

## Introduction

The Somaliland Development Fund (SDF) seeks to contribute to a stable and prosperous Somaliland by providing a reliable vehicle through which donors can support Somaliland's development goals. The SDF supports the Government of Somaliland (GoSL) to fill a critical gap through funding projects that are fully aligned to the National Development Plan (NDP) 2012-2016, while at the same time recognising the role of GoSL in the delivery of basic services. The SDF is fully aligned to the Somaliland Special Arrangements (SSA).

Donor Contributions to date	
Donor	Total (GBP)
DFID	20,000,000
DFID CSP	300,000
DANIDA	12,455,477
Norway	3,000,000
Netherlands	3,200,000
<b>Total</b>	<b>38,955,477</b>

The Fund supports recurrent, capital costs as well as GoSL's communication of results to build accountability and transparency with the citizens and the donors. Furthermore, the SDF is designed to strengthen the state-citizenship relationship and enhance accountability and domestic revenue generation. The SDF is currently funded by the Department for International Development (DFID), the Danish International Development Agency (DANIDA), the Embassy of Norway and the Kingdom of the Netherlands. The management of the SDF Secretariat has been contracted to BMB Mott MacDonald, an international consulting company, which is responsible for both the strategic and day – to – day management of the fund on behalf of the Government of Somaliland and the donors.

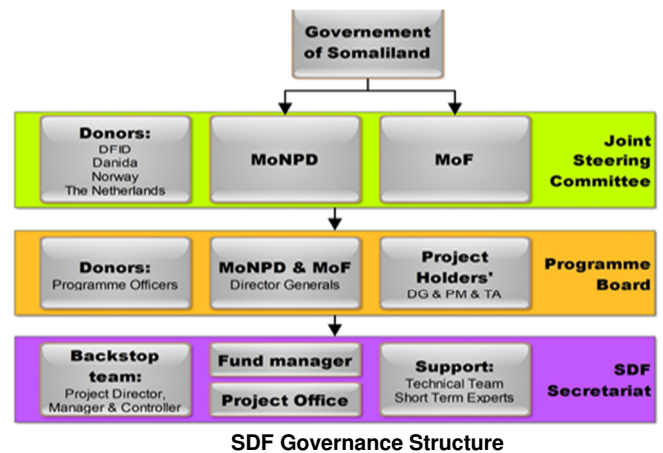
## How the SDF works

The overall management of the SDF lies with the Joint Steering Committee (JSC). Joint Steering Committee (JSC) – representatives of the Government of Somaliland (MoNP&D) and Minister of Finance and the donors (DFID, DANIDA, Norway and The Netherlands). The JSC which meets on a quarterly basis is responsible for determining strategic priorities and objectives and approves funds allocation based on set criteria.

The prioritisation of sectors and identification of projects from the National Development Plan is conducted by the National Planning Commission, an inter-ministerial body, charged with responsibilities for planning for national development in Somaliland.

The implementation of the projects is done by a Project Management Team (PMT) which sits in the specific line Ministry or Government agency. The Programme Board

(PB) brings together the Line Ministries implementing the SDF projects and the donor representatives (technical level) on a monthly basis to discuss practical aspects of implementing SDF projects. The meeting provides a platform for mutual learning, fostering togetherness, strengthening the partnership and capacity building.



## Alignment to the New Deal Principles

The SDF is aligned to the Somaliland Special arrangement as well as the Peace- building and State - building goals (PSGs) as espoused in the new Deal for Framework for engaging in fragile states. Specifically the SDF works within the framework of the key partnership principles for effective aid delivery which foresee improved core state functions, increased public service delivery, enhanced aid effectiveness and strengthened mutual partnership and accountability.

