



Humanitarian Development Peace Fund

November 2025

 **Shuraako**
CAPITAL

 **Interpeace**

 **HUMAN**
PLANET
FORMERLY KOIS ADVISORY

Welcome Address

Appreciation & Acknowledgements



- This Fund is the product of many of you in this room.
- Your guidance, feedback, and collaboration have powered its development.

Foundations of the HDP Fund



- Built on a robust scoping and feasibility study supported by Convergence.
- Combined market needs and enabling-environment insights into a country assessment.
- Engaged a diverse set of stakeholders whose feedback informed design choices.
- United around a clear ambition: deliver peace-positive, market-based solutions for displacement-affected communities.

Fund Architecture & Early Progress



- A validated fund model and theory of change aligned with the triple-nexus and Peace Finance principles.
- A two-window structure blending recoverable grants with impact-linked loans, supported by a dedicated TA Facility.
- A strong fund manager, Shuraako Capital, with on-the-ground experience and a vetted early pipeline in Somalia.

The Road Ahead



- Entering the mobilisation phase to secure anchor investors and strategic partners.
- Preparing for first deployment in Somalia to demonstrate peace-positive outcomes and capital discipline.
- Positioning HDP as a leading model for peace-aligned blended finance across the Horn of Africa and beyond.

The HDP Fund is a blended finance vehicle designed to sustainably support businesses serving Displacement-Affected Communities (DACs), with a specific focus on peacebuilding

The fund combines a layered capital stack with a phased deployment strategy tailored to fragile contexts



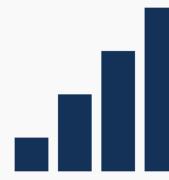
Fund Structure & Design

- Instruments:
 - Window 1: recoverable grants
 - Window 2: impact-linked loans
 - Technical assistance facility
- Shuraako Capital confirmed as the fund manager
- Features: recycling, concessional rates, impact rebates



Blended Finance Capital Stack

- Donor grants: early-stage risk capital (recoverable)
- Concessional capital: first-loss to de-risk the fund
- Private capital: Debt with impact-linked pricing
- TA facility: capacity building and peace responsiveness support



Phased Deployment

1. Incubation: grants to test and validate peace-focused business models
2. Investment: scale-up using debt
3. Regional rollout: Begins in Somalia, moving East in the Horn of Africa
4. Recycling: across windows to multiply impact and efficiency



Peace-focused Screening

- Peace-first lens: initial screen prioritizes businesses that foster inclusion, conflict sensitivity, or resilience in fragile contexts within target areas
- Refugee/IDP criteria: investee alignment assessment using RIN's refuge lens



Robust Impact Features

- Triple Nexus Support: integrated technical assistance strengthens business models for HDP outcomes
- Robust framework: IMM framework ensures continuous tracking, verification and reporting of outcomes

From humanitarian response to peace-aligned investment

Transforming displacement finance through intentional, risk-aware, and peace-positive capital structures

Key Challenges

- Displacement crises underfunded; **private capital absent**.
- **SME financing gap in fragile states**: high costs, high risk.
- Existing funds focus on relief, **not long-term investability** or peace outcomes.
- No instruments for early-stage businesses → pipeline stuck.

Rationale

- Businesses can drive stability, jobs, and inclusion **if given tailored capital**.
- Risks (FX, integrity, elite capture) are real but **can be mitigated** with the right design.
- Need to **link financing directly to peace outcomes** and resilience.
- Bridging humanitarian gaps requires **investable, peace-positive pipelines**.

Innovation

- **Dual-window model**: recoverable grants (window 1) + impact-linked loans (window 2).
- Performance pathway ties Window 1 and 2 together → **repayment = gateway to scale**.
- Peace Finance Standard ensures investments “do no harm” and **actively build peace**.
- TA Facility integrates conflict analysis, peace-positive business support, and IMM.
- Purpose: **peace-positive outcomes** (social cohesion, trust, resilience).

