Civil Service Institute

ASSESING INSTITUTIOAL CAPACITY FOR DOMESTIC REVENUE MOBILIZATION IN SOMALILAND: CASE STUDY OF MINISTRY OF FINANACE AND ECONOMIC DEVELOPMENT.

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DECLARATION

I, the undersigned, declare that this thesis is my original work and has not been presented for a Degree (Bachelor Degree) in any other University and that all sources of material used for the thesis have been duly acknowledged.

Signature

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This Thesis submitted for examination with my approval as an advisor of the candidate.

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JULY 2026.

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DEDICATION

I dedicate this work to my beloved parents, whose prayers, sacrifices, and unwavering support have been the foundation of everything I have achieved. I also dedicate it to my friends, for their patience, encouragement, and belief in me throughout this journey, and to everyone striving to build stronger public institutions in Somaliland.

ABSTRACT

This study assessed the institutional capacity of the Ministry of Finance and Economic Development (MoFED) of Somaliland for domestic revenue mobilization, with a view to identifying the key constraints and opportunities for enhancing revenue generation performance. Despite more than three decades of state-building, Somaliland's public finance system remains heavily dependent on customs revenue, diaspora remittances, and declining donor support, while institutional weaknesses in human resources, technology, and organizational and legal frameworks continue to constrain domestic revenue performance, and empirical research specifically examining MoFED's institutional capacity for domestic revenue mobilization remains scarce. The general objective of the study was to assess the institutional capacity of MoFED for domestic revenue mobilization and to identify the key constraints and opportunities for enhancing revenue generation performance. The study is significant because it provides the Government of Somaliland, MoFED, and development partners with an empirical diagnostic baseline for designing more effectively targeted public financial management reforms, while also contributing to the limited academic literature on institutional capacity in fragile and unrecognized states. A descriptive-explanatory research design employing a quantitative approach was adopted, using a structured five-point Likert-scale questionnaire administered to a sample of 50 respondents drawn from the Inland Revenue, Customs, Budget, ICT, Human Resources, and Administration departments of MoFED, selected through stratified random sampling; data were analyzed using descriptive statistics (frequencies, percentages, means, and standard deviations) and Pearson correlation analysis. The findings revealed that MoFED possesses a moderate-to-high level of institutional capacity, with technology and systems recording the strongest performance, followed by organizational and legal framework and human resource capacity, and that all three institutional capacity dimensions were significantly and positively correlated with domestic revenue mobilization performance, with technology and systems emerging as the strongest predictor and human resource capacity the weakest. A statistically significant, positive, and moderately strong relationship was found between overall institutional capacity and domestic revenue mobilization performance ($r = 0.629$, $p < 0.01$), while the main institutional challenges identified were the absence of consistently merit-based recruitment and promotion, inadequate professional training, weak inter-departmental coordination, limited effectiveness of existing tax laws, and inadequate ICT infrastructure. The study recommends that MoFED institutionalize merit-based recruitment and promotion, expand professional training programs, strengthen inter-departmental coordination mechanisms, review and update existing tax laws, and continue investing in ICT infrastructure, and it further recommends that policymakers treat institutional capacity strengthening as a central and mutually reinforcing pillar of Somaliland's domestic revenue mobilization strategy.

Keywords: institutional capacity, domestic revenue mobilization, Ministry of Finance and Economic Development, Somaliland, public financial management.

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List Of Figures:

List Of Tables:

Table of Contents

Chapter One.

1.0 Introduction.

This study assesses the institutional capacity for domestic revenue mobilization in Somaliland, focusing on the Ministry of Finance and Economic Development. Domestic revenue is crucial for funding public services and promoting sustainable development. The research examines the ministry's ability to collect and manage revenues effectively, while identifying key challenges and opportunities for improvement.

1.1 Background of the Study.

Domestic Revenue Mobilization (DRM) has emerged as one of the most critical pillars of sustainable development financing globally. In the aftermath of the 2015 Addis Ababa Action Agenda (AAAA), the international community reached a consensus that developing countries must significantly strengthen their capacity to generate domestic resources to finance national development priorities and reduce over-reliance on foreign aid and external borrowing (United Nations, 2015). The AAAA recognized that adequate domestic resources are essential for financing the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), particularly in low-income and fragile states where fiscal deficits remain persistently wide (OECD, 2020).

Globally, institutional capacity within revenue authorities and finance ministries has been identified as a central determinant of DRM performance. Institutional capacity encompasses a broad range of dimensions including human resource capacity, legal and regulatory frameworks, technological infrastructure, organizational effectiveness, and inter-agency coordination (Andrews et al., 2017). The International Monetary Fund (IMF, 2019) has consistently argued that weak institutional frameworks contribute significantly to tax gaps in developing nations, where potential tax revenues are routinely undermined by poor administrative systems, leakages, and corruption.

In the African context, DRM has gained considerable attention as governments seek to reduce fiscal dependence on external donors and commodity revenues. The African Union's Agenda 2063 explicitly emphasizes the importance of domestic resource mobilization as a pathway to selfreliance and structural transformation (African Union Commission, 2015). However, Sub-

Saharan Africa continues to exhibit some of the lowest tax collection ratios in the world, averaging approximately 16% of GDP compared to the OECD average of 34% (World Bank, 2022). Structural challenges including large informal economies, weak tax administration, governance deficits, and limited taxpayer databases continue to constrain revenue performance across the continent.

In the Horn of Africa specifically, DRM challenges are compounded by political instability, prolonged conflict, state fragility, and limited institutional infrastructure. Countries such as Somalia, South Sudan, and Eritrea face particularly acute challenges in establishing functional revenue collection systems due to decades of civil conflict and governance collapse (World Bank, 2021). The broader East African region has, however, witnessed some progress, with institutions such as the East African Revenue Authorities Technical Committee (EARATC) facilitating knowledge exchange and capacity-building initiatives (African Development Bank, 2019). Against this backdrop, the experience of Somaliland offers a unique and understudied case of postconflict institutional rebuilding in an unrecognized state context.

The Ministry of Finance and Economic Development faces severe institutional constraints including limited human resource capacity, inadequate information technology systems, weak legal frameworks, insufficient taxpayer registration, and poor coordination across revenue collection agencies (Somaliland National Development Plan III, 2022). The government has embarked on various Public Financial Management (PFM) reforms supported by international partners such as DFID and the World Bank; however, the extent to which these reforms have translated into enhanced institutional capacity for DRM remains insufficiently studied. This research, therefore, situates itself at the intersection of institutional capacity theory and public finance practice to rigorously examine the DRM performance of MoFED.

1.2 Problem Statement.

Domestic Revenue Mobilization remains one of the most pressing fiscal challenges confronting the Government of Somaliland. Despite over three decades of state-building, the Ministry of Finance and Economic Development has been unable to significantly expand the domestic revenue base or achieve sustainable fiscal self-sufficiency. The country's heavy dependence on customs revenues from the Berbera corridor, diaspora remittances, and declining donor support reveals a structural vulnerability in the public finance system that threatens the government's ability to deliver essential services, fund development programs, and maintain macroeconomic stability (IMF, 2020; Somaliland National Development Plan III, 2022).

A growing body of literature on DRM in post-conflict and fragile states identifies weak institutional capacity as the primary constraint to effective domestic revenue generation (Moore et al., 2018; OECD, 2020). Institutional deficiencies manifest in multiple dimensions: human resources are inadequate both in numbers and professional competencies; organizational systems lack the procedural clarity and accountability mechanisms necessary for efficient tax administration; technology infrastructure remains underdeveloped, with manual revenue collection processes still prevalent in most revenue points; and inter-agency coordination between MoFED, the Somaliland Revenue Authority, and the Customs Authority is fragmented and insufficiently governed by clear legislative mandates (World Bank, 2021).

