, by programmes and by administrative unit) ; (ii) a new budgetary cycle extended to 15 months ; (iii) new documents for budgetary presentation (Government main expenditure budget, report on priorities and planning, budget of expenditures of deconcentrated services of Wilayas...).

- Ongoing testing of the software by the services of the Ministry of Finance for its deployment by all credit managers.
- Ongoing training of users of the software.
- Ongoing validation of the draft nomenclature of expenditures by economic nature.

At the level of multi-annual budgeting

- Conducting of a pilot scheme with the participation of five ministries (finance, health, public works, higher education and transport).
- Organization of seminars for various classes of civil servants and officials (accountants, financial comptrollers and judges of the court of accounts) in the 48 Wilayas in the country

- Ownership by officials of these technical ministries of the new budgetary process with the aim of assuming the role of programme manager.
- Preparation of the expenditure budget for the period 2006 based on the new format designed by the reform.
- Popularization of the objectives of the reform.

With regard to the restructuring of the public expenditure system

- Development of a new system of execution of expenditure describing management flows generated by the system and specifying the expenditure procedures, detailed description of operations, distribution of the roles of expenditure actors, credit managers, financial comptrollers and accountants)

- A functional manual of procedures was finalized in December 2006

At computerization level:

- Development of a computerization master plan (SDI) in March 2007 for the modernization of technical infrastructure and develop an integrated system of budgetary management (SIGB)

- For the development of SIGB, the execution of a contract on the preparation of the terms of reference of SIGB which had been ongoing since February 2008 was finalized in July 2008.
- A simple computer application will be developed for the execution of the programme budget in order to determine modalities for the execution of expenditures in a context of budgeting by programme pending the establishment of the SIGB

Strengthening stability and profitability of the banking sector

- At the level of the banking sector
- Improvement of the governance of public banks
 - Enhanced effectiveness of financial intermediation
 - Improvement of the management and upgrading of the major banking functions at public banks
 - Lightening of bank's balance sheets and improvement of the profitability of assets
 - Introduction of financial innovations
 - Improvement of the quality of customers and banking credits
 - Implementation of a plan for bank control and supervision

- Putting in place of new by-laws that, inter alia. Establish an audit committee.
- Increased professionalization of members of CAs and improvement of the management with the formulation of a new charter of managerial responsibilities and a code of ethics.
- Restructuring of the ADB and proposed transformation of SOFINANCE into an investment bank.
- Improvement of banks' equities. In 2007 bank equities rose by over 11 billion DA, in 2008 by 153 billion DA and by 2009 they will have increased by 77 billion DA.
- Implementation of public enterprises' wages scheme (146 non viable enterprises closed and 206 enterprises closed)
- Putting in place of a medium and long term credit for banks,
- Improvement of level of banks' equity
 - Putting in place of a legal for investment capital companies,
 - Development of leasing of tangible and non-tangible assets and creation of savings and credit cooperatives;
- Putting in place of a system of mass tele-clearing of n and introduction of new secured and personalized cheques.

The new performance contracts signed followed the evaluation of performance contracts signed in 2004 embodying a new system of remuneration of ban managers.

- Creation of investment capital company between the Algerian Government and the Kingdom of Saudi Arabia, operational since early 2008
- Commercial reorganization of network of banks
- Putting in place of the legal framework for mutual funds through the promulgation of a law on the creation of savings and credit cooperatives
- Introduction through finance acts, of a specific number of arrangements aimed at reducing the tax burden on fixed assets transactions
 - Putting in place, as part of the modernization and strengthening of the technical infrastructure of banks, of a system of gross settlements in real time of large amounts and urgent payments and of an internal information and tele-clearing of mass payments (ATCI).

1 Banque Algérienne de Développement

2 Société Financière d'investissement, de participation et de placement.

At the level of the financial market

- Densification of issuance of bonds on the market for a more intense mobilization of internal resources

- Strengthening of the financial market through a continuous development of Government securities market which constitute, for maturities of between 3 months and 10 years, benchmark securities, listing of Government securities on the stock market: OAT of Treasury bonds and
- Entry into operation of the central depositor of securities "Algérie Clearing" which constitutes a modern institution for the management and administration of securities based on universal security standards

Improvement of the intervention of the administration and corporate management entities

- Improvement of the information system
- Putting in place of a system of sale of insurance products by bank branches and signing of distribution agreements between insurance companies and the various banks
- The establishment at the office of the minister of finance of an insurance supervision commission
- Strengthening of equity of the insurance sector
- Enhancement of the credit worthiness, profitability, supervision and the progressive opening up of the capital
- Opening up of the insurance market to foreign branches
- Strengthening of the financial security of insurance companies
- Re-organization of supervision

- Establishment of performance contracts
- Re-composition and revision of by-laws of the board of directors and setting up of auditing committees
- Procurement of software,
- Re-assessment of fixed assets in August 2007.
- Passing of a law on insurance companies (Law no 06 04) aimed, inter alia, at the boosting of the industry the development of personal insurance improved supervision, gradual opening up of the capital and resource upgrading.
- Formulation by the DGI of a circular in 2008 on income tax breaks relating to personal insurance contracts (circ. n°2 of 6 April 2008).
- An order specifying the conditions for the opening of these branches was published on 20 February 2008.
- Approval of a foreign company specializing in personal insurance in 2006.
- Signing of partnership agreements in between Algerian insurance companies and foreign companies (SAA with MACIF France, CAAT with FIATC.)
- Institution of a guarantee fund for the insured to cover all or a portion of the company's debt.
- Establishment of a specialized tariff office
- Establishment at the Ministry of Finance of an insurance supervision commission in December 2007.
- Publication of two presidential decrees on the missions and organization of the insurance supervisory commission.

Recovery and stimulation of insurance companies

- The redeployment of new systems is planned for 2008-2009.
- A project for the creation by the SAA of a subsidiary is ongoing.
- Preparation of draft decrees ongoing.
- Eventual separation between personal insurance business and damage insurance.
- Published in 2008

SPECIFIC OBJECTIVE 3 : PROMOTING SOUND PUBLIC FINANCIAL MANAGEMENT

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Improving the performance of the taxation authorities	<ul style="list-style-type: none"> • Modernization of the tax administration • Simplification of the tax system through the removal of some taxes and streamlining of tax exemptions. • Reorganization of the tax management system for the enhanced efficiency of the administration. • Putting in place of large enterprises (DGE) for large tax payers, establishment of tax centres (CDI) for SMEs and professional occupations and creation of close-to-client tax offices for fixed tax payers. • Putting in place from 2006 of a panel of management indicators aimed at opting for performance contracts considered to be the preferred management and evaluation tools • Formulation of a plan to strengthen the personnel and a project for the definition of a compensation plan • Putting in place of a pilot scheme at the central, regional and local level that guarantees the sustainable and transparent supervision of the activities of the operational services. 	<ul style="list-style-type: none"> - Elimination of the VF, reduction of the IBS rate, revision of the TAP in conjunction with the ongoing local tax reform). - Introduction of a combined tax system through the single fixed tax (IFU), for small tax payers. - Strengthening of the DGE notably through the recruitment of qualified staff for tax inspection and to improve the information system. - Management of 1000 enterprises out of a target of 4000 by the large enterprises directorate - 20 CDIs are undergoing construction, the implementation of a pilot CDI is envisaged for the short term, computer application relating to this project is undergoing finalization. 	<p>As an illustration, the number of embezzlements reduced significantly in 2007, compared to previous years: 4 cases amounting to 1.6 million DA in 2007, compared with 5 cases amounting to 112 million DA in 2006 and 13 cases amounting to 112 million DA in 2005.</p>
	<ul style="list-style-type: none"> • Modernization of the information system to support the modernization strategy. • Putting in place of a sufficiently organized planned policy on research, investigation and control functions to combat tax evasion and fraud, capital flight and money laundering and control the informal economy 	<ul style="list-style-type: none"> - A project to put in place an information system that will cover all the needs of the General Directorate of Taxes (DGI) by 2010 was formulated with the aim of equipping the DGI to enable it to better manage tax information in conjunction with the organizations and administrations concerned (Commerce, DGI, Customs, Bank of Algeria). - A provisional application to remedy the dysfunctions of the initial system of the DGE and cover the basic needs of the pilot CDI has been developed - The Directorate of Information and Documentation (DID), created in 2006, and whose main missions in combating these scourges are: (i) the institution of a tax identification number (NIF), (ii) creation of a national register of the tax population (RNPF) ; (iii) creation of the tax record; (iv) creation of central file on bank accounts and financial establishments. (FI-COBEF), is operational, the registration and training operations have been completed. 	