This model transforms displacement finance by **moving beyond humanitarian relief to investable, peace-positive solutions**; it reduces risks for investors, empowers SMEs, and ensures capital flows directly contribute to stability, trust, and resilience in fragile contexts

The HDP Fund has been thoughtfully designed through extensive stakeholder interviews to align with investor priorities and the realities of fragile contexts



Robust Country Selection Methodology

The fund's rigorous, well-recognised country selection process has been validated by different stakeholders and gives investors confidence that their capital will be deployed in carefully vetted, high-need geographies, reducing exposure to inappropriate or high-risk contexts



Flexible Investment Vehicle

The fund's two-window structure (recoverable grants and impact-linked loans) allows flexible deployment across early-stage and scale-up needs, making it well-suited to fragile settings and appealing to both public and private investors.



Private Sector-Driven Solutions

Prioritising private-sector-led solutions, supported by Shuraako's on-the-ground ecosystem, ensures sustainable, market-based approaches with potential for scalability. This strategy attracts investors seeking long-term impact paired with operational viability.



Targeted Technical Assistance

Providing peace-responsive and conflict-sensitive technical assistance for capacity building, governance, and operational improvement strengthens investees, reduces risks, and increases the likelihood of successful outcomes that is reassuring investors of effective capital use.



Impact-Linked Finance

The fund's impact-linked financing approach ties financial terms to measurable peace-positive and social outcomes. The progression from recoverable grants to impact-linked loans creates incentives for performance and aligns returns with long-term impact.



Preference for Debt over Equity

Focusing on debt instruments, which are simpler and more predictable than equity in volatile settings, aligns with investor preferences for lower-risk, more straightforward financing structures; this makes the fund more accessible and attractive to a broader range of investors

The country shortlist was tested in interviews; Somalia and Ethiopia are Phase 1 priorities for the HDP Fund, with Kenya and DRC depending on readiness

	Enabling factors	Limiting factors
 Somalia	<ul style="list-style-type: none"> Existing on-the-ground implementation capacity through Shuraako, strengthening origination and portfolio management. Strong remittance inflows creating investment opportunities. 	<ul style="list-style-type: none"> High governance and integrity issues. Weak formal banking sector and reliance on informal financial systems, making investments challenging.
 Ethiopia	<ul style="list-style-type: none"> Regional relevance and cross border market links with Somalia. Appropriate for Phase 1 implementation of the pilot based on local presence and regional importance. 	<ul style="list-style-type: none"> Governance and regulatory risks affecting SMEs operations.
 Kenya	<ul style="list-style-type: none"> Strong SME and entrepreneurship ecosystem. Relevant for cross-border value chains linked to Somalia and Ethiopia. Presence of localized fragility and DACs (northern and coastal region) 	<ul style="list-style-type: none"> Fragility is concentrated in specific counties, so alignment depends on targeting those regions. Crowded financial services industry and higher default rates than peers.
 DRC	<ul style="list-style-type: none"> Strong potential for impact investment in agriculture, energy, and mining, with existing donor and NGO engagement. Existing regions with relatively mature entrepreneurial ecosystems. 	<ul style="list-style-type: none"> Relevant governance and integrity issues, but potentially manageable. Recent surging violence in eastern region linked to the Rwanda backed M23 rebel group is increasing institutional instability.
 Nigeria	<ul style="list-style-type: none"> Africa's largest economy, with strong financial infrastructure, growing entrepreneurship ecosystem and diaspora remittance inflows. Some regulatory improvements and support for entrepreneurship. 	<ul style="list-style-type: none"> High foreign exchange risk due to currency volatility.
 Burkina Faso	<ul style="list-style-type: none"> Stronger financial sector compared to the Central African Republic (CAR) and Somalia but still facing systemic weaknesses. Relatively stable currency, with lower FX risks². 	<ul style="list-style-type: none"> Escalating security concerns due to extremist insurgency, leading to restricted movement and operational risks. Political instability following military coups.
 Cameroon	<ul style="list-style-type: none"> Stronger institutional framework compared to many fragile SSA¹ countries, particularly in financial and regulatory sectors. Relatively stable currency, with lower FX risks². 	<ul style="list-style-type: none"> Risk of political and conflict volatility, upcoming elections in 2025. Limited market openness and protectionist policies restrict foreign investment and external interventions.

