



**Government Defence  
Integrity Index**



**2020**



Country Brief:

**ALGERIA**



# ALGERIA

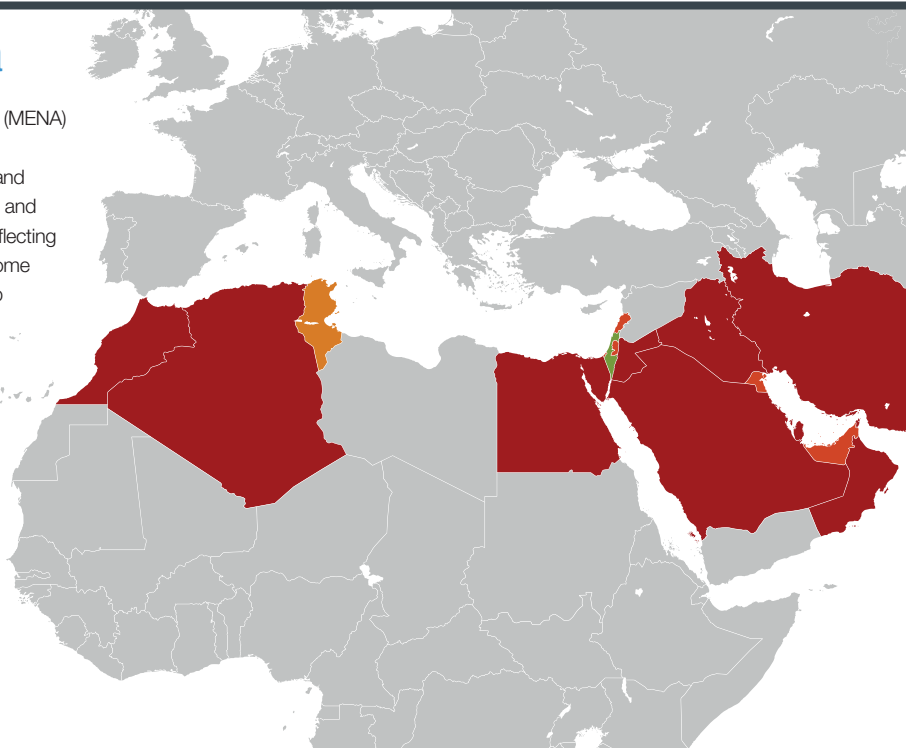
Africa's largest country in terms of territory, Algeria is a key regional security and economic player, where the lines between the military and politics are blurred. The military's political involvement has endured since independence and has fluctuated over time between direct interventionism and more withdrawn influence.<sup>1</sup> However, after nationwide protests ousted President Boutéflika in the wake of 20 years of rule in 2019, the military stepped in and took direct control of the country. The decision was met with anger and fuelled further demonstrations calling for true democratic reforms and an end to the clientelism and corruption that characterise Algerian politics.<sup>2</sup>

Member of Open Government Partnership	No
UN Convention Against Corruption	Ratified in 2004.
Arms Trade Treaty	Has not signed.

Elections in December 2019 were rejected by opposition groups and tensions remain high,<sup>3</sup> with signs of the protest movement igniting again after the military imposed strict restrictions during the COVID-19 pandemic in 2020.<sup>4</sup> With continuing civil unrest, political instability and a fragile economy that relies on hydrocarbon exports, Algeria is in a delicate position. Regional instability caused by armed violence and extremist groups in southern Algeria, the Sahel, and Libya further complicate the situation. The military's deep involvement in politics have also contributed to undermining defence governance and contributed to the development of a highly corrupt system of government. Parliamentary oversight is virtually non-existent due to the military's power, and audit institutions are ineffective in carrying out checks on defence institutions. Defence procurement is highly secretive and largely unplanned, with vast sums of money being spent without any oversight, and the budgeting process is incomplete. Public and media access to defence information is almost impossible, and the military's personnel management systems and framework for operations are highly vulnerable to corruption.

