

Public-Private Partnership Policy in Algeria: Between Policy Transfer and Policy Learning in Light of Comparative Legal Approaches

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Abstract:

This study seeks to analyze the evolution of public-private partnership (PPP) policy in Algeria by tracing the development of its legal and regulatory framework in light of national economic and political transformations and comparative legal approaches. To this end, the study employed descriptive-analytical and comparative methodologies to examine the evolution of PPP-related legislation and the extent to which it has been influenced by the Francophone model and mechanisms for the transfer and learning of public policies. The study concluded that the Algerian experience has evolved gradually and inconsistently, through scattered sector-specific regulations, without a comprehensive law that clearly regulates PPPs and defines their parameters as a matter of public policy. The results also showed that Algeria has adopted a cautious approach based on selective openness while maintaining national sovereign controls, particularly in the areas of investment and the delegation of public utilities. The study recommends the adoption of a unified, more transparent, and effective legal framework that is consistent with the requirements of good governance and sustainable development.

Keywords: Public-Private Partnership (PPP); public policy transfer; public service delegation; the Francophone model; Algeria.

Introduction:

Algeria has undergone fundamental transformations in its economic model since independence, transitioning from a command economy to a gradually opening market economy, which necessitated the development of new mechanisms to achieve development and improve the quality of public services. In this context, public-private partnerships (PPPs) have emerged as a strategic option for boosting investment and improving the performance of public utilities. However, the success of such partnerships does not depend solely on political and economic will; it requires a solid foundation consisting of an appropriate legal and regulatory framework and effective supporting institutions. Experiences in other countries have shown that clear laws and specialized institutions are key to attracting investors and ensuring the sustainability of joint projects, particularly in vital sectors such as public works and public services. In the Algerian context, despite the multitude of initiatives and legislative provisions, the implementation of the partnership model continues to face real challenges related to the absence of a unified law,

the fragmentation of institutional efforts, and the lack of an institutional culture that embraces the logic of partnership.

Therefore, this article seeks to explore the topic of public-private partnerships in Algeria from a descriptive and analytical perspective on the relevant laws and regulations, highlighting how the legal and institutional framework governing this relationship was constructed, and analyzing the extent to which legislation and legal regulations have evolved to support these PPPs, without succumbing to idealistic critical assessments or exaggerating the experience. From this arises the central question of this discussion:

“To what extent has the public-private partnership policy in Algeria reflected a process based on the transfer and learning of public policies, through the establishment of a legal and regulatory framework influenced by comparative approaches, while preserving national sovereignty?”

Hypothesis:

The study posits that Algeria’s public-private partnership policy has gradually taken shape through a process of transferring and learning public policies influenced by the Francophone model; however, this adaptation has remained partial and limited due to the absence of a unified legal framework and an integrated institutional vision, which reduced the effectiveness of the partnership in achieving development and governance objectives.

Methodology:

To complement the study’s methodology, this article employs a descriptive-analytical approach to analyze the evolution of the legal and regulatory framework governing public-private partnerships in Algeria, while utilizing a comparative approach to examine the extent to which the Algerian experience has been influenced by comparative legal and policy models, particularly those of Francophone origin, within the framework of a public policy transfer and learning approach.

Theme 1: Legislation Establishing Public-Private Partnerships (PPPs) in Algeria

Although Algeria has adopted a directed economic policy since independence that tends toward state monopolization of vital activities, the path of cooperation between the public and private sectors has progressed gradually, driven by the political, economic, and legislative transformations the country has undergone. The first signs of such partnerships emerged in successive phases, beginning with limited initiatives toward economic liberalization and later evolving with the enactment of more flexible investment and regulatory laws. Consequently, an examination of the determinants of these partnerships requires distinguishing between their national level and their subnational scope.

The first signs of public-private partnership in Algeria emerged in the early 1990s after Algeria sought to adopt a market economy system; official discourse embraced it at the start of the new millennium, but the roots of this cooperative and collaborative relationship were established with the emergence of the modern Algerian state. At that time, the Algerian law governing investment and mixed-ownership companies (Law No. 66-284) was enacted; Article 3 of this

law referred to the possibility of the state partnering with mixed-ownership companies involving foreign or national capital ⁽¹⁾.