 High ease of implementation

 Medium ease of implementation

 Low ease of implementation

¹Sub-Saharan Africa. | ²Foreign Exchange.

Flexible debt preferred over equity for the HDP Fund as it avoids ownership dilution and will use impact-linked pricing to align returns with peace outcomes

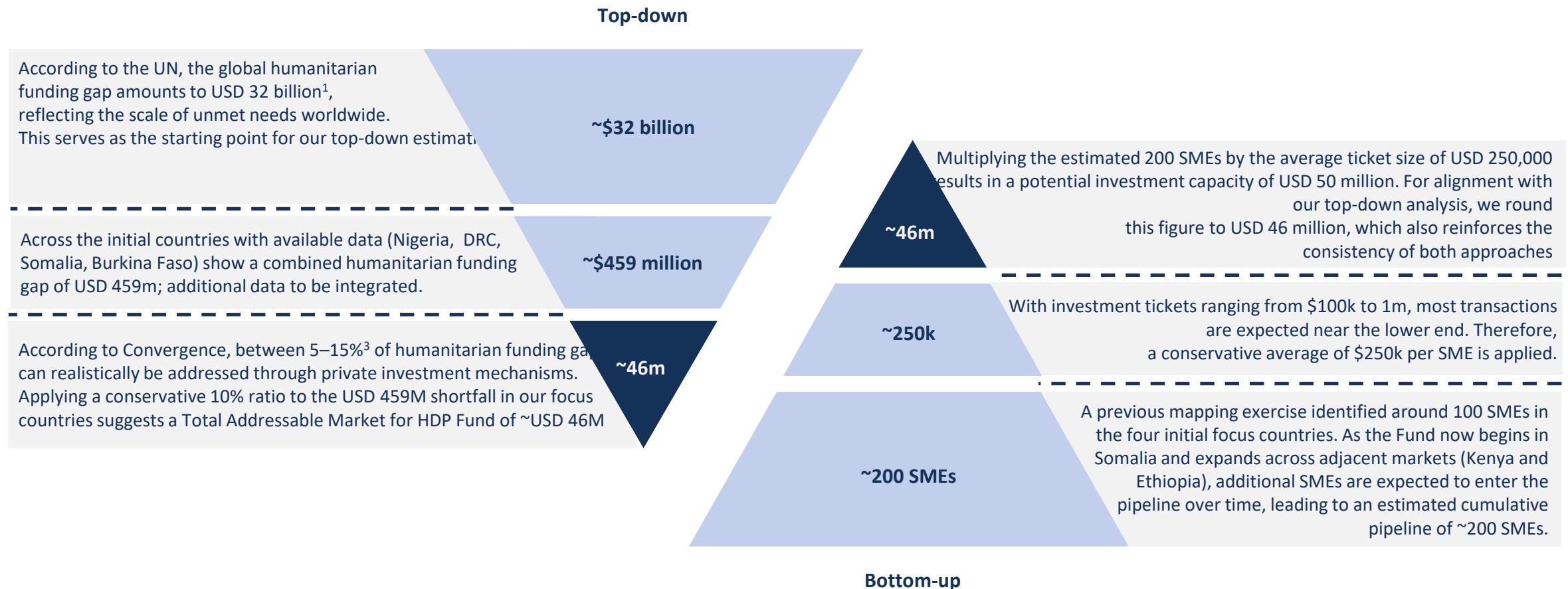
Characteristics	Debt	Equity	Description
Capital preservation	✓	✗	Debt allows businesses to secure the funding they need without giving up shares . This is essential in fragile contexts where entrepreneurs need to maintain control of their limited assets to respond quickly to crises and avoid external interference.
Aversion to dilution	✓	✗	SMEs in fragile settings often fear losing control to investors if they give up equity. Debt financing respects their desire to remain owners of their businesses, maintaining stability and ownership, critical to fostering trust in conflict-affected communities.
Cash-flow based repayments	✓	✗	Debt can be structured with repayments that adjust to the company's real cash flow , rather than fixed rigid schedules. This flexibility is vital for businesses facing unpredictable revenues due to conflict-related disruptions.
Characteristics	Impact linkage		<p>Based on stakeholder feedback and the unique challenges of fragile contexts, the HDP Fund will prioritise debt instruments over equity.</p> <p>To align financial incentives with peace and development objectives, the HDP Fund will implement impact-linked pricing.</p>