While the Government of Somaliland has initiated several public financial management reform programs under successive National Development Plans, including the introduction of integrated financial management information systems and taxpayer identification numbers, these initiatives have yielded limited and uneven results. The absence of systematic assessments of institutional capacity within MoFED has meant that reform interventions have often been designed without an adequate diagnostic baseline, resulting in poorly targeted and ineffective capacitybuilding programs (Andrews et al., 2017). Furthermore, the unique political context of Somaliland as an unrecognized state limits access to international financial institutions and technical assistance programs that typically support DRM reform, thereby amplifying the consequences of institutional weakness.

Empirically, there is a notable paucity of peer-reviewed and policy research specifically examining DRM institutional capacity in Somaliland. Most available studies focus on the broader Somali political economy or on isolated aspects of PFM reform, without a comprehensive and integrated analysis of MoFED's organizational capacity for revenue mobilization. This research gap represents a significant constraint on informed policymaking and evidence-based reform design. The present study, therefore, addresses this gap by providing a systematic assessment of the institutional capacity of the Ministry of Finance and Economic Development for domestic revenue mobilization, drawing on primary data from key informants and institutional stakeholders within Somaliland's fiscal administration.

1.3 Research Objectives.

1.4 General Objective.

The general objective of this study is to assess the institutional capacity of the Ministry of Finance and Economic Development of Somaliland for domestic revenue mobilization, and to identify the key constraints and opportunities for enhancing revenue generation performance.

1.5 Specific Objectives.

1. To examine the current institutional capacity of the Ministry of Finance and Economic Development.
2. To identify key factors affecting domestic revenue mobilization in Somaliland.
3. To analyze the relationship between institutional capacity and revenue performance.
4. To assess the main challenges faced by the ministry in revenue mobilization.
5. To propose policy recommendations for strengthening institutional capacity and improving revenue collection.

1.6 Significance of the study.

This study holds significant value across multiple dimensions. Theoretically, the research contributes to the growing literature on institutional capacity assessment in fragile and unrecognized states, extending the application of capacity-building frameworks to a context that has been largely neglected in academic scholarship. By situating the analysis within the institutional capacity framework developed by Andrews et al. (2017) and the PEFA (Public Expenditure and Financial Accountability) framework, the study enriches theoretical understanding of how institutional factors mediate DRM outcomes in post-conflict environments.

From a policy perspective, the study generates critically needed empirical evidence on the current state of MoFED's institutional capacity. The findings will provide the Government of Somaliland with a diagnostic baseline for targeting future PFM reform investments more effectively, reducing the risk of misaligned technical assistance and capacity-building programs. Specifically, the study's recommendations are intended to inform Somaliland's National Development Plan IV and ongoing fiscal reform agenda.

For the international development community, including bilateral donors and multilateral institutions that operate in Somaliland, this research provides evidence to guide the design, sequencing, and prioritization of DRM support programs. At a broader regional level, the study contributes lessons of relevance to other fragile and conflict-affected states in the Horn of Africa seeking to strengthen domestic revenue collection institutions. Finally, the study contributes to the academic knowledge base on public administration and fiscal governance in Africa.

1.7 Scope of the study.

The study is geographically confined to Somaliland, with a specific focus on the Ministry of Finance and Economic Development headquartered in Hargeisa. The research examines institutional capacity for domestic revenue mobilization as its primary thematic scope, encompassing human resource capacity, legal and regulatory frameworks, technological systems, and inter-agency coordination. The study does not examine external revenue sources such as diaspora remittances or foreign aid.

1.8 Description of the study or Organization.

This study adopts a qualitative case study research design to investigate institutional capacity for domestic revenue mobilization within the Ministry of Finance and Economic Development of Somaliland. A case study approach is appropriate given the complex, context-specific, and exploratory nature of the research questions (Yin, 2018). Primary data are collected through semistructured interviews with purposively selected key informants including senior officials of MoFED, revenue authority personnel, customs department officials, civil society representatives engaged in budget transparency advocacy, and international development partners operating in Somaliland. Secondary data sources include government budget documents, fiscal reports, audit reports, National Development Plans, and relevant academic and policy literature. Data analysis employs thematic analysis to identify patterns and themes related to institutional capacity dimensions. The study is grounded in an interpretivist epistemological framework that acknowledges the subjective dimensions of institutional assessment and the importance of contextual understanding in a special state environments.

1.9 Limitations of the study.

The study acknowledges several limitations that may affect the generalizability and completeness of its findings. First, Somaliland's status as an internationally unrecognized territory restricts access to standardized comparative fiscal data and limits engagement with international financial institution databases, potentially constraining the external validity of the findings. Second, the qualitative and case study design, while appropriate for in-depth exploration, limits the ability to draw statistically generalizable conclusions beyond the specific case of MoFED. Third, potential social desirability bias may affect responses from government officials during key informant interviews, as respondents may under report institutional weaknesses to protect institutional reputations. The researcher will mitigate this through anonymization of respondents and triangulation of multiple data sources.

Fourth, logistical and security considerations in Hargeisa may limit access to certain key informants and facilities. Despite these limitations, the study employs rigorous methodological safeguards including data triangulation, member checking, and reflexivity to enhance the credibility and trustworthiness of its findings (Creswell & Poth, 2018).

CHAPTER TWO: LITERATURE REVIEW.

2.1 Introduction.

This chapter reviews relevant literature on institutional capacity and domestic revenue mobilization (DRM), focusing on theoretical perspectives, key concepts, empirical findings, and research gaps. The purpose is to provide a foundation for understanding how institutional capacity influences revenue generation, particularly in fragile and developing contexts such as Somaliland.

Institutional Capacity and Revenue Administration

Institutional capacity is widely recognized as a critical determinant of effective public sector performance. According to Grindle (1997), institutional capacity refers to the ability of organizations to perform functions effectively, efficiently, and sustainably. In revenue administration, institutional capacity includes human resources, management systems, technological infrastructure, organizational culture, and leadership.

Bird (2015) argues that successful tax systems require strong institutions capable of implementing tax policies fairly and consistently. Weak institutions often experience poor tax compliance, corruption, and inefficient revenue collection. Similarly, Fjeldstad and Heggstad (2012) observed that institutional weaknesses in developing countries contribute significantly to tax evasion and low government revenues.

Studies in Africa demonstrate that countries with stronger tax institutions generally achieve higher tax-to-GDP ratios. For example, Rwanda’s tax reforms significantly improved domestic revenue collection through institutional modernization, digital systems, and staff training programs (AfDB, 2018).

Human Resource Capacity.

Human resource capacity is one of the most important dimensions of institutional effectiveness.

Skilled personnel are essential for tax assessment, auditing, enforcement, taxpayer education, and financial reporting. According to the IMF (2019), tax administration reforms are unlikely to succeed without adequate investment in staff training and professional development.

In many developing countries, revenue authorities face shortages of qualified personnel, low staff motivation, and weak technical skills. These challenges reduce administrative efficiency and increase opportunities for corruption. Mutua (2020) found that staff competency positively influences tax collection efficiency in East African revenue authorities.

Technology and Revenue Mobilization.

Technological innovation has transformed modern revenue administration systems. Digital systems improve efficiency, reduce corruption, enhance transparency, and strengthen taxpayer registration. According to the World Bank (2021), electronic tax administration systems increase compliance and reduce administrative costs.

