

Termination of Public Works Contracts in Algerian Law: Natural Completion, Exceptional Rescission Mechanisms, and Financial Settlement under Law No. 23-12 and Executive Decree No. 21-219

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Abstract

This research undertakes an analysis of the legal regime applicable to the termination of public works contracts. It deals with both the natural termination of the contract due to the full performance of the contract or the expiration of the contractual duration and the non-natural termination of the contract, which encompasses rescission for the contractor's fault, unilateral termination of the contract in the public interest, and judicial dissolution of the contract.

This research has shown that the termination of the contract is no longer just the final act of the procedure but is instead a form of organized governance. It has also demonstrated the importance of strengthening the procedural regime of termination, the requirements of justification, and the financial regime of termination in order to strengthen transparency and credibility in the Algerian system of public procurement.

Keywords: Public Works Contracts; Termination of Administrative Contracts; Contractual Rescission; Unilateral Administrative Termination; Judicial Dissolution; Public Interest Prerogative; Liquidation Account; Financial Settlement; Contractual Equilibrium; Public Procurement Law; Fiscal Governance; Algeria.

Introduction

Public procurement is one of the most important tools for the implementation of development policies and for maintaining public services in the context of legality, transparency, fairness, and the protection of public funds. In this respect, public work contracts have a crucial role in Algerian administrative law, as they give a practical implementation of the legislative authorization in the context of the implementation of development policies through infrastructure projects with the aim of enhancing economic development and the general interest. In this respect, the legal framework of public work contracts expresses the specificity of administrative contracts, which are characterized by the combination of the elements of private contracts with the application of the powers of public authority, thus creating a regulated asymmetry for the advantage of the public interest (Ansaad, 2024).

The legislator in Algeria has continued to develop the regulations in the field of public procurement, which are aimed at reinforcing procedural and financial discipline. In this regard, it can be noted that the general regulations in the field of public contracts are stipulated in Law No. 23-12, which emphasizes the importance of lawfulness, transparency,

and good management of public expenditure (Law No. 23-12, 2023). At the same time, Executive Decree No. 21-219, which approves the General Administrative Clauses of the Public Works Contracts, stipulates the detailed regulations in the field of execution, reception, termination, and financial settlement of the contracts (Executive Decree No. 21-219, 2021). These normative regulations are in line with the general pledge of the Constitution of Algeria, which emphasizes the importance of transparency and financial oversight in the management of public funds, as stipulated in the Constitution of Algeria (Constitution of Algeria, 2020).

Although the process of formation and implementation of public works contracts has continued to be of interest to scholars over the years, the process of termination is an important step in its own right. Although the process of termination does not only involve the end of a contract, it is an important legal process that involves determining the final obligations and rights, settling accounts, determining the release or retention of guarantees, and the possibility of compensation. As a matter of doctrine, the final process of administrative contracts has a direct effect on the balance of a contract and, therefore, financial stability, and therefore must be subjected to regulation to avoid arbitrariness and financial instability (Said, 2024).

Algerian legal thought makes a distinction between natural termination, i.e., the end of a contract as a result of the full performance of the contract or as a result of the time limit of the contract itself, and non-natural termination that arises from the fault of one or both of the contractors, a unilateral decision in the public interest by the administration, or by the courts (Bourawi, 2019). The distinction between natural and non-natural termination is an expression of one of the most important principles of administrative law: the powers vested in the administration by the supremacy of the public interest are subject to legality, proportionality, and due process (Boudali, 2024).

There are also financial implications of termination. The process of determining the liquid account, the fine or compensation, or the return of equipment or materials is part of the larger context of financial control systems. Research on Algerian financial governance shows that the final stages of public expenditure are highly susceptible to the budgetary process and require more stringent regulations to ensure the integrity of public funds (Haffar & Rahal, 2024; Dawaer, 2020). It is, therefore, evident that the topic of termination cannot be viewed in isolation within the larger context of financial governance.

