



ANNUAL REPORT 2018

SSF | SOMALIA STABILITY FUND

PROMOTING PEACE & STABILITY IN SOMALIA

Adam Smith
International





AMISOM Photo / Tobin Jones

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1 | INTRODUCTION

The Somalia Stability Fund (SSF) is a multi-donor fund that supports the development of a peaceful, stable and secure Somalia. It is designed to support enhanced government legitimacy and reduced political and communal conflict by increasing government visibility and community engagement; enhancing popular participation in governance particularly for women and marginalised groups; and addressing structural drivers of conflict and instability at the political and communal level.

SSF is in its second phase (SSF II), which launched in October 2016. Under SSF II, the Fund has seen significant shifts in strategy, fund management, results management and learning. The second year of SSF II has focused on reorienting the portfolio in line with the new strategy and results framework (refreshed most recently in April 2018), and getting a new pipeline of projects up and running.

Summarised in greater detail in section 2 this year, has seen several **key achievements**:

- > SSF supported the Galmudug-Ahlu Sunna Wal Jama (ASWJ) peace process, enabling Galmudug state to extend authority into ASWJ-held areas and assume the designated capital of Dhusamareb for the first time and the DIALOGUE project (which aims to build trust between communities and government through resource mobilisation) in Gedo region. A panel of experts on Somalia convened by SSF to review these investments assessed both projects as highly relevant, effective and responsive.
- > SSF has made significant strides to support popular participation in governance, particularly for women and marginalised groups. There is a new project underway to support women District Commissioners in Benadir and five new investments launched across 23 locations in Somalia that will enhance women's participation in political decision making.
- > Under SSF's stabilisation agenda the Fund has surpassed its 2018 target for the number of people reached, delivering 31 community assets in 13 districts. Since the launch of SSF II, stabilisation investments have indirectly benefited more than 1 million men and women, all in partnership with government.
- > A midline report completed in 2018 on SSF II found several SSF investments had produced meaningful impact for communities and improved government and community engagement. A government-community initiative supported by Hobyo to construct an airstrip has opened up Hobyo to business, connected this remote coastal town to other cities in Somalia and attracted many who had left the town to return in large numbers. An investment to support youth centres in Gaalkacyo was partly attributed to major reductions in levels of communal conflict in the town¹.

To achieve these and other results outlined in section 2, SSF spent over \$USD 20 million and met or exceeded all of its targets set for 2018. To get new pipeline projects up and running, SSF carried out 52 procurements, valued at just over \$USD 30 million.

The following section articulates SSF's results this year, as well as some of the challenges in implementation. Section 3 documents some of the key learning themes from SSF II and their implications for programming. Section 4 provides an overview of SSF's approach to value for money and finally section 5 provides a brief overview of SSF II year 2 finances.



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2 | RESULTS & KEY ACHIEVEMENTS

This section covers SSF II's broad approach, ongoing progress, key achievements and forward look.

IMPACT & OUTCOME LEVEL ACHIEVEMENTS

SSF II is designed to contribute to the overall stability of Somalia and achieve three outcomes: reduced political conflict, reduced communal conflict, and enhanced government legitimacy.

Somalia is currently ranked second lowest on the Fragile State Index (FSI), behind South Sudan. In 2018 the overall stability score was 113.2, with growth of 0.2 points from 2017. While this increase may seem negligible, it is worth noting this represents nearly a third of the 0.7-point drop Somalia made over the course of the previous five years.

In 2018, SSF convened a panel of experts to assess the state of political conflict in Somalia and how this has changed over the past year. Based on a scoring mechanism provided by SSF, the experts concluded that there had been no regression in the status of political conflict overall. However, they cited the ongoing challenges in the FGS/FMS relationship and the lack of demarcated boundaries as issues of concern which could drive future conflict. The experts also considered factors such as unequal resource distribution; failure to install the government in the de jure state capitals; and the inability of the FMS to extend authority beyond urban areas and state capitals as evidence of continual structural drivers of conflict at the intra-state level.