However, this law addresses public-private partnerships in general—including those involving foreign entities—without regulatory provisions that interpret or clarify the nature or mechanism of such partnerships. Upon reviewing the text of this law, one might initially assume that the policymakers are referring to the concept of **institutional** partnership as a form of collaboration within a mixed-economy framework. However, given the absence of complementary and interpretive legislation for this law—in addition to its very early timing, as it was enacted in the early years of the state's establishment, when the country was still establishing its economic ideologies and models—this applies even more so to other laws. Furthermore, the institutional aspect of public-private partnerships (PPPs) did not emerge until the new millennium. Nevertheless, these laws can be viewed as preliminary or transitional provisions aimed at establishing PPPs in mixed-economy enterprises, whether between the public sector and the domestic or foreign private sector ⁽²⁾.

In addition, a plan was formulated in the 1980s to establish what were considered **quasi-public** companies, linking a foreign contractor with a national public-sector company, based on the legal provisions set forth in the Law of August 28, 1982, concerning the establishment and operation of quasi-public companies, and two executive decrees dated January 17 and December 17, 1983, regarding the methods of compensation for the parties and the privileges of the socialist project in terms of guiding and controlling the activities and management of the joint venture. Although these laws appeared open on the surface, their implementation was considered insufficiently attractive by domestic and, in particular, international investors. This was despite the 1986 amendment and expansion of the laws to include companies unwilling to introduce flexibility in the technical methods of applying the laws to adapt to each individual case ⁽³⁾. Although these laws were explicit, there are no statistics documenting these joint ventures, despite their importance in the nation-building process. Nevertheless, the Algerian government has participated in joint ventures with the private sector, even if these were not accurately recorded ⁽⁴⁾. This has been done through development programs by entering into contracts with national agencies and companies in the fields of industry and construction ⁽⁵⁾.

Furthermore, the principle underlying the partnership mechanism between the two sectors (financing and management) has long been in place in the hydrocarbons sector, particularly under the 1986 Hydrocarbons Law, amended and supplemented in 2005, which enabled Sonatrach to partner with global oil consortia on hydrocarbon exploration, drilling, and production projects, given that these partners, in addition to their expertise and financial

1 Decree No. 66-284, dated September 15, 1966, Investment Law, Algerian Official Gazette, Issue No. 80, published on September 17, 1966, p. 1202.

2 Ilham Bouhlais, "The Minimum Partnership Threshold (49–51%) in Foreign Investment under Algerian Legislation," *Journal of Humanities*, Vol. B, No. 52, December 2019, p. 142.

3 Jean Leca, Nicole Grimaud, "The Private Sector in Algeria," in *Maghreb - Machrek* 1986/3 (No. 113), pp. 102–119, p. 118.

4 Maghnia Al-Azraq, *The Emergence of Social Classes in Algeria: A Study of Colonialism and Sociopolitical Change*, 1980, translated by Samir Karam, 1st edition, Arab Research Foundation, Beirut, p. 24.

5 Ghazi Haidoussi, *Algeria: Incomplete Liberation*, 1st ed., Dar al-Tali'ah, Lebanon, 1997, p. 28.

contributions, also possess the advanced technology required by Sonatrach. Moreover, partnerships exist between Sonatrach subsidiaries and leading global groups in petroleum services, enabling Sonatrach to benefit from the latest technological and management solutions in the areas where it needs them.

Although the Algerian state has not explicitly addressed the issue of public-private partnerships (through legislation or a national body representing them), PPPs have indirectly been incorporated into many economic sectors, such as the provision of public services by the private sector, in two forms (concessions and investments) that emerged in the early 1990s after Algeria sought to adopt a market economy system. Law No. 88-25, dated July 12, 1988, on the Guidance of National Private Economic Investments, set a ceiling on private investment ⁽⁶⁾, which was implemented through the enactment of Law No. 90-10 dated April 14, 1990, on “Money and Credit.”