The research study has a very important question to pose to the reader: What is the Algerian legal treatment of the termination of public works contracts in a manner consistent with the preservation of administrative powers while ensuring the protection of contractual rights and financial discipline? This research article will explore the legal basis of termination, the process of termination, and the financial process of termination for both natural and non-natural termination. The aim of this article is to persuade the reader that the termination of Algerian public works contracts is more than just a technicality; it is a form of governance.

1. Natural Termination of Public Works Contracts

The natural termination of the contract for public works signifies the normal end of the contractual relationship. This takes place when all the obligations have been fulfilled or when

the contract period is over. Under Algerian administrative law, the natural termination of the contract for public works signifies the normal balance of the contract. This is where both parties are performing their duties as stipulated in the contract and the rules and regulations guiding the contract (Bourawi, 2019).

The Law No. 23-12 on the regulation of public procurement stipulates that the contract for public works has to be conducted in a manner that is legal, transparent, and prudent in the utilization of the resources of the state. Thus, the natural termination of the contract is not only the end of the contract but is also a process that is part of the legal framework of the Executive Decree No. 21-219 for the approval of the General Administrative Clauses for Public Works Contracts.

From a governance perspective, natural termination serves as a confirmation that the contractual cycle has reached completion without conflict or sanction. It demonstrates that the administration has exercised oversight in accordance with constitutional principles of legality and accountability (Constitution of Algeria, 2020). Properly structured termination reduces post-contractual disputes and strengthens institutional credibility (Maamar, 2022).

1.1 Termination Through Full Performance

The termination through full performance occurs when the contractor completes the contract in exactly the same manner as specified, i.e., meeting technical requirements, deadlines, and all administrative duties. However, in a contract related to a public work, completion of a contract in itself is not enough to terminate a contract legally. The legal requirement to terminate a contract is through formal administrative reception, thereby transforming completion into legal acceptance (Executive Decree No. 21-219, 2021).

This very issue forms the core of Algerian administrative contract law, i.e., the legal effect of a contract can be achieved only when verified by the contracting authority. The purpose of this process is to ensure a measure of protection to both the treasury and financial rights.

1.1.1 Administrative Reception as a Juridical Act

Administrative reception refers to a legal procedure whereby the contracting party checks if the works have been carried out in accordance with the contract. This may be provisional or definitive depending on whether a warranty period applies or not. In cases where there is a reception of works, there are some legal consequences as follows:

- The duty of maintaining and securing the works is transferred to the contracting party;
- The start of the warranty period;
- The start of financial settlement;
- Adjustment of retention guarantees.

These consequences are governed by the General Administrative Clauses for Public Works Contracts (Executive Decree No. 21-219, 2021). The requirement for documented reception procedures is to ensure traceability and reduce the chances of any conflict arising. Studies on governance in procurement systems show that a closure mechanism improves financial transparency and accountability in institutions (Haffar & Rahal, 2024).

1.1.2 Contractual Equilibrium and Final Performance

The final performance, therefore, represents the moment when the contractual balance is attained, whereby the contractor performs the works, and the administration makes its

payments. However, the balance will only be attained when the liquidation account is prepared and the financial reconciliation process is concluded.

Research on the spending patterns of the Algerian budget indicates that the closing stages of government contracts are characterized by accounting deficiencies, and therefore, the process requires more vigilance (Said, 2024). In that respect, the liquidation account can be considered the equivalent of interim financial statements, and it incorporates all the completed works, the adjustments in prices, and the recoverable advances.

The preparation of the liquidation account not only ensures the fairness of the contractual process; it also safeguards the finances, and therefore, the process of terminating the contracts can be linked to the overarching objective of ensuring financial oversight (Dawaer, 2020).

1.2 Termination Through Expiration of Contractual Duration

Time is a crucial component of public works contracts. The running out of the contractual term, where the works have been carried out within the stipulated timelines, results in automatic termination of the contract.