The top-down and bottom-up analyses converge to a \$46m addressable market for the fund

Why a top-down and a bottom-up analysis matters

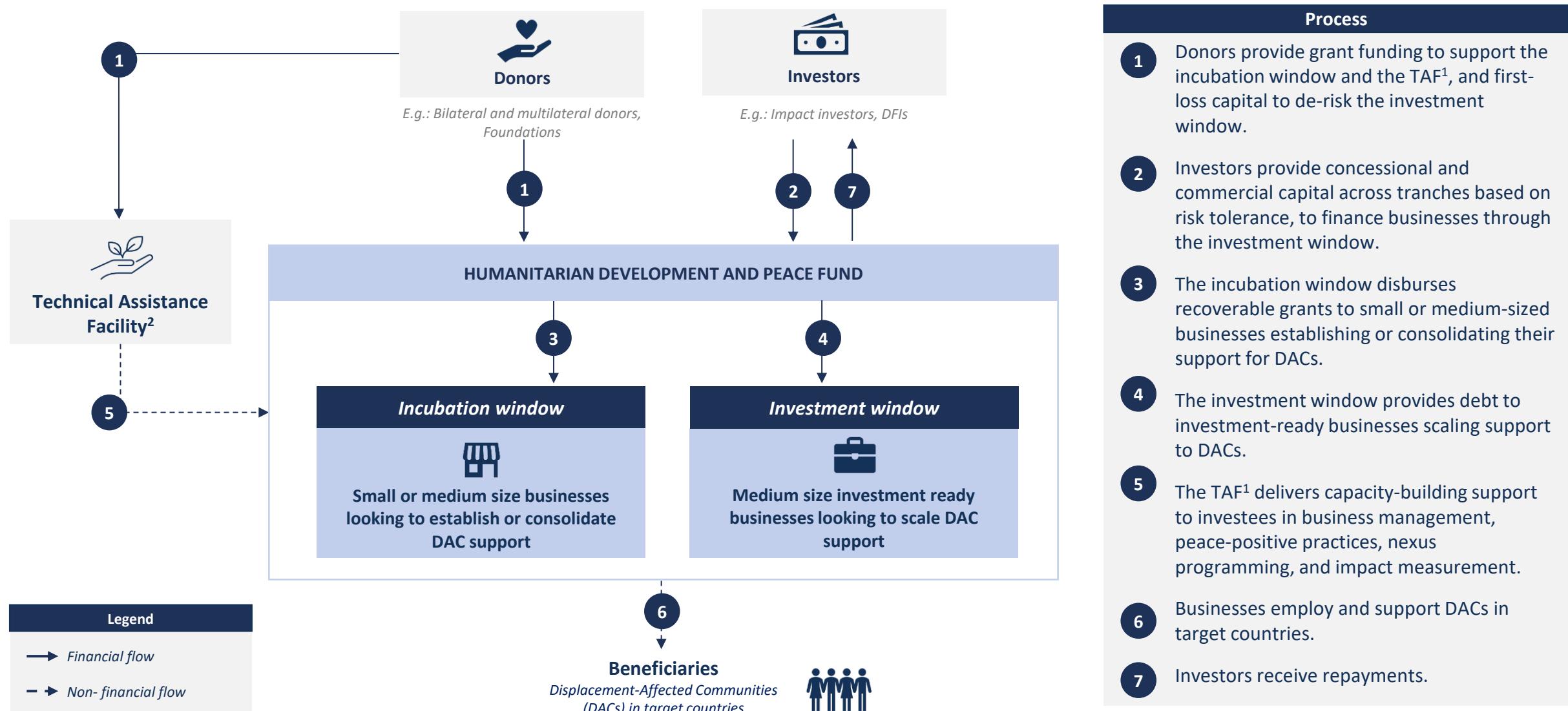
The dual approach allows us to size the Total Addressable Market (TAM) for the HDP Fund. The top-down analysis demonstrates the scale of the annual humanitarian funding gap, while the bottom-up confirms that there is a sufficient and growing pipeline of investable SMEs. Together, these analyses show that the Fund is positioned in a strategic sector with ample opportunities to deploy capital and deliver meaningful peace-building impact.