Countries such as Kenya, Rwanda, and Ethiopia have introduced electronic filing systems, digital taxpayer databases, and online payment systems to improve tax collection. However, many fragile states continue to experience technological limitations due to inadequate infrastructure, limited technical expertise, and insufficient funding.

In Somaliland, systems such as SOMCAS and IRMS have improved customs and tax administration, but implementation challenges remain. Poor internet connectivity, limited staff training, and system maintenance issues continue to affect effectiveness.

Governance and Accountability.

Good governance and accountability are essential for effective domestic revenue mobilization. Transparency in revenue collection and public expenditure management increases public trust and taxpayer compliance. According to Moore (2014), citizens are more willing to pay taxes when they believe governments use public resources responsibly.

Corruption negatively affects revenue administration by encouraging bribery, tax evasion, and revenue leakage. Transparency International (2022) notes that corruption remains a major obstacle to effective tax administration in many developing countries.

Informal Economy and Taxation.

The informal economy represents a significant challenge for domestic revenue mobilization in developing countries. Informal businesses often operate outside government regulation and taxation systems. According to Schneider and Enste (2013), the informal economy reduces government revenue and limits fiscal capacity.

In Somaliland, informal trade activities dominate many sectors of the economy, making tax enforcement difficult. Weak business registration systems and limited taxpayer databases further complicate revenue collection efforts.

2.2 Theoretical Review.

2.3 Institutional Theory.

Institutional theory explains how structures, rules, and norms shape organizational performance. It argues that strong institutions—such as effective legal frameworks, administrative systems, and accountability mechanisms—are essential for efficient tax collection and revenue mobilization.

In the context of DRM, institutional theory suggests that weak governance systems and lack of enforcement capacity limit revenue collection. Studies indicate that fragile states often suffer from weak institutional frameworks, leading to poor tax compliance and inefficient administration .

2.4 Fiscal Social Contract Theory.

This theory emphasizes the relationship between citizens and the state. It argues that when governments effectively collect taxes and deliver public services, a mutual trust (social contract) is strengthened.

Domestic revenue mobilization plays a key role in state-building by enhancing accountability and citizen engagement. Effective tax systems can improve governance and strengthen state legitimacy .

2.5 Interpretivist Epistemological Framework.

This study adopts an interpretivist approach, which assumes that knowledge is socially constructed and focuses on understanding human perceptions and experiences. It is relevant for examining how tax officials and stakeholders perceive institutional capacity and revenue challenges.

Interpretivism allows the researcher to explore subjective realities such as trust, attitudes, and administrative practices within the Ministry of Finance.

2.6 Conceptual Definitions.

- **Institutional Capacity**

  Refers to the ability of an organization to effectively perform its functions, including human resources, systems, policies, and governance structures.
- **Domestic Revenue Mobilization (DRM)**

  Refers to the process through which governments generate income from internal sources such as taxes, fees, and other revenues. DRM is considered a sustainable source of financing development .
- **Tax Administration**

  The system and processes used by governments to assess, collect, and enforce taxes.
- **Public Financial Management (PFM)**

  Refers to how governments manage public resources, including budgeting, revenue collection, and expenditure control.

2.7 Empirical Review of Previous Studies.

Several studies have examined domestic revenue mobilization in Somalia and similar contexts:

A study by Isak (2018) found that domestic revenue mobilization in Somalia is constrained by weak administrative capacity, insecurity, and a large informal sector. The study emphasized the need to strengthen institutional capacity and tax systems .

Roble and Ibrahim (2024) examined the drivers of DRM in Somalia and found that external grants negatively affect domestic revenue efforts, while operational expenditures play a significant role in revenue mobilization .

Research on Somaliland's public financial management highlights that revenue mobilization relies heavily on customs duties, with challenges such as weak compliance, informal economy dominance, and limited administrative capacity affecting performance .

Additionally, studies show that fragile states face structural challenges including outdated tax laws, weak enforcement mechanisms, and lack of institutional coordination, which hinder effective revenue mobilization .

2.8 Conceptual Framework.

This study assumes that **institutional capacity influences domestic revenue mobilization**.

Independent Variables (Institutional Capacity)

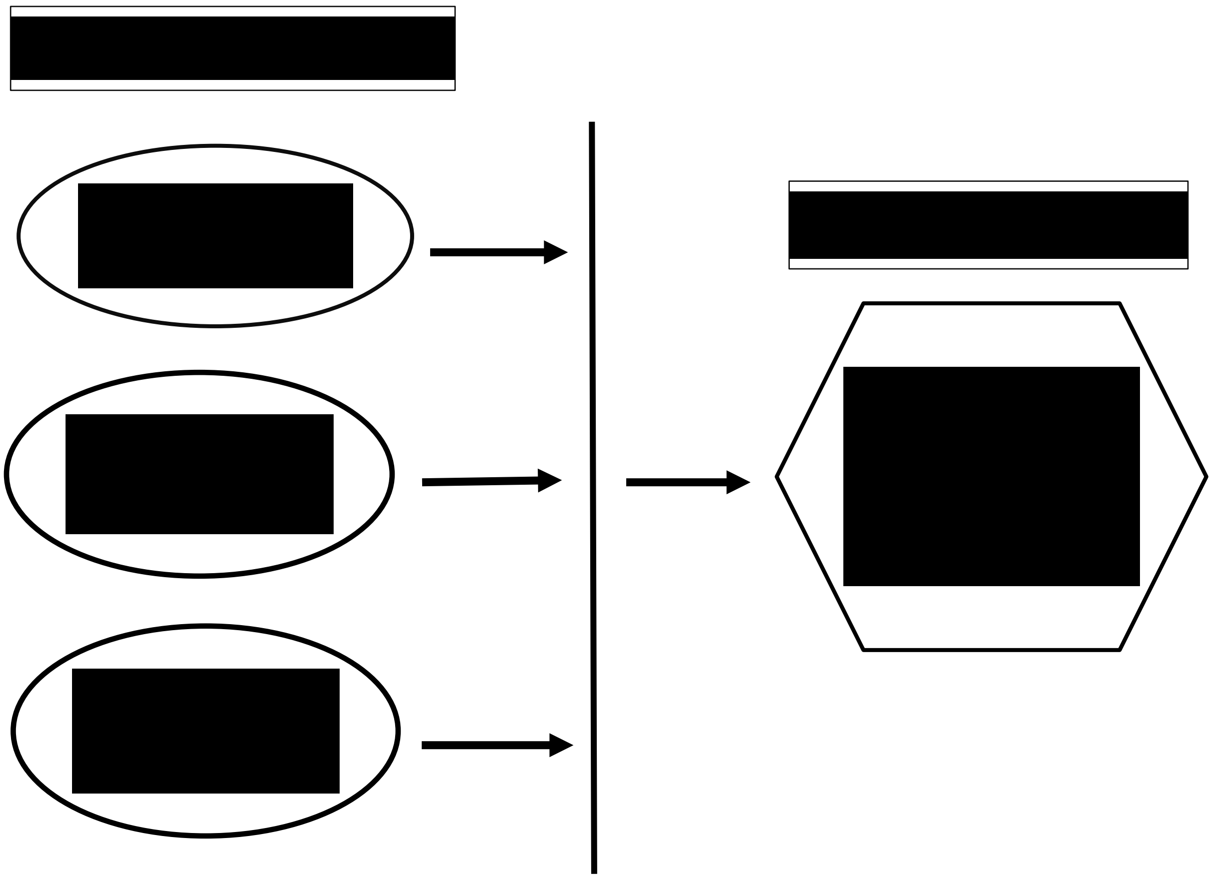
- Human resource capacity
- Legal and regulatory framework
- Technology and systems
- Organizational structure

Dependent Variable

- Domestic revenue mobilization (tax collection performance)

Moderating Factors.