The Algerian public procurement law underlines the importance of respecting the terms of the contract as a guarantee of legal certainty and administrative discipline (Law No. 23-12, 2023). In the view of a scholar, respecting the time limit helps in ensuring the proportionality of administrative power and avoiding the abuse of discretionary power (Boudali, 2024). On the other hand, the delay in the execution of a contract that is not attributed to the fault of the contractor is not considered as a termination. Rather, it may result in the application of the termination based on sanction, which will be discussed in the next section.

1.3 Financial and Procedural Effects of Natural Termination

The process of natural termination signals the beginning of a financially defined close process. This process is regulated by the General Administrative Clauses (Executive Decree No. 21-219, 2021).

1.3.1 Preparation of the Final Liquidation Account

It is composed of the total value of the work completed, changes or variations that have been approved, penalties that have been applied, price adjustments or revisions, recoveries of advances, and the final amount due (Executive Decree No. 21-219, 2021).

It is important to ensure that this document is precise in order to avoid any potential disputes in the courts and to maintain discipline in finance (Said, 2024).

1.3.2 Release of Guarantees and Asset Settlement

Once the formal settlement process is completed, retention guarantees and performance securities are released in accordance with the contract. Any equipment installed at the site is either removed or officially transferred in accordance with regulated procedures (Executive Decree No. 21-219, 2021).

The scholarly works that have focused on the importance of a governance framework have emphasized that transparent closure procedures promote institutional credibility and trust in procurement systems (Maamar, 2022).

Natural termination, therefore, becomes the standard model for administrative contracting in Algeria: a legally defined close process based on performance, legality, and financial accountability. This process confirms that the contract has met its developmental objectives

while at the same time balancing the contract and protecting public funds in accordance with the rule of law provisions in the Constitution (Constitution of Algeria, 2020).

2. Non-Natural Termination of Public Works Contracts

Non-natural termination is a less frequent legal provision for the termination of a contract before its natural expiration. This is in contrast to natural termination, which takes place upon the completion of the contract or the expiration of the contract term. In this particular case, the termination takes place due to particular legal reasons, which are the responsibility of the contractor, the unilateral administrative decision on the grounds of the public interest, and the judicial annulment of the contract.

Under the Algerian legal approach to administrative contracts, non-natural termination indicates a form of asymmetry in public contracts, where the administration has some advantages due to the predominance of the public interest, but its actions must remain legitimate, proportionate, and in compliance with due process principles (Ansaad, 2024). Under the current legal regime of public procurement, in particular Law No. 23-12, non-natural termination exists but remains restricted within legal limits in order to prevent arbitrariness and preserve the balance of the contract (Law No. 23-12, 2023). Under the Constitution of Algeria, the use of the unilateral administrative powers has to be in conformity with the dictates of law, transparency, and due process, as stipulated in the Constitution of Algeria (Constitution of Algeria, 2020). In other words, the non-natural termination of the contract is not a matter of the administrative authorities' discretion.

2.1 Termination for Contractor Fault (Administrative Rescission)

The main sanction-based instrument available to the contracting authority is termination for contractor fault. Termination for contractor fault is applicable when the contractor seriously breaks the contract by failing to meet the technical specifications, unjustified delays in the work, abandonment of the work, or failure to repair defects after being notified.

Law No. 23-12 provides the legitimacy for the legality of sanction-based termination, which recognizes the contracting authority's obligation to watch over public funds and to ensure the work is executed properly (Law No. 23-12, 2023).

2.1.1 Procedural Guarantees and Formal Notice

Before termination of the contract, the contracting authority is obliged to send a formal notice to the contractor to mend the breach within a given deadline. The form of the notice and the necessary information it must contain are determined by ministerial instructions to maintain the regularity of the process (Order of the Minister of Finance, 2011).

What is the purpose of the prior notice? It is given for a number of legal reasons:

- It is crucial to the contractor's right to defend themselves.
- It is necessary to build a strong evidentiary record.
- It is necessary to build a record of proportionality in the case of sanctions.
- It helps to avoid future disputes.

