

Methodological Note

Shelter Cluster HRP 2026 Targeting and Budget Estimation

Background

This note explains how the Shelter Cluster (SC) Targets and Budget were calculated for the Humanitarian Response 2026 at the district level. The plan used activity-based costing adopted by the Humanitarian Country Team in Yemen.

Scope

The Shelter Cluster chapter in the HRP 2026 is prepared to highlight the response strategy for the protracted crisis in Yemen, which requires collective efforts to address the affected population's needs identified in the Humanitarian Needs Overview 2026. The plan articulates the shared vision of how to respond to the assessed and expressed needs of the affected population. This note outlines the cluster objectives, linked, as appropriate, to relevant specific objectives associated with strategic objectives, cluster activities, targets, and costing methodology.

Sources

To ensure the quality of data to inform the Shelter Cluster HRP analysis, the Shelter Cluster considered the Sectoral needs and severity analysis of the HNO 2026, Partners assessments, displacement & return estimates, natural disasters impact, protection vulnerabilities, humanitarian access, operational capacity, and HRP guide¹.

Limitations

- The activity targets at the district level should be considered indicative estimates². The targets should allow for providing guidance on which areas in Yemen to prioritize assistance for every activity. This will help to understand local Shelter and NFI needs, the response required, and the feasibility of the humanitarian intervention.
- The costing estimation was based on average prices in local or international markets. Lack of regular market assessment of rental and key NFI and Shelter materials challenged opportunities to understand fluctuations of prices in different locations across the country, the market situation and capacity, feasible implementation modalities, and inflation rates.

¹ [Humanitarian Response Plan: 2025 Humanitarian Program Cycle](#).

² Absence of comprehensive assessment that covered the entire IDP, returnee and vulnerable host communities, rapid change of context and access, new emergencies, and regular movement of IDPs.

Objectives & Activities:

Based on findings of sectoral needs analysis in the HNO 2026, sectoral objectives were developed and linked, as appropriate, to relevant specific objectives associated with strategic objectives and consistent with the targeted population groups/sub-groups, geographic locations, cross-cutting issues and themes (such as gender, disability and their impacts on sector interventions and context) and intended achievement of humanitarian outcomes.

The below table presents the cluster objectives, related strategic objectives and sub-objectives, and sectoral responses.

Cluster Objectives	Cluster Activities
Cluster Objective 1: Provide timely, life-saving emergency shelter and NFI assistance to families affected or displaced by conflict and climatic crises, ensuring their immediate needs are met.	<ul style="list-style-type: none"> I. Distribution of Non-Food Items including energy kit II. Distribution of Emergency Shelter Kits III. Provision of shelter repair kits
Cluster Objective 2: Enhance the resilience of the most vulnerable protracted IDPs and their host communities living in precarious shelter conditions by providing safer and more dignified mid-term shelter solutions, thereby sustaining their lives and well-being.	<ul style="list-style-type: none"> IV. Provision of Winterization Support V. Provision of Rental Support VI. Provision of Shelter repairs and upgrades ensuring minimum standards of living VII. Provision of flood mitigation solutions (Shelter Level) VIII. Provision of Transitional Shelters that are safer, dignified, climate-resilient, and environmentally sustainable
Cluster Objective 3: Strengthen the security and stability of vulnerable IDPs and returnee families by rehabilitating or constructing advanced shelters, thereby restoring safe living conditions and fostering long-term resilience.	<ul style="list-style-type: none"> IX. Provision of humanitarian support for house rehabilitation X. Provision of humanitarian support for and advance shelters

Response Analysis and Prioritization

The targeting criteria used include primarily sectoral needs and severity analysis of the HNO 2026, displacement & return data, natural disasters impact, vulnerabilities, humanitarian access, and operational capacity. The overall target is developed on the basis of cluster activity targets (Max value of the sum-up target of all Shelter activities and sum-up target of NFI-related activities). Populations targeted by different activities in the same location are counted only once.

The below table presents sectorial activities indicators and targeting calculation methodology.

Activity	Indicators ³	Target Estimation Methodology
Distribution of Non-Food Items	# of HHs reached with NFI Kits	PIN was calculated from the HNO indicator needs. People targeted estimated based on a threshold for IDPs and Non-IDPs PIN with severity scores 3,4 and 5.
	# of HHs provided renewable energy sources (for cooking, lighting etc)	PIN was calculated from the HNO indicator needs. People targeted estimated based on a threshold for IDPs and Non-IDPs PIN with severity scores 3,4 and 5.
Distribution of Emergency Shelter Kits	# of HHs reached with emergency shelter kits	PIN was calculated from the HNO indicator needs. % of households with inadequate shelter conditions. People targeted estimated based on a threshold for IDPs PIN with severity score 3,4 and 5 with the following categories. <ul style="list-style-type: none"> 1. IDPs in hosting sites 2. IDPs recently affected by flooding. 3. Newly displaced people. 4. Protracted displaced population
Provision of Rental Support	# of HHs reached with rental support	PIN was calculated from the HNO indicator: % of households in need of rental support People targeted estimated based on a threshold for IDPs and Non-IDPs PIN with severity scores 3,4 and 5 with the following criteria: <ul style="list-style-type: none"> 1. Districts with rural context. 2. IDPs outside hosting sites.

