



## **THE ROLE OF GOOD GOVERNANCE IN SHAPING EFFECTIVE STATE-BUILDING: A SOMALI CONTEXT**

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### **Abstract**

*This paper explores the centrality of good governance in rebuilding state institutions and legitimacy in Somalia. The Somali state has faced decades of institutional collapse, fragmented authority, and underdeveloped legal and regulatory systems. However, recent improvements in revenue mobilization, financial management, and institutional accountability highlight the potential of governance reforms to support long-term state-building goals. Drawing from domestic and international reports, the paper identifies key governance challenges, recent reforms, and offers policy recommendations. Good governance—including transparency, rule of law, accountability, and inclusive political institutions—is a precondition for rebuilding the social contract and ensuring sustainable peace and development in Somalia.*

*Keywords: Good Governance, State-Building, Somalia, Public Financial Management, Transparency, Institutional Reform*

### **GOVERNANCE AND STATE-BUILDING IN SOMALIA**

Good Governance is defined through dimensions such as accountability, transparency, rule of law, participation, and effectiveness (UNDP, 1997; World Bank, 2011). Governance reforms strengthen state legitimacy, citizen trust, and institutional resilience (Brinkerhoff, 2005).

The concept of state-building refers to the process through which a functioning state apparatus is established, one that can provide security, deliver services, and uphold the rule of



law. In fragile contexts like Somalia, governance lies at the heart of this process. Good governance enhances the legitimacy of the state, promotes stability, and lays the groundwork for economic development. The Somali government's ability to mobilize revenues, provide public services, and maintain order depends on the quality of its institutions, the accountability of its leaders, and the trust it can build with citizens.

Since 2012, Somalia has embarked on an ambitious program of rebuilding. The federal model, constitutional reform, and partnership with international donors have offered opportunities for governance renewal. Nonetheless, Somalia continues to face multidimensional challenges: political instability, overlapping mandates between federal and state levels, resource competition, clan dynamics, and the legacy of conflict.

### **KEY GOVERNANCE CHALLENGES**

Somalia's governance deficits are well documented. Corruption remains widespread, Somalia scored 11/100 on the 2023 Corruption Perceptions Index (Transparency International, 2024), weakening public trust and undermining service delivery. The fragmentation of authority between the federal government and member states continues to create inefficiencies and duplication of efforts. While anti-corruption laws exist, enforcement remains weak. Oversight institutions are under-resourced, and there is limited coordination among ministries and agencies.

Some of the most persistent governance challenges include:

- Weak intergovernmental fiscal coordination.
- Limited judicial independence and legal enforcement.
- Low citizen engagement in budgeting, planning, and public policy.
- Heavy reliance on external funding and donor-driven reforms.
- Minimal access to basic services for large parts of the population.

### **PUBLIC FINANCIAL MANAGEMENT AND REFORM ACHIEVEMENTS**

Despite these challenges, significant progress has been made in public financial management. The Ministry of Finance at federal and state level has implemented reforms to improve revenue mobilization, budget credibility, and transparency.

These include:

- Somalia Financial Management Information System (SFMIS): An integrated tool that improves tracking of budget execution and cash flow.
- Biometric Payroll System: Used to eliminate ghost workers and increase payroll transparency.

- Taxpayer Identification Numbers (TINs): Introduced to improve tax compliance and expand the tax base.
- Digital Payment Systems: Allow revenue collection through formal channels including banks and mobile money.

PFM reforms (e.g., SFMIS, biometric payroll, TIN registration) have improved fiscal transparency (World Bank, 2022).

Revenue increased from \$112 million in 2016 to \$283 million in 2023 (IMF, 2024). These gains demonstrate how governance reforms can translate into concrete improvements in state capacity.

## **INSTITUTIONAL CAPACITY AND RULE OF LAW**

Strong institutions form the bedrock of effective governance. In Somalia, institutions such as the Office of the Auditor General (OAG), Financial Reporting Centre (FRC), and Anti-Corruption Commission play critical roles in enforcing accountability. However, they face human resource shortages, lack of training, and political pressure.

The justice sector remains fragile. Many citizens have limited access to formal legal systems and rely on customary or religious mechanisms. To build the rule of law, Somalia must invest in:

- Judicial training and infrastructure.
- Legal harmonization between formal and informal systems.
- Protection for legal practitioners and anti-corruption agencies.

## **CITIZEN ENGAGEMENT AND SOCIAL ACCOUNTABILITY**

A key component of governance is civic participation. In Somalia, mechanisms for citizen input are underdeveloped. Citizens rarely engage in policymaking, and access to information is limited. This creates a disconnect between the state and its people, weakening the social contract.

Efforts to institutionalize participatory governance include public consultations on the National Transformation Plan (NTP) and donor-supported civic engagement programs. Still, more is needed to ensure inclusive planning and oversight. Recommendations include:

- Establishing citizen budget hearings at district and state levels.
- Strengthening local media and access to information.
- Encouraging community monitoring of service delivery.

## **DONOR COORDINATION AND GOVERNANCE OWNERSHIP**

International partners have significantly shaped Somalia's governance agenda. The capacity development initiatives by the international partners have all contributed to reform. While these partnerships are essential, balancing technical assistance with ownership by Somali institutions will also contribute lasting impact reforms.

There is a risk that externally driven reforms may not align with local political realities or may lack sustainability. The governance reforms should:

- Prioritize co-design with Somali stakeholders.
- Ensure long-term capacity building.
- Align with national priorities and NTP goals.

## **POLICY RECOMMENDATIONS**

1. Finalize the Fiscal Federalism Policy to clarify roles and responsibilities across levels of government.
2. Provide legal protection and budgetary autonomy to oversight institutions such as the OAG and FRC.
3. Institutionalize participatory governance through formal citizen engagement structures.
4. Expand digital financial management tools across all Federal Member States' key districts
5. Strengthen the judicial system and the legal education to promote access to the justice.
6. Encourage local ownership of donor-funded reforms and harmonize donor support.

## **CONCLUSION**

Good governance is not a luxury—it is a necessity for Somalia's recovery and long-term stability. The evidence suggests that when governance reforms are appropriately designed and locally owned, they can strengthen public institutions, build legitimacy, and foster development. Somalia stands at a critical juncture. With continued commitment, strategic partnerships, and civic inclusion, good governance can be the cornerstone of effective state-building. Future studies could explore the long-term impact of digital governance tools in fragile contexts or assess the comparative success of state-building models in other post-conflict settings similar to Somalia.

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