With the Fund's updated sequencing (Somalia-> Kenya/Ethiopia -> others), the total addressable market is expected to be larger than the conservative estimate shown here. Additional country data will be integrated once available.



¹UN Office for the Coordination of Humanitarian Affairs (2024). | ²sources: UNHCR data on current share of unavailable funding out of total humanitarian needs | ³Convergence, *The State of Blended Finance 2021*

The HDP Fund will mobilize capital to build a pipeline of peace-positive businesses and scale solutions that foster stability in displacement and conflict-affected settings



¹TAF = Technical Assistance Facility; ² More details on the TAF main features and costs in the presentation “Technical Assistance Facility Design Draft”.

Recoverable grants and impact linked loans, coupled with the TA facility, will create an enabling environment to support small- to medium-sized peace-positive businesses

	Incubation Window	Investment Window	TA Facility
 Description	<p>This window will disburse recoverable grants, a form of catalytic capital that function like grants, but include a repayment obligation upon achievement of financial and/or impact milestones</p>	<p>This window will provide impact-linked loans, i.e., concessional debt instruments that embed impact incentives directly into loan terms by reducing the cost of debt when impact KPIs are met</p>	<p>Designed as a grant-funded mechanism providing pre- and post-investment support through a hybrid delivery model, enhancing investees' resilience, peace responsiveness, and scalability</p>
 Impact Features	<ul style="list-style-type: none">• Suitable for businesses in fragile contexts, where patient capital is scarce• Drives early traction, experimentation, and impact validation• Enables early adoption of peace-positive business practices in fragile settings.	<ul style="list-style-type: none">• Will help social enterprises to scale without giving up ownership or control• Directly links financial benefits to impact by incentivizing behavior change: hiring displaced individuals, entering fragile regions, etc.	<ul style="list-style-type: none">• Strengthens peace responsiveness of business models by supporting investees in designing and adapting operations that contribute to peace outcomes• Creates enabling conditions for peace- positive investments in fragile contexts
 Financial Terms	<ul style="list-style-type: none">• Size: \$100k – \$500k; 0% interest/equity• Repayment window: 3 years, and milestone-based, i.e., conditional• Non-repayable if milestones not met due to external factors or genuine failure	<ul style="list-style-type: none">• Size: \$700k – \$1.5m;• Interest rates: concessional, with impact-linked rebated based on achievement of impact KPIs on an annual basis• Repayment window: 5 years, with graduated principal repayment	<ul style="list-style-type: none">• In-house delivery: Financial and business management assistance provided by the Fund's investment team• External partner engagement: Triple nexus support and IMM assistance to be delivered by specialized partners
 Funding Provided by	<p>Philanthropic funders</p>   	<p>Impact investors</p>   	<p>Development focused donors</p>    

Phased capital deployment strategy, with incubation pre-ceeding investments, gradual ramp-up, and roll-out across countries, proposed to foster an enabling environment

The impact-first features of the capital deployment strategy...