Through the Law on Money and Credit, the principle of a market economy was implemented, which led to the activation of the private sector’s role in economic activity by putting an end to the state’s monopoly on the economy; consequently, Algerian public and private institutions became subject to the same treatment. Thus, on the surface, the distinctions between the public and private sectors were eliminated, and the principle of freedom of foreign investment in all sectors was enshrined, with no distinction made between domestic and foreign investors. It also adopted a residency criterion distinguishing between resident and non-resident investors, and the law was amended by Decree No. 03-11 dated August 26, 2003, which allowed for a review of the organization and operation of the banking sector, particularly regarding the roles of the Bank of Algeria and the Money and Credit Council. It also provided greater momentum for investment development by granting complete freedom, the necessary guarantees, and full protection for investments, which take two main forms: concessions and the provision of public services ⁽⁷⁾. These two forms (concessions and public service provision) have served as the fundamental basis for Algeria’s public-private partnership policy. Although not officially declared by the government, the laws governing them are similar to international frameworks regarding the nature of such partnerships in their general sense.

An analysis of the legislative and regulatory trajectory reveals that the early stages of public-private partnership in Algeria were established gradually and unofficially, driven by major economic and legislative transformations since independence. Investment laws, laws on joint ventures, and the Law on Money and Credit helped lay the groundwork for a more regulated future partnership, despite the absence of specialized legislation or structured institutions at the time.

6 Al-Said Daraji, “Public-Private Partnership Agreements: An Effective Mechanism for Financing Local Development,” *Journal of Humanities*, University of Constantine, Issue 41, June 2014, p. 315.

7 Farid Ben Obaid, “Equitable Restrictions: The Role of Public-Private Partnerships in Environmental Protection for Sustainable Development,” (research paper presented at the 13th International Forum, “Strategies for Financing Infrastructure Investment in Light of Current Economic Challenges,” Faculty of Economic, Commercial, and Management Sciences), Algiers: University of Chlef, November 5–6, 2017, p. 4.

Theme 2: Legislation Supporting Public-Private Partnerships (PPPs) in Algeria at the Turn of the Millennium

The Legislative Shift Toward Public-Private Partnerships at the Turn of the Millennium: From General Provisions to a Sector-Specific Framework

After development stalled during the 1990s, the Algerian state reclaimed its role as the primary provider of public services by expanding public-sector involvement in infrastructure development. However, the growing scale of national projects necessitated the involvement of the private sector as a strategic development partner, particularly in the public works sector. This phase led to the emergence of new legislation and regulations that contributed to strengthening the legal framework for public-private partnerships and developing it into a more mature system.

The actual use of the term “public-private partnership” in Algeria is a recent development; specifically, the term emerged at the turn of the millennium during the presidency of Abdelaziz Bouteflika ⁽⁸⁾. This is attributable to changes occurring at the national and international levels, including ⁽⁹⁾:

- **Security stability**
 - The establishment of security
 - Reassurance for stakeholders, particularly investors and foreigners
- **Economic stability**
 - Rise in the price per barrel of oil
 - Repayment of foreign debt
 - The emergence of a national bourgeoisie
- **Political stability**
 - Presidential elections
 - National development programs, foremost among them the construction of national infrastructure
- **A second wave of global political economy**
 - Adoption of Public-Private Partnerships (PPPs) as a Development Model
 - The integration of transportation and mobility into public economic policies and their promotion by international institutions

In light of these international and national transformations, Algeria benefited from the improved security and economic conditions, which had a positive impact on the launch and expansion of national projects. This was initially reflected in the Basic Infrastructure Action Plan in Algeria through the First Five-Year Plan (2001–2004)—which helped broaden the scope and scale of national projects to a degree that exceeded the public sector’s capacity to handle them alone. Consequently, most sectoral projects were implemented through a series of cross-sectoral laws

8 Various authors, *Proceedings of the National Forum on Public-Private Partnerships*, 1st ed., Labad Publishing and Distribution, Algiers, 2019, p. 11.

