

## SDF Programming Principles

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The following principles guide the selection and implementation of the programmes and projects for funding under the SDF.

- **Ownership:** The SDF will involve all the key stakeholders in the planning, design and implementation of the SDF. Whilst this will be crucial for the implementation and management of the Fund, it will also enhance the longer-term ownership and sustainability of the initiatives that are funded. As an example, this will be reflected in the project prioritisation and development and proposed initial involvement for GoSL in the procurement and financial management of the SDF.
- **Government of Somaliland priorities:** The SDF shall be guided by the Government of Somaliland priorities to reduce poverty and to meet development targets including the National Development Plan outcomes and the Millennium Development Goals. The SDF shall be used for both investment and non-investment expenditures with the balance optimised to ensure that capacity, reform and service delivery objectives are met.
- **Aligned with government systems:** The SDF shall be aligned with and strengthen government systems and build government capacity. Programmes and projects to be funded under the SDF should be part of a costed medium-term sector strategy integrated into the annual budget.
- **Conflict sensitivity:** The SDF commits to act in a conflict-sensitive and peace-promoting manner. The SDF will promote inclusion, ensure broad and inclusive participation, ensure that the needs of the most vulnerable are addressed and ensure gender sensitiveness.
- **Ensuring value for money (VfM):** The implementation and management of the SDF will maintain the principles of value for money (economy, efficiency, effectiveness and equity). Specifically the fund will be managed in a way that ensures obtaining the maximum benefit with the resources available and based on a clear results framework. The SDF will also provide high quality management support for initiatives that focus on improving the quality of service delivery. The SDF will support initiatives in key areas where maximum impact is predicated based on evidence.
- **Transparency and accountability:** The SDF will act in a transparent and accountable way, and will consider the timing, sequencing and location of interventions for their potential conflict impact, and will be responsive and flexible to changing requirements. The process of prioritisation and selection of programmes and projects shall be transparent and encourage mutual accountability between the Government and the development partners.
- **Sustainability:** Investments shall be financially sustainable and the recurrent cost implications of capital investments will be costed and built into the state budget.

- **Climate change and environmental impact:** The SDF will seek to promote the use of environmentally friendly and low carbon technologies, taking advantage, for example, of Somaliland's abundant solar resources and need for off-grid solutions, and placing it on a sustainable low carbon path.
- **Engagement with private sector:** Investments shall look to innovative engagement with the private sector.
- **Coverage:** The SDF will fund an appropriate balance of programmes across regions and a balance between rural and urban areas.
- **Combining local knowledge and international best practices:** The SDF will seek to understand the local context, draw local expertise and knowledge and combine this with international best practices to come up with solutions which are suitable and sustainable for the Somaliland service delivery problems.