Incubation
First

The **investment strategy begins with grants** (via the incubation layer) in each country, supporting early-stage, high-risk businesses in vulnerable settings



Phased
Deployment

As businesses mature and enabling conditions improve, the **Fund transitions into concessional and impact-linked loans**, including follow-on capital to sustain high-performing enterprises



Regional Scaling

The phased investment strategy **gradually scales support regionally** across the three fragile and conflict-affected countries selected, in order: Somalia, Ethiopia, and Kenya

... support creation of an enabling environment

Early incubation with grants provides catalytic support for young enterprises operating in volatile environments, where commercial capital is scarce and business models are still evolving

Sequenced deployment allows time for learning, adaptation, and relationship-building in each context, essential for fragile settings; follow-on funding provides sustained support to impact-focuses enterprises, enabling scale and resilience

The geographically staggered rollout ensures fund management can remain **agile, context-responsive**, and focused on quality over quantity in the early years



Over the investment period of 9 years and the total fund life of 13 years, the HDP fund will support a maximum of 64 businesses across 4 countries by disbursing 40 recoverable grants and 24 individual impact-linked loans, with an additional 8 follow-on funding loans to existing investees

The HDP Fund will follow a 5-step investment process that fully integrates a peace lens throughout the end-to-end investment lifecycle

	1. Investment Strategy	2. Deal Screening	3.1. Due Diligence	3.2 Deal Structuring	4. Investment Management	5. Loan Repayment and Closure
Objectives	Define a peace-driven investment thesis and measurable outcomes.	Identify opportunities aligned with peace objectives and avoid non-aligned or harmful investments.	Assess the investee's peace potential and risk, team and assess the ESG risks.	Formalise peace commitments and accountability mechanisms through tailored investment terms and support structures.	Actively support and monitor the investee's delivery of peace outcomes, adapting as needed to context shifts.	Ensure sustainability of peace results and responsible transition beyond the Fund's involvement.
Activities	<ul style="list-style-type: none"> Develop a Fund-level ToC focused on peace¹ Prioritise geographies and sectors² Use PFIF to define peace pathways and exclusion criteria³ Align with SDG 16 and peace-related SDG targets⁴ 	<ul style="list-style-type: none"> Apply a negative screening based on the PFIF⁵ Apply peace-screening filters based on the PFIF Peace Taxonomy⁶ Assess alignment with fund ToC and peace logic 	<ul style="list-style-type: none"> Conduct a holistic impact due diligence, including assessment of the impact/ peace potential and team⁷ Conduct a ESG due diligence, including a complete assessment of the ESG risks⁸ Assess how peace-aligned TA can mitigate operational and contextual risks. 	<ul style="list-style-type: none"> Co-develop investee-level peace ToC and include peace KPIs and PEMs in legal agreements Align TA facility with the peace needs of investees Set up peace-focused reporting and verification mechanisms 	<ul style="list-style-type: none"> Strengthen and scale the triple nexus programming of investees through the TA Build IMM capacity of investees with peace lens through the TA Monitor and report on peace-related indicators at Fund and investees level 	<ul style="list-style-type: none"> Design responsible loan closure with local ownership and continuity plans Document learnings to refine fund-level peace strategy Avoid peace-washing through transparent closure evaluation
Tool	<ul style="list-style-type: none"> Theory of change SDGs alignment Peace Impact Logic 	<ul style="list-style-type: none"> Negative screening framework PFIF Peace Taxonomy 	<ul style="list-style-type: none"> Impact Due Diligence toolbox ESG risks assessment 	<ul style="list-style-type: none"> IMM framework 	<ul style="list-style-type: none"> TA Facility support IMM framework 	<ul style="list-style-type: none"> n/a

¹Slides 13 and 14 | ²Slides 11 and 12 | ³Slide 16 | ⁴Slide 10 | ⁵Slide 57 | ⁶Slide 58 | ⁷Section 6.3 Focus on the Impact Due Diligence | ⁸Slide 68

Note: All steps of the investment process will be led by the investment team. The Head of Impact and impact team will provide guidance and recommendations to the Investment team regarding the peace lens of the investees

The investment, incubation and sourcing strategy follows the fund's Theory of Change which aims to achieve resilience and social cohesion for DACs through peace-positive businesses