Improving and increasing the revenues of local communities

Reform of local finances and tax systems

- Correct the lapses and dysfunctions noted at the level of local and provide them with the financial capacities to meet their financing needs.
 - Improve the system of solidarity notably through waiver granted to some indebted communes on some compulsory levies for the benefit of the funds of Wilayas and for the promotion of sporting activities and youth activities.
 - Put an end to the recurrent indebtedness of communes by introducing a system of control of the commitment of communal expenditures as in the case of Wilayas.
- The creation of an inter-ministerial committee in July 2007 for the implementation of the reform.
 - The development of a short and medium road map for the implementation of the reform.
 - The regulation and buyback of the debts of the commune by the government (Article 79 of the LF 2008).
 - The gradual clearance, through the Government budget, of the communal debt estimated at 22 billion DA for the period preceding 31 December 1999 as well as the financing from the Government budget of communes, decided prior to 2007 and estimated at 22.9 billion DA,
 - Covering of the increase in the wages, through the Government budget, of the workers of the communes estimated at 18.4 billion DA,
 - Allocation of an overall credit amounting to 15.1 billion DA for the maintenance and security of schools.
 - Improvement of the financial supervisory services of local governments through the creation of 3200 budgetary lines for accountants and computer experts,
 - Increase in the share of VAT paid to communes from 5% to 10%, representing an increase of 4.65 billion DA
 - The strengthening of public communal services with sanitary and cleaning and public works machinery (procurement of 11,153 machinery, renovation of 3,000 others and procurement of 1,300 school buses)
 - The increase starting from January 2007, with the putting in place of the Single Fixed Tax (Impôt Forfaitaire Unique), the share of local governments from 30% to 50% of the proceeds from the fixed tax system ;
 - Allocation of 50% of the proceeds of the IRG on rental incomes to communes;
 - Enforcement of Article 86 of the budget act for 2003 relating to levies to be paid back to the communes based on the use of public property through transport structures and lines or the distribution of electricity, gas and telecommunication installations;
 - Increase in the special tax on building permits;
 - Extension of the visitors' tax to all the communes, with an increase in the rate;- Revision of share of environmental tax allocated to communes;
 - The launch of the building of 1,176 municipal libraries.
 - The start of the construction of 487 municipal day nurseries
 - Moreover, a new programme has just been decided estimated at 74.5 billion DA, that will help:
 - Strengthen municipal parks, notably their maintenance and sanitation.
 - Maintain and equip schools, canteens and dispensaries.
 - Strengthen school transport.
 - Provide youth hostels.
 - o Promote young people's businesses.

SPECIFIC OBJECTIVE 4: COMBATING CORRUPTION AND MONEY LAUNDERING

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Evaluation and improvement of public financial control, upholding of the general principles governing public procurement	<p>Fight against corruption, money laundering and financing of terrorism</p> <ul style="list-style-type: none"> • Support international cooperation and technical assistance for the prevention of and fight against corruption. • Revision of the public procurement code, 	<ul style="list-style-type: none"> - Publication of a decree on the organization of the Financial Information Processing Unit (CTRF) on 28 May 2007. This unit is ready to join the EGMONT Group (an organization of international financial information units). The membership will only be effective following an evaluation, a normal procedure for any membership application, by the GAFI or its regional structure, GAFI-MOAN. This evaluation is scheduled for 2009. - The draft decree amending and complementing the Presidential Decree 02-250 of 4 July 2002 on the regulation of public procurement is undergoing validation. 	
Upholding the labour laws	<p>Promote the integrity, accountability and transparency in the management of public and private sectors</p> <ul style="list-style-type: none"> • Fight against the informal economy 	<p>Adoption of codes of ethics and good governance.</p> <p>Development of commercial sites and creation of 100 premises by Commune</p>	
Prevention and combating of corruption through support and technical assistance for international cooperation	<p>Introduction new facilitation measures in the award of tenders to various operators,</p> <ul style="list-style-type: none"> • promotion of the integrity, accountability and transparency in the management of the public and private sectors <p>3.2. Support to international cooperation and technical assistance for the prevention and fight against corruption.</p>	<ul style="list-style-type: none"> - The control of public expenditure by the National Equipment Fund for Development (CNED) and the Inspectorate General of Finance (IGF) - Creation of the Financial Information Processing Unit (CTRF) 	

**SPECTIFIC OBJECTIVE 5 :
HARMONIZING MONETARY, COMMERCIAL
AND INVESTMENT POLICIES FOR REGIONAL INTEGRATION**

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Promoting Maghrebian Integration	Establishing a free trade zone between countries of the Arab Maghreb Union (UMA).	- The last meeting of the ongoing negotiations between member countries was held in Rabat in May 2007.	
Making Africa an essential axis of the economic and commercial policy of Algeria	<p>Pursuit of integration actions within the framework of the African Union</p> <ul style="list-style-type: none"> • Trans-Saharan Highway • Active participation of Algeria in all the meetings of African Ministers of Trade organized under the auspices of the African Union Commission (AUC) as well as those of the Trade Committee, Regional Cooperation and Integration, initiated by the United Nations Economic Commission for Africa (ECA) • Development of economic and commercial relations with the West African Economic and Monetary Union (UEMA). • Promotion of intra-regional trade through Regional Economic Communities (REC) stemming from the Abuja Accord, concerning the WAEMU 	<ul style="list-style-type: none"> - Completion of the last section of the Trans-Saharan Highway, the 5km In Guezzam section scheduled to be completed by end 2008. - Dualization of the Trans-Saharan Highway between Blida and Laghouat underway. - Start of discussions with UEMOA beginning of second half of 2007. - Discussions with the West African Economic and Monetary Union (UEMOA) for the signing of a trade and investment agreement for which the second round of negotiations is in preparation. - The initiative to sign a trade and investment agreement with this Union involving 8 countries (Benin - Burkina Faso - Côte d'Ivoire, Senegal, Mali, Niger, Togo and Guinea Bissau). A single negotiation session was held between 28 and 30 January 2008 in Ouagadougou that led to a convergence of the viewpoints of the two parties with regard to the trade component. The second round of negotiations, initially scheduled for end May 2008 in Algiers did not occur; the consultation within the UEMOA member countries has not yet ended. 	

Implementation of the Arab Free Trade Zone executive programme	<p>Preparation of a document on the membership commitment, complete exemption of customs duties and charges having equivalent effect of imports and enforcement of original regimes adopted by the Economic and Social Council</p> <ul style="list-style-type: none"> • Generalization of the instruction granted for the application of total franchise for the application of total franchise granted to products of Arab origin, to send to the customs services at borders and send a copy of the Algerian customs tariff to the Secretariat of the Arab League • Appointment of a focal point for the monitoring of the implementation of the executive programme of the zone and the resolution of problems related to its enforcement. • Establishment of the list of precluded products from the provisions of the executive programme of the zone for reasons of health, security, environment and faith. 	<ul style="list-style-type: none"> - In addition to these pre-requisites to the membership of the zone, the Minister of Trade formulated, in conjunction with the sectors concerned, an initial list of negative list of products to be protected, pursuant to Article 15 of the Arab convention on trade facilitation and development. 	
Regional Euro-Mediterranean integration	<p>Development of economic relations with countries of the Euro-Mediterranean zone for preferential access by Algerian products to the European market and promotion of European investment in Algeria</p> <ul style="list-style-type: none"> • Signing of a free trade agreement with four member countries of the European Free Trade Association (EFTA). 	<ul style="list-style-type: none"> - Participation in Euro-Mediterranean meetings and preparation of the second round of negotiations. 	
Algeria's adhesion to the WTO	<p>Integration of the national economy into the multilateral trade system (WTO). Promotion of trade cooperation among countries of the south in group of 77.</p>	<ul style="list-style-type: none"> - Holding of the 10th round of the task force in charge of the Algeria's membership on 17 January 2008. - Debates on the finalization of the Trans-Saharan Highway Membership Report and protocol as well as the annexes (lists of tariff commitments and list of specific commitments on services). - Three rounds of negotiations took place the first of which was held on Algiers in November 2007, the second in Geneva in February 2008 and the last during the month of May 2008 in Algiers. - The finalization of this agreement is expected in the year 2008 - Participation in the round of negotiation on the Global System of Trade Preferences (GSTP) among developing countries 	<ul style="list-style-type: none"> - Meetings held on the fringes of the 12th UNCTAD Session held in Accra (Ghana) from 20 to 25 April 2008
Free trade agreement with the four member-countries of the European Free Trade Association - EFTA	<p>Ongoing negotiations for the signing of a free trade agreement with four member countries of the European Free Trade Association - EFTA- (Switzerland, Island and Lichtenstein).</p>	<ul style="list-style-type: none"> - Three rounds of negotiations took place, the first of which was held on Algiers in November 2007, the second in Geneva in February 2008 and the last during the month of May 2008 in Algiers. Finalization of this agreement is expected in the year 2008 	

promotion of trade ties between countries of the South based on the principles of reciprocity through the exchange of concessions

Active participation in the round of negotiation on the Global System of Trade Preferences (GSTP) among developing countries.

- In this regard, alongside the 12th session of the UNCTAD meeting held in Accra (Ghana) from 20 to 25 April 2008, Algeria participated in two GSTP meetings as part of the 3rd Sao Paulo round, namely:

- Negotiation committee at the level of high officials
- Extraordinary session of Participation Committee at the level of Ministers of Trade of GSTP Developing Countries Member States.