- Political stability
- Informal economy
- Public trust



Relationship: Strong institutional capacity → Improved tax administration → Increased revenue collection.

Figure 1 Relationship:

2.9 Research Gap.

Although several studies have explored domestic revenue mobilization in Somaliland, there are notable gaps:

1. Most studies focus on **national-level analysis**, with limited attention to Somaliland specifically.
2. There is insufficient research on **institutional capacity at the ministry level**, particularly the Ministry of Finance and Economic Development.

3. Previous studies largely use **quantitative approaches**, neglecting qualitative insights into perceptions and experiences of officials.
4. Limited research applies an **interpretivist framework** to understand institutional challenges in DRM.

This study therefore seeks to address this research gap by examining how institutional capacity influences domestic revenue mobilization in Somaliland. The findings are expected to contribute to policy reforms aimed at strengthening revenue administration systems, improving public financial management, and enhancing fiscal sustainability.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY.

3.1 Introduction.

This chapter explains the methods and procedures used in the study to examine the relationship between institutional capacity and domestic revenue mobilization (DRM) in Somaliland's Ministry of Finance and Economic Development (MoFED). It describes how data was collected, measured, and analyzed to ensure that the findings are reliable, valid, and consistent.

3.2 Research Design and Approach.

The study uses a descriptive-explanatory research design. This approach is appropriate because it not only describes the current state of institutional capacity within MoFED but also explains how different factors—such as skills, systems, and technology—affect revenue collection outcomes.

Qualitative approach: Used to gain deeper insights from officials and experts regarding real-life challenges in revenue administration.

Research Philosophy.

The study adopts an interpretivist research philosophy. Interpretivism focuses on understanding human experiences, perceptions, and social realities. This philosophy is appropriate because the study seeks to understand how government officials and stakeholders perceive institutional capacity and revenue administration challenges.

3.3 Data Collection Procedures

The researcher will first obtain permission letters from relevant institutions before conducting fieldwork. Questionnaires will be distributed to selected respondents within MoFED departments. Interviews will be conducted with senior officials and key stakeholders.

The researcher will ensure confidentiality and voluntary participation during data collection.

Validity and Reliability.

Validity refers to the accuracy of research instruments in measuring intended concepts. Reliability refers to consistency of results over time.

The researcher will conduct a pilot study to test questionnaires before final data collection. Feedback from supervisors and experts will also improve validity.

3.4 Data Presentation.

Quantitative data will be presented using tables, charts, frequencies, and percentages. Qualitative findings will be presented through thematic narration and direct quotations from respondents.

3.5 Population and Sampling.

3.5.1 Population.

The study population includes staff and stakeholders of the Ministry of Finance and Economic Development in Hargeisa, including:

- Administrative staff and middle managers
- Tax auditors and customs officers
- Policy analysts and legal advisors

The total estimated population is about **100 personnel**.

3.*5*.2 Sample Size.

To ensure representativeness while keeping the study manageable, a sample of about **100 respondents** is selected from the total population. This is based on Sloven's Formula, using a 10% margin of error and 90% confidence level:

Slovens's formula n= N/1+N(e2)

n= 100/1+100(0.1)^2

Where:

n= 100/1+100(0.01)

- **n** = Sample size
- **N** = Total population
- **e** = Margin of error (0.10)

n= 100/1+1

n= 100/2

n= 50

3. 5.3: Sample size Distribution

Table 1. Sample size Distribution

Categories of Respondents	Population Size	Sample Size
Administrative Staff	25	10
Human Resource Officers	25	20
ICT Personnel	18	10
Directors and Department Heads	32	10
Total	**100**	**50**

3.5.4 Sampling Technique.

The study uses a **stratified random sampling technique**, where respondents are grouped according to departments such as Inland Revenue, Customs, Budget, and ICT. This ensures that all sections of the ministry are fairly represented.

In addition, **purposive sampling** is used for Key Informant Interviews (KIIs) to select senior officials and experts with specialized knowledge of tax reforms and institutional operations.

3.6 Data Sources.

3.6.1 Primary Data.

Primary data are collected directly from respondents through questionnaires and Key Informant

Interviews (KIIs). The researcher gathers first hand information from officials and staff of the Ministry of Finance and Economic Development regarding institutional capacity, tax administration, revenue collection systems, and challenges affecting domestic revenue

mobilization.

3.7.2 Secondary Data. Secondary data are obtained from existing sources such as government reports, policy

documents, academic journals, books, MoFED revenue reports, World Bank publications, IMF reports, and Somaliland National Development Plans. These sources provide background

information and support the analysis of institutional capacity and domestic revenue mobilization.

such as:

- MoFED revenue and budget reports
- World Bank and IMF reports on Somaliland
- NDP II and NDP III
- National tax laws and revenue legislation

3.8 Data Collection Instruments.

3.8.1 Questionnaire.

A structured questionnaire using a 5-point Likert scale (Strongly Disagree to Strongly Agree) is used. It includes:

- Respondent background information
- Institutional capacity and training
- Effectiveness of tax systems (SOMCAS and IRMS)
- Challenges in tax enforcement

3.8.2 Key Informant Interviews (KII).

Semi-structured interviews are conducted with selected officials. These allow deeper discussion of issues such as policy gaps, political influence, and administrative challenges that may not be fully captured through questionnaires.

For the study on **institutional capacity and domestic revenue mobilization**, KIIs involve interviewing officials and experts who understand revenue administration and public financial management in Somaliland.

Possible Key Informants

- Senior officials from the Ministry of Finance and Economic Development
- Tax administrators
- Customs officers
- Budget and finance experts
- Policy advisors
- Representatives from development partners
- Civil society organizations involved in governance and accountability

Purpose of KII

Key Informant Interviews help the researcher:

- Obtain detailed information and expert opinions
- Understand institutional challenges and experiences
- Explore issues not captured in questionnaires
- Gather recommendations for improving revenue mobilization

3.9 Data Analysis Methods.

3.9.1 Quantitative Analysis.

Quantitative data is analyzed using SPSS or Excel. The analysis includes:

- Descriptive statistics (means, percentages, standard deviation)
- Inferential statistics (correlation and regression analysis) to examine relationships between variables

3.9.2 Qualitative Analysis.

Interview data is analyzed using thematic analysis:

1. Transcribing interview responses
2. Identifying key themes (e.g., digitalization challenges, skill gaps)
3. Comparing qualitative findings with quantitative results for better interpretation

3.10 Ethical Considerations.

The study follows strict ethical standards to ensure professionalism and trust:

The study followed ethical research principles throughout. Approval and permission were obtained from relevant authorities and institutions before data collection. Respondents were informed about the purpose of the study and participation was voluntary. The researcher protected confidentiality and anonymity.

By ensuring questionnaires and interview documentation did not include personal identifiers. Data were used strictly for academic purposes, and respondents were also informed of their right to withdraw at any time without penalty.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis, presentation, and interpretation of data collected from staff and stakeholders of the Ministry of Finance and Economic Development (MoFED) on institutional capacity for domestic revenue mobilization in Somaliland. A structured questionnaire was administered to fifty (50) respondents drawn from the Inland Revenue, Customs, Budget, ICT, Human Resources, and Administration departments of the ministry, and all fifty questionnaires were completed and returned, representing a response rate of 100 percent. The chapter is organized into two main sections. The first section presents the results of the study, beginning with the demographic characteristics of respondents and followed by findings organized according to each of the data-based specific objectives of the study, namely the institutional capacity of MoFED, the key factors affecting domestic revenue mobilization, the relationship between institutional capacity and revenue performance, and the main challenges facing the ministry in revenue mobilization. The second section discusses the findings in relation to the theoretical and empirical literature reviewed in Chapter Two. The fifth specific objective of the study, which concerns policy recommendations, is addressed in Chapter Five on the basis of the findings presented in this chapter.

