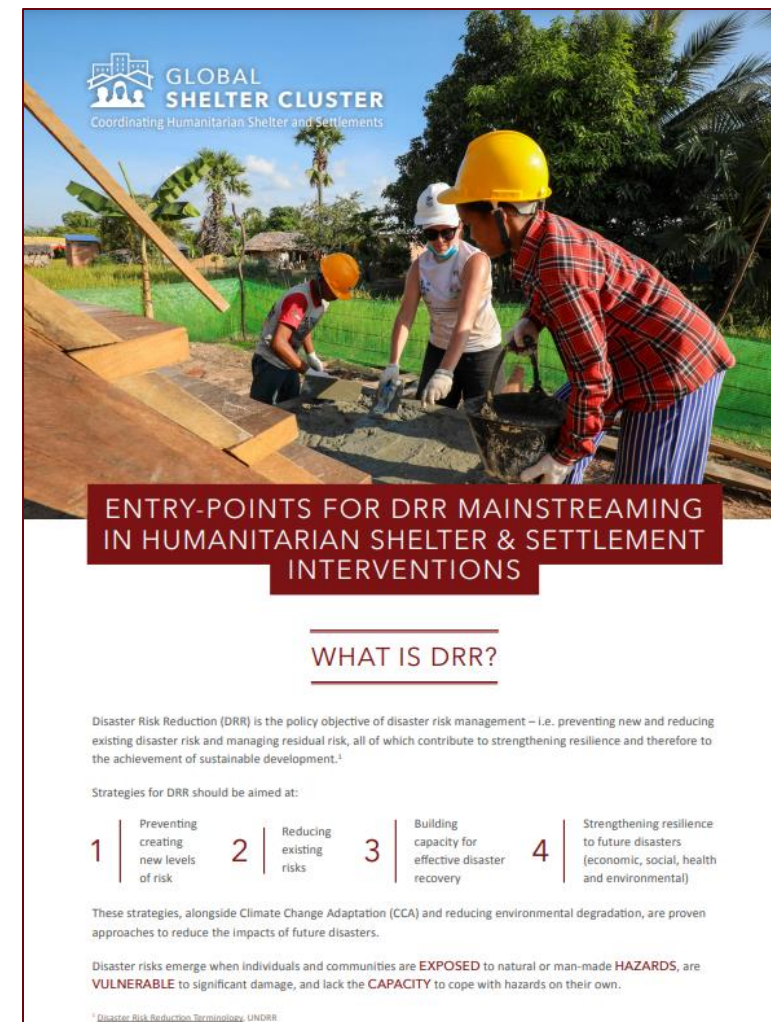


# Funding Sources for Mainstreaming Environment and DRR in Humanitarian Shelter and Settlements Programming

Mandy George, GSC: REDLAC August 2025

# BACKGROUND

- **Strengthening DRR as part of humanitarian shelter and settlement response = priority of the Global Shelter Cluster**
- **UNDRR-GSC collaboration (from 2024) at global and country levels**
- **Guidance to support country clusters:**
  - Entry points to mainstream DRR in Shelter
  - Needs overview and response planning DRR + environment tip sheets
  - **Guidance on DRR+ Environment funding sources**
- **Country level:** Yemen (flood risk mitigation); Madagascar (DRR working group, SOPs and action plans); Mali and Nigeria (training and DRR strategy and action plans)



## Funding Sources for Mainstreaming Environment and DRR in Humanitarian Shelter and Settlements Programming

Technical Document

February 2025

This document was developed jointly by the United Nations Office for Disaster Risk Reduction (UNDRR) and the Global Shelter Cluster to provide technical support for humanitarian actors to identify potential funding (and finance) sources for disaster risk reduction (DRR) and environmental action in humanitarian shelter operations. It is an evolving document, updated periodically to reflect changes in the funding landscape. It, however, does not include comprehensive guidance on funding procedures, nor an exhaustive list of funding sources.

### Introduction

DRR and environmental action are essential for saving lives and making humanitarian shelter responses to disasters resilient and safe. Identifying potential funding sources for mainstreaming DRR in humanitarian shelter and settlement programs is an important step in this process. To search for funding sources, humanitarian actors should have clearly defined DRR and environmental objectives and activities, corresponding to specific entry points for DRR and environmental action in the humanitarian response cycle (as discussed in [Entry-points to Mainstream DRR in Humanitarian Shelter Projects](#)).

The term “funding” usually refers to financial sources available as grants (without a requirement to repay), whereas broader finance sources may include mechanisms such as loans, bonds and insurance. Funding sources may vary according to the type of organisations offering them (e.g. funding programs of humanitarian partners, UN sources, multi-partner trusts, private sector funding) and also the focal themes of funding programs (e.g. climate action, disaster preparedness, information management, development assistance).