MATRIX III

**CORPORATE
GOVERNANCE**



**SPECIFIC OBJECTIVE 1 :
CREATING AN ENABLING ENVIRONMENT
AND AN EFFECTIVE REGULATORY/CONTROL FRAMEWORK FOR ECONOMIC ACTIVITIES**

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Improving the business climate and attracting investments	Strengthening of information actions on investments through:	- Organization of 32 information days on investment policy at national and international level	
	Simplification of procedures and arrangements for granting advantages	- Multiplication of the number of investment projects declared in 2007 at the ANDI entailing 11,497 projects	
	Improvement of the effectiveness of investment support structures through: <ul style="list-style-type: none"> • the facilitation of access to SME financing; • an improvement of the effectiveness of the guarantee fund (FGAR) and the investment credit guarantee fund (CGCI) for SMEs; • Creation of an investment fund for SMEs. 	<ul style="list-style-type: none"> - 213 guarantees were granted to project designers in the amount of 6 billion dinars generating 11,000 jobs - 22 applications were approved - 2008 Budget Act 	
Improvement of the support to promoters / investors		<ul style="list-style-type: none"> - Implementation of an economic information system for SMEs, a database and an implementation card for SMEs - Implementation of the programme for the creation of 32 facilitation centres two of which are operational at Oran and Tipaza - Creation of 05 business incubators as support mechanism for SME start up - Creation of 29 business incubators as part of the centralized programmes, Hauts Plateaux and Sud - Conducting of a study on the diagnostic and an innovation assessment in the SMEs - Establishment of SME/University programmes 	Operation underway in the Wilayas concerned
Streamlining of procedures for registering businesses and business start ups		<ul style="list-style-type: none"> - Reduction of the number of administrative requirements in applications from 13 to 5 documents - Reduction of the time taken to register a business from 2 months to 1 day - Strengthening and multiplication of the number of local structures in business registration depending on the economic activity of the region. Pilot operation ongoing in Algiers with 3 new sites - Putting in place of the electronic management of documents including incorporation into the database of the centre - Setting up of the telematic system of consultation of data on nearly 1,3 million affiliated enterprises 	Ongoing
Technical support of the World Bank for the improvement and simplification of procedures		<ul style="list-style-type: none"> - Finalization of a general study - Putting in place of a system of improvement 	

Protection and promotion of foreign investments through cooperation with some countries

- Signing of protocol of cooperation with Hungary, Slovenia, Russia, Zimbabwe and Canada.
- Installation of 3 joint Commissions: United Arab Emirates, Cuba and Libya

Encouragement of investments in branches of hydrocarbons, energy and mining

- Strengthening the institutional framework of the hydrocarbon, energy and mining sector
- Regulation and enhancement of the value hydrocarbons
- Development of new and renewable energy sources
- Strengthening of partnership in the mining sector

- Promulgation of 3 blueprint laws
- Creation and establishment of the electricity and gas regulatory commission, transformation of public enterprise, Sonelgaz, into an equity company, creation of subsidiaries, creation of the entity in charge of managing the production and transmission system and of 4 power and gas distribution subsidiaries in 4 regions of the country (Algiers, Centre, East, West)
- Putting in place of 2 independent agencies for the regulation and development of hydrocarbons (ARH, ALNAFT)
- Increased crude oil production from 1.4 million barrels a day
- 36 association contracts were signed comprising 35 Research and 1 Prospecting for the 2001-2007 period
- Creation of New Energy Algeria (NEAL)
- 31 partnership operations with Australia, Canada, China, India and Egypt were effected.
- The amount of investments stemming from these partnership operations was US\$ 33 Million

The development and support to fishing activities

- Strengthening of players in the sector
- Establishment of a master plan
- Strengthening of infrastructure and equipment.

- Short medium and long-term training for 280 persons (advance training and retraining).
- Training of 13,000 pupils in various branched of fishing and aquaculture.
 - Development of a master plan of fishing and aquaculture activities by 2025,
 - The launch of a study on the establishment of a satellite-based fishing vessels monitoring system (VMS) and a study on the Algerian fisheries development and management plan.
 - A national laboratory and 02 regional annexes are undergoing establishment

- Formulation of a tourism development master plan 2025
- Inducement for tourist investment:
- Strengthening of partnership with the tourism actors
- Creation of tourist poles

- Adoption by Government Cabinet and by stakeholders
- Approval of 80 tourist projects with the signing of a commitment and partnership contract
- Support and launch of national and international projects
- Rehabilitation and protection of lands earmarked for tourist investments
- Support to tourist investment: inclusion in Government 2008 budget of capital investment for tourist development and improvement
- Conduction of access and infrastructure works (energy, roads, motorway, WSS, ITC, etc..)
 - Development of priority ZESTs and accessibility
 - Compensation to holders of actual real estate rights
 - Marking out of the boundaries of ZEST
 - Marking out of news ZEST in their declaration and classification
- Organization of 4 regional meetings and one national meeting
- Signing of agreements with Customs, Transport, and Training
- 7 tourist poles established: North-East, North – Central, North – West, Oasien Touat, Gourara, Tassili and Ahaggar

	<p>Development of the information and communication technologies (ITC) sector</p> <ul style="list-style-type: none"> • Facilitation of access to the post and telecommunication sector 	<ul style="list-style-type: none"> - Increase in the number of operators: <ul style="list-style-type: none"> 02 in fixed telephony 03 in mobile telephony 03 global mobile personal communication by satellite (GMPCS) 03 in the VAT system Several internet service providers and call centre operators and Audiotex services 	
Improving the conditions of corporate organization and operation	<p>Economic improvement and upgrading of SMEs in terms organization, quality, staff training, technological innovation and communication and governance</p> <ul style="list-style-type: none"> • Generalize adherence to the corporate charter. • Improve information on/and for businesses with the improvement of conditions governing the granting of credit to businesses. 	<ul style="list-style-type: none"> - Institution of a national award on innovation for SMEs - Programme of support for 450 SMEs under Euro–development financed by the Minister of SME and European Union - Formulation by the forum of business leaders and the Algerian business think tank an Algerian corporate code of good governance 	
	Improvement of the organization of the traded goods sector	<ul style="list-style-type: none"> - Redeployment of Government contributions and reform of the current institutional framework for greater competitiveness of businesses, specialization of the national economy and its opening up to the global market 	Ongoing
	Improvement of the competitiveness and of the quality system of businesses through:	<ul style="list-style-type: none"> - Revision and consolidation of missions of specialized agencies and institutes: <ul style="list-style-type: none"> ALGIERSAC for accreditation IANOR for standards INAPI for industrial production ONML for legal metrology - Redeployment at national level and adaptation of the missions, resources and potential intervention of ALGIERSAC, INAPI and ONML 	
	Development of the synergy between SMEs and universities	<ul style="list-style-type: none"> - Organization of regional SMEs/Universities - Establishment of agreements for the creation of incubators at the level of universities - Development of research/innovation programme within the SMEs with the support of universities 	
	Improvement of the knowledge of SME activities and constraints related to their environment environments	<ul style="list-style-type: none"> - Finalization of 6 studies on the activity branches of SMEs: cork, wood, construction materials, Agro-food... 	

Improvement of the organization and operating of the major economic groups namely Sonelgaz and Sonatrach through:

- The creation of new companies at Sonelgaz
- Completion of the subsidiarization of Sonelgaz
 - The reorganization of training activity at Sonelgaz.
- Redeployment of Sonatrach at the international level.
 - Consolidation of Algerian Petroleum Institute (IAP) into SPA with foreign participation
 - An overhaul of the internal information and communication system

- Creation of 3 companies: AEC- NEAL-STH
- Subsidiarization of the activities of Sonelgaz around 8 basic trade subsidiaries and 12 peripheral subsidiaries (production, transmission and distribution)
- Regrouping of 3 Sonelgaz training schools into a single subsidiary specialized in training
- Development of internal publications and reviews

Putting in place of a crisis management system

- Putting in place of an anticipation programme for strategic decision making

- Acquisition of 4 disaster medicine units:
- Legislative arrangement for the formulation of a ten-year plan
- Development of an indicative programme for the supply of the domestic market with natural gas for 2006-2015
- Formulation of an indicative programme of the power generation resource needs for 2006 -2015
- Putting in place of long term perspective directorate in the organization structure of sector enterprises and agencies

Implementation of the national programme of upgrading and support to industrial enterprises and SMEs

- Launching of a pilot programme with UNIDO and the Ministry of Industry for the upgrading of enterprises
 - Mobilization of credits for the promotion of industrial competitiveness fund for the benefit of enterprises
- Formulation and implementation of annual programmes 2007/2008
 - Creation and establishment of a national SME development agency for the implementation of the national SME upgrading programme
- Creation of a network of offices of the agency at local level

- Upgrading of 50 public and private enterprises
- 145 enterprises have benefited from financial aid from the fund amounting to 2,753 million dinars
- Improvement of the productivity, organization, quality of products and the value added of businesses
 - Creation of 4 regional agencies
 - System strengthened through:
 - Organization of 14 regional awareness meetings
- 685 enterprises have expressed an for the programme
 - 445 have entered in the process of upgrading
 - 294 SMEs have initiated diagnostic actions
 - Finalization of 18 training cycles under the implementation of the upgrading programme

Enhancing the effectiveness of road transport

Strengthening of the capital programme of the various modes of road transport

Allocation of a budgetary credit of 1,688 billion dinars for the various capital investment programmes

Putting in place of the road and motorway master plan 2025 as part of the national land plan use master plan (SNAT)

Adoption and validation by Government Cabinet in August 2007

<p>Strengthening, development and modernization (better network and accessibility of the territory) of road and motorway infrastructure through :</p> <ul style="list-style-type: none"> • Launching of structuring projects • Opening up of the Hauts Plateaux and Sud regions • Development and improvement of coastal and tourist zones 	<ul style="list-style-type: none"> - Construction of the East/West motorway, 2nd, 3rd and 4th ring roads and motorway of Hauts Plateaux - Motorway links, North-South throughways and expressways - Specific programme of the Hauts Plateaux and Sud regions - Development of coastal roads and improvement of the littoral zone - Launch of the Trans-Saharan highway with the allocation of 64 billion dinars for the North Blida-Laghouat section - Extension of road network (new roads, modernization, reinforcement) to 29,960 Kms - Increase in the number of structures to over 1,100 new units - Progression of surface density of road network (Km/Km²) from 0.5 to 0.7
<p>3 Improvement of the quality and up-grading of the existing road network through a specific programme based on:</p> <ul style="list-style-type: none"> • The maintenance and consolidation of national roads • Expertise and maintenance of structures • Improvement of the public road service by providing section houses and regional parks • Strengthening of road signing and safety 	<ul style="list-style-type: none"> - Launch of road network renovation and improvement programme over nearly 10,000 Kms - Improvement of the road network to nearly 92% - Outputs: Establishment of 15 regional parks Creation and commissioning of 200 section houses 2009 target: construction of 500 units - Putting in place of a specific multi-year programme with the following output since 2000: 58,014 Kms of road markings 829 Kms of guard rails 189,253 road signs - Impacts/progress made: Creation of nearly 90,000 jobs/year Opening up and improvement of accessibility to nearly 7.3 million inhabitants Development of transportation of goods and persons
<p>Modernization and upgrading of human resources</p> <ul style="list-style-type: none"> • Human resource development and training 	<ul style="list-style-type: none"> - Launch of higher institutes of management of major projects and the national centre for quality control - Finalization of 2,000 training activities (short and long term) - Development of handbook on international standards applicable to the sector - Development of a computer master plan for the sector
<p>Improvement of the effectiveness and complementarity of rail transport through programmes of:</p> <ul style="list-style-type: none"> • Modernization and upgrading of the North ring road • Strengthening of railway links of the Hauts Plateaux, throughways and the South loop to open up and enhance the attraction of these areas • Improvement of the rail network of the suburbs of Algiers and the inter-modality • Modernization of infrastructures and railroad facilities • Construction of new railway lines • Modernization and re-opening of former railway lines 	<ul style="list-style-type: none"> - Start of works for the modernization, dualization and electrification of the 1,200 km network linking the East to the West with a cruising speed of 220 kms/h - Finalization of the various engineering designs (1st phase) - Completion of 433 kms of new lines - Procurement of railway equipment (locomotives, railcars...) - Launch of studies for 6 new lines - Ongoing study operations for 10 new tracks