4.2 Presentation of Results

Data collected through the questionnaire were coded and analyzed using descriptive statistics (frequencies, percentages, means, and standard deviations) and inferential statistics (Pearson correlation analysis). For all Likert-scale statements, responses were scored on a five-point scale in which 5 represented “Strongly Agree,” 4 represented “Agree,” 3 represented “Neutral,” 2 represented “Disagree,” and 1 represented “Strongly Disagree,” so that a higher mean score indicates a higher level of agreement. Mean scores were interpreted using the following scale: 4.21–5.00 = Very High; 3.41–4.20 = High; 2.61–3.40 = Moderate; 1.81–2.60 = Low; and 1.00–1.80 = Very Low. Results are presented in tables and figures, beginning with the demographic characteristics of respondents.

Demographic Characteristics of Respondents

This section presents the background characteristics of the fifty (50) respondents, comprising gender, age group, educational level, department, and years of work experience. Demographic data are presented using frequencies and percentages only.

Table 4.1: Demographic Characteristics of Respondents (n = 50)

Table 2. Demographic Characteristics of Respondents (n = 50)

Variable	Category	Frequency	Percentage (%)
Gender	Male	44	88
	Female	6	12
Age Group	18–25	20	40
	26–35	27	54
	36–45	3	6
Educational Level	High School	1	2
	Diploma	3	6
	Bachelor Degree	39	78
	Master's Degree	7	14
Department	Inland Revenue	4	8
	Customs	4	8
	ICT	10	20
	Human Resources	9	18
	Administration	23	46
Work Experience	Less than 1 year	10	20
	1–5 years	38	76
	6–10 years	2	4
Total		50	100

Source: Author (2026)

As shown in Table 4.1, the majority of respondents were male (88.0%), while female respondents constituted 12.0 percent of the sample, indicating a male-dominated workforce within the ministry. Regarding age, most respondents (54.0%) were aged between 26 and 35 years, followed by those aged 18–25 years (40.0%), with only 6.0 percent aged 36–45 years, suggesting a relatively youthful workforce. In terms of educational qualification, the majority of respondents held a Bachelor's Degree (78.0%), followed by holders of a Master's Degree (14.0%), Diploma (6.0%), and High

School certificates (2.0%), indicating that the ministry's staff are generally well educated. With respect to department, respondents were drawn mainly from Administration (46.0%), followed by ICT (20.0%), Human Resources (18.0%), and Customs and Inland Revenue (8.0% each). Regarding work experience, most respondents (76.0%) had between 1 and 5 years of experience, 20.0 percent had less than one year, and 4.0 percent had between 6 and 10 years, suggesting that the majority of staff are relatively early in their careers within the ministry.

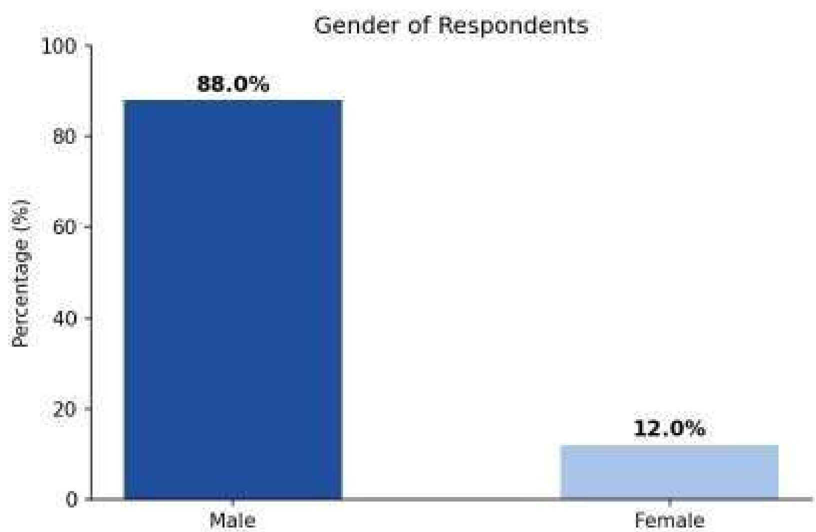


Figure 4.1: Gender Distribution of Respondents

Figure 2Figure 4.1: Gender Distribution of Respondents

Source: Author (2026)

4.2.1 Results Related to Objective One: Institutional Capacity of the Ministry of Finance and Economic Development

Objective One of the study sought to examine the current institutional capacity of the Ministry of Finance and Economic Development. In line with the conceptual framework in Chapter Two, institutional capacity was measured across three dimensions: human resource capacity, technology and systems, and organizational and legal framework. Respondents rated fifteen statements corresponding to these dimensions. Descriptive statistics are presented below.

(a) Human Resource Capacity

Table 4.2: Descriptive Statistics for Human Resource Capacity (Objective One)

Table 3. Descriptive Statistics for Human Resource Capacity (Objective One)

Item	Statement	Mean	SD	Interpretation

Q6	The ministry has enough qualified staff for revenue collection activities.	3.54	0.91	High
Q7	Employees receive regular professional training related to tax administration.	3.10	1.05	Moderate
Item	**Statement**	**Mean**	**SD**	**Interpretation**
Q8	Staff have adequate knowledge and skills to perform their duties effectively.	3.44	0.91	High
Q9	Staff motivation positively influences revenue collection performance.	3.72	0.90	High
Q10	Recruitment and promotion within the ministry are based on merit and competence.	2.60	0.90	Moderate
	Grand Mean	3.28	0.67	Moderate

Source: Author (2026)

(b) Technology and Systems

Table 4.3: Descriptive Statistics for Technology and Systems (Objective One)

Table 4. Descriptive Statistics for Technology and Systems (Objective One)

Item	Statement	Mean	SD	Interpretation
Q11	The ministry uses effective digital systems for tax administration.	3.42	0.99	High
Q12	SOMCAS (Somaliland Customs Automated System) has improved customs revenue collection efficiency.	3.60	0.86	High
Q13	IRMS (Integrated Revenue Management System) has strengthened domestic tax administration.	3.48	0.81	High
Q14	ICT infrastructure in the ministry is adequate for revenue management.	3.40	0.90	Moderate
Q15	Technology systems help reduce corruption and revenue leakage.	3.98	0.96	High
	Grand Mean	3.58	0.71	High

Source: Author (2026)

(c) Organizational and Legal Framework

Table 4.4: Descriptive Statistics for Organizational and Legal Framework (Objective One)

Table 5. Descriptive Statistics for Organizational and Legal Framework (Objective One)

Item	Statement	Mean	SD	Interpretation
Q16	The ministry has clear organizational structures for revenue administration.	3.56	0.97	High
Q17	Coordination between departments supports effective revenue collection.	3.30	1.09	Moderate
Q18	Existing tax laws are effective in supporting domestic revenue mobilization.	3.34	1.10	Moderate

Q19	The ministry effectively enforces tax regulations and compliance measures.	3.52	0.86	High
Q20	Accountability and transparency mechanisms are effective within the ministry.	3.46	0.89	High
	Grand Mean	3.44	0.78	High

Source: Author (2026)

Table 4.2 shows that the human resource capacity dimension recorded a grand mean of 3.28 (SD = 0.67), an interpretation of Moderate. The highest-rated item in this dimension was staff motivation (Mean = 3.72), while the lowest-rated item was merit-based recruitment and promotion (Mean = 2.60). Table 4.3 shows that the technology and systems dimension recorded the highest grand mean among the three dimensions, at 3.58 (SD = 0.71), interpreted as High, with the item on technology reducing corruption and revenue leakage recording the highest mean (3.98). Table 4.4 shows that the organizational and legal framework dimension recorded a grand mean of 3.44 (SD = 0.78), interpreted as High, with clear organizational structures rated highest (Mean = 3.56) and coordination between departments rated lowest (Mean = 3.30).