9 Yassin Bajqina, *Public-Private Partnerships in Algeria: The Public Works Sector as a Case Study (2000–2017)* Based on a Policy Transfer and Learning Approach, University of Algiers 3, dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy in Political Science and International Relations, specializing in Comparative Political Studies, 2023–2024, p. 286.

and regulations, beginning with investment laws that opened the door to investment and concessions for both the domestic and foreign private sectors, such as Decree No. 01-03 dated August 20, 2001. Although it did not explicitly mention public-private partnerships, it provided for the granting of concessions and investment opportunities and opened the door to the private sector, as set forth in its first article, which stipulated that this decree applies to domestic and foreign investments in economic activities producing goods and services, as well as investments carried out under concessions or licenses ⁽¹⁰⁾.

However, Decree No. 01-03 was amended five years after its issuance, specifically in 2006, by Decree No. 06-08 ⁽¹¹⁾, and was subsequently amended in 2016 by Law No. 16-09 dated August 3, 2016, on the promotion of investment ⁽¹²⁾, which was in turn amended by Law No. 22-18 dated July 24, 2022 ⁽¹³⁾. These laws have facilitated the granting of concessions and licenses for public-private investments by both domestic and foreign entities; however, they have limited the scope of investment to specific sectors to the exclusion of others. Furthermore, the regulatory framework for investment stipulates that public-private partnerships must be consistent with all other investment priorities, without establishing a specific procedure to achieve this objective ⁽¹⁴⁾. In the same context, it is worth noting the issuance of complementary sector-specific legal texts that precisely define the conditions for granting concessions in certain areas, such as Executive Decree No. 04-417 ⁽¹⁵⁾, which regulates the granting of concessions for the construction and operation of facilities for receiving and processing road travelers, reflecting the state's approach to framing such partnerships within sector-specific frameworks rather than a single, comprehensive framework.

The legal mechanisms for public-private partnerships (PPPs) in Algeria have also been strengthened, particularly at the local level, through Law No. 11-10 on Municipalities, where Article 149 ⁽¹⁶⁾ provides for the establishment of technical public utilities in addition to public administration departments to manage specific services (water, lighting, etc.), which are subject to a concession, as indicated in Article 150 of the same law. Similarly, Law No. 12-07 on Provinces specifies in Article 27 that provincial utilities are subject to concessions in areas such as ⁽¹⁷⁾: roads, assistance for the elderly, public transportation, public health, and quality control.

10 Decree No. 01-03 dated August 20, 2001, concerning investment development, published on August 22, 2001, Official Gazette No. 47, Article 1, p. 05.

11 Decree No. 06-08 dated July 15, 2006, amending and supplementing Decree No. 01-03 on the Promotion of Investment, Official Gazette No. 47 of 2006, p. 17.

12 Law No. 16-09 dated August 3, 2016, concerning the promotion of investment, Official Gazette No. 46, p. 18.

13 Law No. 22-18 dated July 24, 2022, on Investment, promulgated on July 28, 2022, Official Gazette No. 50, p. 05.

14 World Bank, Thematic Scores for Public-Private Partnerships in Algeria, Benchmarking Infrastructure Development, <https://bpp.worldbank.org/economy/DZA>. Viewed on May 30, 2023.

15 Executive Decree No. 04-417, dated December 20, 2004, establishing the conditions governing the concession for the construction, operation, and management of infrastructure facilities for the reception and processing of road travelers. Official Gazette of Algeria, Issue No. 82, published on December 22, 2014, p. 30.

16 Law No. 11-10, dated July 22, 2011, concerning municipalities, Official Gazette of Algeria, Issue No. 37, published on July 3, 2011, p. 21.

17 Law No. 12-07, dated February 21, 2012, concerning provinces, Official Gazette of Algeria, Issue No. 12, published on February 29, 2012, p. 21.