Ongoing

<p>Improvement of urban mass transport with the commissioning of new modes of transport and road infrastructure:</p> <ul style="list-style-type: none"> • Construction of the 1st line of Métro d'Algiers • Launching of tramway projects for cities • Rehabilitation and modernization of aerial tramways in the r cities <ul style="list-style-type: none"> • Implementation of a vast programme of bus stations to improve the service for users • Strengthening of public transport activities 	<ul style="list-style-type: none"> - Construction of the 1st underground line over 9 kms and 10 stations - Development of stations and procurement of specific equipment <ul style="list-style-type: none"> - Launch of works for the Tramway in 3 cities: Algiers, Oran and Constantine <ul style="list-style-type: none"> - Finalization of feasibility studies for the tramway projects in 6 other towns: Sétif, Annaba, Sidi Bel Abbes, Ouargla, Batna and Mostaganem - Rehabilitation and commissioning of 7 aerial tramways : Algiers, Constantine, Annaba, Blida, Tlemcen, Skikda and Oran - Bus stations programme undergoing implementation in 35 Wilaya main towns - Development in the regions of the Hauts Plateaux: 39 stations -35 stops - Development in the South regions of: 15 stations – 11 stops <ul style="list-style-type: none"> - Creation of 4 new public transport enterprises in Tizi Ouzou, Tébessa, Tlemcen and Oran
<p>Improvement of road accident prevention and road safety through:</p> <ul style="list-style-type: none"> • The generalization of vehicle roadworthiness inspection 	<ul style="list-style-type: none"> - Compulsory roadworthiness inspection for 5 million vehicles <ul style="list-style-type: none"> - Creation of technical centres countrywide - Creation of a national driving licence centre for the management of tests, upgrading of driving schools and training <ul style="list-style-type: none"> - Decentralization of activities at the national road accident prevention and road safety des centre (CNPSR) in the Wilayas and the involvement of all stakeholders - Reorganization and decentralization of driving prevention and road safety activities
<p>Improving the situation of maritime transport, ports and airports</p> <p>Formulation of maritime infrastructure master plan by 2025</p>	<ul style="list-style-type: none"> - Adoption by Government Cabinet 2007
<p>Improvement of maritime and port safety with the putting in place of new system of management, control, watch and coordination of activities</p>	<ul style="list-style-type: none"> - Finalization of study on the setting up of an integrated vessel traffic management and information system (VTMIS System) <ul style="list-style-type: none"> - Putting in place of system of radar monitoring of maritime traffic along the coasts - Putting in place of the COSS (national vessels safety and security monitoring centre)
<p>Improvement of the coordination of information, actions and the resources of various stakeholders</p> <ul style="list-style-type: none"> • Strengthening of the maritime signaling system and infrastructure • Increase in operating capacities 	<ul style="list-style-type: none"> - Putting in place of the operational maritime and port security and safety centre <ul style="list-style-type: none"> - Preservation and maintenance of remaining infrastructure <ul style="list-style-type: none"> - Provision of new facilities - Renovation and modernization of signing equipment
<p>Formulation of the port development master plan 2025</p>	<ul style="list-style-type: none"> - Adoption in Government Cabinet
<p>Strengthening and modernization of airport infrastructure in anticipation of traffic growth</p>	<ul style="list-style-type: none"> - Construction of 4 new airport facilities - Finalization of studies on the improvement of 6 air strips: Batna, Tamanrasset, Algiers, Jijel, Oran et El Goléa <ul style="list-style-type: none"> - Putting place of flood control and protection programmes in new airports

	improvement and modernization of the system of management and control of the air space of Algeria national	<ul style="list-style-type: none"> - Launch of the South air space radar coverage project (PDGEA) and establishment of a regional control at Tamanrasset - Construction of 5 new control towers - Procurement of approach and landing assistance equipment in the airports 	
	Modernization and renewal of weather forecast equipment	<ul style="list-style-type: none"> - Construction of 68 stations 10 of which are automatic for the prevention of risks and natural disasters - Modernization of weather data processing equipment and resources 	
Accelerating corporate reforms	<p>Support to the corporate reform process</p> <ul style="list-style-type: none"> • Consolidation of the legal and regulatory framework • Adaptation and upgrading of the commercial, tax, social and financial mechanism • Reduction of corporate expenses • Acceleration of privatization process and extension to various economic sectors 	<ul style="list-style-type: none"> - Passing of the trade code and revision of the tax system specific for investments - Liberalization of the labour market and putting in place of support instruments - Increase of privatization operations to 110 enterprises in 2007 - Preservation of 40,000 jobs - Privatization proceeds amounting to 136 billion DA 	
	<p>Support to the development and promotion of SMEs</p> <ul style="list-style-type: none"> • Adaptation of the legal and regulatory framework • Programme of support to SME start ups • Implementation of a national upgrading programme • Financial support for SME development 	<ul style="list-style-type: none"> - Passing of 46 implementing regulations - Revision and adaptation of the law on SMEs - Creation in 2007 of 2,441 new SMEs with an annual growth rate of 8.9% - Forecasts for 2008 : 320.000 SME, 1,150,180 jobs - National upgrading programme: 3,000 SME, 1st tranche : 300 SMEs - Partnership between banking establishments and representatives of SMEs as part of the formulation of a white paper - Consolidation of 2 guarantee funds namely FGAR/EGCI - Creation of a bank for the promotion of SMEs 	Ongoing
	Reorganization of the public traded goods sector and institutional review of the privatization process	<ul style="list-style-type: none"> - Redeployment of economic enterprises into 3 types of entity or economic groups in charge of the promotion of various activities - Putting in place of the legal arrangement governing the management of market-traded capital - Putting in place of the mechanism for the implementation of privatization operations 	Ongoing
Control and supervision of economic activities	<p>Strengthening of the competition and control framework of activities</p> <ul style="list-style-type: none"> • Organization of the relation between the Competitiveness Council and various sectoral regulatory authorities • Review of the organization of commercial activities 	<ul style="list-style-type: none"> - Passing of the law (2008) aimed at widening the powers of the Competition Council to cover public procurement and assuming a regulatory role for the market - Revision of legislative regulations on the organization and conditions for conduction commercial activities - Relaxation and regular monitoring of the creation of enterprises through registration in the business register 	
	Implementation of the level of the tourist sector of a quality plan to check standards and tourist economic activities	<ul style="list-style-type: none"> - Performance contract during the 2008 tourist season; - Tourist guides: quality service in the reception of tourists; - Tourist guides: consultation and support for the publishing of tourist guides on Algeria. 	

**SPECIFIC OBJECTIVE 2 :
ENSURING THAT BUSINESSES BEHAVE AS GOOD CORPORATE CITIZENS
IN THE AREAS OF HUMAN RIGHTS, SOCIAL ACCOUNTABILITY
AND ENVIRONMENTAL SUSTAINABILITY**

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
I. Contribution by businesses to environmental protection	<p>1.1. Commitment by the Government and businesses in the conservation and protection of the environment through:</p> <ul style="list-style-type: none"> • Putting in place of a national environmental management policy <p>1.2. Strategic integration of the environment in public actions through integration and encouragement of partnership</p> <ul style="list-style-type: none"> • Experimentation and generalization of the environmental approach in schools, universities and in businesses 	<ul style="list-style-type: none"> - Putting in place of an environmental management system ISO 14001 - Conducting of 100 environmental audits in industrial concerns <ul style="list-style-type: none"> - Training of environmental auditors - Certification of businesses for safety and environmental standards - Enhancement of public actions through the creation of 6 agencies and centres for monitoring, management and control of the environment <ul style="list-style-type: none"> - Finalization at the level of businesses of: <ul style="list-style-type: none"> • 1,580 impact assessments • 880 hazard studies • 120 performance contracts • 50 enterprises certified for ISO 14000 • 1,420 delegates trained in environmental issues • 3 eco-citizen enterprises received the 2008 environment award • 145 projects and university research teams in the service of the environment <ul style="list-style-type: none"> • 100 community projects - Generalization of the environmental approach in 25,000 schools, among 1,000 teachers and with 5,000 green clubs - Adherence by 265 manufacturers to the new environmental policy 	
	<p>1.3. Better integration and addressing of environmental issues by enterprises</p>	<ul style="list-style-type: none"> - Involvement of industrial operators with the administration of the environment <ul style="list-style-type: none"> - Implementation at the level of 15 enterprises and large industrial complexes of measures to reduce and eliminate environmental pollution using self-financed resources - Voluntary adherence by businesses to the charter on the environment 	
	<p>1.4. Implementation of the industrial pollution control and alert project</p>	<ul style="list-style-type: none"> - Putting in place of a guide on the environmental impact assessment that facilitates the mastery of procedures, methodology and evaluation - Conducting of 3 environmental audits of the ISO 14000 type on 10 programmes <ul style="list-style-type: none"> - Signing of 100 performance and self-monitoring contracts with industrial enterprises - Inclusion of environmental protection requirements for polluting enterprises <ul style="list-style-type: none"> - Putting in place of early warning and intervention mechanisms in enterprises - Networking of all the stakeholders concerned by environmental issues - Creation of a marine depollution company, OSPREC 	