In 2018, SSF's third party evaluation consortium, Wasafiri-Forcier Consulting, completed a midline review of SSF's work. As part of the midline, they led an analysis on the status of communal conflict in Somalia based on analysis from 20 districts. At the political level, the consortium identified little change and no regression in the status of communal conflict over the past year. The consortium noticed some positive trends in their scoring, with clear reductions in communal conflict in Puntland and Galmudug, the latter facilitated by the high-level peace agreement between the rival administrations of ASWJ and Galmudug, supported by SSF. Negative trends included a rise in inter-communal conflict in both Hirshabelle and South West State.

The Wasafiri-Forcier Consulting consortium also led SSF's analysis on the status of government legitimacy in Somalia based on analysis from 20 districts and scoring from a panel of Somali stakeholders. The experts identified little, if a slightly negative change in the status of government legitimacy over the past year. The study found that this was partly explained by the

nature of the relationship between the centre (state governments) and the periphery (remote particularly rural communities). For example, the consortium found that frequent in-person visits from the FMS to districts were positively received by communities. Study findings also suggested that as States become more stable community expectations of government increase, with communities expecting more from State administrations than provision of security and the establishment of a physical FMS presence, negatively impacting the legitimacy score.

SSF ACHIEVEMENTS BY OUTPUT

SSF's work falls under four outputs: fault-lines for political conflict are addressed; government visibility and community engagement are increased; popular participation in governance is enhanced, particularly for women and marginalised groups; and community vulnerability to conflict is reduced.

Output 1: Fault-lines for political conflict (FGS-FMS, inter & intra state) are identified and appropriately addressed:

In 2018, SSF added output 1 to its updated 2016-2020 strategy and results framework to demonstrate the act of political conflict to stability in Somalia, as well as SSF's unique ability to engage on identified fault-lines. This year, SSF has played a critical role in contributing to addressing the priority conflicts identified under the MOIFAR National Reconciliation framework, including supporting an initial dialogue process in Merka, Lower Shebelle, the site of an intractable clan-based conflict, and the Galmudug-ASWJ peace process as described below. SSF also supported the establishment of a multi-stakeholder forum for routinized functional dialogue between the FGS and FMS government, civil society and private sectors to develop a national human capital development mechanism.

“ The [DIALOGUE] project encapsulates the need to link town and village projects to district and regional institutions. SSF and Sahan's overall knowledge, organization and analysis have created a good foundation for [achieving] objectives moving forward”.

One of the 12 experts on Somalia during panel convened by SSF to review the DIALOGUE project



Photo: SSF

In Hobyo, there were no women's groups at the start of the project and this marked the first time, for some of the women, that they had been consulted on community level decisions.

Key achievements in 2018 include:

- > **The launch of the Danish Refugee Council (DRC's) DIALOGUE project:** The DIALOGUE project aims to build trust between communities in Gedo region and government authorities through resource mobilisation. Based on a funding scheme that supports community and public projects, the project channels resources through the Jubaland single treasury account in the form of matching grants to district authorities and/or community groups. The project promotes participatory decision-making processes that engender local ownership, spur collective action and strengthen state-society mutual accountability and trust. At the time of writing, all seven Gedo districts were participating in the programme and a total of sixty villages bid for funds. Thirty had been selected through a lottery system and the majority of these had met their fundraising target.
- > **SSF's support to the Galmudug-ASWJ peace process:** SSF brought together the key actors in Djibouti and worked closely with IGAD to mediate a peace agreement between the rival administrations of Galmudug State and ASWJ. The midline review by Wasafiri and Forcier found that SSF's support to the Galmudug-ASWJ peace process has enabled Galmudug to assume its designated capital for the first time; prevented the potential escalation of the conflict with ASWJ; and facilitated local-level reconciliation processes in Abudwaq and Balanbale which were previously heavily conflict-affected⁴.

Output 2: Enhanced popular participation in governance, particularly for women and excluded communities

Output two is the focal point for SSF's Gender and Social Inclusion (GESI) strategy and aims to promote broader voice,

empowerment and accountability in the longer-term and avoid locking in exclusion that could lead to longer-term instability.

As part of the midline review, Wasafiri and Forcier Consulting looked at four investments and completed two case studies assessing SSF's GESI work in the past year. These included a stabilisation intervention by NIS in Bardhere and three SSF investments supporting the implementation of the Wadajir Framework in Balanbale, Hobyo and Abudwak.