These laws have contributed to promoting development by involving the private sector, alleviating the burden on the public sector, and supporting local and participatory governance. In this context, there are also laws that indirectly refer to partnerships with the private sector, which fall within the framework of public service provision and the delegation of public utilities. For example, the Investment Law serves as the legal framework for public-private partnerships (PPPs). The Public Procurement Law in Algeria is the cornerstone upon which public-private partnerships (PPPs) are based, such as Presidential Decree No. 10-236⁽¹⁸⁾, which regulates public procurement and was amended and supplemented by Presidential Decree No. 15-247 dated September 16, 2015, regulating public procurement and public service delegations⁽¹⁹⁾, which clarifies the procedure for conducting public works contracts with a private contractor or multiple natural or legal persons. Furthermore, the terms and conditions must stipulate, within the framework of general development policies, that foreign contractors invest through partnerships⁽²⁰⁾.

In this regard, Article 207 of the aforementioned decree⁽²¹⁾ states: “The management of the facility shall be delegated to an authorized party (public or private),” and such delegation may take various forms, such as concession, lease, incentive-based agency, and management. This has been implemented through numerous public-private partnerships, which take the form of national projects within the framework of public procurement and public service delegations. The Algerian government has also supported public services and their delegation by establishing the National Observatory for Public Services, which strengthens governance within a framework based on partnership, accountability, and transparency⁽²²⁾. Regarding partnership within this observatory, Article 7 stipulates that⁽²³⁾: “In the area of cooperation, the Observatory may initiate and promote partnerships with foreign partners, as well as organize their implementation in coordination with the competent authorities.” This opens the door to partnership between the two sectors; however, the partnership referred to here pertains solely to foreign partnerships and does not address the national private sector. Consequently, partnership in its strictest sense remains unfulfilled through these policies.

In contrast to this failure to integrate the domestic private sector into the vision of partnership, other regulatory texts have emerged that seek to activate partnership from the perspective of public utility management. Among these is Executive Decree No. 18-199 on the Delegation of Public Utilities, which clarifies the method for delegating public services and competition in securing and managing public utilities, as well as the forms of public utilities, particularly as stated in Article 53: “With regard to concessions and their methods, including the construction

18 Presidential Decree No. 10-236, dated October 7, 2010, regulating public procurement, Official Gazette of Algeria, Issue No. 58, p. 7.

19 Presidential Decree No. 15-247 dated September 16, 2015, regulating public procurement and public service delegations, Official Gazette of Algeria, Issue No. 50, published on September 20, 2015, Articles 37 and 38, p. 11.

20 Ibid., Article 85, p. 24.

21 Ibid., pp. 64–47.

22 Presidential Decree No. 16-03, dated January 7, 2016, establishing the National Observatory for Public Services, Official Gazette of Algeria, Issue No. 02, published on January 13, 2017, p. 13.

23 Ibid., p. 14.

of facilities and other matters related to concessions”⁽²⁴⁾. This decree reflects the legislature’s orientation toward diversifying forms of public management and involving the private sector in the delivery of public services; however, the absence of a unified vision reduces these provisions to mere executive tools that fall short of an integrated and systematic partnership policy.

Despite the multitude of legal texts and regulations that emerged at the beginning of the millennium—which supported private-sector involvement in infrastructure and service projects benefiting from national development programs—public-private partnerships in Algeria continue to be implemented within fragmented and piecemeal frameworks. The experience has been predominantly sector-specific and ad hoc, without a unified law that embodies the concept of partnership in accordance with established international standards.

Theme 3: The Evolution of the Legal Framework for Public-Private Partnerships (PPPs) in Algeria in Light of the National Context and Comparative Legal Approaches

Algeria continues to seek to establish a public-private partnership model aimed at supporting development while curbing privatization efforts, through legislative frameworks that balance openness to international experiences with adherence to local regulations. This approach has been reflected in the formulation of legal mechanisms designed to strike a delicate balance between the requirements of economic efficiency and safeguards to preserve national priorities.

1. Financial Regulation of Partnerships in the Face of Privatization Logic

Despite increasing efforts by the private sector to secure public projects through mechanisms that appear to be partnerships but are in fact aimed at monopolizing certain vital utilities, the Algerian state has been keen to curb this trend through an official and explicit rejection of the path of privatization, which has been reflected in a reorientation of the relationship toward a balanced partnership through subsequent finance laws, particularly Organic Law No. 18-15 on Finance Laws.