1.4. Enforcement of the new ecological tax	<ul style="list-style-type: none"> - Putting in place of 10 ecological taxes: refuse, waste, pneumatic, fuel, waste water, polluting activities ...
1.1. Support to the development and production of clean energy sources	<ul style="list-style-type: none"> - Supply of 20 Wilayas with solar energy - Construction of a 150-MW hydro-solar plant at Hassi R'mel - Launch of a new 10-MW wind farm at Tindouf
1.7. Improvement of corporate citizenry through social investment • Introduction of the culture of solidarity as a vector of sustainable community development	<ul style="list-style-type: none"> - Finalization by SONATRACH and SONELGAZ of various social actions for regions where their projects are located: education, human development, health ... - Formulation of an intervention strategy for social investment projects, notably for disadvantaged regions where projects are located - SONELGAZ: Social and educational projects at Médéa and Oran - SONATRACH: Projects directed at 5 areas: education, health, environment, sport and opening up
1.1. Strengthening of the legislative and regulatory framework of the control of informal work	<ul style="list-style-type: none"> - Revision of the labour code - Putting in place of a mechanism to combat illegal labour and informal activities - Protection of vulnerable groups, notably women and children - Strengthening of employer control activities, including 9,810 inspections carried out (2008) for 70,000 targeted workers
1.1. Putting in place of a new employment promotion strategy	<ul style="list-style-type: none"> - Adoption of the decree on the mechanism for providing assistance for vocational integration (DAIP) for the youth and first employment seekers - Definition of inducements for employment creation by enterprises - Promotion of in-service training

**SPECIFIC OBJECTIVE 3 :
PROMOTING THE ADOPTION OF THE CODE OF ETHICS IN BUSINESS
FOR THE PURSUIT OF CORPORATE OBJECTIVES**

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Adoption of business code of ethics	1.1. Review of the law on competition	- Bill in the process of being passed	Ongoing
	1.1. Putting in place of an effective consumer protection policy and adaptation of the legislative and regulatory framework	<ul style="list-style-type: none"> - Promulgation of laws on rules of importation and exportation of goods and the conducting of commercial activities - Promulgation of 23 executive decrees in application of the afore-mentioned legislative instruments - Bill on consumer protection and combating of fraud undergoing adoption - Putting in place of the national food code committee - Strengthening of modalities for controlling imports at borders - Recruitment of 1,500 specialized university staff in quality control - Launch of studies for conducting a national testing laboratory - Construction and rehabilitation of 13 quality analysis laboratories - Provision of extra control equipment entailing the procurement of 280 vehicles 	
	1.1. Putting in place of an effective standardization policy	<ul style="list-style-type: none"> - Harmonization of the standardization, legislation and regulation with the WTO - Formulation of 3 executive decrees relating to the organization of the standardization, evaluation of conformity and creation of the Algerian accreditation organization ALGIERSAC - Revision of the list of approved standards 	
	1.4. . Fight against informal activities	<ul style="list-style-type: none"> - Identification of spaces hosting non-sedentary or informal activities in the Wilayas; - Recovery and rehabilitation of commercial areas of dissolved enterprises (ASWAK, EDGA...) and their allocation to informal operators or unemployed youth; - Encouragement of private promoters to invest in the construction of commercial facilities ; 	

SPECIFIC OBJECTIVE 4 :
ENSURING THAT ENTERPRISES TREAT ALL THEIR PARTNERS FAIRLY AND EQUITABLY

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Protection of property rights	1.1. Upgrading of the industrial property protection system to international standards	<ul style="list-style-type: none"> - Revision of 2 ordinances relating to the protection of brands and patents. - Promulgation of 3 executive decrees on brands, invention patents and configuration plans 	
	1.2. Adherence by Algeria to international cooperation treaties	<ul style="list-style-type: none"> - Signing of 1 international treaties under the auspices of the World Industrial Property Organization (OMPI). 	
	1.3. Putting in place of a programme to combat the informal sector, counterfeiting and encouragement of inventors and innovators	<ul style="list-style-type: none"> - Putting in place of a data bank and digitalization of documents. - Publication and dissemination of the official industrial property newsletter. 	

SPECIFIC OBJECTIVE 5 : ENSURING THE ACCOUNTABILITY OF ENTERPRISES, MANAGERS AND EXECUTIVE STAFF

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
I. Insufficient information for businesses	1.1 Improvement of the transparency of company accounts	<ul style="list-style-type: none"> - Legal and mandatory publication of shareholders' accounts of businesses in the Wilayas where they are located at the national business registration centre . 	
	a. Improvement of access to information and its dissemination	<ul style="list-style-type: none"> - Finalization of 1 projects by the CNRC relating to the implementation of a telematic network of businesses and a system of electronic management of archives. - Creation by the post and information and communication technologies sector of 1 online learning academies for management-related training. - Setting up of the Governmental Intranet network. - Introduction of a new accounting and financial system. - Obligation on enterprises to put in place an audit unit. - Mandatory setting up for each enterprise of a national identification number. - Obligation on enterprises to have an internal auditor and periodically hold general assemblies. 	

MATRIX IV

SOCIOECONOMIC DEVELOPMENT



MAIN OBJECTIVE
PROMOTING SUSTAINABLE ECONOMIC GROWTH,
ERADICATING POVERTY AND REDUCING INEQUALITIES AMONG THE POPULATION
SPECIFIC OBJECTIVE 1 :
PROMOTING SUSTAINABLE ECONOMIC GROWTH

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Increasing the social impacts of policies.	Improve the quality of analysis of socioeconomic studies and public projects		
	Reform, by associating the populations concerned, the scales of contributions and social services		
Less dependence of the social Budget on the level of export revenues of hydrocarbons.		<ul style="list-style-type: none"> - Improvement of results recorded in sectoral development, excluding hydrocarbons. - Increase in overall GDP (+ 3% in 2007 compared to 2% in 2006) - Unemployment rate was: 11.8% in 2007 (compared to 12.3% in 2006). 	
Easy consultation among socioeconomic and political stakeholders around development objectives.	Increase opportunities for meeting with the communities concerned, national and local authorities and address their concerns.	<ul style="list-style-type: none"> - Mainstreaming of the participatory approach in local development programmes, - Finalization of a pilot operation for the mainstreaming of the participatory approach in the formulation of socioeconomic audits in 250 communes, - Training of graduates at local level in participatory approach, - Finalization of integrated local development support programmes (Mila, Sétif, Khenchela, Tipaza, Batna, Oum El Boughi), - Mobilization of local actors for the participatory approach and programme forecast and monitoring methods. - Organization of conferences and meetings on the promotion of territorial and participatory approach 	
	Consultation around the rural development plan based on a participatory approach		
	Create a simpler framework for facilitating the development of public/private partnership.		
Adherence by the communities to modalities for implementing and managing programmes.	Widening and developing dialogue with local associations		
	Involve the private sector more		

Restructuring of the macroeconomic framework		
Reduction in corruption prevalence.	Regulating and rigorously monitoring the implementation of public finance programmes	
	Develop internal audits for projects with the involvement of representatives of communities concerned	
Better adaptation of programmes to the needs of the people.	Enhance consultation for the decentralization of economic decision and greater involvement of the civil society	<ul style="list-style-type: none"> - Widening of dialogue with local associations (professional and traditional civil society associations ...). - Creation under the PSRR of communal rural outreach units: space for dialogue, consultation, information sharing, orientation between the various local development actors in which the associations play a key role.
	Implementation of the support programme for Rural Renewal (PSRR) 20072013-	<ul style="list-style-type: none"> - 5000 local rural development projects have been initiated. - Launch of three agricultural development projects, integrated rural development for anti-erosion management, mobilization of water resources and creation of jobs.
		<ul style="list-style-type: none"> - Launch of credit without interest «RFIG» for the benefit of farmers, stockbreeders and operators of related activities, - Intensification of agricultural mechanization through enhanced credit leasing, - Strengthening of local rural mutual aid, - Rural Employment Project II: Project began in 2004 over an area of 1,427,200 ha located in the mountainous areas in 6 Wilayas (Tiaret, Tissemsilt, Chlef, Ain defla, Médèa and Bouira) targeting a population of 1,206,340 inhabitants.