## Middle East & North Africa

Defence sectors across the Middle East & North Africa (MENA) region continue to face a high risk of corruption. At the same time, protracted armed conflicts in Syria, Libya, and Yemen persist, while public protests against corruption and authoritarianism continue in a number of countries – reflecting an overall context of insecurity and fragility. Although some governments have publicly committed to stepping up anti-corruption efforts, there remains a gap between existing legislation and implementation in practice. Military institutions in the region are characterised by a high degree of defence exceptionalism, resulting in a lack of transparency that precludes oversight actors from effectively scrutinising defence budgets and policies at a time when defence spending and arms imports continue to surge. These concerns are further compounded by authoritarian governance systems seen in many MENA countries. Resurgent protests and uprisings in the region after the 2011 Arab Spring demonstrate that corruption is a central and persistent public grievance.



<sup>1</sup> Dalia Ghanem, 'How Algeria's Military Rules the Country', *Carnegie Middle-East Centre*, 8 August 2019.

<sup>2</sup> Ali Lahrichi, 'Les Enjeux de la Crise Politique en Algérie et le Stand-by Accorde par la Pandémie du Coronavirus', *EcoActu*, 15 February 2021.

<sup>3</sup> Tom Allinson, 'Algerian Elections Rejected in the Name of Democracy', *Deutsche Welle*, 2 December 2019.

<sup>4</sup> Tiffany Fillon, 'Algérie: En 2021, le Hirak Veut Toujours, "Mettre Fin à la Gouvernance du Régime"', *France24*, 22 February 2021.



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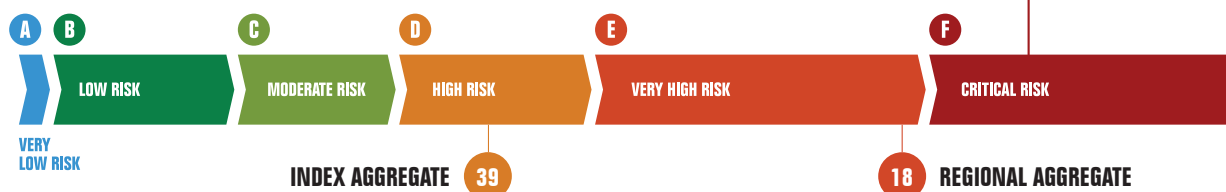
## Overall scores

The size of the colour band corresponds to number of countries that fall into that category.