Algeria’s national private sector has experienced remarkable growth following economic liberalization and its participation in development projects, leading to calls for partnerships with the public sector—especially after the failure of privatization and the emergence of a need for a more balanced partnership model. Despite official initiatives, tripartite meetings, and workshops organized between the government and the private sector since 2013, the “Corporate Partnership Charter” signed in 2017 sparked widespread controversy due to its leaning toward privatization rather than serving as a genuine model of partnership. The Presidency subsequently intervened to curb this trend and reaffirm its rejection of the privatization of public institutions, making the future of the partnership contingent upon its reorientation according to clear and balanced criteria^{25*}.

24 Executive Decree No. 18-199, dated August 2, 2018, concerning the delegation of public services, published on August 5, 2018, Official Gazette No. 48, p. 10.

25* The charter was signed on Saturday, December 23, 2017, by Algerian Prime Minister Ahmed Ouyahia, a government representative, a representative of the General Union of Algerian Workers, the heads of employers’ organizations, and partners of the National Economic Charter for Social Growth, as well as the Forum of Business Leaders (FCE), the National Union of Public Employers (UNEP), the National Confederation of Algerian Employers (CNPA), the Confederation of Algerian Industrialists and Producers (CIPA), the Algerian

The pursuit of public-private partnerships did not cease following the suspension of the Partnership Charter at the end of 2017, as the 2018 Finance Act breathed new life into public-private partnerships by allowing investment in public projects within the framework of partnerships between public and private entities ⁽²⁶⁾. This represents a means of achieving fiscal balance while maintaining public spending. Furthermore, the decision by a strategic national company of Sonatrach's stature on September 9, 2018, to open up to national partnerships underscores the regime's overall direction and the importance of such partnerships as a development policy ⁽²⁷⁾. This is supported by Article 37 of the 2018 Organic Law on Finance, which stipulates that the state may invite public or private entities to finance public investment projects within the framework of a partnership or contractual relationship. Although this call for partnership is explicit and unambiguous, it does not entail the state relinquishing any privileges; rather, it enables it to delegate to a public or private entity the financing and implementation of public investment projects. This article resolves the controversy surrounding the sale or divestiture of public institutions to the private sector, which is a fundamental characteristic upon which public-private partnerships (PPPs) are based.

In addition, the partnership has taken on a quasi-official character, so to speak, for the financing of public investment, in accordance with Organic Law No. 18-15 on the 2018 Finance Act, specifically Article 37 thereof ⁽²⁸⁾: "The State may resort to full or partial financing of public investment operations, within the framework of a contract or partnership with a legal entity governed by public or private law, taking into account, in particular, the medium-term expenditure framework as well as the established programs for the sector in question." This provision reflects a gradual shift in the state's approach toward the practical recognition of partnership as a mechanism for financing projects, without explicitly endorsing internationally recognized PPP mechanisms. Furthermore, linking financing to medium-term expenditure programs leaves the partnership subject to short-term financial considerations rather than establishing a stable and sustainable partnership policy.

Despite the gradual opening up to private-sector participation in financing investment projects, the state has maintained its control through strict conditions that prevent the relinquishment of public concessions. Thus, the public-private partnership remains subject to adjustments based on financial and strategic priorities, without becoming a gateway to genuine privatization,

Confederation of Employers (CAP), the National Union of Investors (UNI), and the General Assembly of Algerian Entrepreneurs (AGEA). For details, see:

- La Tribune Afrique, Algeria: Public-Private Partnership Charter Finally Signed, December 24, 2017. Available at: <https://afrique.latribune.fr/afrique-du-nord/algerie/2017-12-24/algerie-la-charte-sur-le-partenariat-public-privé-enfin-signée-762832.html> Viewed on: October 29, 2020.

26 The Report: Algeria 2018, Oxford Business Group, p. 17. <https://oxfordbusinessgroup.com/algeria-2018>. Viewed on: November 21, 2020.