Principle	SDF Alignment
Transparency	Reports and feedback from the SDF governance structures which include National Planning Commission and Programme Board and Joint Steering Committee).
Risk	<ul style="list-style-type: none"> <li>Fully functional M&amp;E department at the SDF which works closely with the M&amp;E department at the Ministry of Planning.</li> <li>A risk analysis framework which is reviewed and updated on a quarterly basis.</li> <li>Conflict and risk analysis is conducted for all the projects.</li> </ul>
Use of country systems	<ul style="list-style-type: none"> <li>Implemented through project management units staffed with Government employees</li> <li>Planning and prioritisation is conducted by the government GoSL based on the National Development Plan by the NPC.</li> <li>Strategic alignment with GoSL Ministries strategic plans</li> <li>Continuous consultations and dialogue with key government agencies.</li> </ul>
Strengthen capacities	<ul style="list-style-type: none"> <li>At least 15% of the project funds are dedicated to capacity development.</li> <li>Working closely with Civil Service Institute for training of Civil Servants.</li> </ul>
Timely and predictable aid	<ul style="list-style-type: none"> <li>SDF activities aligned to the PSGs objectives and milestones under the SSA.</li> <li>Predictability by ensuring that the GoSL is aware of the available funds.</li> </ul>

## Key Thematic Areas

The SDF funds projects and initiatives across various sectors ranging from Social, Infrastructure, Economy to Environment pillars of the National Development Plan (NDP). To date, SDF Funds have been allocated to finance 12 projects in the above sectors and a thirteenth one which is under consideration.

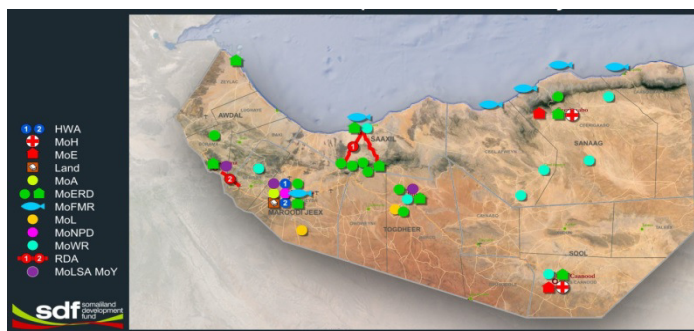
Agency	Project focus	Budget	Duration	PSG	Status
Ministry of Agriculture	Soil and Water Conservation in	2,556,896	24 months	4	60% completed
Ministry of Livestock	Livestock Holding Grounds	4,613,555	24 months	4	40% completed
Ministry of Environment	Sustainable Range and Forest Resources Management - all regions	2,316,000	24 months	4	40% completed
Ministry of Fisheries	Strengthening Fisheries Production - Maydh	1,843,600	18 month	4	Design
Hargeisa Water Agency	Urban Water Development in Hargeisa	10,564,050	20 months	5	60% completed
Ministry of Water Resources	Rural Water Development - all regions	5,540,000	24 months	5	30% completed
Roads Development Agency	Rehabilitation of Lafaruk-Berbera-Sheikh Road	7,169,030	18 months	5	80% completed
Roads Development Agency	Rehabilitation of Kalabayd-Dilla Road	2,759,600	12 months	5	Implementation
Ministry of Education	Promotion of Secondary Education in Sool & Sanaag	2,608,894	36 months	5	Design
Ministry of Health	Promotion of Secondary Health Care In Sool & Sanaag	4,985,864	36 months	5	Design
Ministry of Planning	Development Communication Hub	1,858,850	36 months	Others	20% complete
National Land Commission	Scoping Studies on National Land Issues	1,000,000	12 months	Others	40% completed
<b>GRAND TOTAL</b>		<b>47,816,339</b>			

## Early results

- Completion of rehabilitation of 38km Lafaruk – Berbera road which is expected to reduce travel times and enhance faster movement of goods and services.
- Completion of 8 haffir dams in the Maroodijeh water catchment expected to provide adequate water for 10,000 people and 175,000 livestock.
- Construction of soil conservation bunds on 35km<sup>2</sup> (300,000 liner metres) which provides 400 jobs per day and is expected to result in secure livelihoods of 10,000 people through improved agricultural yields.
- Delivery of pipes for construction of 23km of pipeline from Geddeble to Hargeisa, expected to increase water available to Hargeisa from 9M liters per day to about 30m litres per day.



## Geographical distribution of projects



## Regional distribution of SDF projects