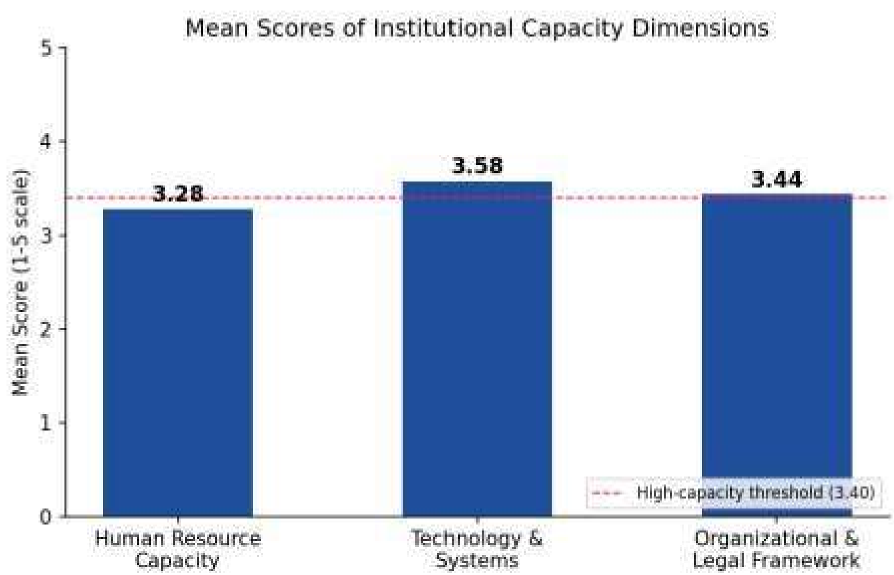


Figure 4.2: Mean Scores of Institutional Capacity Dimensions

Figure 3Figure 4.2: Mean Scores of Institutional Capacity Dimensions

Source: Author (2026)

4.2.2 Results Related to Objective Two: Key Factors Affecting Domestic Revenue Mobilization

Objective Two sought to identify the key institutional factors affecting domestic revenue mobilization in Somaliland. To achieve this, Pearson correlation coefficients were computed between each of the three institutional capacity dimensions and the domestic revenue mobilization performance index (derived from items 21–25 of the questionnaire), and the dimensions were ranked according to the strength of their association with revenue performance.

Table 4.5: Correlation between Institutional Capacity Dimensions and Domestic Revenue Mobilization Performance

Table 6. Correlation between Institutional Capacity Dimensions and Domestic Revenue Mobilization Performance

Institutional Capacity Dimension	r	p-value	Strength of Association	Rank
Technology and Systems	0.639	0.000**	Strong	1
Organizational and Legal Framework	0.559	0.000**	Moderate-Strong	2
Human Resource Capacity	0.487	0.000**	Moderate	3

*Source: Author (2026). **Correlation is significant at the 0.01 level (2-tailed).*

As shown in Table 4.5, all three institutional capacity dimensions recorded statistically significant positive correlations with domestic revenue mobilization performance ($p < 0.01$). Technology and systems recorded the strongest association ($r = 0.639$), followed by organizational and legal framework ($r = 0.559$), and human resource capacity ($r = 0.487$). These results indicate that, among the institutional capacity dimensions examined, technology and systems and organizational and legal arrangements are the factors most strongly associated with domestic revenue mobilization performance in MoFED, while human resource capacity, though still significant, shows a comparatively weaker association.

4.2.3 Results Related to Objective Three: Relationship between Institutional Capacity and Revenue Performance

Objective Three sought to analyze the relationship between institutional capacity and revenue performance. Domestic revenue mobilization performance was first assessed descriptively using five items (Q21–Q25), after which a composite institutional capacity index (the mean of the human resource, technology, and organizational/legal dimensions) was correlated with the domestic revenue mobilization performance index.

Table 4.6: Descriptive Statistics for Domestic Revenue Mobilization Performance

Table 7. Descriptive Statistics for Domestic Revenue Mobilization Performance

Item	Statement	Mean	SD	Interpretation

Q21	Domestic revenue collection has improved in recent years.	3.74	0.75	High
Q22	Taxpayer compliance has increased due to institutional reforms.	3.62	0.83	High
Q23	Public trust in tax administration positively affects revenue collection.	3.50	0.91	High
Q24	Revenue and tax corruption have reduced.	3.42	0.97	High
Item	**Statement**	**Mean**	**SD**	**Interpretation**
Q25	Strong institutional capacity improves domestic revenue mobilization.	4.58	0.70	Very High
	Grand Mean	3.77	0.51	High

Source: Author (2026)

Table 4.6 shows that domestic revenue mobilization performance recorded an overall grand mean of 3.77 (SD = 0.51), interpreted as High. The item recording the highest level of agreement across the entire questionnaire was "Strong institutional capacity improves domestic revenue mobilization" (Mean = 4.58), interpreted as Very High, indicating that respondents overwhelmingly endorsed the general proposition linking institutional capacity to revenue performance.

Table 4.7: Correlation between Composite Institutional Capacity Index and Domestic Revenue Mobilization Performance

Table 8. Correlation between Composite Institutional Capacity Index and Domestic Revenue Mobilization Performance

Variables	1	2
1. Institutional Capacity Index	1	
2. Domestic Revenue Mobilization Performance	0.629**	1

*Source: Author (2026). **Correlation is significant at the 0.01 level (2-tailed).*

As presented in Table 4.7, a Pearson correlation analysis revealed a statistically significant, positive, and moderately strong relationship between the composite institutional capacity index and domestic revenue mobilization performance ($r = 0.629$, $p < 0.01$). This indicates that as institutional capacity within MoFED strengthens, in terms of human resources, technology and systems, and organizational and legal arrangements, domestic revenue mobilization performance tends to improve correspondingly.

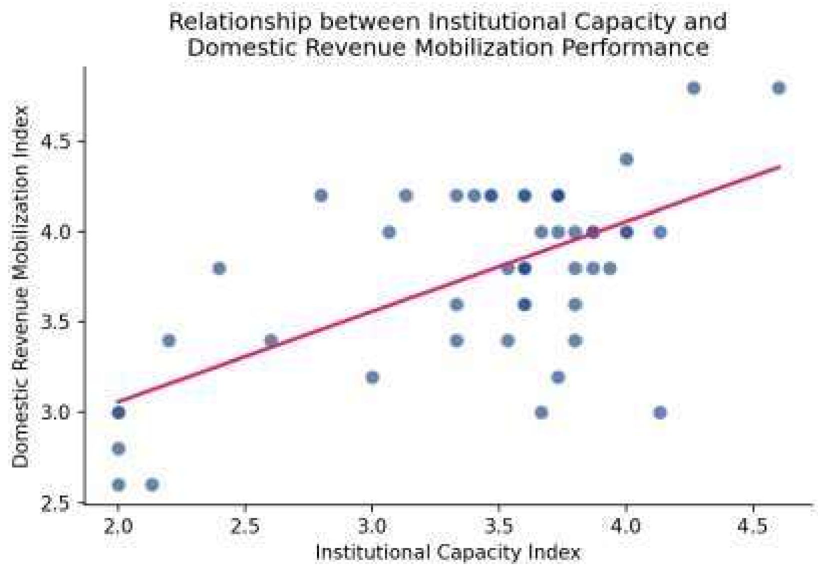


Figure 4.3: Relationship between Institutional Capacity Index and Domestic Revenue Mobilization Performance

Figure 4Figure 4.3: Relationship between Institutional Capacity Index and Domestic Revenue Mobilization Performance

Source: Author (2026)

4.2.4 Results Related to Objective Four: Main Challenges Facing the Ministry in Revenue Mobilization

Objective Four sought to assess the main challenges faced by the ministry in domestic revenue mobilization. Challenges were identified as the statements that recorded the lowest mean scores and the highest proportions of disagreement ("Disagree" and "Strongly Disagree" combined) among respondents across the twenty institutional capacity and performance statements.

