



ESTABLISHMENT OF A TRUST FUND FOR AFRICAN WOMEN'S
ECONOMIC EMPOWERMENT

A CASE STUDY OF THE AFRICAN WOMEN'S DEVELOPMENT FUND AND
OPTIONS FOR THE AFRICAN UNION.

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INTRODUCTION

The creation of a Trust Fund for African women's economic empowerment was one of the bold commitments made in the AU Solemn Declaration for Gender Equality in Africa (SDGEA). The demand for this kind of mechanism arose out of a need to ensure that African women's organisations and relevant stakeholders in the empowerment of African women, have access to financial resources on an ongoing basis. The fact that this commitment was made in the SDGEA indicates that AU Member States do indeed place a high premium on the economic empowerment of African women.

I have been asked to share the experiences of the African Women's Development Fund as an Africa-wide Women's Fund that was created by and for African women, to support initiatives led by African women's organisations. It is hoped that our experiences at AWDF can assist in the process of facilitating the establishment of a viable Trust Fund for African women's economic empowerment.

I start this paper by looking at the concept of 'Women's Funds' and clarifying the terminology around what a Women's Fund is. I then look at the work of the African Women's Development Fund and how this organisation has been supporting civil society women's organisations across Africa with financial assistance for the past seven years. Then I examine some options for the establishment of a Trust Fund that the AU might want to consider, and conclude with some specific recommendations and next steps.

Parts of this paper draw on another document prepared for the Expert Working Group on Financing for Gender Equality and Women's Empowerment, Norway, September 2007ⁱ

WOMEN'S FUNDS AND THEIR ROLE IN SUPPORTING WOMEN'S MOVEMENTS

A 'Women's Fund' is a social change organisation established by and for women to mobilise resources and award grants in support of women's rights initiatives and strengthening women's movements.

Over the past ten years, we have witnessed the establishment of a number of Women's Funds across the world, located in the Global Southⁱⁱ. These Women's Funds have grown out of a need to provide ongoing support to women's movements in their respective communities. Women's Funds, regardless of their size and location, usually share the following features and characteristicsⁱⁱⁱ:

1. They are autonomous grantmaking institutions, established by women who are passionately committed to mobilising resources to sustain women's organisations and activism. They have also been referred to as 'the fundraising wing of the women's movement'^{iv}.
2. They bring a refreshing value system to the field of philanthropy which promotes social justice, non-discrimination, accountability, creating opportunities, providing access to resources, and building the leadership capacities of women.

3. Women's Funds, albeit to varying degrees, invest in the building of women's movements, and in supporting all aspects of institutional and organisational development. Capacity building for grantees is therefore a big part of the work of Women's Funds.
4. The funding priorities and agendas of Women's Funds are shaped by their grantee constituencies. Women's Funds tend to focus on grantmaking programs/issues which women in their communities have determined is a priority.
5. Women's Funds are closely linked to the communities they serve. The founders, board members and staff are from the women's movement, and bring their unique experience and insights to bear on shaping goals and priorities for the Funds. The profile of board and staff members of Women's Funds would typically include activists, donors, policy makers, academics, financial management experts, fundraisers, development practitioners and opinion leaders.
6. Women's Funds are usually established as Public Foundations. This means that they have to look to the public for support. Very few Women's Funds have endowments which would make them permanently sustainable and even those who do have endowments do not have the kind of capital that can make them totally independent of additional sources of funding. As a result, Women's Funds find creative ways of mobilising resources through a variety of techniques and from several sources. Fundraising strategies usually include raising money from individuals, corporate fundraising, approaching a diverse range of institutional funders, investments in real estate, Diaspora fundraising, endowments, social enterprises, special events and campaigns etc^v.
7. Women's Funds are local grantmakers set up to mobilize human, financial and material resources for the communities they serve, and they perform a role that goes way beyond being mere intermediaries. The mission, structure, governance, staffing and general operations of a Women's Fund usually differs from that of a local NGO, even if the constituency remains the same. The NGO is focused on the service delivery or advocacy role it is set up to play, and the skills and experience of its board and staff should reflect this. As local grantmakers,
8. Women's Funds bring networks, experience, clarity, credibility and sustainability to the grantmaking experience. They offer external funders an insight into complex grantmaking contexts, while at the same time providing viable opportunities garnered from years of experience and engagement.