27 Abderrahmane Mebtoul, "Financing: The Success of Public-Private Partnerships Requires a Private Sector That Creates Added Value and a Strategic Vision," September 11, 2018, Available at the following link: <https://www.algerie1.com/eclairage/financement-la-reussite-du-partenariat-public-privé-implique-un-secteur-privé-createur-de-valeur-ajoutée-et-une-vision-stratégique>. Viewed on: February 24, 2021.

28 Organic Law No. 18-15 dated September 2, 2018, concerning financial laws, Official Gazette of Algeria, Issue No. 53, published on September 2, 2018, p. 13.

which highlights the challenge of establishing a sustainable participatory model that strikes a balance between economic efficiency and social imperatives.

2. The Legal Framework for Partnerships in Algeria: Between Internal Regulation and the Influence of Comparative Models

While national policies have in recent years moved toward regulating PPPs in a more balanced manner at the domestic level, this trend cannot be separated from its comparative context, as it is clear that the Algerian legal framework for public-private partnerships (PPPs) overlaps in many aspects with legal models in force in Francophone countries, such as Lebanon, Jordan, and Syria, reflecting the influence of comparative legal trends on domestic legislation.

It is noteworthy that the legal framework governing Algerian PPPs closely resembles the legal frameworks of many countries, such as Lebanon, Syria, and Jordan, which, in terms of their general structure regarding the conditions for private-sector participation (in the form of management delegated under a contract), tend toward the Francophone model or the French model*, although many of these countries that follow this model have specific guidelines for the PPP process, which are available on official websites ⁽²⁹⁾. Accordingly, it is observed that the text of the legislation related to PPPs does not go beyond the provisions of sector-specific regulations and laws or those pertaining to each individual sector.

With regard to public-private partnerships at the level of legal frameworks—which address the nature of contracts, dispute resolution procedures, and other matters specific to PPP contracts—the Algerian state differs from many other countries in its approach; the most significant difference is that Algeria recognizes and clarifies the benefits and terms of the partnership, specifies the timeframe and profitability, and—in comparison to existing partnership relationships—establishes dispute resolution provisions at multiple levels. These provisions ensure that disputes first undergo informal resolution procedures before proceeding to more formal ones, which often involve an intermediate approach (such as international mediation and others). Algeria aligns with many countries in embodying this sectoral participatory approach, including Egypt, Jordan, and even Morocco, as well as other nations with both similar and divergent political orientations ⁽³⁰⁾.

Although Algerian policies have adopted the Francophone approach to partnership—even if this has not been explicitly stated—this does not imply a literal transposition of partnership policies. Policies are inevitably influenced by the intentions of decision-makers, the external

29 Nicolas Beaussé et al., *Public-Private Partnerships in the Mediterranean: Current Status and Recommendations for Developing PPPs in Project Financing in the Southern and Eastern Mediterranean*, Institute for Economic Prospective Studies of the Mediterranean (IPEMED), February 2012, p. 36.

* The Francophone model of public-private partnerships (PPPs), as defined by the French approach, consists of a set of procedures whose specific terms—related to partnership contracts and their implementation—are governed by a strict framework in the form of administrative contracts*, rather than public policy, as is the case in the United Kingdom or as defined by the Anglo-Saxon model of PPPs. For further details, please see:

- Yassin Bajqina, *Public-Private Partnerships in Algeria: The Public Works Sector as a Case Study (2000–2017)* Based on a Policy Transfer and Learning Approach, op. cit., pp. 170–174

30 European Investment Bank, *Study of the Legal and Financial Framework for PPPs in Mediterranean Partner Countries: A Regional Approach*, Volume 1, May 2011, p. 47.

and internal environment of the regime, and the laws governing public-private partnerships. This selective policy is embodied in the investment rule, which states: “Foreign investments may only be carried out within the framework of a partnership in which the resident national contribution represents at least 51% of the share capital; the term ‘national contribution’ refers to a consortium of partners” ⁽³¹⁾. According to Algerian right-wingers, this rule is considered one of the state’s strengths. This similarity to Algerian law can be observed in many countries, including Jordan and Palestine ⁽³²⁾. The convergence of legal frameworks in the area of public-private partnerships is not limited to this legal aspect; Algeria also exhibits numerous legal parallels regarding liability arising from partnership projects and potential risks stemming from disasters, the business environment, or other hazards, and this convergence extends to the similarity of central bodies, committees, and units responsible for public-private partnerships, as seen in other countries.