SPECIFIC OBJECTIVE 2 : IMPROVING INTER-SECTIONAL AND INTER-GENERATIONAL EQUITY

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Eradication of extreme poverty of persons living on less than US\$ 1 per day and significant reduction of the proportion of those living on less than US\$ 2 per day	Development of microcredit	- Mechanism of support by the national agency for the management of microcredit was extended to all citizens wishing to undertake a business venture given rise to a vast entrepreneurship programme that generated 54,770 activities in all the sectors; - Financing of nearly 94,000 projects that generated nearly 260,000 direct jobs between 1999 and 2008.	
	Development of the information system on employment availability.	- Application of the provisions of Law No. 04-19 on the monitoring and employment of workers compelling employers to submit their job vacancies to the network of agencies of the National Employment Agency (ANEM).	
	Strengthening of resources allocated to microcredit.	- Resources allocated to microcredit have been increased (from 100,000 to 600,000)	
	Effective application from the guarantee funds of credits allocated to young entrepreneurs and SMEs.	- The three mechanisms for business start-up developed by the ANSEJ, CNAC and ANGEM as well as SME have been provided with guarantee fund to cover the risks.	
	Increased decentralization structures for receiving and guiding young people and unemployed persons wishing to create a microenterprise (ANSEJ, CNAC, and ANGEM).	- Rehabilitation and modernization of the National Employment Agency (ANEM): densification of the network of agencies (25 new structures) as well as the modernization of the management of these agencies.	
	Increase of assistant budget to households without incomes.	- The Solidarity Allocation Fund (AFS) for the elderly without resources and without family ties, to disabled persons and to women heads of households, was increased in 2007 for the elderly from 1000 DA/month to 3000 DA/month. - Exemption of income tax for salaried disabled persons whose salary is less than 15,000 DA - Poor detainees received social and financial aid amounting to 2,000 DA following their release (Executive Decree No. 05-431 of 8 November 2005 and Inter-ministerial Order of 2 August 2006). - Increase of the educational allowance from 2,000 DA to 3,000 DA: 3 million beneficiary pupils.	
	Development of local units of the Social Development Agency as part of poverty reduction.	- The number of local units rose from 105 in 2006 to 152 in the first half of 2008.	

<p>Generalize access by all to education, from primary to tertiary education</p>	<p>Provide education for all up to age 16.</p>	<ul style="list-style-type: none"> - 3 million pupils received the educational grant, which was increased from 2,000 to 3,000 DA, - An average of 500,000 children with the annual supply of school kits, - School transport for children living in rural and disadvantaged areas with the supply of 4,009 buses, - Institutionalization of private educational and learning establishments.
	<p>Increase in the net enrolment rate.</p>	<ul style="list-style-type: none"> - The net enrolment rate in 2007: to 6 years: 97.51% and to 6-15 years: 93.51% - The proportion of school-goers in the 1st year of primary education completing year 2 of secondary education was 93.0% in 2006 - The success rate at the baccalauréat which was 34.4% in 2001, and 51.1% in 2006 increased to 55.4% in 2008.
	<p>Reduction of illiteracy rate</p>	<ul style="list-style-type: none"> - Implementation of the national literacy strategy adopted by the Government in January 2007. - Setting up of a mechanism for monitoring and periodic assessment of the national literacy strategy.
	<p>Development of school transport</p>	<ul style="list-style-type: none"> - School transport for nearly 700,000 children provided by a fleet of over 3,500 buses. - Procurement of 1,300 school buses for 900 communes. - Children from rural and disadvantaged areas benefit from school transport entailing 4,009 buses. - 6,000 students from the Sud received air tickets provided freely annually, school transport for nearly 700,000 children provided by a fleet of over 3,500 buses. - Procurement of 1,300 school buses for 900 communes - Children from rural and disadvantaged areas benefit from school transport entailing 4,009 buses, - 6,000 students from the Sud received free air tickets annually,
	<p>Development of number of semi-boarders.</p>	<ul style="list-style-type: none"> - Revitalization of the school canteen programme and the semi-boarding school system. - The financing of over 770,000 semi-boarders through a network of semi-boarding schools that increased from 470 in 2007 to nearly 730 in 2008,
	<p>Increase in the reception capacity of school canteens.</p>	<ul style="list-style-type: none"> - Free feeding for nearly 3 million children through a network of school canteens that increased from nearly 4,000 in 1999 to 12,000 in 2008.

Generalization of access to INTERNET in all institutes.	<ul style="list-style-type: none"> - Implementation of the training programme for the use of computers by teachers. - Introduction of computer lessons in the first year of secondary education.
Increase in the resources allocated to information and communication technologies	<ul style="list-style-type: none"> - Strengthening of the use of new information and communication technologies aimed at extending knowledge and education to all the vocational training structures throughout the country.
Providing necessary incentives to encourage rural families to enable all children to complete the primary cycle (boys and girls) up to age 16	<ul style="list-style-type: none"> - Free school textbooks for nearly 4 million children. - Educational grant to 3 million pupils annually. - Development to school transport.
Reduce pupil numbers to 25 per class	<ul style="list-style-type: none"> - Reducing the primary cycle by one year, thereby freeing more classes - Construction of new school buildings.
Eliminate the double session system	<ul style="list-style-type: none"> - The single session system has been generalized in the primary cycle, accompanied by a reduction in the lesson time to 45 minutes and Thursday holidays for pupils, while this day is devoted to the training of teachers.
Expand health coverage and increase the number of school psychologists	<ul style="list-style-type: none"> - Health coverage, through about 1,200 units for medical screening and monitoring, supervised by nearly 3,000 doctors, dentists and psychologists and over 1,500 paramedical workers,
Putting in place of doctorate colleges	<ul style="list-style-type: none"> - Putting in place of 50 doctorate colleges.
Introduction of the LMD system	<ul style="list-style-type: none"> - 49 universities and university centres run the new LMD system in 13 training areas covering 1,201 Bachelor's Degrees comprising 946 academic Bachelor's Degrees and 255 professional degrees.

Revision of curricula.	<ul style="list-style-type: none"> - Organization of 86 expert missions mobilizing 73 international experts for upgrading the curricula to universal standards. - The revision of the curricula hitherto affected 185 syllabi, 134 of which have been reduced. - An in-depth revision of school textbooks was conducted. The operation which involved 151 textbooks has been subjected to the inspection of specialized committees established at the National Education Research Institute. - The distribution of school textbooks is henceforth standardized through the sizeable publications by the Government (60 million units for this year and nearly 220 million since the start of the reform), distribution organized in schools and sale of textbooks through 465 approved bookshops throughout the country.
Improvement of the reception and enrolment conditions for pupils in order to neutralize educational wastage.	<ul style="list-style-type: none"> - Construction of sports facilities.
Improvement of educational conditions, notably in remote areas.	<ul style="list-style-type: none"> - Supply of air conditioners to schools in the Sud.
	<ul style="list-style-type: none"> - Creation of a higher institute of journalism. - Project for the creation of a technological institute ongoing.
Certify the entire vocational training programme along international standards	<p>Internal increase in terms of number of graduates</p> <ul style="list-style-type: none"> - Acceptance of 39 new training centres, four of which are meant for physically disabled persons (Boumerdès, Laghouat, Relizane and Algiers), and one-fifth will soon be accepted in Skikda.
Ensure a better integration of higher education in the socioeconomic environment	<ul style="list-style-type: none"> - The learning reception capacity of the University of Algeria increased from 420,000 in 2000 to 1,104,000 in 2008 - Approval and financing of 5,244 research projects and implementation of 217 research projects under international conventions and agreements, - Putting in place of twenty-one sectoral committees, - Approval of six hundred and eighty (680) research laboratories and construction of nineteen (19) research institutes and centres to the status of EPST.

Provide training of skilled labour in accordance with the requirements and needs of the labour market.

- Strengthening of the supervision of local communities with the assignment of 7,500 university staff (technical and administrative),
- Restoration of training facilities with the rehabilitation of 5 establishments (ex-CFA – Oran - Ouargla - Bechar - Constantine and Djelfa and the construction of 6 other establishments in Algiers - Blida - Annaba – Sétif - Tiaret and Tlemcen),
- Rehabilitation of the National School of Administration starting from 2005 and the reform of the training system,

- Improvement of the skills and performance of professional staff through:
 - Partnership with the ISGP for the training of 425 secretary generals of the communes, 1,500 technical staff of the entire DALs and chiefs of procurement units and 157 general inspectors and inspectors of Wilayas,
 - Partnership with ENA for the training of over half of the Chiefs of Dairas,
 - Partnership with the UFC for the training of 1,541 APC chairmen,
 - Preparation for 2009 of a new training programme with various partners for the benefit of the entire Walis, Secretary generals, delegated Walis, Heads of Dairas, DRAG, inspector generals of Wilaya for the benefit of 6,500 administrative and technical staffs,
 - Review of the status of the MICL workforce.

Encouragement for national publication

- Publication in 2007 of 1,221 books in 2 million copies distributed to all public libraries throughout the country and to user sectors.
- Republication in 2008 of 1,001 books in collaboration with over 200 national publishing houses.

Implementation of the conclusions of the national commission on the educational system reform consisting in a revision of the list of vocational training branches and specialities

- The revision of teaching documents involved 44 newly-designed professional teaching manuals as well as the selection of over 700 specialized publications procured for the training centres.

Training development for special categories of workers

Ensure the vocational integration of disaffected youths

- The vocational training and education sector, in partnership with the Ministry of National Solidarity, provides vocational training in Rehabilitation and Assistance Centres, Reception Centres and Education and Orientation Services in open areas. This enabled the training of 1,693 youths, including 65 girls in 2007.
- Training in detention environment under the conventions with the justice sector. This helped train 6,123 beneficiaries including 287 girls in 2006.