Women's Funds can play a key role in promoting links and good will between governments, the private sector, NGOs and community-based initiatives. These connections can add value to grantmaking. By providing opportunities to address the very structures and systems which breed inequality, poor governance, uneven distribution of resources, and abuses of fundamental human rights, there can be maximum returns on the grantmaking investment.

2. THE AFRICAN WOMEN'S DEVELOPMENT FUND^{vi}

The African Women's Development Fund (AWDF) is the first Africa-wide Women's Fund in Africa. *The vision* of AWDF is for African women to live in a world in which there is social justice, equality and respect for women's human rights. To this end, *our mission* is to mobilise financial resources to support initiatives for transformation led by African women at local, national and international levels. The Fund was set up by three African Women who have been active in various institutions within and outside Africa, and who have a track record of successful empowerment interventions, which have helped strengthen the African Women's Movement. AWDF's objectives are to raise money and make grants for the support of non-profit African women's organizations working for social justice, equality and peace. AWDF plays four key roles as follows:

- a) Fundraising within and outside Africa
- b) Grant-making on an Africa-wide basis,
- c) Communication and advocacy, with a focus on the work, needs and achievements of African women's organisations,
- d) Providing technical assistance to strengthen grantee organizations.

2.1: AWDF GRANTMAKING PRIORITIES

AWDF awards grants to African women's organizations working in the following thematic areas:

- Women's Human Rights
- Economic Empowerment
- Political Participation
- Peace-Building,
- Health and Reproductive Rights
- HIV/AIDS.

These thematic areas have been chosen because they feature very highly on the agenda of the African women's movement. The themes are specific enough to be able to focus on work that is being prioritised by many women's organizations, and they are also flexible enough to enable potentially good projects to qualify for support. AWDF also funds programs which develop and promote women's leadership across all these themes.

AWDF's grantees are typically small-medium sized African women's civil society organisations working to strengthen women's autonomy and to broaden the discourse on development, democracy, governance and transparency through the representation of their interests at all levels of decision-making. Increasingly, AWDF has been supporting larger organisations and networks across the African continent. Through a combination of grantmaking support for women's

practical needs and funding for more strategic levels of mobilising, organising and advocacy, AWDF has made a significant contribution towards strengthening the African women's movement. Since we started awarding grants in October 2001, we have funded 575 women's organisations in 41 African countries with U\$7.8m.

Since the organisation's launch in June 2000 and the beginning of operations in May 2001, AWDF has achieved the following:

- A pan-African grantmaking portfolio
- A reputation for professionalism, success and innovation
- The establishment of good internal systems, structures and controls
- A diverse and growing funding base
- Effective leadership and corporate governance, and dynamic, diverse and enterprising staff.
- Establishment of the HIV/AIDS Fund and the 13 Campaign to raise awareness and funding for African women working on HIV/AIDS issues.
- Creation of a **Capacity Building Unit** to support the grantmaking programs
- Successful convening and hosting of the **African Feminist Forum**, a significant movement-building program.
- Partnerships and relationships with important institutions in Africa such as the African Union, United Nations Economic Commission for Africa, and the Africa Capacity Building Foundation
- A leading voice in African civil society, with a track record of successful collaborations and partnerships with key civil society networks on the continent .
- An active presence and leadership within the regional and global philanthropic community, as members of the Council of Foundations, African Grantmakers Affinity Group, Synergos Institute, Ford International Initiative to Strengthen Philanthropy, Grantmakers Without Borders, International Network of Women's Funds and the Women's Funding Network.

