



# **INCREASING DOMESTIC RESOURCE MOBILIZATION BY EMBRACING DIGITALIZATION IN REVENUE COLLECTIONS: THE CASE OF SOUTH SUDAN REVENUE AUTHORITY**

**Daniel Kon Ater, Ph.D.**

Deputy Commissioner for South Sudan Institute for Revenue Administration, SSRA, South Sudan

danielkon@nra.gov.ss

## **Abstract**

*This paper explores the critical role of digitalization in enhancing domestic resource mobilization in South Sudan, with a focus on the initiatives undertaken by the South Sudan Revenue Authority (SSRA). Despite the country's rich natural resources, prolonged conflict and dependency on oil revenues have hindered economic development. The SSRA's adoption of e-tax and e-customs systems, developed in collaboration with local technology firms (Crawford Capital Ltd), demonstrates significant progress in public finance management, transparency, and compliance. The analysis highlights both the achievements and ongoing challenges associated with digital transformation, such as digital literacy gaps, infrastructure limitations, and public trust concerns. The paper concludes with actionable recommendations to strengthen digital revenue collection and broaden the tax base, setting a pathway toward economic self-reliance and sustainable development.*

*Keywords: Digitalization, Domestic Resource Mobilization, Revenue Collection, South Sudan Revenue Authority, E-tax, Public Finance Management*

## **INTRODUCTION**

South Sudan is a nation endowed with abundant natural resources and immense economic potential. Despite these advantages, the country has faced significant challenges in leveraging its resources for sustainable development, largely due to prolonged conflict and instability. However, with the restoration and maintenance of peace among all communities, South Sudan can chart a new course toward self-reliance and prosperity.

A key pathway to achieving this vision is through increasing domestic resource mobilization. By embracing digitalization in revenue collection, the South Sudan Revenue Authority (SSRA) can enhance efficiency, transparency, and compliance, ultimately boosting government revenues needed for national development. The digital transformation of SSRA's revenue collection processes represents not only a modernization of public finance management but also a strategic move to reduce dependency on oil and external aid (IMF, 2020).

## **THE IMPORTANCE OF DOMESTIC RESOURCE MOBILIZATION**

Domestic resource mobilization (DRM) is fundamental for economic independence and sustainable development. First, DRM helps reduce reliance on oil and foreign aid—two sources that are often volatile and unpredictable. South Sudan's overdependence on oil revenues has exposed the nation to global price shocks and external pressures, underscoring the need for diversified and robust domestic revenue streams (World Bank, 2020).

Second, effective DRM ensures sustainable funding for public services and infrastructure. Domestic revenues are more reliable than external aid and can be strategically invested in health, education, and transportation networks, thereby improving the nation's human capital and economic competitiveness (OECD, 2014).

Third, strong DRM strengthens national sovereignty and economic stability. When a country relies on its own resources, it has greater autonomy in setting development priorities and can better withstand external shocks, thus fostering long-term stability (African Development Bank, 2021).

## **THE ROLE OF DIGITALIZATION IN REVENUE COLLECTION**

Digitalization has the potential to revolutionize tax and customs administration in South Sudan. E-tax and e-customs platforms offer numerous benefits, including increased efficiency, greater transparency, and enhanced convenience for both taxpayers and administrators. Automated systems reduce manual errors, speed up processing, and provide real-time data tracking that supports accountability (IMF, 2018).

Case studies from other African countries illustrate the transformative impact of digitalization. For example, Uganda's digital customs system led to a 47% increase in customs revenue, while Kenya's iTax portal improved compliance rates and reduced administrative burdens (Africanian, 2025; IMF, 2018).

A unique strength in South Sudan's approach is the partnership with indigenous companies like Crowford Capital Ltd, which has been pivotal in developing and deploying e-

tax and e-customs solutions tailored to the local context. These collaborations not only foster home-grown innovation but also ensure sustainability and adaptability of digital initiatives.

## **PROGRESS AND REFORMS BY THE SSRA**

The SSRA has made notable progress in reforming its revenue collection systems. The implementation of integrated tax administration systems has consolidated various tax functions into a unified platform, improving data accuracy and reducing redundancies.

Automation of customs operations using digital solutions has enabled real-time tracking, risk-based inspections, and streamlined customs clearance. This modernization has significantly reduced opportunities for revenue leakages and improved operational effectiveness (African Development Bank, 2021).

Capacity building and taxpayer education initiatives are also central to SSRA's reform agenda. Ongoing training for staff and targeted outreach programs for taxpayers is enhancing digital literacy, fostering compliance, and building public trust in the new systems (World Bank, 2020). The creation of the South Sudan Institute for Revenue Administration (SSIRA) is one of the vital engineers for the reform agenda within the authority, because the authority needs to strengthen the competency of the staff through training.

## **CHALLENGES AND OPPORTUNITIES**

Despite these advances, challenges persist. Digital literacy and infrastructure gaps, particularly in rural and underserved areas, limit the effectiveness of digital initiatives. Addressing these gaps requires investment in connectivity and ongoing public education (IMF, 2020).

Building public trust in digital systems is another challenge, as concerns about data privacy, reliability, and accessibility can hinder adoption. Transparent communication, robust cybersecurity measures, and responsive customer support are essential for overcoming these barriers (IMF, 2018).

Nevertheless, digitalization presents significant opportunities for expanding the tax base, especially among women and small and medium-sized enterprises (SMEs). Simplified digital registration and payment processes can enable these groups to formalize their businesses and contribute to national revenue, thus promoting inclusive growth (OECD, 2014).

## RECOMMENDATIONS FOR FURTHER ACTION

To fully realize the benefits of digitalization in revenue collection, several actions are recommended:

- **Continued investment in digital infrastructure and capacity building:** Expanding internet access, upgrading technical systems, and providing regular training for SSRA staff and taxpayers are critical.
- **Inclusive outreach and support for all taxpayers:** Developing user-friendly digital interfaces, providing support in local languages, and establishing accessible help centers can enhance participation.
- **Strengthening partnerships with local technology providers:** Collaborations with firms like Crawford Capital Ltd ensure solutions are contextually relevant and sustainable.
- **Policy reforms to support digital adoption and compliance:** Incentivizing digital transactions and establishing clear regulatory frameworks can accelerate adoption and improve compliance (OECD, 2014; IMF, 2020).

## SCOPE FOR FUTURE STUDIES

Future research could investigate the long-term socioeconomic impacts of digital revenue collection systems in South Sudan, focusing on their effectiveness in rural and marginalized communities. Comparative studies with other post-conflict African countries could provide additional insights into best practices and contextual challenges. Further exploration of gender and SME inclusion in digital tax systems would also be valuable, as would analyses of the interplay between digitalization, public trust, and governance reforms in fragile settings.

## CONCLUSION

Embracing digitalization in revenue collection is vital for the future of South Sudan. With peace, visionary leadership, and collaborative effort—particularly through the digital transformation initiatives led by the SSRA—South Sudan can increase domestic resource mobilization, drive sustainable development, and ensure a brighter future for all its people. Learning from successful examples across Africa and investing in inclusive, home-grown digital solutions will help the SSRA overcome challenges and achieve its mandate for national prosperity.

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