In Bardhere, communities selected the construction of an Irish crossing, a flood defense system and the establishment of a waste management system as their community projects. The Wadajir Framework investment activities included conflict analysis and peace mapping; social reconciliation activities; district reconciliation conferences; community consultations for peace dividend investments and for projects prioritized specifically by women. In both Balanbale and Abudwak a community-wide vote resulted in the selection of a football stadium. The women's vote was for a women's centre. In Hobyo, the community voted to expand the district administration building. The women's vote was for a hospital expansion.

The Wasafiri-Forcier case studies found that GESI mainstreaming components had been well designed to ensure women's inclusion by implementing partners. For example, under the Wadajir Framework investments, SSF investments had maintained a 30% budget allocation for women chosen community projects. In Hobyo, there were no women's groups at the start of the project and this marked the first time, for some of the women, that they had been consulted on community level decisions. Marginalised groups also felt better included in Hobyo, with the midline report observing improved perceptions in political decision-making and resource sharing among these groups compared to a baseline report completed in the same district in 2017⁵.



AMISOM Photo / Stuart Price

“ Indeed the projects did not only meet the needs of women, youth and displaced people but also met the needs of the whole community. These projects have had an effect on the community as a whole...are used by everyone in the community.”

Women from Bardhere talking about the community investments supported by SSF⁶

“ The security of the town has improved, the main street used to be dark at night and the people feared to walk the streets at night, especially women but now the streets are all lit up.”

Respondent on the solar electrification investments in Puntland

Output 3: Increased government visibility and community engagement

Output 3 covers the bulk of SSF's stabilisation agenda, with investments that aim to increase government visibility (such as government buildings and public infrastructure), provide community services, such as the construction of community facilities; provide security services, such as police infrastructure and training; and investments that support economic development and livelihoods. Through these investments, SSF aims to deliver projects in the name of government and thus improve trust between communities and government and tackle perceived social and economic inequalities between groups. This ultimately contributes towards improved government legitimacy in the eyes of the community and reduced incentives to engage in violent conflict.

This output directly supports the MOIFAR led Stabilisation Strategy, specifically the community recovery component. SSF has engaged closely with MOIFAR and the FMS on geographic priorities, coordinating closely with other partners through the relevant 'Comprehensive Approach to Security' (CAS) sub-strands and informal meetings. SSF has also moved to support the Somalia Transition Plan plot priorities by initiating a comprehensive study of the Mogadishu to Baidoa Main Supply Route (MSR), which aims to help inform political engagement with communities along the MSR.

Key achievements under this output include:

> **Jubaland:** In Kismayo, SSF supported the construction of a youth centre and the Jubaland State ministry building, both

identified as priority needs by the Jubaland government and community in Kismayo; and has built on previous support to the Kismayo fisheries sector (see case study below). In Afmadow, SSF has supported short term employment opportunities combined with longer term career prospects for youth, through the provision of technical vocational training (TVET) and entrepreneurship based technical vocational training (EBTVET); improved value chain opportunities in sesame and onion, as well as dialogue between the community and local authorities.

- > **Galmudug:** SSF is supporting investments in Abudwak, Hobyo, Balanbale, Gaalkacyo and Dhusamareb. Hobyo has been a stand out investment with improvements in community-government relationships. The SSF supported airstrip in Hobyo brought both the FGS and FMS to Hobyo, enabled the District Commissioner to return to Hobyo from Nairobi and spurred additional investments in the port.
- > **Puntland:** SSF has installed solar street lights in the remote Bari region and given training on their maintenance to the local council. The lights were well received by the community. SSF is also supporting construction and furnishing of two police stations and training of police in Bossaso and Burtinle, an area that has seen increased Al Shabaab and IS activity. Complementing this, SSF also continues to support the Office for the Puntland Human Rights Defenders, which aims to improve community and police knowledge of human rights and international policing standards.

- > **South West State:** SSF has investments in Baidoa and Baraawe districts. In Baidoa, SSF has supported the construction of Ministry of Finance and Office of the President buildings. These buildings were launched at an event in February 2018 attended by dignitaries, including the Federal government of Somalia's State Minister of the office of the Prime Minister, Hon. Abdullahi Hamud Mohamed, traditional elders, youth and women groups. In Baraawe SSF is constructing an airstrip to open up access and economic opportunities to the capital of Lower Shabelle region.