2.2: Through AWDF's support, African women in various countries have been able to accomplish the following:

- Support centers for survivors of gender-based violence (South Africa, Nigeria and Ghana)
- A National Coalition to see an anti-violence Bill through parliament (Ghana)
- National radio programs on violence against women and gender issues (Nigeria & Ghana)
- A vocational training center for *ex-Trokosis* (ritual slaves) (Ghana)
- A women's newspaper distributed nationally (Uganda)
- Income-generating projects for rural women (Togo, Benin, Uganda, Liberia, etc)
- Support for groups of women living with HIV/AIDS (Swaziland, Malawi, Zambia, South Africa, Nigeria, Ghana, Kenya, Uganda, etc)
- Leadership development programs for young women (Kenya, Botswana, Uganda & Malawi)
- Peace-building workshops and support for women in refugee camps (Liberia, South Sudan, Kenya)
- A skills building project for widows of genocide (Rwanda)
- Advocacy for disabled women's rights (Uganda and Ghana)
- Community based programs to tackle Female Genital Mutilation (Gambia, Mali)
- Hosting of the Ellen-Johnson Sirleaf Market Women's Fund, which has helped build and refurbish markets in Liberia, hereby supporting the livelihoods of thousands of market women.

2.3: What are our indicators of success at AWDF?

Our indicators of success as a Women's Fund are tied to our strategic goals and mission. These are some of the ways in which we measure our success:

- The enhanced capacity of our grantee organizations
- Our ability to support marginalized women's groups in deprived rural and urban areas, which larger donors are unable to do.

- Our willingness to provide additional support to grantees beyond funding, through our Capacity Building Unit.
- An effective grantee outreach and learning program which takes us into many countries across the continent, and which provides us with an opportunity to not only learn from grantees, but to enable them network amongst themselves.
- Our capacity to convene African women's organizations around thematic concerns and develop plans of action^{vii}.
- An increased awareness of the rights of women amongst the general public, particularly on issues such as violence against women, harmful traditional practices, the impact of HIV/AIDS, and the role of women in decision-making at all levels
- The emergence of a strong movement of women;
- A greater voice for women in their families, communities and countries;

2.4: AWDF'S FUNDRAISING STRATEGY

In 2001, AWDF developed a fundraising strategy which is being implemented in two phases. The first phase (2001-2006) involved working with a group of institutional donors who have shown a willingness to support the establishment of a philanthropic institution in Africa for women. Over the past six years, AWDF has been successful in increasing its institutional donor base from 7 in 2001 to 25 in 2007.

For the second phase of the fundraising strategy which is currently under implementation (2006-2009) AWDF is moving beyond conventional institutional funding to focus on the following:

- An international Endowment Campaign (November 2007-October 2009)
- Individual donors within and outside Africa
- The private sector in Africa
- Africans in the Diaspora
- Investments (i.e. Real Estate, stocks, etc)
- Social Enterprises (A clothing shop for women, a women's production company, etc)

2.5: AWDF's Endowment Campaign

AWDF's endowment campaign has two main components to it, the Restricted Endowment Fund and the '*Seizing the Moment Fund*'. Supporters of the campaign can choose to support either the restricted fund or the '*Seizing the Moment Fund*'.

- **The Restricted Endowment Fund will** be invested, with returns ploughed into grantmaking and other programmatic activities, the capital will remain intact.
- **The '*Seizing the Moment Fund*' is** for grantmaking towards urgent issues African women are dealing with such as HIV/AIDS, violence against women and access to decision-making. We are calling it a '*Seizing the Moment Fund*' because now is the time to support African women as they work hard to turn the tide on HIV/AIDS, end cycles of violence and break down the barriers that prevent them from taking decisions over their lives.

In November 2006, AWDF received a lead challenge gift of U\$3m from The Ford Foundation towards the restricted endowment fund. Since then, additional grants and pledges of support have been received from other donors for both the permanent endowment fund as well as the '*Seizing the Moment Fund*'. Large private foundations, bi-laterals, funding agencies as well as many individuals within and outside Africa have made our fundraising efforts immensely successful.

2.6: LEADERSHIP AND MANAGEMENT OF AWDF

AWDF is governed by an Executive Board with a track record in various relevant fields, such as fundraising, fund management, investments, program development, media, research, monitoring and evaluation, international institutions, law, organisational development etc. The Executive Board is responsible for setting policy guidelines and frameworks and the overall direction of the Fund. The AWDF secretariat based in Accra, Ghana, has twenty staff which includes the Executive Director, Director of Programs, senior program managers as well as an administrative and finance team. As from June 2008, AWDF will have an office in Johannesburg, South Africa, for its Southern Africa programs, and an additional liaison office in Kampala, Uganda by November 2008.