Inputs	Outputs	Mid-term outcomes	Long-term outcomes	Impact
Grant-based impact-linked capital is provided to businesses to establish or consolidate DAC support	Small to medium size early-stage businesses supported to consolidate their existing DAC support.	Improved viability and scalability of early-stage businesses serving DACs	Business models serving DACs scale regionally and attract commercial capital	Displacement-affected communities in the target countries achieve greater self-reliance, resilience, and social cohesion through business-led, peace-positive development
Concessional and de-risked impact linked debt is provided to businesses to consolidate or expand DAC support	Investment ready businesses supported to operate in or expand to DACs within the Fund's target geographies	Increased sustainable growth stage businesses operating in or reaching DACs		
Financial and business management capacity building is offered to businesses	Businesses supported to enhance their investment readiness and business management	Improved financial resilience and investment readiness among supported businesses	A stronger pipeline of investable peace-positive enterprises emerges in fragile contexts	
Triple nexus programming support is provided to businesses with a specific focus on peace	Businesses supported to design or adapt products and services to the needs of displaced and host communities	Expanded access to affordable and context-relevant products and services for DAC populations	Private sector actors actively contribute to social cohesion and conflict sensitive development	Private sector presence becomes a consistent peace-positive driver of livelihoods and economic opportunity in DACs
	Businesses supported to incorporate a peace-positive lens in their operations	Peace-sensitive practices embedded in businesses in fragile contexts		
	Cross-sector partnerships facilitated between businesses and other actors	Increased collaboration between business and HDP stakeholders		
Impact monitoring and reporting support is provided to businesses	Improved data and tools for impact monitoring and peace-sensitivity incorporated by businesses	Enhanced capacity to track, report and act on peace and impact outcomes among businesses	Evidence base for peace-positive investing grows, informing donors, investors and practitioners	

The Impact Management and Measurement (IMM) framework is a five-step circular process that the HDP Fund will reiterate over time and customise through a Peace Finance lens



An **IMM framework** is a systematic approach to **defining, monitoring, and evaluating** the social and environmental outcomes of a portfolio of investments. It sets out the principles and criteria to assess **investments' potential impact** and confirm their alignment with the fund's **impact objectives** (pre-deal) and also monitor the impact of their portfolio of investments (post-deal). The IMM framework **distinguishes between fund-level effects** (portfolio-wide changes in stability, inclusion and resilience) and **enterprise-level effects** (practice changes and peace-responsiveness).

	1. Set objectives	2. Analyse stakeholders	3. Measure results	4. Verify and value impact	5. Monitor & report
Description	First and central piece of any impact measurement exercise <ol style="list-style-type: none">1. Define the overarching social problem2. Define scope and impact objectives3. Select (and invest in) Social Purpose Organisations (SPOs) that can contribute to solving the social problem and meet the impact objectives	<i>Understand expectations</i> of stakeholders, their contribution, potential impact on them, and the <i>co-operation</i> of main stakeholders in the Impact Management and Measurement (IMM) process Phases: <ul style="list-style-type: none">• Stakeholder identification: mapping & selection, analysis of their expectations• Stakeholder engagement: understand their expectations and then verify if these are met	Transforming objectives into measurable results <ul style="list-style-type: none">- Outputs: tangible products and services that result from the SPO's activities (# of people reached)- Outcomes: changes, benefits and other effects on beneficiaries resulting from the SPO's activities- Impact: the attribution of an SPO's work to the broader long-term societal change- Indicators: set to measure outputs, outcomes and impact; peace-related indicators collected at both fund and enterprise level	<ul style="list-style-type: none">• Verifying impact (desk research, competitive analysis, interviews / focus groups); verification includes qualitative methods such as stakeholder perception surveys, essential for peace-positive outcome measurement• Valuing (measuring value created)	Iterative process <ul style="list-style-type: none">• Monitoring: collecting data and tracking progress against indicators & objectives (identify data sources for all measures, establish baseline status for beneficiaries, determine how data will be collected and by whom, and the human resources available for the evaluation)• Reporting: transforming data into presentable formats, relevant for key stakeholders
Tools	<ul style="list-style-type: none">• Theory of Change• SDGs alignment• Peace Impact Logic	n.a.	<ul style="list-style-type: none">• SDG-aligned metrics and peace KPIs (trust, inclusion, reduced tensions, equitable access), using IRIS+, HIPSO, etc.	<ul style="list-style-type: none">• M&E service providers role	<ul style="list-style-type: none">• <u>Global Reporting Initiative</u>• <u>PULSE</u>