<p>Provide vocational education and training to disabled persons</p>	<ul style="list-style-type: none"> - Ministry of Vocational Training and Education has 5 regional specialized training centres for the disabled. - The number of trainees undergoing residential training is 1,587 including 618 girls. With regard to training through learning, the number of learners in this category stands at 584 including 161 girls.
<p>Putting in place of a network of public libraries under the "one library per commune" project conducted in collaboration with the Ministry of Interior and Local Governments.</p>	<ul style="list-style-type: none"> - The number of itinerant libraries increased from 12 mobile libraries in 1999 to 48 mobile libraries in 2008, - The institutionalization of two major festivals on books, - Putting in place of a network of public libraries under the "one library per commune" project conducted in collaboration with the Ministry of Interior and Local Governments. - The impetus given to the cinematographic activity on the occasion of the film festival of Algiers, capital of Arabic culture 2007, with the production of over 80 films, - Ongoing renovation of 17 cinema halls of the national network of film libraries.
<p>Increase the reception capacities for the vocational training of rural women</p>	<p>Provide qualified training with a teaching programme and timetables designed for the benefit of women at home.</p> <ul style="list-style-type: none"> - Special training is given to women in rural areas entailing nearly 60,000 women.
<p>Development of training for women at home.</p>	<ul style="list-style-type: none"> - Special training is provided to women at home and involving 25,000 beneficiaries for the new academic year (2008 – 2009).

Ensure a good health status for the population

Reduction of infant and under-5-year-old mortality rates

- Strengthening the national perinatal and neonatal programme started in 2005 aimed at ensuring comprehensive management of mothers and new born babies
- Strengthen the programme for the control of diarrhoeal diseases and acute respiratory infections

- Implementation of the Decree defining the standards for the organization and operation of neonatological services as part of an overall maternal and perinatal health programme.
- Allocation of supplementary financial resources for the standardization of the technical support facilities of maternities in order to render the level of referral more operational in hospital services.
- Institution of specialized Diploma of Studies in obstetrical gynaecology for general practitioners to improve health coverage in disadvantaged areas.
- Concerning children, the strategies and programmes form part of the overall framework for achieving in the minimum development targets set for 2015 and in conformity with the provisions of the International Convention on the Rights of the Child.
- The standardization of child delivery rooms and ranking of levels of neonatal care (general basic care, neonatal emergency, intensive care). Taking care of prevalent neonatal diseases (hypothermia, foetal maternal infections, haemorrhages, etc.).
- Infant mortality rate decreased from 57.8 per 1000 live births in 1990 to 26.2 in 2007
- 192 neonatal services or units commissioned or undergoing commissioning.
- Standardization of essential obstetrical care, particularly in disadvantaged areas.

Generalization of measles immunization

- Increase resources allocated to immunization programmes

- Maternal mortality rate increased from 215.0 per 100,000 live births in 1992 to 88.9 in 2007
- The proportion of under-1-year-old children vaccinated against measles increased from 77.4 per 100 in 1992 to 91 in 2007
- Quadrupling by four (4) in 2008 of the budget for immunization, notably with the introduction of anti-meningitis vaccine.

Reduction of maternal mortality

- Fight against pregnancy-related mortality and morbidity
- Development of information on the monitoring of pregnancy
- Improve the conditions for child delivery

- Projects for the construction of 8 specialized hospital establishments («Mother and Child» SHE) 2 of which have been delivered. 24 other structures have been rehabilitated and developed into "Mother and Child" SHE.
- Appointment of gynaecologists and obstetricians in accordance with the human resource management plan .

	<p>Reduction of the proportion of deliveries unassisted by unqualified health worker.</p> <ul style="list-style-type: none"> • Implementation of the programme for the construction and equipping of hospitals, polyclinics, health and maternity centres. • Training and supervision of rural birth attendants. 	<ul style="list-style-type: none"> - The proportion of deliveries assisted by qualified health workers increased from 76.0 per 100 in 1992 to 95.3 in 2006.
	<p>Increase in the rate of contraceptive use</p> <ul style="list-style-type: none"> • Increase resources for family planning • Increase resources for PMI and family planning centres and neighbourhood dispensaries and widening of their establishments (01 per commune). 	<ul style="list-style-type: none"> - The rate of contraceptive used has increased from 57% in 2002 to 61.4% in 2006. - Training of service providers. - Decentralized budget for the purchase of contraceptives.
	<p>Free and systematic screening.</p>	<ul style="list-style-type: none"> - 54 HIV/AIDS voluntary testing centres (VTC) are operating and cover the entire national territory. - 4 new HIV/AIDS referral centres are undergoing construction, which will strengthen the current network made up of eight (8) centres.
	<p>National AIDS Control Programme.</p>	<ul style="list-style-type: none"> - Increase in the number of HIV/AIDS voluntary testing centres. - Strengthening of the HIV/AIDS referral centres.
Improving gender situation	<p>Increase in the number of empowered women in the economic and social life of the country</p>	<ul style="list-style-type: none"> - Revision of the 12 November 2008 Constitution has anchored the upholding of the political rights of women, particularly in electoral matters. - A political will expressed by His Excellency the President of the Republic in his speech and in decisions relating to the appointment of women to political posts.
	<p>Promotion and protection of the rights of women.</p> <ul style="list-style-type: none"> • Enforcement of the revised family code. 	<ul style="list-style-type: none"> - The fight against the abuse of women; - Formulation of the National Strategy for the Promotion and Integration of Women (2008-2011).
	<p>Promotion and broadening of the activities of the national council of women</p>	<ul style="list-style-type: none"> - The National Council on the family and women was created by Decree No. 06-421 dated 22 November 2006 and installed by the Head of Government on 7 March 2007.

<p>Gender parity in primary, secondary and higher education</p> <ul style="list-style-type: none"> • Improve the quality of information for parents in the rural areas 	<ul style="list-style-type: none"> - The total number of girls registered at the beginning of the September 2007 academic year was 68,851, representing 45% of the total number of trainees registered. - The girl/boy ratio in primary education rose from 81% in 1990 to 99% in 2007 - The girl/boy ratio in secondary and higher education increased from 71% in 1990 to 112% in 2007 - The rate of female literacy from 15 to 24 years in relation to males rose from 72% in 1990 to 94% in 2007.
<p>Foster access by all to other quality public services (other than those of education, vocational training and health). Improvement of the quality of public services in the urban centres and the rural areas</p> <p>Reduction of the average number of persons per housing unit Reduction of the number of households not yet connected to external works, pipelines, potable water supply and the electricity and gas network</p>	<ul style="list-style-type: none"> - The annual registration of tranches of 70,000 public housing for rent to gradually eradicate make-shift dwellings was estimated at end 2007 at over 500,000 housing units. - To date and during the period 2005/2008 alone, nearly 200,000 housing units were registered and distributed throughout the Wilayas. - The general survey on make-shift dwellings by specialized brigades, estimated at nearly 541,000 make-shift houses distributed over 12,355 sites in all the Wilayas, - Putting in place of a control system, - Start of priority re-housing operations in some large cities, such as Algiers, Oran, Annaba, Constantine and Hassi Messaoud, - The start of qualitative studies on the specificity of make-shift sites, the situation of housing and on households that constitutes them and their priority needs, - Implementation of a national sustainable strategy to combat this phenomenon, - Implementation of a permanent system of information and monitoring of slump sites, - Start of pilot operations for the supervision, development and provision of services to the sites. - Organization of a symposium on knowledge-based economy by the CNES in partnership with the World Bank. - Sensitization of various sectors and stakeholders - Putting in place of a focal point in each sector - Creation of a national ad hoc committee responsible for analyzing the situation at national level in order to enable the various stakeholders to own the approach and define operational measures.
<p>Rehabilitate the old urban and rural buildings</p>	<ul style="list-style-type: none"> - An amount of 840 million DA has been mobilized to finance an evaluation operation in the four largest cities of the country.

Facilitate through pricing and the availability of ICT tools

- An observatory on the information society is undergoing construction.
- Wide-spread access to the Internet in the faculties and institutes
- In the spatial area, many projects, planned under the national spatial programme and concerning Earth observation activities and space telecommunications, are ongoing or at the launch stage.
- Construction of the Sidi-Abdellah Cyber Park (level of implementation well advanced). The platforms, microcomputers and procedures were put in place in 2007. All the stakeholders of school – pupils, pupils' parents, teachers and managers – will be linked online through email.
- With regard to post and postal financial services, 31 new post offices were opened in 2007 and nearly 800 offices were rehabilitated and modernized from 2005 to 2007.
- The post office has strengthened its automatic banking network, which as at 31 December 2007, was made up of 460 ATMs compared to 110 in 1999
- Out of these 10 million customers, 4.5 million have already received ATM cards since the launch of the operation.
- The national network of fibre optic is 66,000 km compared to 7,000 km in 1999, and the number of fixed subscribers increased from 1.7 million in 1999 to 3.2 million in 2008.
- The launch of the AISat 1, AISat 2A, AISat 2B and AComSat projects
- The first units («Technobridge» incubator, multi-tenant building and the information and communication technologies research centre) will be delivered in 2008.

Intensification of housing construction.

- The general programme defined to date is 1,457,000 units. An assessment of the various programmes on 31/12/2007, indicates for the 2005 / 2007 period:
 - 970,000 housing in development,
 - 430,000 housing units delivered.
 - 480,000 public rented housing nearly 200,000 of which are meant to replace the make-shift dwellings.
 - 924,000 housing units assisted by the Government made up of: 395,000 urban housing units and 529,000 rural housing units
- A National File of beneficiaries of social housing and Government aid has been put in place since 2001 in the Housing and Town Planning sector to avert any favouritism in the granting of Government aid for Housing and allocation of housing units.
- On the basis of supply, a breakdown of the housing programme is as follows:
 - 480,000 public rented housing units nearly 200,000 of which are meant to replace make-shift dwellings.
 - 924,000 housing units assisted by the Government made up of:
 - 395,000 urban housing units for communities with incomes below six (6) times the SNMG.
 - 529,000 rural housing units provided with Government financial aid.

Implementation of potable water supply and sanitation projects (drilling, reservoir and water towers, dams and small dams).