In Algerian legal doctrine, termination is not the first administrative measure unless the offense is exceptionally serious. The principle of proportionality is still a fundamental principle of administrative sanctions (Bourawi, 2019; Boudali, 2024). This is in accordance

with the general principles of the Algerian constitution to build a system of rules to avoid arbitrary action by the administration (Constitution of Algeria, 2020).

2.1.2 Financial Consequences of Fault-Based Termination

Financial effect of the termination of the contract due to the contractor's fault on the public finances can be realized in several ways, such as recovering funds already paid, losing the right to performance guarantees, incurring penalties for delays, paying extra funds due to the completion of the project at the contractor's risk, and losing the right to participate in future public bidding in some countries, among others.

The liquidation process is governed by the rules stipulated in the Executive Decree No. 21-219. This is to ensure that the financial effect of termination is contractor-performance based and that the breaches are indeed true (Executive Decree No. 21-219, 2021).

From the governance point of view: In the situation of termination by sanctions, it acts as a deterrent measure to safeguard the government's finances and the contract. But it is also possible that the government may face fiscal risks in the situation of unjustified termination.

2.2 Unilateral Termination in the Public Interest

The unilateral termination in the name of public interest is a special prerogative power vested in the administration in public contracts. It is not related to any fault or improper conduct on the part of the contractor but is rather related to objective grounds such as a change in public policy, a change in the budget, or a general overhaul in the organizational framework.

The validity of the administration's power to terminate a contract in the name of public interest is established through Law No. 23-12, which clearly states: "The administration's power to terminate a contract in the name of public interest is valid."

This power to terminate a contract in the name of public interest is legitimate only if:

- There are objective grounds in public interest;
- The process is followed;
- There is a rationale on the part of the administration;
- The compensation norms are followed.

Academic literature on governance clearly highlights: The invocation of public interest must be traceable to avoid disturbing the balance in contracts.

2.2.1 Compensation and Contractual Equilibrium

If the contract terminates not due to the fault of the contractor, fairness dictates that the contractor be compensated to achieve the balance. The compensation usually covers:

- Work that has been completed
- Costs that have been incurred
- Any losses that have been directly sustained
- Some losses in profit, provided that there is legal justification for the losses

This concept forms the basis of the theory of administrative contracts, in that the administration can vary the terms of the contract to meet its interests, but it will have to make up for the balance if its interference in the contract was to the detriment of the contractor's legitimate expectations (Dawaer, 2020).

If the administration does not provide the compensation, it can be held liable in damages based on the law of administration.

2.3 Judicial Termination (Judicial Dissolution)

Judicial termination occurs when an administrative court directs the contract to be terminated at the request of one party. The contractor can apply for judicial termination in the event of a serious violation of the administration, abuse of authority, and failure to fulfill the obligation to pay. On the other hand, the contracting authority may decide to take judicial action instead of unilateral rescission in the complex dispute.

The involvement of the judiciary in the process reinforces the rule of law in public procurement contracts. Administrative courts assess the following issues in the process:

- Legality of the grounds for terminating the contract;
- Proportionality of the administration's action;
- Availability of evidence;
- Financial implications involved.

The judicial review process has been emphasized in literature to offer a check on the abuse of authority in administration (Boudali, 2024). The judicial and administrative checks offer more discipline in finance and institutions (Dawaer, 2020).

2.4 Institutional and Governance Implications of Non-Natural Termination

Such non-natural mechanisms of termination shed light on the underlying tension between administrative power and the stability of contracts. In the legitimacy of such mechanisms, the following are the key factors:

- Procedures
- Transparency in the justification
- Proportionality of the penalty
- A structured financial settlement
- Judicial review

In the contemporary Algerian procurement reform agenda, there is an attempt to balance flexibility in public management with the disciplines of procedure and finance (Ansaad, 2024). As a result, non-natural termination is viewed as a form of governance that is subject to constitutional and financial discipline (Constitution of Algeria, 2020; Law No. 23-12, 2023).

3. Procedural and Financial Effects of Contract Rescission

Irrespective of whether the contract has been terminated based on the fault of the contractor, in the interest of the public, or by a court of law, the process of rescinding a public works contract has profound procedural and financial consequences. Unlike the process of natural termination, which merely terminates as the construction process is completed, the process of rescission not only halts the construction process but also requires a well-regulated framework to determine who has to pay and who has the right to receive.