SSF has launched 13 economic development and livelihoods investments in South West State, Galmudug, Hirshabelle and Puntland. Although directly responding to the recommendations from the SSF's Livelihoods Options Paper, the Fund will deliver these investments in close collaboration with local and state administrations as an opportunity to strengthen government-community engagement. The economic development initiatives will thus contribute to the overall stabilisation efforts in the target locations.

However, the case studies found that despite some gains to enhancing women's participation in decision making bodies, particularly peace committees, overall investments had less influence on changing norms around women's and marginalised groups participation than hoped and the extent to which participation has led to an active voice for women and marginalized groups is mixed.

Overcoming gender norms in Somalia has also been a challenge for another SSF project implemented by the Danish Refugee Council (DRC) which is supporting five female District Commissioners in Benadir. The project aims to support female commissioners to deliver tangible projects to showcase their efficiency as leaders and boost service delivery in their districts. Since the start of the investment two of the female district commissioners have been replaced by men. SSF and DRC are engaging with authorities to smooth the project's implementation. Furthering women's active participation in decision-making bodies has been a key focus for SSF in 2018. SSF has selected five lead partners to work across the five federal member states to enhance women's voice and participation as far as possible in local processes such as district council formation or FMS elections.

CASE STUDY: ELECTRIFICATION PROJECT TRANSFORMS WARSHEIKH

Warsheikh is a small coastal town located 60 kilometers south of Mogadishu. Ongoing insecurity had a detrimental effect on Warsheikh's access to a consistent electricity supply. A private local company provided intermittent power using a diesel-powered generator to the town for 4-5 hours a day, shortening the business operation hours, reducing movement of people at night and heightening insecurity.

In 2014 SSF supported a solar project to provide solar street lighting and panels in Warsheikh, chosen in consultation with the community and the local administration. The lights had a profound impact on improving security and business by lighting up the streets at night and providing extra hours for businesses to operate in the town.

SSF has continued working with the Warsheikh community and local administration, where Solargen have installed a solar powered mini-grid hybrid electrification system in over 200 households – the first of its kind in Somalia. The system SSF supported has a prepaid option that allows the users to credit their accounts through mobile money transfer to pay for electricity. The mini-grid has had a particularly positive effect on Warsheikh's business community, as explained by one local fisherman.

“ Before the electricity was installed, half of my catch was wasted due to lack of sufficient power for the freezers. We can now store our catch in the freezers and transport it to Mogadishu where there is a huge demand than in Warsheikh. My income has increased by 80%”

Local fisherman, on the solar electrification of Warsheikh



Photo: SSF

CASE STUDY: UNLOCKING THE POTENTIAL OF JUBBALAND'S FISHERY SECTOR

Prolonged decades of lawlessness in Somalia have made many economic activities, including fishing, challenging. In 2015, SSF supported the establishment of a fish preservation and processing plant as well as the rehabilitation of fish markets in Kismayo, a coastal town in Jubbaland. Five fishing cooperatives were awarded microfinance loans to build their capacity to support the local fishing sector. The project also supported the Ministry of Fisheries and Marines to develop a five-year strategic plan.

The project significantly improved the fishing sector, but there was still a need to link the domestic market to regional markets. In 2018, SSF partnered with the American Refugee Council, Jubbaland's Ministry of Fishery and Marines and the Jubbaland Chamber of Commerce and Industry (JCCI) to create market linkages and connect the Kismayo fishing market to the regional and international markets. So far, the project has established market linkages between JCCI and the Kenya National Chamber of Commerce and Industry (KNCCI), the Kismayo Fishing Cooperatives and its counterpart in Mombasa, Kenya. Owing to the new market linkages, on 14th April 2018, Kaah Fishing Company in Kismayo shipped its first consignment of 47 tons of frozen fish to the port of Mombasa. It marked the first such shipment from the region since the fall of Somali government in 1991.

“ In the past, we had to throw away the rotten fish because we could not keep it fresh. We could not make an income, and many stopped fishing all together. As result of the loans we received, now we have facilities such as cooling system.”