- In 2007, 59 dams are in operation, 13 dams are undergoing construction and 6 are about to be commissioned. Furthermore, 50 other water transfer projects are undergoing studies.
- 2 sea water desalination plants commissioned in 2007 and 2008 with a capacity of 290,000 m³/day and 11 plants are undergoing construction to produce 2.6 million m³/day, equivalent to 690 million m³ of water annually in 2010.
- The expected deliveries will relate to the water harnessing capacities of the dams to 7.8 billion cubic metres/year at end of 2009 compared to 2.2 billion cubic metres in 2000
- The connection rate to the WS rose from 37.1% in 1962 to 78% in 1999 and to 92% in 2007
- The rate of connection to the sanitation system increased from 23.1% in 1962 to 66.3% in 1999 and to 87% in 2007.

Electrification and natural gas connection projects.

- In the first half of 2008, 26,690 km of medium and low voltage distribution network for over 238,000 households connected.
- The rate of electrification increased from 30.6% in 1962 to 84.6% in 1999 and attained 96% in 2007
- For the 2000 period to the first half of 2008, the length of the gas transportation network increased from 4,398 km to 7,631 km, the distribution network from 16,571 km to 40,522 km, the number of public gas distribution stations increased from 303 to 947, the number of households connected rises sharply from 42,746 to 740,208.
- The rate of gas connection increased from 10.4% in 1962 to 30.2% in 1999 and to 36% in 2007.

Access by 5 million households to ITC.

- Pilot projects have been started in the education sector, local administration and parliament. The «e-school», «e-commune» and parliamentary database projects.

Sustainable improvement of regional balance
Improvement and harmonization of the living conditions of the citizens of Wilaya, from one Wilaya to another and from one commune to another

Land use planning strategy

- Implementation of sectoral development programmes:
 - The National Land Use Management Plan (SNAT) 2025;
 - The Regional Land Use Management Plan (SRAT) 2025;
 - The Metropolitan Area Development Master Plans (SDAAM) of Algiers, Oran, Constantine and Annaba 2025.

SPECIFIC OBJECTIVE 3 : ENVIRONMENTAL PROTECTION

OBJECTIVES	ACTIONS UNDERTAKEN	STATUS OF ACTIONS SELECTED AND PROGRESS MADE	OBSERVATIONS
Ensure effective conditions of protection and enhancement of environmental achievements.	<p>Reduction of the level of pollution from liquid, solid and gas effluents</p> <ul style="list-style-type: none"> • Build the capacity for collection and treatment of liquid, solid and gas wastes • Implementation of the national anti-pollution plan in its various forms • Modernization of existing polluted water treatment stations 	<ul style="list-style-type: none"> - Implementation of the National Programme for the management of special wastes and industrial de-pollution. - Putting in place of 1400 environmental delegates to implement the de-pollution plans of their respective enterprises - Putting in place of a public system of recovery and recycling of packaging wastes - Putting in place of a network for monitoring the quality of air and the SAMASAFIA pollution measure - Creation of the national institute for environmental training of the national observatory of the environment and of sustainable development, the National Waste Agency, the Cleaner Production Technology Centre, the Centre for biological resource development and the National Littoral Commission. - Conservation and management of water and soils in catchment areas: The priority concerns operating dams and those undergoing construction. The overall objective of this plan is 1,245,900 ha of which 562,000 ha (namely 45%) to be achieved under the protection and development of catchment area schemes in the mountainous areas. Catchment area protection studies for dams was started in 2003 by the ANBT in collaboration with the General Directorate of Forests and relating to the protection of 52 catchment areas covering a total area of 7.5 million ha distributed throughout 32 Wilayas. 	
	<ul style="list-style-type: none"> • Implementation of the national anti-desertification action plan 	<ul style="list-style-type: none"> - The national reforestation plan has been formulated for a 10-year period to cater for the component on erosion control and protection of catchment areas. Actions undertaken by the various programmes over an area of 1 million ha helped treat an area of 100,000 ha from 1998 to 2005 	
	<p>Participation of communities and enterprises in the consolidation of environmental achievements</p> <ul style="list-style-type: none"> • Popularize and apply the principle of polluters shall pay. 	<ul style="list-style-type: none"> - Promotion of clean fuels (Operation launched in the central region of the country). - Elimination of expired pharmaceutical products. - Subscription of 120 performance contracts by enterprises. 	

<p>Culture of sustainable development and improved cleanliness of the city</p>	<p>Formulation of an urban and rural environmental protection master plan</p>	<ul style="list-style-type: none"> . Implementation of the programme for the protection of the littoral and the urban area. . Implementation of the action programme on the protection of biodiversity and natural areas and ecosystems started in 2003 for a duration of 7 years concerning an area of 34,110 ha situated in the Wilayas of Skikda (3 communes) and Constantine (1 commune). The target population is 23,000 inhabitants. - The building of the environmental monitoring, control and observation capacities, as well as awareness raising and education on the environment.
	<p>Conducting studies on the ecological situation of major cities of the country</p>	<ul style="list-style-type: none"> - With regard to industrial risks: 800 danger studies have been conducted and 300 internal intervention plans put in place to prevent and limit major risks in and around enterprises. - 1580 impact assessment procedures on the environment (EIA) have been conducted.
	<p>Updating of occupancy plans of habitat lands/economic activities/green spaces and forests.</p>	<ul style="list-style-type: none"> - Pilot development project for mountainous agriculture in the catchment areas of OUED SAFSAF.

ABBREVIATIONS AND ACRONYMS



AFS	Fixed Solidarity Allocation
AIDS	Acquired Immuno-Deficiency Syndrome
ALNAFT	National Agency for the Development of Hydrocarbon Resources
ANDT	National Tourism Development Agency
ANGEM	National Agency for Micro Credit Management
ANSEJ	National Youth Employment Support Agency
APC	People's communal Assembly
APN	People's National Assembly
APRM	African Peer Review Mechanism
APW	Wilaya People's Assembly
ARTS	Algeria Real Time Settlements
ATCI	Algerian Interbank Clearance
BADL	Rural Agricultural Development Bank
BCIA	Banque Commerciale et Industrielle d'Algérie
BDL	Local Development Bank
BNA	The National Bank of Algeria
BTPH	Public Buildings and Water Works Sector
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CNAC	National Unemployment Insurance Fund
CNADD	National Council on Sustainable Land Use Management and Sustainable Development
CNAS	National Social Insurance Fund
CNES	National Economic and Social Council
COSOB	Stock Exchange Commission
CPA	Crédit Populaire d'Algérie
CPE	Pre-employment Contract
CSAR	Country Self- Assessment Review
CSAR	Country Self-Assessment Report
CSM	Judicial Service Commission
DA	Algerian Dinar
DHD	Sustainable Human Development
ENIE	National Enterprise of Electronic Industries

EPE	Public Economic Enterprises
EPIC	Industrial and Commercial Public Enterprise
EPST	Scientific and Technological Public Establishments
ESIL	Local Seasonal Employment
EU	European Union
FDI	Foreign Direct Investment
FFS	Socialist Forces Front
FLN	National Liberation Front
FRR	Revenue Regulation Fund
FSDRS	Special Development Fund for South Regions
GDP	Gross Domestic Product
HDI	Human Development Index
HIV	Human Immuno-Deficiency Virus
IANOR	National Standardization Institute
IAP	Algerian Petroleum Institute
IARG	Benefit for Activity of General Interest
IAS	International Accounting Standards
ICC	International Criminal Court
ICT	Information and Communication Technologies
IEC	Information, Education and Communication
IFAC	International Federation of Accountants
IFC	International Financial Company
ILO	International Labour Organization
IMF	International Monetary Fund
IOB	Stock Exchange Broker
ISO 14000	International Environment Management Standards
ISO 9000	A set of international standards for quality
JORA	Gazette of Government of Algeria
MDG	Millennium Development Goals
MSP	Ministry of Public Health
MTEF	Medium Term Expenditure Framework
NEPAD	New Partnership For Africa's Development
OAU	Organization for African Unity
ODA	Official Development Assistance
ONS	National Statistics Agency

PCMA	Programme of Monetary Cooperation in Africa
PDG	Chief Executive Officer
PESF	Financial Sector Evaluation Programme
PESF	Financial Sector Evaluation Programme
PNAEDD	National Action Plan on the Environment and Sustainable Development
PNDAR	National Agricultural and Rural Programme
PNES	National Economic and Social Pact
PWS	Potable Water Supply
RND	Rassemblement National Démocratique
RNE	National Report on the Future Environment
RONC	Report on the Observance of Standards and Codes
SARL	Private Limited Company
SCO	Civil Society Organizations
SED	Socioeconomic Development
SEVE	Savoir Et Vouloir Entreprenre
SGBV	Stock Exchange Management Company
SGDD	General System of Data Dissemination
SGP	Government Investments Management Companies
SME	Small and Medium Enterprise
SMI	Small and Medium Industry
SNE	National Environmental Strategy
SNMG	National Minimum Guaranteed Wage
SNTA	National Tobacco and Matches Company
SPA	Incorporated Company
SPRL	Business Corporation
STD	Sexually Transmitted Disease
TUP-HIMO	High Labour Intensive Works of Public Interest
UGTA	General Union of Algerian Workers
UMA	Arab Maghreb Union
UNDP	United Nations Development Programme
UNEP	National Public Employers Union
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Populations Fund
UNHCR	United High Commission for Refugees

UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Fund for the Development of Women
VAT	Value Added Tax
WAEMU	West African Economic and Monetary Union
WHO	World Health Organization
WTO	World Trade Organization

CRTF :	Financial Information Processing Unit.
PCSC :	Complementary Growth Support Programme.

conception et réalisation :

MYRIADE

crédits photos :

APS