Based on the procurement regulations in Algeria, the effects of the rescission of contracts are provided for in the different regulations, particularly in the General Administrative Clauses Applicable to Public Works Contracts (Executive Decree No. 21-219, 2021). In a governance perspective, the rescission process is a crucial turning point in the budgetary process that requires careful administration (Said, 2024).

3.1 Liquidation Procedures Following Rescission

After the termination, the contracting authority is obligated to immediately start the liquidation procedure, which aims to, with accuracy, determine the actual status of the contract at the time of termination.

3.1.1 Technical Inventory and On-Site Assessment

The process begins with a technical inventory, which takes place in the presence of the contractor or a legally empowered representative. In the process, the contracting authority:

- Inspects the condition of the work already completed;
- Inspects the materials supplied and installed;
- Inspects the equipment and installations present at the site;
- Establishes whether the specifications agreed to in the contract are met up to the point of rescission.

The process is documented in the form of a report, which is signed by both parties. If the contractor fails to sign, the process is noted. This process is aimed at establishing legality and transparency, as stipulated in the Algerian Constitution (2020).

The Executive Decree No. 21-219 has stipulated that the process be carried out within a stipulated period to eliminate any financial ambiguity (Executive Decree No. 21-219, 2021).

3.1.2 Preparation of the Liquidation Account

Once the technical inventory is over, the contracting authority now prepares the liquidation account (*décompte de liquidation*). This replaces the provisional financial statements and must specify, with precision, the following elements:

- Value of work actually carried out;
- Authorized variations;
- Recoverable advances;
- Penalties applicable;
- Extra costs resulting from rescission;
- Compensation, where applicable.

The liquidation account is then submitted to the contractor within the legal time limits. In this case, accuracy is a matter of life and death because one error or omission may lead to legal cases against the government. In other studies, which examine the implementation of the Algerian budget, the great risk of accounting errors in the final stages of public contracts is emphasized, hence the need for administrative alertness (Said, 2024).

3.2 Financial Consequences of Rescission

The financial consequences of rescission depend on the legal reason for the termination of the contract because the reason for the termination of the contract determines the reason for the allocation of financial responsibility and the terms of the final settlement. Whether the rescission of the contract is based on contractor default, public interest, or court decision, it leads to a rebalancing of the financial accounts of the contract at the time of termination because there is a need to make a clear distinction between the financial advances that can be recovered, the penalties that apply, the costs that are compensable, and the financial entitlements.

3.2.1 Financial Effects of Fault-Based Rescission

If the grounds for rescission are contractor fault, the financial agreement could include:

- Recovery of advances
- Forfeiture of performance guarantees
- Imposition of delay penalties
- Reimbursement of additional costs to complete the project
- Deduction of damages from any amount due

The application of these measures is in compliance with the public procurement regulations and must reflect proportionality in line with the severity of the breach (Law No. 23-12, 2023). Proportionality is not merely a theoretical concept but a binding administrative rule that limits the severity of sanctions that can be imposed (Boudali, 2024).

From a governance viewpoint, the application of sanctions in the process of rescission serves as a deterrent in the management of public funds and in ensuring contractual compliance (Haffar & Rahal, 2024).

3.2.2 Financial Effects of Public Interest Rescission

Where the rescission is based on public interest as opposed to contractor default, the financial rationale turns to compensation. The contractor can claim:

- For completed works;
- For reasonable expenses incurred;
- For direct and certain loss;
- Small lost profit in specific circumstances.

This is on the basis of the principle of contractual balance in administrative law. The administration has the powers to vary or rescind contracts on the basis of public interest, but financial balance must be achieved in the event that the administration damages the contractor (Dawaer, 2020).

Unfair compensation may constitute abuse of administrative discretion and violation of the legality and due process principles in the constitution (Constitution of Algeria, 2020).