³ If the target in certain districts is above the overall cluster PIN, then the PIN for the specific district is considered.

Provision of Shelter Maintenance and Upgrades	# of HHs reached with shelter maintenance and upgrades in accordance with minimum standards	PIN was calculated from the HNO indicator % of households with inadequate shelter . People targeted was estimated based on a threshold for IDPs PIN with severity score 3,4 and 5 with the following categories: 1. IDPs in hosting sites
Provision of Transitional Shelters	# of HHs reached with transitional shelters	PIN was calculated from the HNO indicator: % of households with inadequate shelter People targeted estimated based on a threshold for IDPs PIN with severity score 3,4 and 5 with the following categories: 1. IDPs in hosting sites
Provision of House Rehabilitation and Reconstruction	# of HHs reached with house rehabilitation	PIN was calculated from the HNO indicator: % of houses partially damaged or destroyed People targeted was estimated based on a threshold for IDPs PIN with severity score 3,4 and 5
	# of HHs reached with advanced shelter	Same as # of HHs reached with house rehabilitation indicator.
Provision of Mitigation and Support in response to Seasonal Climate Emergencies and Natural Disasters	# of HHs reached with flood mitigation solutions	PIN was calculated from the HNO indicator: % of populated areas highly susceptible to floods People targeted was estimated based on a threshold for IDPs PIN with severity score 3,4 and 5 for areas currently hosting IDPs in sites and prone to flooding.
	# of HHs reached with winterization support	PIN was calculated from the HNO indicator: Presence of extreme winter conditions People targeted was estimated based on a threshold for IDPs and non-IDPs PIN with severity score 3,4 and 5 for areas exposed to extreme winter temperatures.

Costing Methodology

The method used to estimate cluster budget requirements is activity-based costing. The costing drivers include the operating environment features, target population, needs, and appropriate response modalities. The budget considered the cost of assessment, monitoring, and evaluation activities at the sector level, as appropriate. Sources of activities costing include:

1. Endorsed BOQs and/or costing estimation by the relevant cluster technical working groups (precisely NFI, Shelter, and Cash for Rent TWiGs).
2. Assessments implemented by cluster partners.
3. Partners Projects in 2025.
4. Plus 20% operational/support cost
5. Rental costs included a 20% inflation rate.

Response Monitoring

The Shelter Cluster partners have internal organizational monitoring frameworks and reporting templates. However, at the cluster level, five main tools will generally be used throughout the programme cycle:

- Monthly 5Ws, in which partners report on completed activities,
- 4Ws reporting on planned activities and regular and contingency stock tracking. This enables the Cluster to track progress monthly toward achieving targets and outcome-level objectives.
- Fund mapping is followed up by the cluster quarterly.
- Post Distribution Monitoring (PDM) to help assess beneficiaries' satisfaction and measure the impact of the response. Results will help inform lessons learned and adjustments to future strategies.
- Market assessment to have regular updates on geographical rental markets and the cost of shelter materials and NFIs.

Annex I: List of Activities and indicators

Cluster Activity	Indicator
Distribution of Non-Food Items	# of HHs reached with NFI Kits
	% of NFI kits distributed that meet environmental criteria
	# of HHs provided renewable energy sources (for cooking, lighting etc)
Distribution of Emergency Shelter Kits	# of contingency NFI kits prepositioned and distributed
	# of HHs reached with localized emergency shelter kits
Distribution of Emergency Shelter Kits	% of shelter kits distributed that meet environmental criteria
	# of contingency emergency shelter kits prepositioned and distributed
Provision of Rental Support	# of HHs reached with rental support
Provision of Shelter Maintenance and Upgrades	# of HHs reached with shelter maintenance and upgrades in accordance with minimum standards
	% of shelter maintenance and upgrades that are conducted using an environmentally-friendly approach
Provision of Shelter Maintenance and Upgrades	# of contingency Shelter Maintenance kits prepositioned and distributed
	# of HHs reached with transitional shelters
Provision of Transitional Shelters	# of HHs reached with house rehabilitation
	% of house rehabilitation that are conducted using an environmentally-friendly approach
	# of HHs reached with house reconstruction
	% of house reconstruction that are conducted using an environmentally-friendly approach
Provision of House Rehabilitation and Reconstruction	# of HHs assisted with debris removal
	# of returnee HHs provided with cash support to recover ownership documents
	# of HHs reached with natural hazard mitigation
Provision of Mitigation and Support in response to Seasonal Climate Emergencies and Natural Disasters	# of HHs reached with winterization support
	# of settlements with improved minimum standards
Settlement Planning Support	