There are five Technical Advisers who work with AWDF's board and Executive Director to provide expert advice in the areas of resource mobilization, organizational learning, executive coaching and financial management. There is an Africa Regional Advisory Committee who advise AWDF on trends in the women's movement in Africa, and also offer support with specific projects and proposals submitted from the different regions. There is also an International Advisory Committee (IAC) which assists the Fund with advice, information and technical assistance on fundraising, grant making and other relevant matters.

The Endowment Campaign of AWDF has two Co-Chairs, Mrs Graca Machel and President Ellen Johnson-Sirleaf of Liberia. The AWDF Executive Board is responsible for overseeing the endowment. Their oversight functions include ensuring that the required expertise is available to the board, either through the skills of current board members or the use of appropriate external

advice, approving an investment strategy and investments policy and risk assessment and mitigation.

3. CREATING A TRUST FUND FOR AFRICAN WOMEN'S ECONOMIC EMPOWERMENT: OPTIONS FOR THE AFRICAN UNION.

The proposal to establish a Trust Fund for African women should be seen as a significant opportunity to inject much needed resources into this critical area of concern. The need for a Trust Fund is certainly not in doubt. The pertinent issues are the various options for the creation of such a Fund and the specific operationalisation mechanisms it will use to reach its various target groups. I am going to restrict my suggestions to the various options the AU can use to structure the financing of the Fund, and leave the actual operating mechanisms to future discussions.

There are several options open to the African Union in the pursuit of the goal of establishing the Trust Fund. In presenting these options, I am doing so with the understanding that the AU proposes to establish the Trust Fund as a grantmaking and financing mechanism for African women. I will outline four key options as follows:

3.1: Establishment of the Trust Fund as a Programmatic Fund

If the AU decides on this option, it will mean that the Trust Fund will operate with only income for annual expenses for direct grantmaking, grantmaking costs, program costs and operating costs. The income will have to be raised or pledged on an annual or multi-year basis, but it means the funding will also have to be spent on programs each year, with no provision for institutional asset-building.

Whilst this model is an attractive option for many donors since it moves funding around to grantees on an ongoing basis, as opposed to tying it up in banks and financial institutions, it is not sustainable long-term. This model is very common with 'Public Foundations'.^{viii} What makes them 'Public' is the fact that they have to raise their funding from the general public which could include a range of donors such as governments, private sector, individuals, etc. Having to raise public support keeps such organisations grounded in the reality of their mission and the accountability they need to have in place to attract and sustain ongoing public interest. The disadvantage is that raising sufficient funding to give away as grants and loans year in year out can be an exhausting, expensive and time-consuming endeavour.

3.2: Establishment of the Trust Fund as both a Programmatic Fund and a Permanently Endowed Fund

Another option is to establish the Trust Fund as both a programmatic and an endowed fund. This means that the initial capital for the fund will be split into funding for operations and programs, and a certain amount will be set aside to be invested as an Endowment. The terms of such an

arrangement would be that the capital of the endowment will remain intact, whilst the interest can be ploughed back into the operational budget.

With this model, the Trust Fund is not only assured of a certain amount of income available for its programmatic expenses, there is a sense of permanence as well. The presence of an endowment indicates that this is an initiative that has come to stay, and it is going to be around for a while to be able to fulfil its mission^{ix} This is of course predicated on how well the endowment is planned and managed. Many public foundations start out as programmatic funds and gradually begin the process of seeking permanent assets^x.