3.3 Recovery of Equipment and Materials

The decree is applicable to the recovery of materials, equipment, and temporary installations following rescission (Executive Decree No. 21-219, 2021). The contracting party is eligible to repurchase some of the materials or equipment necessary for the continuation of projects, in line with the principle of fair valuation based on actual non-consumed expenditure.

The above provision has two governance objectives:

1. Prevention of wastage of public resources;
2. Preservation of continuity of infrastructure projects.

The process of valuation should be free from controversy. Open valuation processes enhance institutional integrity and reduce systemic risk (Maamar, 2022).

3.4 Rescission Due to Exceptional Price Changes

The Algerian laws on contract procurement also state the conditions for rescission in the event of fluctuations in prices that exceed specific limits (Executive Decree No. 21-219, 2021). In the event of such an occurrence, there are particular provisions to be followed in the resolution of financial disputes, including renegotiation to fit the prevailing costs as well as a

certain profit margin. This illustrates how the Algerian laws on contract termination are applicable in order to cover risks in financial management. The law on contract termination aims at protecting the interests of the people, but in a way that preserves the aspect of contract stability.

3.5 Governance and Institutional Implications of Rescission

It is evident that rescission is more than just terminating a contract or agreement; it is a manifestation of underlying governance issues. As a result, rescission affects:

- Administrative accountability
- Financial discipline
- Risk management
- Judicial oversight
- The safeguarding of legitimate expectation

It is evident that the procurement reform in Algeria is an attempt to balance flexibility with procedural security (Ansaad, 2024). As a result, rescission is more than just a contractual remedy; it is an integral part of the Algerian State's financial oversight framework (Boudali, 2024). Judicial review is an essential aspect of ensuring that there is an element of checks and balances in the decision to terminate a contract or agreement (Boudali, 2024), as well as ensuring that there is transparency and stability in the country's finances (Dawaer, 2020).

Rescission in the public works contracts in Algeria is not a vague concept; rather, it is a process that is subject to strict legal and financial regulations. For the process of rescission to be successful, there are a few key areas that are required, and they include procedural documentation, financial accounting, the imposition of appropriate sanctions, the regulation of compensation, and judicial oversight.

Therefore, in the context of a balanced system of procurement contract regulation, the process of rescission is not detrimental; rather, it is a process that is consistent with the applicable regulations in the country, including the Constitution of Algeria (2020) and the applicable law (Law No. 23-12, 2023).

4. Termination of Public Works Contracts as a Governance Mechanism: Legal Coherence, Financial Discipline, and Institutional Accountability

The preceding analysis demonstrates that the issue of contract termination in public works contracts in Algeria is far from a secondary issue. It is, in fact, a key and structurally regulated tool in governance, incorporated in the framework of public finance management. Whether this is in view of contract completion or, in very rare instances, contract rescission, it is obvious that a set of rules governing this process reflects a deliberate policy to ensure a balance between administrative power and contractual justice.

At a normative level, Law 23-12 establishes a basic framework in which public procurement is related to legality, transparency, and fiscal responsibility (Law 23-12, 2023). At the same time, Executive Decree 21-219 outlines a set of concrete rules on the acceptance of work, liquidation of accounts, compensation, and financial reconciliation in view of contract termination (Executive Decree 21-219, 2021). This demonstrates a deliberate recognition by

lawmakers that contract termination is a high-risk process in a contract, prone to generating fiscal risks in case of improper management.

From a doctrinal point of view, the mechanism for contract termination helps to understand what is specific to administrative contracts. The state interferes by invoking its prerogatives based on the preeminence of the public interest: unilateral termination and rescission based on sanctions. Nevertheless, this interference is not free from constraints: proportionality, procedural rules, and judicial review (Bourawi, 2019; Boudali, 2024). This reflects the constitutional principles of legality and responsibility that are reflected in the Constitution of Algeria (2020), which stipulates that any administrative action should be motivated, traceable, and controllable.

