The unprecedented drought, spanning at least four consecutive poor rainy seasons, has resulted in severe and growing humanitarian needs across Somalia. The prospects for recovery in 2018 remain grim and sustained famine-prevention efforts and focus on life-saving assistance will remain an urgent priority.

In 2017, the Somalia Humanitarian Fund (SHF) has channeled all available resources – more than $57 million – for drought and famine prevention response, playing a crucial role for the early scale up and sustained support of response. The famine-prevention efforts provided a clear strategic focus for the SHF, which positioned the Fund as instrumental in driving a more localized and integrated prioritized humanitarian response.

Strong emphasis on support for direct implementation through non-governmental partners, including local and national NGOs has been central in 2017

- 96% of funds ($55 million) in 2017 will have been allocated to NGOs.
- 39% of funds ($22 million) in 2017 will have been allocated to local/national partners.
- Altogether, the SHF has funded 68 partners in 2017 (64 NGOs and 4 UN agencies).
- The pool of eligible NGO partners increased from 66 in January to 103 in December (of which more than two thirds are local/national partners).

The SHF actively promoted and championed achieving efficiencies through integrated response in 2017, positioning the Fund as a leading mechanism in the Somalia context:

- 42% of funds ($25 million) in 2017 had been allocated to integrated multi-cluster interventions.
- Inter-cluster coordination mechanism and cluster coordinators have been at the centre of prioritization efforts, boosting efficiencies in cross-cluster planning, and ultimately empowering the cluster coordination system.

Taking stock of the Fund’s comparative advantages – the unearmarked nature of the Fund; the established and functioning accountability systems; integration within the existing coordination systems; and flexibility – the following principles should guide future SHF allocations in 2018:

- Continued focus on famine prevention life-saving response, while ensuring the centrality of protection;
- Prioritization of direct implementation through international and national non-governmental partners, accounting for at least 80% of available annual SHF funding;
- Support for local partners by striving to channel at least 30% of available funding directly through national partners (if, when and where feasible);
- Continue supporting integration of response across clusters and complementarity with other funding sources, such as the Central Emergency Response Fund (CERF), bilateral funding and, when and where possible, Somalia UN Multi-Partner Trust Fund, to ensure timely and efficient prioritization in support of a stronger collective response and maximum impact of resources.
- Support funding for pipelines, enabling programmes and other support services provided by UN agencies, funds and programmes, but also NGOs, up to a maximum of 20% of annually available funds;

While SHF is guided by support for non-governmental and local partner, in particular, the overarching objective remains that funding should be channeled through partners that are best-placed to deliver prioritized activities in accordance with humanitarian principles in a timely, effective and impactful manner. Notwithstanding these principles, the Humanitarian Coordinator has the final responsibility to define the strategic focus and amounts of Fund allocations, taking into consideration the advice of the Advisory Board; and to make final decisions on projects recommended for funding. This responsibility is exclusive to the HC and cannot be delegated.