## ALGERIA SCORE CRITICAL RISK

F

8



A > 83-100 VERY LOW

B > 67-82 LOW

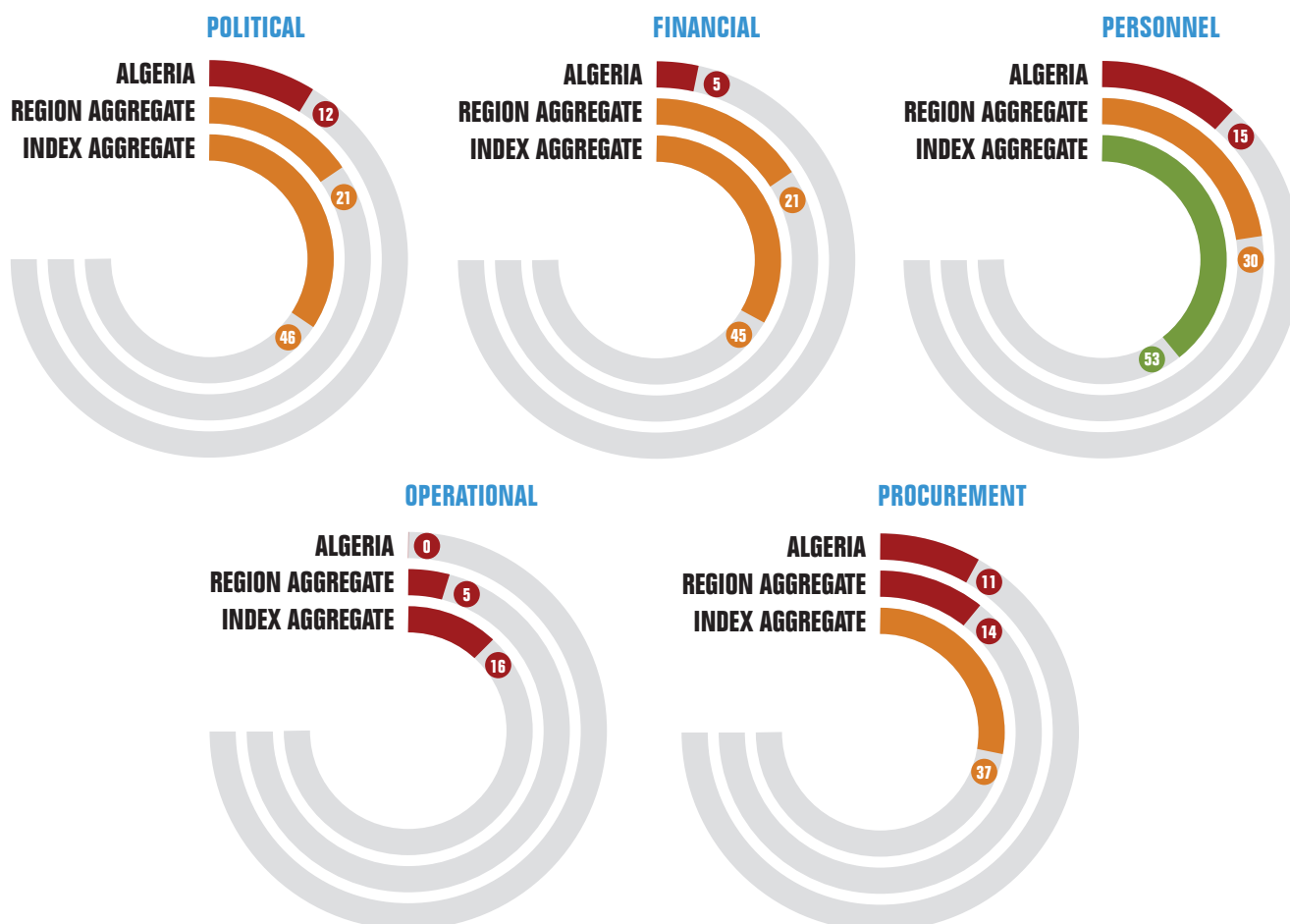
C > 50-66 MODERATE

D > 33-49 HIGH

E > 17-32 VERY HIGH

F > 0-16 CRITICAL

## Risk Comparison





# ALGERIA

## Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	35/100
Military expenditure as a share of government spending (SIPRI, 2020)	17%
Committee members with defence expertise (%)	Data is not publicly available.
# of meetings/year	Data is not publicly available.
Last review of defence policy/strategy	Algeria does not have a published defence strategy.

Sustained military involvement in politics and President Boutéflika's attempts to consolidate power within the presidency have contributed to seriously undermined parliamentary powers.<sup>5</sup> One-third of the members of the Senate (Conseil de la Nation) are chosen directly by the President and the Parliament (the Assemblée Populaire Nationale) has historically not challenged executive-driven legislation, facilitating rule by decree.<sup>6</sup> The two main parties, the RND and the FLN, have close ties and have historically defended government policies in exchange for financial incentives, diluting the capacity of the legislature to act as an arena for independent debate.<sup>7</sup> Given the military's power, parliament's involvement in the defence sector in particular has been strictly curtailed. Though there is a National Defence Committee, internal parliamentary rules give no information on its powers aside from assigning it responsibility for "defence matters".<sup>8</sup> This absence of formal provisions for scrutiny mean that the Committee is powerless to exert authority over the sector, which is tightly controlled by the Presidency and military leaders. No information could be found on the committee providing budgetary, administrative, or operational oversight of the defence sector or of it providing any amendments to budgets or legislation, or putting forward legislative proposals. The absence of parliamentary scrutiny compounds other deficiencies in institutional oversight. There is, for instance, no evidence of any internal audit unit within the Ministry of Defence. The Court of Auditors (Cour des Comptes) is nominally responsible for external auditing of defence expenditure, however in practice it exercises very little control. Its independence is compromised by its accountability to the Presidency and the close links between defence officials and politicians, mean that both the military and executive can exert influence over it. Its reports are not made public, and the Ministry of Defence is reported to be highly uncooperative during the Court's audits, failing to provide the necessary information.<sup>9</sup>

## Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: Data is not publicly available. (2) # subject to backlog: Data is not publicly available.
Defence-related complaints to ombudsman/commissioner #	Data is not publicly available.
Does the commissioner have authority over the MoD?	
Audit reports on defence (2015-2020) #	Data is not publicly available.
Open Budget Index (IBP, 2019)	2/100
World Press Freedom Index (RSF, 2021)	146th out of 180

Government opacity has been a hallmark of Algerian politics.<sup>10</sup> The government has built up a substantial legal framework that obstructs transparency efforts in the defence sector, with the 2012 Organic Law on Information excluding defence matters from journalists' access to information rights<sup>11</sup> and the Penal Code prescribing the classification of all defence information.<sup>12</sup> Transparency around the military's budgets and financial management is particularly limited. The finance laws provide only top-line figures for the defence budget, with no breakdown by functions or areas. There is no evidence that parliament receives more detailed figures than those released to the public, meaning that the legislature has no further insight into military's budget allocations beyond general figures. The absence of substantial budgetary information compounds limits on access to information. Similar to journalists,<sup>13</sup> the public's access to information is not guaranteed by law and there are no clear guidelines stipulating that the public has a right to access defence information. The lack of legal framework around information access, coupled with tight executive control over media organisations, means that the availability of reliable information is low. Financial transparency is also undermined by the prevalence of off-budget military expenditure, or "common expenses" (charges communes), which represent the second-highest figure in the budget and have been described as secretive slush funds for the executive.<sup>14</sup> Equally, the military is involved in revenue-generating activities that are not subject to oversight. Items manufactured in military factories have been sold on the civilian market,<sup>15</sup> while military involvement in the oil industry has been widely reported.<sup>16</sup> In both cases, there is no record of the income these activities generate, nor of how that income is used.<sup>17</sup>

<sup>5</sup> Bertelsmann Stiftung, *BTI 2020 Country Report – Algeria*, Gütersloh, Bertelsmann Stiftung, 2020, p. 10.

<sup>6</sup> Bertelsmann Stiftung, *BTI Algeria*, p. 13.

<sup>7</sup> Dalia Ghanem-Yazbeck, 'Limiting Change Through Change: The Key to the Algerian Regime's Longevity', *Carnegie Middle East Center*, April 2018. Accessed October 17, 2018.

<sup>8</sup> People's National Assembly, Internal Rules of the People's National Assembly, 'Competences of the Permanent Commissions', Art. 22, Algeria.

<sup>9</sup> Elkhbar, 'The report of Court of Auditors is stowed away' (in Arabic), *elkhbar.com*, 20 December 2017.

<sup>10</sup> Bertelsmann Stiftung, *BTI Algeria*, p. 19.

<sup>11</sup> Organic Law on the Information. 'On the profession of journalists, ethics and deontology', Chapter I "On the profession of journalists", Art. 84. (2012).

<sup>12</sup> Penal Code as of 2015, Book Three "Crimes and Offences and their Punishment", Title I "Crimes and Offences against the Public Interest", Chapter I, "Crimes and offences against state security", Section II "Other attacks on national defence or the national economic", Art. 84.