Senlawe, the chairman of Kismayo Fishing Cooperative



Photo: SSF/ASI

Output 4: Reduced community vulnerability to conflict

SSF invests in interventions and processes that address the root causes of conflict and support reconciliation efforts. Community vulnerability to conflict stems from multiple factors, including low-levels of social cohesion, weak institutions, scarce resources, particularly water and land, and the intersection of communal tensions with political schisms.

- > **Key interventions in the past year include:** drought relief in Bay, Bakool, Gedo, Bari, Sool and Sanaag regions, which was done with a view to preventing conflict over scarce water resources; a major investment in local level reconciliation in three locations of Galmudug; support to youth and the private sector to support the ceasefire agreement in Gaalkacyo (one of the most complicated conflicts in Somalia) and technical assistance to Jubaland to set up a Land Commission (a major driver of local conflict). SSF is in discussions with Jubaland about next steps regarding the Land Commission.
- > **Supporting the Wadajir Framework:** In Galmudug, SSF has played a key role in supporting the government's Wadajir Framework for Local Governance, which encompasses peace dividends, reconciliation, civic dialogue and formation of district councils. The 2018 midline review completed by Wasafiri-Forcier Consulting presents robust evidence to suggest that local-level conflict resolution through the Wadajir Framework in Balanbale and Abudwaq in Galmudug can be directly related to the higher-level peace process between ASWJ and Galmudug, supported by SSF.

“ The reconciliation activities [of the Wadajir Framework investments] have by and large resulted in the cessation of violence in the districts and the relevant conflict parties are involved in a process which is largely fair, inclusive and effective.”

2018 SSF midline report

Abudwaq in particular, where an SSF baseline report in 2017 by Wasafiri-Forcier Consulting found that conflict and overall security situation was dire, has seen a dramatic change in the last year. Abudwaq residents also credit these positive developments in part to President Farmajo's visit in early 2018 where he established the appointment of a 25-member stabilisation committee, and the deployment of National Intelligence and Security Agency (NISA) forces to take weapons off the streets of Abudwaq and maintain peace and security.

However, the 2018 midline review also notes that the extent to which some of the structural factors of conflict, such as the conflict economy, the existence of spoilers, and revenge killing leading to the diya payment loop can be overcome in the future is still unclear.



AMISOM Photo / Tobin Jones



CASE STUDY: GAALKACYO YOUTH AGENTS OF CHANGE

Gaalkacyo, a city located in central Somalia, is divided between the Puntland and Galmudug administrations. The north side of the city is administered by Puntland, while the south is administered by Galmudug. The city has seen recurring cycles of interclan and interstate violence. However recently, the local administrations and communities from both the north and the south have taken bold steps to change this narrative. In the aftermath of a deadly conflict in 2016, the local communities, through youth-led public dialogue, successfully lobbied the two mayors from North and South Gaalkacyo to sign a peace agreement. In December 2017, the two mayors signed a landmark peace deal and since then, have worked together towards promoting peaceful co-existence between communities. On Somalia National Youth Day the mayors agreed to a joint peace march of the town youth, which was supported by DBG and SSF.

SSF has worked to support peacebuilding in Gaalkacyo since 2016. SSF constructed two youth centres; one in North Gaalkacyo and the other in South Gaalkacyo, with the aim of diverting youth away from crime and violence by providing sporting activities and support for employment.

SSF midline review by Wasafiri and Forcier consulting in 2018 found that SSF's peacebuilding work in Gaalkacyo had supported youth groups who had been central in de-escalating conflict in the city by "successfully lobbying power holders to take steps towards joint conflict resolution". Study respondents praised the investments for 'relevance', with the youth centres being particularly responsive to community needs. Joint youth committees were established at these centres, which have become a driving force in initiating civil dialogue and a youth movement to address conflict in Gaalkacyo.

“ When the civil war broke out in Gaalkacyo, 2000 students from [the] Puntland [part of Gaalkacyo] took the white flag, which says: ‘I want peace.’ People stopped the fight, and we live in peace until this day. That civil war happened last year.”