From the financial point of view, the termination is a regulatory gatekeeper for the financial resources of the administration. The creation of liquidation accounts, the reimbursement of advances, the management of fines, and the compensation schemes all share the same goal of budget stability and the prevention of unjustified enrichment. The research on the Algerian financial system of governance has underlined the relevance of the final phase of the contract's execution regarding the balance of the budget. It is a critical phase of the budget's life cycle where the discipline of the administration is fundamental to avoid any accounting anomaly and system risk (Said, 2024; Haffar & Rahal, 2024).

The process of termination gives a boost to the accountability of institutions. The process of judicial review acts as a structural external mechanism to ensure that the discretion of administration stays within the boundaries of legality and proportionality. The threat of judicial review acts as a catalyst to ensure rational decision-making and transparency in the administration of procurements. Thus, in this way, the process gives a boost to the process of modernization of Algerian financial management in the public sector, ensuring that the procurements are in compliance with the rule of law and the ideals of modern governance (Ansaad, 2024).

The manner in which Algerian law on termination in public sector contracts is regulated, therefore, presents a cohesive model based on five pillars:

1. Structured proceduralism;
2. Proportionate administrative discretion;
3. Disciplined financial management;
4. Judicial review;
5. Constitutional foundation on legality and accountability.

In other words, if done correctly, the application of the model can transform termination of the contract from an untidy break in the contract to a deliberate instrument of governance. It is a protection of public funds, a balancer of the contract, and an enhancer of the credibility of the institution. The challenge facing future reforms is no longer how to extend the powers of the administrators but how to refine the skills of the professionals, the clarity of interpretative rules, and the pace of the process to terminate the contract smoothly but safely. Thus, the termination of public works contracts in Algeria is an essential part of the financial governance of the state. Its basis of legitimacy is the ability to balance the interests of the

state, the contract, and the financial requirements within an institutional framework of accountability and transparency.

5. General Conclusion

This study demonstrates that in Algerian law, the end of public works contracts is a well-defined and regulated phase in the life cycle of administrative contracts. It is not merely a procedural end; rather, it is a powerful tool in governance, where balance, financial discipline, and public interests converge.

The study suggests a dual regulatory model. First, natural termination is achieved through contract performance and acceptance, highlighting a normal process of contract fulfillment within the limits established by Law 23-12 and Executive Decree 21-219 (Law 23-12, 2023; Decree 21-219, 2021). Second, non-natural termination, based on guilt, public interest, or court decisions, captures the distinct character of administrative contracts, still within the boundaries of legality, proportionality, and proceduralism (Bourawi, 2019; Boudali, 2024).

The financial side of contract termination is at the core of the budgetary governance of procurement contracts. As soon as the process of contract termination begins, the process of liquidating accounts, refunding the guarantee, paying compensation, and repurchasing begins to make its appearance. These are not only issues of fair play in contractual matters but also have implications for the budget of the state and its stability in general. The evidence from data and literature confirms that the final stages of contract termination are extremely sensitive to the budget of the state and require more stringent procedures to avoid fiscal errors in the process (Said, 2024; Haffar & Rahal, 2024).

The rules on terminating contracts are governed within the context of the constitution, which emphasizes transparency, accountability, and well-reasoned decisions in the administration of the government (Constitution of Algeria, 2020). Judicial review provides an external check to ensure that the decisions of the administration are within the law and that the contractual process is fair to all the actors involved in the process, including the government, as highlighted in the study by Dawaer (2020).

From a reform perspective, how well Algeria manages contract terminations is not just a function of whether or not there are rules in place but also whether or not there are institutions to back these rules up. The improvement of technical knowledge, expediting administrative processes, strengthening records management, and harmonizing interpretations will be instrumental in ensuring a certain level of predictability in contract terminations and minimizing legal disputes. As such, contract termination law should be a natural progression of efforts to modernize public financial management.

In a nutshell, Algeria's management of contract terminations in public works contracts demonstrates a careful balance between bureaucratic power and contract fairness, as well as fiscal discipline. When done well, this enhances institutional trust, fiscal sustainability, and a rule-based public administration.

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