New funds and instruments are under development and the details of what they will pay for and how are not always clear – for example, the “[Fund for Responding to Loss and Damages](#)” currently being set up. Even for existing financing vehicles, it is not easy to access up-to-date information on exactly how much funding is available, to whom and for what activities. Sometimes only the information related to funding pledges by organisations and countries is available in a disaster aftermath, which often does not translate into actual amounts disbursed. Notwithstanding these challenges, it is beneficial for the humanitarian actors striving for DRR and environment mainstreaming in humanitarian shelter operations to understand the available funding sources and their applications.

# Funding guidance

- **What:** A resource (February 2025) co-developed by UNDRR and the GSC, offering **technical support** for humanitarian professionals to **identify funding and financing sources** for DRR and environmental initiatives in shelter and settlement programs.
- **Why:** DRR and environmental action are essential for saving **lives** and making humanitarian shelter responses to disasters resilient and safe. However, **finding funding can be challenging** – this is here to help!
- **How:** Identify needs → map funding → plan with partners.

# Key points for finding funding

- **Define priorities first** – link DRR & environmental objectives to clear humanitarian entry points.
- **Know the variety** – funding differs by provider (UN, NGO, private sector) and focus (climate, preparedness, info management, development).
- **Adapt to change** – funding landscape shifts often; new instruments emerge but can be unclear.
- **Timing matters** – some funds activate only post-disaster.
- **No global master list** – too many actors and mechanisms for one complete map.



# Types and sources of funding

- DRR funding can come from diverse sources (**public, non-governmental, private**)
- Some sources only accessible to certain actors (e.g. CERF for UN agencies; RCRC)

	Transnational	National	Sub-national
Public	CERF World Bank - Green Bonds Green Climate Fund	National Contingency Funds National Climate Adaptation Funds	Municipal Contingency Funds Municipal Bonds
Non-gov.	IFRC Disaster Response Emergency Fund Start Ready	CBPF Red-Cross Red-Crescent NS	Micro-financing and revolving funds
Private	Deloitte Humanitarian Innovation Program Regional Risk Pools (e.g. ARC, PCRIC, SEARIF, CCRIF)	Corporate Social Responsibility Schemes	Individual philanthropic donors Private insurance

# Securing DRR funds at national level

1. **Identifying funding requirements:** Define & categorize DRR activities to quantify needs and identify gaps.
2. **Mapping funding sources:** Analyze the funding landscape to align DRR needs with national/international sources
3. **Leveraging multi-stakeholder partnerships:** Collaborate with humanitarian, government and non-governmental actors to strengthen proposals





# Climate, environment and disaster resilience-oriented finance mechanisms

Type of Instrument	Providers	Funding Recipients	Description
Green and Blue Bonds	Multilateral Development Banks (MDBs), National Governments	State Agencies, Private sector and For-profits, NGO's	Fixed income financial instruments used exclusively to fund existing or new projects in environmental protection, climate change adaptation or mitigations, or related social development activities, subjected to " <a href="#">Green Bonds Principles</a> ."
Parametric insurance	Insurance companies	Insured parties	Insurance instrument that pays out pre-specified amounts based on a trigger event which exceeds a specific magnitude (e.g. flood exceeding a given flood level), without a damage assessment.
Multilateral climate finance instruments	International agencies (e.g. Green Climate Fund)	State Agencies, NGOs	Dedicated financing sources to assist emerging economies in climate change adaptation and mitigation.
Crisis modifiers	Financiers, MDBs	State Agencies, Local Governments, NGOs, CBOs	Contingency allocations within a project or agency to address small crises (or disasters) during a larger humanitarian or development undertaking.
Contingent loans	MDBs / bilateral donors	National Governments, State Agencies,	Loans provided after disasters to help the countries avoid development setbacks caused by the crisis.
Impact Investment / Environmental, Social, and Governance (ESG)	MDBs, Development-Finance /Microfinance Institutions.	Private sector and For-profits, NGO's, CCOs	Investment to generate tangible social and environmental benefits (including DRR) alongside financial gain.

# Key Challenges

- **Fragmented funding landscape** – sources scattered across multiple sectors and agencies.
- **Short-term humanitarian cycles** – hard to align with long-term DRR and environmental goals.
- **Limited awareness** – many actors unaware of non-traditional or blended finance options.
- **Eligibility barriers** – some funds restricted to certain entities (e.g., UN-only, government-only).
- **Competition for resources** – DRR/environment often competes with urgent relief priorities.
- **Complex application processes** – time-consuming, requiring specialist knowledge.





# TOP TIPS

- **Start with your needs** – be clear on your DRR/environmental objectives before looking for funding.
- **Map the landscape** – identify all relevant local, national, and international sources.
- **Mix and match** – combine grants, loans, private sector, and pooled funds creatively.
- **Engage partners early and work together** – form alliances with in-country humanitarian partners, and other state and non-governmental actors to unite strengths and provide additional credibility to funding proposals.
- **Keep it live** – funding landscapes change; review and update your plan regularly.



# THANK YOU

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