<sup>13</sup> Fatima El-Issawi, 'Algerian National Media: Freedom at a Cost', *LSE Middle East Centre Report*, February 2017.

<sup>14</sup> Mohand Aziri, 'Budget «charges communes» : la caisse noire de l'Exécutif' *El Watan*, 1 November 2012.

<sup>15</sup> "Algérie: L'industrie militaire au coeur de la production nationale (made in Algeria)," *Le Journal*, Canal Algérie, December 22, 2016

<sup>16</sup> Lyas Hallas, "L'ombre de Chakib Khelil continue de hanter Sonatrach", *middleeasteye.net*, April 18, 2018.

<sup>17</sup> Dalia Ghanem-Yazbeck, 'Limiting Change Through Change: The Key to the Algerian Regime's Longevity.' *Carnegie Middle East Center*, April 2018





# ALGERIA

## Personnel Ethics Framework

Whistleblowing legislation	2006 Anti-Corruption Law
# defence-sector whistleblower cases	Data is not publicly available.
# Code of conduct violations	Military: No code of conduct exists.
	Civilian: No code of conduct exists.
Financial disclosure system	# submitted: No such system exists.
	# of violations: No such system exists.

Algeria's military has been heavily involved in cracking down on the country's protest movement resulting in numerous allegations of human rights violations.<sup>18</sup> As popular opinion has gradually turned against the military and its leaders, increasing attention is being paid to its underdeveloped ethics framework. There is still no clear code of conduct for either military or civilian personnel working in the sector. The Statute for Military Personnel contains only loose references to conduct,<sup>19</sup> while civilian staff are not subject to any specific regulations aside from provisions in the 2006 Anti-Corruption Law.<sup>20</sup> As a result, there are no clear behavioural guidelines for personnel, including on corruption-related issues. There is also evidence that when corruption investigations occur, they are motivated by political objectives with senior generals only subjected to investigation when political leaders stand to benefit.<sup>21</sup> Attempts to build integrity are further restricted by an ineffective whistleblowing system. Though the Anti-Corruption Law provides some protection for whistleblowers, its enforcement has been limited and is not yet systematic.<sup>22</sup> Reports of whistleblowers being subjected to harassment and prosecution after exposing corruption are testament to an ineffective system that does not provide sufficient protection. Personnel integrity is also undermined by deficiencies in the formal recruitment and promotion processes, particularly at upper levels. Formal procedures are frequently ignored in favour of a system based on patronage and nepotism that prioritises personal connections and favours over skill and experience.<sup>23</sup>

## Operations

Total armed forces personnel (World Bank, 2018)	317,000
Troops deployed on operations #	Data is not publicly available.

Algeria's military is commonly held to be well-equipped and well-trained, though its strict non-interference policy does not allow any deployments of Algerian troops abroad.<sup>24</sup> Troops are, however, deployed throughout the territory to counter national and cross-border threats. An assessment of the military's safeguards to corruption whilst on operations reveals a complete lack of measures to mitigate and respond to corruption during deployments. At the root of the issue is the absence of a military doctrine that addresses corruption as a strategic threat for the success of operations, suggesting that the military does not consider it a threat. As a result, there is no known corruption training for commanders, nor are there specific guidelines for troops on how to identify, manage and mitigate corruption risks during deployments. There is no evidence that corruption is considered during the forward planning of operations, despite the bulk of these taking place in areas with weak state presence, where trafficking and corruption are highly prevalent.

<sup>18</sup> Human Rights Watch, 'Algeria: Escalating Repression of Protesters', 14 November 2019.

<sup>19</sup> Order No. 06-02, 'General statute of military personnel', Title II "General Provision", Chapter II "Rights, obligations and responsibilities", Art. 35 and 47, 28 February 2006.

<sup>20</sup> Law No. 06-01, 'Relative à la prévention et à la lutte contre la corruption', 20 February 2006.

<sup>21</sup> 'En Algérie, cinq anciens hauts responsables de l'armée incarcérés', *Le Monde*, 15 October 2018.