Focus group participant, male community member (North Gaalkacyo) talking about conflict resolution in Gaalkacyo⁸

3 | LESSONS LEARNT



This section is a reflection based on key findings from SSF's midline research, case studies, expert stakeholder workshop, investees workshops, learning events and the insights of the SSF implementation team.

Challenges in ensuring inclusivity

The 2018 midline review by Wasafiri/Forcier Consulting found that many SSF investments lacked inclusivity in one form or another in the way in which they were delivered. In Hobyo, while women were part of peace committees for the first time, minority clans complained that they were token representatives in the consultation process. In Gaalkacyo, while the joint youth peace initiative was widely praised, some felt that the initiative lacked representation from rural youth, especially minority clans⁹. However, it is no small achievement that the tangible projects that were delivered with SSF support benefitted the community as a whole. Identifying ways in which to address a perceived lack of inclusivity is something that SSF will continue to prioritise in its implementation approach.

Flexible & adaptable conflict-sensitive programming

A guiding principle of SSF's strategic approach is the need to be flexible and adaptive in its programming towards the changing context in Somalia. Part of the art of flexible and adaptive programme implementation is knowing when to intervene and when to refrain. In an investment implemented in Bardhere, while social reconciliation was part of the workplan, SSF's partner, NIS in close consultation with SSF, decided to drop this component. This decision was informed by the growing tensions in Bardhere, and factors determined out of SSF's control that were partly a result of political conflict within Jubbaland. This conflict-sensitive decision helped insulate the project from falling prey to the inter and intra-clan power dynamics and tensions in Bardhere¹⁰. On the other hand, SSF has also learned to seize opportunities for engaging in conflict resolution when our analysis suggests that there is a window of opportunity to do so.

The value of multi-level engagement

The 2018 midline assessment of SSF found strong evidence that local-level conflict resolution in Balanbale and Abudwaq can be directly related to the higher-level peace process between ASWJ and Galmudug. Abudwaq in particular, where the conflict and overall security situation was dire at baseline, has seen a dramatic change in the last year. Abudwaq residents directly attribute much of the credit for these positive developments to President Farmajo's visit in early 2018¹¹. This suggests that entry points for conflict resolution should be guided by careful conflict analysis that focuses both on the granular clan and individual relationships within a community and their links to the FMS and FGS level. The choice therefore is not whether the proposed solutions ought to be top-down or bottom-up but rather understanding the relationship between the systems, networks and individuals at different levels and incentives structures, including an understanding of who gains and who loses, as a result.

Women's economic empowerment results in enhanced socio-political influence

Clan elders and religious leaders have historically been obstructers to women's increased voice and decision-making power, but this is changing due to women's rising economic status. Findings from the SSF II midline assessment suggest that in Gaalkacyo, women are a major contributor to helping clan's meet their blood compensation obligation as a means of resolving communal conflict¹². This contribution brings with it increased assertiveness and direct contact with clan elders and other clan decision-making bodies which has made elders relax their previously conservative position on the role of women in civic life. Women are also actively involved in fundraising for community projects: in Hobyo, according to one male civil society representative, 70% of the community contribution for the SSF-supported airstrip, came from women contributors¹³. This learning may suggest that elite women, particularly those who are active in business, are privileged in political decision-making processes. In 2019, SSF hopes to contribute to the evidence base on how increased economic empowerment of women may translate into increased political representation, particularly in districts where SSF plans to support both district council formation processes and economic development initiatives.



Photos: SSF

4 | VALUE FOR MONEY

Value for Money (VfM) is a priority area for SSF II. SSF manages value for money at both the portfolio and investment levels. At the portfolio level, SSF ensures VfM by building institutional capabilities and structures that facilitate efficiency and impact of investments, as well as tracking their effectiveness, sustainability, leverage and additionality. At the investment level SSF continuously assesses risks and investees'/ contractors' capability to deliver quality outputs/outcomes at a reasonable price to value relationship across the life time of the investment.

SSF ensures **economy** at the portfolio level through competitive sourcing of partners and procurements of services. To date 75 percent of the portfolio (by value) has been competitively sourced. SSF also maintains long-term contracts with consultants, which reduces recruitment time but also come with extensive understanding of SSF's strategic approach.