Although the legal nature of public-private partnerships stems from specific developmental and sectoral needs, there is a clear influence of Francophone legal models, whether in contract management mechanisms, dispute resolution, or the general framework of the partnership (the Francophone model). Despite this legislative convergence, Algeria has maintained its distinctiveness through selective conditions, such as the requirement for a 51% national equity stake, which underscores its effort to align the international model with its sovereign priorities. Thus, the partnership remains a blend of influence from comparative practices and adaptation to local regulations, serving as a safeguard that strikes a balance between economic openness and the protection of the public interest.

It can be inferred from the foregoing that the legal framework for public-private partnerships in Algeria has represented a cautious model that combines bridging financing gaps with ensuring control over strategic sectors, through a clear rejection of privatization and legislation that steers cooperation toward balanced frameworks. Although it drew on international legal models, national legislation retained its distinct character through provisions that ensure the primacy of the national interest, such as the requirement for a local majority in the capital structure. Thus, the challenge remains to establish sustainable partnerships that integrate economic flexibility with the preservation of national principles, without slipping into the unconditional adoption of external models.

Conclusion:

In light of the legislative path Algeria has followed since independence, it is evident that public-private partnerships did not stem from a comprehensive strategic vision but rather developed gradually in response to economic shifts and development pressures. Laws on investment, public procurement, and the delegation of public services established the initial legal framework for these partnerships, although most of this legislation was fragmented and inconsistent. At the turn of the millennium, political awareness of the importance of legally framing these partnerships began to grow, as evidenced by the official adoption of the term “partnership” and

31 Decree No. 09-01 dated July 22, 2009, containing the 2009 Supplementary Finance Law, issued on July 22, 2009, Official Gazette No. 44, Article 58, p. 13.

32 European Investment Bank, op. cit., p. 88.

the formulation of contractual financing mechanisms through finance laws, particularly Organic Law No. 18-15. Despite attempts to codify the relationship between the two sectors, the Algerian experience continues to suffer from the absence of a unified and clear legislative framework, unlike the framework adopted in many comparable international models. The success of the public-private partnership model remains contingent on the existence of a specific and transparent law that precisely defines the powers of the parties, the contracting mechanisms, and the allocation of risks, thereby ensuring effective implementation while simultaneously protecting the public interest.

Study Findings:

1. Public-private partnerships in Algeria have developed slowly and in an unsystematic manner, building on post-independence laws governing investment and the mixed economy.
2. Legislation took a qualitative leap at the turn of the millennium, but it remained scattered across different sectors, with no unified law specifically governing PPPs.
3. The concept of public-private partnerships officially appeared in political and legislative discourse after 2000, particularly with the 2018 Finance Act.
4. The Algerian legal framework bears the hallmarks of the Francophone model and shares many aspects with the legislation of Arab countries such as Egypt, Morocco, and Jordan.
5. Despite legislative efforts, Algeria still lacks clear implementing guidelines (manuals, contract guides, standardized regulations) to govern public-private partnerships.
6. There is a cautious balance in the legislation between opening up to the private sector and preserving economic sovereignty, particularly through the “51% national participation” mechanism.

Recommendations:

1. Enact a comprehensive and integrated law to regulate public-private partnerships (PPPs), following the model of successful international practices.
2. Unify sector-specific legislation under a single framework that includes regulations, guidelines, and contracting and implementation mechanisms.
3. Enhance transparency in public-private partnerships by establishing a national online portal for projects, enabling the tracking of contracts and implementation phases.
4. Involve local experts and academic institutions in drafting policies and legal mechanisms for public-private partnerships tailored to the Algerian context.
5. Develop flexible and impartial dispute resolution mechanisms for PPP contracts, such as mediation and arbitration, in accordance with international standards.
6. Support existing regulatory bodies, such as the National Observatory for Public Services, and grant them greater independence and authority in overseeing partnerships.

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