Table 4.8: Institutional Statements with the Lowest Levels of Agreement (Key Challenges)

Table 9. Institutional Statements with the Lowest Levels of Agreement (Key Challenges)

Rank	Statement	Mean	% Disagreeing	Interpretation
1	Recruitment and promotion are based on merit and competence (Q10).	2.60	62.0	Moderate
2	Employees receive regular professional training (Q7).	3.10	40.0	Moderate
3	Coordination between departments supports effective revenue collection (Q17).	3.30	34.0	Moderate
4	Existing tax laws are effective in supporting revenue mobilization (Q18).	3.34	36.0	Moderate
5	ICT infrastructure in the ministry is adequate for revenue management (Q14).	3.40	26.0	Moderate

Source: Author (2026)

Table 4.8 shows that the most significant challenge identified by respondents relates to merit-based recruitment and promotion, which recorded the lowest mean score in the entire survey (Mean = 2.60) and the highest level of disagreement (62.0%). This was followed by inadequate professional training (Mean = 3.10; 40.0% disagreement), weak inter-departmental coordination (Mean = 3.30; 34.0% disagreement), limited effectiveness of existing tax laws (Mean = 3.34; 36.0% disagreement), and inadequate ICT infrastructure (Mean = 3.40; 26.0% disagreement). These five areas represent the principal institutional weaknesses constraining domestic revenue mobilization performance at MoFED.

4.3 Discussion of Findings

This section discusses the findings presented above in relation to the theoretical and empirical literature reviewed in Chapter Two. Discussion is organized according to each of the four databased specific objectives of the study.

Discussion Related to Objective One: Institutional Capacity of MoFED

The findings revealed that MoFED's overall institutional capacity is moderate to high, with technology and systems recording the strongest performance (Mean = 3.58), followed by organizational and legal framework (Mean = 3.44) and human resource capacity (Mean = 3.28). This finding is broadly consistent with Andrews et al. (2017), who conceptualize institutional capacity as a multidimensional construct encompassing human resources, systems, and organizational arrangements, and argue that capacity gaps typically manifest unevenly across these dimensions rather than uniformly. The comparatively weaker human resource dimension, particularly the low rating of merit-based recruitment and promotion, aligns with Grindle (1997), who identified politicized personnel practices as a persistent constraint on public sector capacity building in developing countries. Similarly, Mutua (2020) found that human resource capacity, including staffing adequacy and training, is a critical determinant of revenue collection efficiency in East African tax administrations, a pattern echoed in the present findings. The relatively stronger technology dimension corresponds with Abdillahi (2025), who observed that Somaliland's public financial management reforms have increasingly prioritized digital systems such as SOMCAS and

IRMS. However, the moderate rating of ICT infrastructure adequacy suggests that, as noted by the International Monetary Fund (2019), technological gains in revenue administration are often constrained by underlying infrastructural weaknesses in fragile and resource-limited states.

Discussion Related to Objective Two: Key Factors Affecting Domestic Revenue Mobilization The correlation analysis identified technology and systems as the institutional factor most strongly associated with domestic revenue mobilization performance ($r = 0.639$), followed by organizational and legal framework ($r = 0.559$) and human resource capacity ($r = 0.487$). This finding is consistent with Mohamud and Isak (2019), who reported that the modernization of tax administration systems was central to improving revenue outcomes in Somali tax reform efforts. It is also supported by the National Economic Council (2023), which identified digital and institutional reforms as key drivers of improved domestic revenue mobilization performance. Roble and Ibrahim (2024) similarly found that operational and administrative factors play a significant role in shaping domestic revenue effort in Somalia, lending further support to the prominence of systems and organizational factors observed in this study. The comparatively weaker, though still significant, role of human resource capacity is consistent with Moore et al. (2018), who argue in Taxing Africa that administrative systems and enforcement mechanisms often exert a more immediate influence on revenue performance than staffing levels alone, particularly where recruitment and training practices remain uneven. The Organisation for Economic Co-operation and Development (2021) likewise found that technology adoption in African tax administrations tends to yield some of the most measurable improvements in compliance and collection efficiency, reinforcing the ranking of technology and systems as the leading factor in the present study.

Discussion Related to Objective Three: Relationship between Institutional Capacity and Revenue Performance

The study found a statistically significant, positive, and moderately strong relationship between the composite institutional capacity index and domestic revenue mobilization performance ($r = 0.629$, $p < 0.01$). This finding lends empirical support to institutional theory as applied by Andrews et al. (2017), which posits that stronger organizational capability translates into improved public sector performance outcomes, including revenue collection. It is also consistent with Moore (2014), who argued that revenue reform and state-building are mutually reinforcing processes in which institutional strengthening drives improved fiscal performance. The result similarly aligns with

Mugisha (2019), who found a significant positive relationship between tax administration capacity and domestic revenue mobilization in Uganda. From the perspective of fiscal social contract theory, as discussed by Walls (2014) in relation to Somaliland's state formation, the positive association between institutional capacity and revenue performance suggests that as MoFED strengthens its administrative capability, it may also be reinforcing the broader relationship of trust and accountability between the state and taxpayers. The finding further corroborates the International Monetary Fund (2019), which contends that weak institutional frameworks are a central driver of persistent tax gaps in developing and fragile states, implying, by extension, that capacity improvements should be associated with narrower gaps and stronger revenue outcomes, as observed in this study.

Discussion Related to Objective Four: Main Challenges Facing the Ministry in Revenue Mobilization

The study identified merit-based recruitment and promotion, inadequate professional training, weak inter-departmental coordination, limited effectiveness of existing tax laws, and inadequate ICT infrastructure as the principal institutional challenges facing MoFED. These findings resonate with Isak (2018), who identified weak administrative capacity and a large informal sector as central constraints on domestic revenue mobilization in Somalia. The finding on weak inter-departmental coordination is consistent with the World Bank (2021), which observed those fragmented coordination arrangements between finance, revenue, and customs authorities constrain revenue performance across Somali institutions. The challenge of limited legal and regulatory effectiveness aligns with Mahamed (2022), who noted that outdated or poorly enforced tax legislation continues to constrain domestic revenue performance in the Somali context. The prevalence of an informal economy and its association with weak enforcement, as discussed by Schneider and Enste (2013), further helps explain why, despite generally favorable institutional ratings, certain compliancerelated and legal items in this study still recorded comparatively lower scores. Finally, the identification of human resource and training gaps as leading challenges corroborates the Organisation for Economic Co-operation and Development (2020), which classifies capacity and skills constraints among the most persistent structural barriers to domestic resource mobilization in fragile states such as Somaliland.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusions of the Study