SSF's key performance indicator for portfolio **efficiency** is fund management costs as a percentage of the total fund. The benchmark is currently at 14%. In the past year the cost ratio was at 16%, slightly above this benchmark. SSF ensures the efficiency of the portfolio by investing time and resources in securing the right implementing partners by running rigorous due diligence and capacity assessments prior to contracting. Once selected SSF works closely with implementing partners to refine work plans and ensure value for money in investment implementation. The fund comprises of a team with adequate technical skills to provide support on project management throughout the lifecycle of the investment.

The **effectiveness** of SSF II is evident in the results of this year's annual report, but to ensure VfM, SSF also tracks the additionality of SSF investments (how they link to SSF's strategy and existing ongoing initiatives in Somalia), the capability of our investments to leverage external contributions and how sustainable are the outcomes delivered by our investments

Finally, SSF ensures **equity** at the portfolio through the mainstreaming of its gender and social inclusion strategy across all investments. SSF continuously updates its context and political economy analysis ensuring investments are responding to changes on the ground and proactively advances an inclusion agenda both at the policy level and investment delivery.

In integrating VfM into investments, SSF also considers **additionality, sustainability** and **leverage**. In Dinsoor, Southwest State, SSF sought additionality through building on previous investments by USAID's TIS Plus in an airstrip, which eased access in this former Al Shabaab stronghold, enabling SSF to enter the district for the first time to support access to skills and job placement and enterprise development opportunities. SSF pursues sustainability through several ways, for example, in Warsheikh, SSF has invested in a solar mini-grid that is managed through a public-private partnership. SSF has provided the technical advisory services of a Business Development Advisor, who is helping the company with their governance, management and operations plan. SSF aims to leverage contributions from communities, governments, private sector and development partners. In Gedo, Jubbaland, SSF is providing \$560,000 in matching funds for community-government identified projects and is expecting to raise at least a similar amount from the community and government. So far 8 out of the 37 identified projects have met the fundraising target from the community while 19 out of the 37 projects exceeded the target.



5 | FINANCES

The total SSF spend from October 2017 to September 2018 covering both core and support activities amounted to USD 23.2 million with a cumulative spend from August 2016 of USD 42.7 million.

The Figure 1 and Table 1 show the total spend for the period by output together with the cumulative spend to September 2018, burn rates and projections from October 2018 onwards.

