**Clarifying shelter clusters’ coordination role with funding mechanisms**

**Objective**

The purpose of this document is to clarify roles and responsibilities of cluster stakeholders in relation to funding mechanisms and identify areas for improvement where pooled funds and/or appeals are managed.

Enhanced coordination between and within clusters is critical for funding management. Advocating for funds and ensuring their efficient allocation are primary responsibilities of cluster lead agencies via cluster coordinators. Fulfilling this role is complex, especially in light of the growing number of international and national humanitarian actors in the field, and the variety of donors’ funding procedures.

Although each context could vary, this paper attempts to clarify the responsibilities of cluster stakeholders and provide some recommendations to reinforce coordination, fairness and accountability of pooled funding process:

**Cluster leads**

* 1. Developing a widely consulted humanitarian Shelter response strategy that is inclusive of early recovery and comprehensive resource requirements.
  2. Ensuring pooled funding information is available and disseminated widely among partners
  3. Advocating to fund managers and donors on the overall sector needs
  4. Improving inclusivity, transparency and accountability though clarification of the process

**Cluster partners**

1. Stronger engagement with the clusters to ensure effective coordination of sector response
2. Supporting sector advocacy efforts, wider integration of programmatic strategies and its implementation
3. Enabling national partners’ inclusion and participation in the pooled funding process
4. Raising concerns and reporting challenges to the cluster and identifying collective solutions

**Donors**

1. Formalizing engagement with the clusters and streamline resources
2. Contributing to the sector response strategies and aligning resources in consultation with cluster partners
3. Continuously monitoring the progress and streamlining resources
4. Demanding and ensuring transparency of the process

***Local Government***

When local governments prepare their own call for funds parallel or complementary to the International Community, the cluster role is to make every effort to align projects to the host governments’ strategic orientations and investigate potential synergies.

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| **Core function** | **Cluster lead** | **Cluster partners** | **Donors** |
| **1.Coordination** | Understand funding mechanisms | Familiarize with pooled funds mechanisms | Explain funding mechanisms |
| Engage with HCT/Donors/OCHA (UN appeals) | Engage with HCT/Cluster | Engage with HCT/Cluster lead/OCHA |
| Liaise with the review board; appoint a funding focal point within the cluster to support partners if necessary | Take ownership and leadership responsibilities over the cluster system (co-lead, TWiG lead, technical committees) | Explain expected role of the cluster in funds allocation (vetting, consultation, approval) |
| Encourage participation of CBOs and national partners and help them engage in the process | Actively participate to cluster (also national staff and partners) | Ensure a consistent approach is applied and well-communicated. |
| Create a review committee representative of cluster partners with appropriate skills | Second temporary staff to clusters if necessary | Provide advice to cluster leads |
| **2. Information** | Develop a concise document explaining relevant funding mechanisms and processes. | Provide feedback on tools and information documents | Disseminate available tools (proposal templates, funds guidelines, national plans) |
|  | Ensure transparency and thoroughness of decision process |  | Ensure that fund managers document and disseminate funding allocation decisions |
| **3. Strategic planning** | Provide clear definition on the scope of funding mechanisms (emergency, early-recovery and permanent solutions) | Provide consolidated field data (needs, response, gaps) to support the strategic orientations and credibility of the process | Ensure coherent and transparent funding strategy (eligibility, modalities and processes, disbursements, conditions) |
| Provide clear cluster objectives and priorities for funding. Develop and disseminate a clear ToR covering the lifecycle of pooled funds. | Make the strategic case for appropriate resources, and collectively advocate for the sector | Transparent funds allocation criteria and project selection modalities (priorities, targeting, coverage, domains, amounts) |
| Ensure ownership and acceptance of strategic orientations and response plans with all stakeholders. | Participate to the definition of the strategic orientations and response objectives and validate them as a cluster product | Validate cluster strategic orientations and response priorities and use them as a common selection basis also for projects’ selection |
| Separate cluster lead role from agencies’ implementation priorities. | Share agencies’ overall and specific strategic orientations and policies | Focus on the context and allow for innovation, flexibility and non-structural solutions. |
| **4. Advocacy** | Advocate for Donors to use the cluster vetting process as a condition for funding. | Raise concerns immediately to the cluster lead or focal point | Advocate for simple, clear, rapid and streamlined pooled funds processes |
| Ensure cluster speaks with one voice and collectively advocate for the sector. | Participate and adhere to cluster advocacy initiatives to strengthen their impact | Work to improve the timeliness of disbursement processes (Donors-UN-NGOs) |
| Include NGOs able to access sites (regardless of their capacity in shelter). | Liaise with all stakeholders (including media) to widely disseminate the advocacy message | Review procedures of country specific funds to avoid limitations criteria |
| **5. Monitoring reporting** | Follow-up funding status, analyze consequences on programmed cluster activities and produce reports | Agree on joint monitoring and reporting formats | Harmonize monitoring processes and reporting tools. Ensure a transparent allocation process for all pooled funds. |
| **6. Contingency planning preparedness** | Include recovery at an early stage of response and devise cluster priorities to ensure continuity of recovery efforts after deactivation of the cluster. | Ensure that sector assistance strategy reflects the long term recovery from disasters/crises. | Clearly define expected links with early recovery and permanent solutions programming. |
| **7. Accountability to populations** | Inform communities about funding status and cluster priorities and strategic objectives. | Inform communities about funding status and impact on projects implementation | Inform communities on funding policies and objectives |