<sup>22</sup> Elkhbar, 'Three new Measures to Combat Corruption', *elkhbar.com*, 11 November 2018.

<sup>23</sup> Mohammed Hachemaoui, 'Qui gouverne (réellement) l'Algérie?', *Politique Africaine*, 2016/2, n° 142.

<sup>24</sup> Constitution of the People's Democratic Republic of Algeria. Third Title, Art. 192, 2016.



# ALGERIA

## Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	9,958
Open competition in defence procurement (%)	Data is not publicly available.
Main defence exports – to (SIPRI, 2016-20)	Western Sahara*
Main defence imports – from (SIPRI, 2016-20)	Russia, Germany, China, Italy, Sweden

\*One export in 2016, valued at less than \$0.5 million.

Algeria has invested extensively in its defence materiel in recent years, with arms imports increasing by 71% since 2014,<sup>25</sup> making Algeria the sixth largest global importer of arms in the world.<sup>26</sup> This substantial increase means that 79% of North African arms imports are destined for Algeria.<sup>27</sup> However, this increased investment in procurement has not been matched by corresponding attempts to strengthen safeguards and mechanisms to ensure transparency and cost efficiency within the process. This raises significant corruption risks when considering that military expenditure represents over 15% of total government spending.<sup>28</sup> The absence of a published national defence strategy makes it impossible to assess whether purchases answer to strategic needs. There is no process for acquisition planning, resulting in purchases that are ad-hoc and not best suited to

tackling strategic threats.<sup>29</sup> Regardless, weapons acquisitions are often not even made public. There is substantial opacity surrounding military purchases, with any reports usually omitting the price and providing only sparse technical details. The legal framework regulating defence procurement is also contentious. The 2016 Public Procurement Law does not make explicit reference to the defence sector, with some evidence that defence acquisitions are awarded through restricted tenders, i.e. outside of the remit of public procurement regulations.<sup>30</sup> There is also no evidence of a formal defence procurement cycle as the policies and procedures contained in the Public Procurement Law do not apply to defence. As a result of this gap, only non-military goods and smaller items are advertised for public tender. Larger-scale, kinetic hardware and equipment are procured through restricted tenders that are considered state secrets. There are also no formal provisions for oversight of single-sourced or restricted contracts. Consequently, there are no reports from oversight bodies such as the Court of Accounts or the parliament on oversight of defence procurement and no indication that systematic oversight occurs.

<sup>25</sup> Pieter D. Wezeman, Alexandra Kuimova and Siemon T. Wezeman, 'Trends in International Arms Transfers, 2020', SIPRI, March 2021, p. 7.

<sup>26</sup> SIPRI, 'Arms Transfer Database', March 2021.

<sup>27</sup> Wezeman et al., 'Trends in International Arms Transfers', p. 7.

<sup>28</sup> SIPRI, 'Military Expenditure as Percentage of Government Spending, 1988-2019'.

<sup>29</sup> Andrew McGregor, 'Defense or Domination? Building Algerian Power With Russian Arms', Eurasia Daily Monitor, Volume 15, Issue 122, 5 September 2018.

<sup>30</sup> Epicos, 'Special Focus Algeria', epicos.com, 2017, p.5.

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GDI data collection for **Algeria** was conducted July 2018 to September 2019. The narrative discussion in this GDI brief was produced at a later time with the most recent information available for the country, which may not be reflected in the GDI country assessments or scores.