3.3: Establishment of the Trust Fund with a Permanently Endowed Fund

It is also possible for the African Union to set up the Trust Fund with funds for an Endowment alone. This means that the Trust Fund will only be able to operate using the interest accrued from the endowment. In the US this would be called a 'Private Foundation'.^{xi} The large, private foundations such as The Ford Foundation, Carnegie Corporation, Kellogg Foundation, etc operate with this model. This way, a grantmaking institution is guaranteed autonomy into perpetuity (again, granted all goes well and they do not lose a fortune on the stock market) and can design, develop and run with whatever initiatives it wants. This ensures that the institution has total independence and autonomy, which is a very attractive option, but the downside is that it is incredibly expensive.

The right size for an endowment is often underestimated. The original capital needs to be large enough not just to generate the amount of income needed for yearly operations, but also enough to generate reinvestable money to preserve the value of the capital. If this is not done, the endowment's value is likely to be lost to inflation, market fluctuations or other unforeseen economic turbulence. The spending policies of endowed institutions in the United States generally fall within the 4-5% rule.^{xii} This means if the Trust Fund is to operate with a hypothetical annual grantmaking budget of U\$50m, it will need an endowment of at least U\$1B.

3.4: Establishment of the Trust Fund as an Operational Fund

Another option open to the AU is to establish the Trust Fund as an operational fund. This means that the Fund will *not* make grants or loans, it will design programs around African women's economic empowerment and raise funding to implement these programs itself, just like an NGO would. Some private foundations use this model, and the good thing about it is that they do not have to worry about raising money from anyone, since they are sufficiently endowed. They can decide which programs to run and develop. There are two arguments against using this option. First, there are many well established local and international agencies in Africa who already have this mandate, or should be encouraged to do more in this area. The second and more important, is that the spirit of the Trust Fund commitment was around making additional financial resources available to African women and not for such resources to be ploughed into an operating or implementing mechanism.

4. The establishment of the Trust Fund

It is suggested that the AU consider Option 2, which is the establishment of the Trust Fund as a combination of a programmatic and permanently endowed fund. The Trust Fund can support the following target groups with grants, loans, technical assistance, etc^{xiii}:

- AU Member States
- Regional Economic Commissions
- African Women Entrepreneurs
- African Women's Civil Society Organisations

5. The Sustainability of the Trust Fund.

A Fund can not be sustainable if it does not have sufficient financial resources. It should be assumed that this is a very basic concept. However, there have been many well meaning initiatives which have been started off with pomp and pageantry only to flutter out of existence due to inadequate funding. This Trust Fund has to be sustainable from Day 1. This can only be possible if a variety of stakeholders are brought to the table and commit themselves to serious buy-in. I envisage this Trust Fund as being supported by the following:

- Significant contributions from AU member states
- Contributions from the African private sector
- Contributions from African philanthropists
- Contributions from international donors
- Support from the African Diaspora
- Returns on the endowment fund

6. Key principles and assumptions

As the AU embarks on the fulfilment of this commitment, it is hoped that the following principles can be assumed:

- That there will be sufficient political will to establish and sustain the Trust Fund as an African initiative
- That serious money will be committed to the Trust Fund
- That there will be innovative strategies to resource and sustain the Trust Fund
- That there will be mechanisms in place to target marginalised African women's organisations

7. Recommendations and next steps

7.1: It is hereby recommended that the African Union establish the Trust Fund as both a Programmatic as well as Permanently Endowed Fund.

7.2: It is recommended that the AU ensure that the Fund will be sustainable long term

7.3: It is recommended that the AU work with and strengthen existing initiatives with a proven track record rather than reinvent the wheel. For example the African Women's Development Fund which has been in existence for a while as an Africa-wide Women's Fund can work with the AU to manage the civil society component of the proposed Trust Fund.

7.4: It is recommended that a **Trust Fund Working Group** be established to begin the operationalisation process over the next 10 months. This will entail:

- Consultations with AU member states to establish specific commitments to the Fund
- Consultations with other key stakeholders such as RECs , the private sector, international agencies and African women's organisations
- Consultations with Fund Management experts and professionals
- Convening a donor round table
- Establishment of a Governance and Administrative structure for the Trust Fund
- Agreeing strategies for the sustainability of the Trust Fund.

Thank you^{xiv}.