Source: Impact Europe

Fund Management Team - Shuraako Capital

About Shuraako Capital

- Non-profit fund manager that provides growth capital and TA to SMEs in fragile and conflict-affected settings
- Provides 5-year, Sharia-compliant debt product to Somali SMEs
- Has supported over 200 Somali SMEs since 2013, across 4 separate lending projects
- First SME lending facility to incorporate conflict sensitivity into portfolio vetting and monitoring

About the Nordic Horn of Africa Opportunities Fund

- Launched in 2018
- Investors: Norfund, IFDK, Swedfund, Arsenault Family Foundation
- Total investments: \$29.9 million
- Companies supported: 99
- PAR90: 30.8%
- Jobs created: 11,751

Shuraako Leadership Team

- Jon Bellish (ED & COO): led Shuraako through its incubation process; Chairman of the Board of the Cashmere Fund, the first VC fund open to non-accredited investors.
- Mahat Mohammed (VP, Horn of Africa): former CEO of two Somali Banks (Premier & IBS); former Chairman of the Somali Banker's Association; former head of Islamic Banking at Standard Chartered Bank
- Abdirahman Hashi (Director, Somaliland): former Deputy Head of Internal Audit at Dahabshiil Group, Somalia's largest financial services institution
- Meghan Bruso (VP Finance & Compliance): former Finance and Accounting Principal at Western Union Foundation; former auditor at Taylor, Roth, and Company

Portfolio sectors

- Manufacturing and light industry
- Renewable energy
- Agriculture, fisheries, and livestock
- Water and sanitation
- Services (hospitality, healthcare)
- Construction

Shuraako's role in the HDP Fund

- Pipeline development
- Company due diligence (economic, ESG, & conflict sensitivity)
- Loan disbursement and monitoring
- Collections, re-structures, and recoveries
- *Note: Investments in Somalia will be made through the Nordic Horn of Africa Opportunities Fund*

Funds Managed

- Arsenault Family Foundation Lending Program
- Somali AgriFood Fund
- Somali Youth Enterprise Fund
- Nordic Horn of Africa Opportunities Fund

Governance & Legal Structure

Governance & Oversight Layer

Governing Board

- Provides strategic oversight, fiduciary governance, and final accountability for fund performance
- Mauritius-registered Limited Partnership under FSC oversight; Shuraako Capital serves as GP and Investment Manager

Limited Partner Advisory Committee

Investor representation and alignment; reviews conflicts of interest and material changes

Impact Advisory Committee

Validates peace, inclusion, and SDG alignment; advises on impact KPIs

Peace & Impact Expert Pool

Independent advisors providing evidence and recommendations to IAC and IC

Investment Decision & Compliance Layer

Investment Committee (IC)

- Approves investments based on financial and peace criteria
- Composition: AIFM representative, Shuraako Capital, independent experts, non-voting Interpeace advisor

AIFM (Mauritius)

Ensures regulatory compliance, portfolio oversight, & risk management

Fund Management & Implementation Layer

Shuraako Capital (Fund Manager)

Leads origination, due diligence, and portfolio management in target countries

Human Planet Ventures (TA Facility Manager)

Manages Technical Assistance Facility, investor relations, and impact-linked design

Interpeace (TA Facility Partner)

Provides conflict diagnostics, Peace Effect Measures (PEMs), and peace-impact measurement

Closing and Next Steps



As we move to the next stage of development, we welcome your comments, questions, feedback, interest, collaboration and further engagement