# ALGERIA 2020 GDI Scorecard

		Grade	Score
<b>Political Risk</b>		<b>F</b>	<b>12</b>
Q1	Legislative Scrutiny	E	25
Q2	Defence Committee	F	0
Q3	Defence Policy Debate	F	8
Q4	CSO Engagement	F	8
Q5	Conventions: UNCAC / OECD	B	75
Q6	Public Debate	E	25
Q7	Anticorruption Policy	E	25
Q8	Compliance and Ethics Units	F	0
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	F	0
Q11	Acquisition Planning	F	0
Q12	Budget Transparency & Detail	E	25
Q13	Budget Scrutiny	F	0
Q14	Budget Availability	F	8
Q15	Defence Income	F	0
Q16	Internal Audit	F	0
Q17	External Audit	F	0
Q18	Natural Resources	F	10
Q19	Organised Crime Links	E	25
Q20	Organised Crime Policing	D	33
Q21	Intelligence Services Oversight	F	0
Q22	Intelligence Services Recruitment	F	0
Q23	Export Controls (ATT)	F	0
Q76	Lobbying	F	0

<b>Financial Risk</b>		<b>F</b>	<b>5</b>
Q24	Asset Disposal Controls	F	0
Q25	Asset Disposal Scrutiny	F	0
Q26	Secret Spending	F	0
Q27	Legislative Access to Information	F	0
Q28	Secret Program Auditing	F	0
Q29	Off-budget Spending	F	0
Q30	Access to Information	F	0
Q31	Beneficial Ownership	F	13
Q32	Military-Owned Business Scrutiny	F	0
Q33	Unauthorised Private Enterprise	D	38
Q77	Defence Spending	F	0

<b>Personnel Risk</b>		<b>F</b>	<b>15</b>
Q34	Public Commitment to Integrity	F	8
Q35	Disciplinary Measures for Personnel	B	75
Q36	Whistleblowing	E	17
Q37	High-risk Positions	F	0
Q38	Numbers of Personnel	D	33
Q39	Pay Rates and Allowances	F	0
Q40	Payment System	B	67
Q41	Objective Appointments	F	8
Q42	Objective Promotions	F	8
Q43	Bribery to Avoid Conscription	F	0
Q44	Bribery for Preferred Postings	F	0
Q45	Chains of Command and Payment	F	0
Q46	Military Code of Conduct	F	0

## OVERALL COUNTRY SCORE

**CRITICAL RISK**

**F**

**8**

### RISK GRADE

A • 83-100 **VERY LOW**

B • 67-82 **LOW**

C • 50-66 **MODERATE**

D • 33-49 **HIGH**

E • 17-32 **VERY HIGH**

F • 0-16 **CRITICAL**



<b>Personnel Risk</b>		<b>F</b>	<b>15</b>
Q47	Civilian Code of Conduct	F	0
Q48	Anticorruption Training	F	0
Q49	Corruption Prosecutions	F	8
Q50	Facilitation Payments	D	33

<b>Operational Risk</b>		<b>F</b>	<b>0</b>
Q51	Military Doctrine	F	0
Q52	Operational Training	F	0
Q53	Forward Planning	F	0
Q54	Corruption Monitoring in Operations	F	0
Q55	Controls in Contracting	F	0
Q56	Private Military Contractors	NS	

<b>Procurement Risk</b>		<b>F</b>	<b>11</b>
Q57	Procurement Legislation	NEI	
Q58	Procurement Cycle	F	0
Q59	Procurement Oversight Mechanisms	F	8
Q60	Potential Purchases Disclosed	F	0
Q61	Actual Purchases Disclosed	F	13
Q62	Business Compliance Standards	F	0
Q63	Procurement Requirements	F	0
Q64	Competition in Procurement	F	0
Q65	Tender Board Controls	E	17
Q66	Anti-Collusion Controls	C	50
Q67	Contract Award / Delivery	F	0
Q68	Complaint Mechanisms	C	50
Q69	Supplier Sanctions	C	50
Q70	Offset Contracts	F	0
Q71	Offset Contract Monitoring	F	0
Q72	Offset Competition	F	0
Q73	Agents and Intermediaries	F	0
Q74	Financing Packages	F	0
Q75	Political Pressure in Acquisitions	NS	

### KEY

NEI Not enough information to score indicator

NS Indicator is not scored for any country

NA Not applicable



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