ⁱ EGM/FFGE/2007/EP.12

[THE CRITICAL ROLE OF AUTONOMOUS WOMEN'S FUNDS IN STRENGTHENING WOMEN'S MOVEMENTS](#), prepared by Bisi Adeleye-Fayemi

ⁱⁱ For the purposes of this working paper, I will be making reference to the Women's Funds who are members of the International Network of Women's Funds, which is a network of up to 20 Women's Funds which are either located in, or focused on funding in the global south. There is also the Women's Funding Network, which is a network of primarily US-based Women's Funds, but which also has a significant number of Women's Funds outside of the US as members. My definition of Women's Funds in this paper is that of autonomous grantmaking organisations set up by women to mobilize resources and provide grants for a range of women's empowerment activities, and does not include the many initiatives and projects which several agencies and governments are setting up to support women's economic empowerment, some of which are also confusingly called women's funds. For more information see www.inwf.org, www.wfnet.org and www.awid.org.

ⁱⁱⁱ The September 2004 issue of Alliance Magazine was a special issue on Women's Funds and Feminist Philanthropy, and was guest edited by Bisi Adeleye-Fayemi and Ellen Sprenger. Contact www.alliancemagazine.org

^{iv} See *Where is the Money for Women's Rights*, Assessing the role of donors in the promotion of women's rights and the support of women's organisations, February 2006, published by the Association for Women's Rights in Development (AWID), www.awid.org. In 2007, an updated version of the report was published as the *Fundher Report*, Joanna Kerr, AWID, 2007.

^v AWDF launched a 13 Campaign in 2006, to help mobilize resources for the HIV/AIDS Fund we have to support African women. The campaign has been very successful at mobilizing resources from individuals as well as organisations who have previously not funded in Africa before. Visit www.thirteencampaign.org

^{vi} www.awdf.org

^{vii} In addition to organizing skills building and thematic workshops for grantee partners, AWDF currently hosts the African Feminist Forum which was established in 2006.

^{viii} See Council of Foundations, www.cof.org

^{ix} Diana S. Newman, *Non Profit Essentials: Endowment Building*, 2005, published by John Wiley.

^x The Global Fund for Women in the US (www.globalfundforwomen.org) ran a very successful US20m Endowment Campaign which now provides the organisation with a sense of security and permanence

^{xi} www.cof.org

^{xii} *Providing for the Long Term: Supporting Endowments and Investable Assets*, No 6, Grantcraft series, a Project of The Ford Foundation. www.grantcraft.org

^{xiii} The model used by the NEPAD-Spanish Fund is useful here in terms of the various target groups it identifies.

^{xiv} Bisi Adeleye-Fayemi is the Executive Director and Co-Founder of AWDF. With an academic background in History, Cultural Anthropology and Gender studies, she has acquired professional experience as a social change philanthropist, social entrepreneur, journalist, fundraiser, trainer, and organizational development specialist. Prior to her work at AWDF, she was Director of **Akina Mama wa Afrika** (AMwA), an international development organisation for African women based in London, UK, with an Africa regional office in Kampala, Uganda, from 1991-2001. While she was the Director of AMwA, she established the African Women's Leadership Institute, a training and networking forum for young African women

Bisi served as a Trustee of Comic Relief (UK) for three years and a member of their Africa Grants Committee for five years. She was elected President, Association for Women's Rights in Development (AWID), from 2003-2005, and she has served as a Co-Chair, International Network of Women's Funds, an international network of grantmaking organizations for women (2004-2006). She is currently an Adviser to Global Fund for Women (USA), Mamacash Foundation (The Netherlands), Editorial Board Member of *Alliance Magazine* (UK) a board member of Resource Alliance (UK) board member of the International Women's Health Coalition and Advisory Board member of *Realising Rights: The Ethical Globalisation Initiative*. She is a **Synergos Institute Senior Fellow**, a forum for senior leaders of philanthropic institutions. In 2005, she received an award from the Sigrid Rausing Trust (UK) for outstanding contributions to women's rights. In April 2007, she received the *Changing the face of Philanthropy* award given by the Women's Funding Network in the US. She has also served as a resource person to UN agencies such as UNIFEM, UNDP, UN/ECA and several other regional and international bodies.