This study assessed the institutional capacity of the Ministry of Finance and Economic Development of Somaliland for domestic revenue mobilization, and it identified the key constraints and opportunities for enhancing revenue generation performance. With respect to the first objective, the study concludes that MoFED possesses a moderate-to-high level of institutional capacity, with technology and systems constituting the strongest dimension, followed by organizational and legal framework and human resource capacity, the last of which remains constrained principally by non-merit-based recruitment and promotion practices and limited professional training. With respect to the second objective, the study concludes that technology and systems, together with organizational and legal arrangements, are the institutional factors most strongly associated with domestic revenue mobilization performance in the ministry, while human resource capacity, though still a significant factor, exerts a comparatively weaker influence. With respect to the third objective, the study concludes that a statistically significant, positive, and moderately strong relationship exists between overall institutional capacity and domestic revenue mobilization performance, confirming that strengthening institutional capacity is likely to be associated with improved revenue outcomes at MoFED. With respect to the fourth objective, the study concludes that the ministry's most pressing challenges are the absence of consistently meritbased recruitment and promotion, inadequate professional training, weak coordination between departments, limited effectiveness of existing tax laws, and inadequate ICT infrastructure. Taken together, these findings confirm that the research problem set out in Chapter One, namely the limited understanding of the institutional determinants of domestic revenue mobilization performance in Somaliland, has been substantively addressed, and they demonstrate that institutional capacity, while generally reasonable within MoFED, still requires targeted strengthening in specific human resource, legal, and infrastructural areas if domestic revenue mobilization is to be further improved.

5.2 Recommendations

Based on the findings and conclusions of the study, the following recommendations are proposed for the beneficiaries identified in the significance of the study, namely the Government of Somaliland, the leadership of MoFED, development partners, and future researchers.

First, MoFED should institutionalize merit-based recruitment and promotion by developing and enforcing transparent, competency-based criteria for staff selection and career advancement, since this was identified as the single weakest area of institutional capacity in the study. This should be implemented by the ministry's Human Resources department in coordination with the Civil Service Commission.

Second, the ministry should expand and regularize professional training programs related to tax administration, revenue management, and the use of digital revenue systems, targeting all revenuefacing departments. This can be achieved through partnerships with development partners and regional revenue authorities that offer specialized capacity-building programs.

Third, MoFED should strengthen inter-departmental coordination mechanisms, particularly between the Inland Revenue, Customs, Budget, and ICT departments, by establishing formal coordination structures such as joint revenue task forces or regular inter-departmental review meetings, so as to reduce fragmentation in revenue administration.

Fourth, the Government of Somaliland, through the Ministry of Justice and relevant legislative bodies, should review and update existing tax laws to ensure they remain effective and responsive to current revenue mobilization needs, and MoFED should strengthen its enforcement and compliance mechanisms accordingly.

Fifth, MoFED, with the support of development partners, should continue to invest in and expand ICT infrastructure, building on the relative success of systems such as SOMCAS and IRMS, to further reduce revenue leakages and enhance the efficiency and transparency of tax administration.

Finally, given the significant positive relationship established between institutional capacity and revenue performance, policymakers should treat institutional capacity strengthening, across human resources, technology, and organizational and legal dimensions, as a central and mutually reinforcing pillar of Somaliland's domestic revenue mobilization strategy rather than addressing these dimensions in isolation.

5.3 Further Research

While this study provides useful insights into the institutional determinants of domestic revenue mobilization performance at MoFED, several areas emerged that warrant further investigation. Future researchers may conduct a comparative study examining institutional capacity for domestic revenue mobilization across multiple Somaliland government ministries and revenue-collecting agencies, in order to determine whether the patterns observed at MoFED are consistent across the wider public revenue system. Future researchers may also investigate the specific relationship between merit-based human resource practices and revenue administration performance in greater depth, given that this dimension emerged as the weakest area of institutional capacity in the present study. In addition, further research could examine the moderating role of factors such as political stability, the informal economy, and public trust, which were identified in the conceptual framework of this study but not directly tested, on the relationship between institutional capacity and domestic revenue mobilization performance in Somaliland.

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APPENDICES I

APPENDIX A: QUESTIONNAIRES

SECTION A. Background Information

1. Gender

Male [ ]

Female [ ]

2. Age Group

18–25 [ ]

26–35 [ ]

36–45 [ ]

46 and above [ ]

3. Educational Level

High school [ ]

Diploma [ ]

Bachelor Degree [ ]

Master Degree [ ]

Other [ ]

4. Department

Inland Revenue [ ]

Customs [ ]

Budget [ ]

ICT [ ]

Administration [ ]

5. Work Experience

Less than 1 year [ ]

1–5 years [ ]

6–10 years [ ]

More than 10 years [ ]

20 next questions Indicate the level of Capacity MoFED appropriately using a scale of 1 to 5 where; 1 (Strongly Disagree), 2 (Disagree), 3 (Neutral), 4 (Agree), and 5 (Strongly Agree).

Table 10. 20 next questions Indicate the level of Capacity MoFED appropriately using a scale of 1 to 5 where; 1 (Strongly Disagree), 2 (Disagree), 3 (Neutral), 4 (Agree), and 5 (Strongly Agree).

SN	**SECTION B:** HUMAN RESOURCE CAPACITY.	**1**	**2**	**3**	**4**	**5**

6	The ministry has enough qualified staff for revenue collection activities.					
7	Employees receive regular professional training related to tax administration.					
8	Staff have adequate knowledge and skills to perform their duties effectively.					
9	Staff motivation positively influences revenue collection performance.					
10	Recruitment and promotion within the ministry are based on merit and competence.					
SN	**SECTION C:** TECHNOLOGY AND SYSTEMS.					
11	The ministry uses effective digital systems for tax administration.					
12	SOMCAS has improved customs revenue collection efficiency.					
13	IRMS has strengthened domestic tax administration.					
14	ICT infrastructure in the ministry is adequate for revenue management.					
15	Technology systems help reduce corruption and revenue leakage.					

SN	**SECTION D:** ORGANIZATIONAL AND LEGAL FRAMEWORK.					
16	The ministry has clear organizational structures for revenue administration.					
17	Coordination between departments supports effective revenue collection.					
18	Existing tax laws are effective in supporting domestic revenue mobilization.					
19	The ministry effectively enforces tax regulations and compliance measures.					
20	Accountability and transparency mechanisms are effective within the ministry.					
SN	**SECTION E:** DOMESTIC REVENUE MOBILIZATION PERFORMANCE.					
21	Domestic revenue collection has improved in recent years.					
22	Taxpayer compliance has increased due to institutional reforms.					
23	Revenue leakages and tax evasion have reduced.					
24	Public trust in tax administration positively affects revenue collection.					
25	Strong institutional capacity improves domestic revenue mobilization.					

Appendix II: Plan of Activities.

Table 11. Appendix II: Plan of Activities.

Activities	**Jan, Feb March**	**April**	**may**	**June**	**July**	**August**
Submission of minimum 3 titles	**Submission of titles**					
Title selections	➡					
Workshop on Academic and Research proposal Writings. 2 days training.		➡				
Chapter One complete documents		➡				
Chapter Two complete documents			➡			
Chapter Three complete documents				➡		
Submission of proposal				➡		
Approval of the proposal & Proposal defense					➡	
Chapter Four complete documents					➡	
Chapter Five complete documents					**15**	
Submission of thesis					**20 deadline**	

Approval of the thesis & thesis defense						**1 to 5**