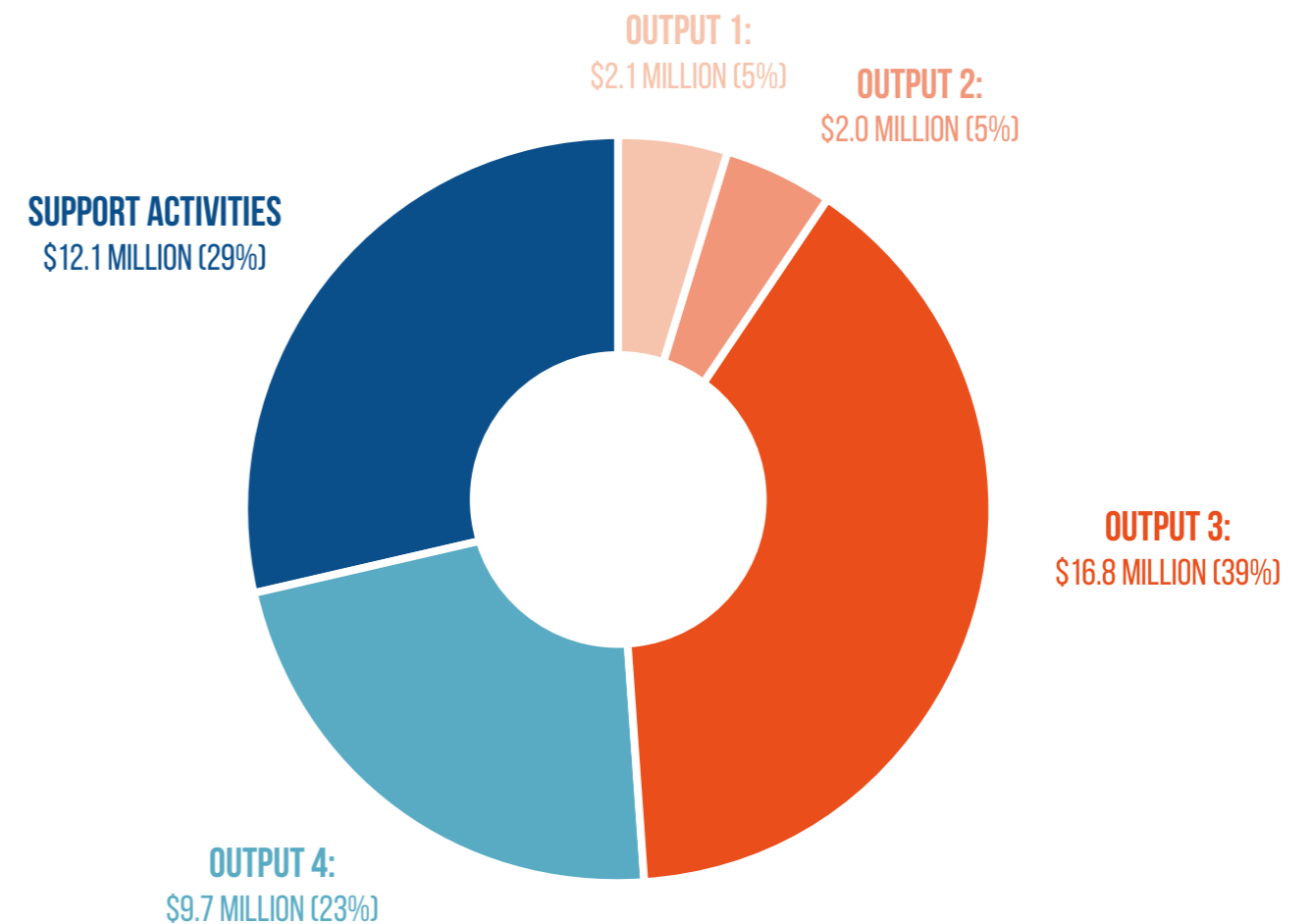


Somalia's President Mohamed Abdullahi "Farmajo" Mohamed landing in Hobyo's new airstrip, which was co-financed and realised by SSF. Photo: SSF

TABLE 1: FINANCIAL OVERVIEW

| DESCRIPTION | BUDGET | SPEND: OCT '16–SEPT '17 | SPEND: OCT '16 –SEPT '18 | CUMULATIVE SPEND: AUG '16–SEPT '18 | SPEND RATE: AUG '16–SEPT '18 | PROJECTIONS: OCT '18 – MAR '20 |
|---|----------------------|----------------------------|-----------------------------|---------------------------------------|---------------------------------|-----------------------------------|
| OUTPUT 1: Reduced risk of federal and inter & intra state political conflict | \$5,045,122 | \$250,592 | \$1,804,333 | \$2,054,925 | 41% | \$2,990,196 |
| OUTPUT 2: Enhanced popular participation and voice in governance, particularly for women & excluded communities | \$12,220,347 | \$32,893 | \$2,010,970 | \$2,043,863 | 17% | \$10,176,484 |
| OUTPUT 3: Increased government visibility and community engagement | \$42,850,974 | \$8,457,701 | \$8,333,836 | \$16,791,537 | 39% | \$26,059,437 |
| OUTPUT 4: Reduced community vulnerability to conflict | \$18,503,336 | \$5,217,742 | \$4,460,779 | \$9,678,521 | 52% | \$8,824,815 |
| SUB TOTAL OUTPUT | \$78,619,777 | \$13,958,928 | \$16,609,917 | \$30,568,845 | 39% | \$48,050,932 |
| SUPPORT ACTIVITIES | \$24,194,831 | \$5,487,834 | \$6,612,560 | \$12,100,393 | 50% | \$12,094,438 |
| GRAND TOTAL | \$102,814,608 | \$19,446,762 | \$23,222,476 | \$42,669,238 | 42% | \$60,145,370 |

FIGURE 1: CUMULATIVE SPEND BY PILLAR



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ENDNOTES

1. Wasafiri-Forcier consulting (2018). SSF Midline Report
2. <http://fundforpeace.org/fsi/>
3. Wasafiri-Forcier consulting (2018). SSF Midline Report
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