MONEY MATTERS:
THE STRATEGIC RELEVANCE OF DONOR FUNDING TARGETS AND CONDITIONALITIES FOR WOMEN’S EMPOWERMENT AND GENDER EQUALITY RESULTS

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* The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations.
1. Introduction

Almost twenty years of Hivos experience with explicit policy, implementation and monitoring &
evaluation in the field of gender, women & development (GW&D) informs this paper. The
intention is to share Hivos strategies and practices and to draw lessons and recommendations for
future good practices in support of women’s empowerment and gender equality. Whereas Hivos
is classified to belong to the funding sector of International NGOs (INGOs) in the AWID
Fund her reports, the insights and recommendations of this paper will be of relevance beyond the
INGO sector and Official Development Assistance (ODA).

Hivos is predominantly a channel for ODA. It receives four year core funding from the Dutch
Ministry of Foreign Affairs and individual programme or project funding from the European
Commission, some multilateral and bilateral agencies, as well as non-ODA funding from
international foundations, companies and individual donations.1 Hivos is an intermediary agency
providing financial support and capacity building to civil society organisations in the global
South and East, and globally.2 Additional core tasks are the development, sharing and leveraging
of knowledge for development, and lobby, advocacy and education in the North in order to
strengthen public support and the policy context for development.

Hivos made a late start with acknowledging the need to pay specific attention to the interests and
needs of women within its support to civil society organisations in the South. The major catalyst
was a study undertaken in 1985 by the Dutch network of gender experts in development
agencies. The comparative assessment of Dutch NGO performance in the field of Women in
Development revealed that all NGOs were latecomers, but Hivos was even lagging behind in
comparison to the others. The peer review was carried out at the occasion of the World
Conference on Women in Nairobi, 1985. The numbers, diversity and vigilance of women
activists and scholars from the South at the Nairobi NGO Forum disputed Northern development
agencies that relegated feminism as irrelevant and imposed from the North. The strategic
importance of the network DAWN, launched in 1984, deserves recognition in this respect.3

Meanwhile, within Hivos, a small number of female and male staff committed to the women’s
movement and feminism, were pushing the internal agenda setting forward. It took some years of
internal debates, training and capacity building, and perseverance by committed staff with
support from Hivos top management to overcome internal resistances. In 1988 Hivos adopted the
policy document Women and Development, the first in a row.

Today Hivos takes pride in being recognised as a trusted and long-term partner of women’s
organisations, which maintains gender equality on the agenda thanks to its leadership.4 The

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1 During the period 2007 – 2010 Hivos receives core support of € 65 million annually with the condition to raise in addition at
least € 22 million annually from 2009 onwards from other sources than the Dutch Ministry of Foreign Affairs. Annual
expenditure for programme management is 10%.
2 In 2006 Hivos allocated € 80.4 million to 812 partner organisations and 985 projects.
3 Subsequently DAWN has been a Hivos supported partner organisation since 1991.
4 Cindy Clark, Ellen Sprenger and Lisa VeneKlasen with Lydia Alpízar and Joanna Kerr, (2006), Where is the money for
women’s rights? Assessing resources and the role of donors in the promotion of women’s rights and the support of women’s
present Hivos mission statement states that the empowerment of women in order to achieve gender equality is a primary directive in Hivos policy.\textsuperscript{5}

2. Major lessons

Hivos’ capacity to put and keep women’s empowerment and gender equality on its agenda during the past two decades provides a few important insights how this has been possible. Hivos’ experience suggests the following are vital:

- commitment and accountability from leadership and management at highest levels, combined with commitment and accountability at middle management levels, given delegated decision-making;
- explicit GW&D policy, and clarity on its status in relation to other sectoral and overall institutional policies;
- responsibility for gender mainstreaming has to be shared, owned and embedded widely throughout the organisation, preferably within each unit of major organisational decision-making;
- availability of gender expertise needs to be of a generalist and of a specialist nature in order to be a useful resource for other sectoral domains. Gender capacity building for (new) staff and knowledge sharing should be ongoing and consistently refreshed. Ultimately gender competency should be included in job descriptions and recruitment procedures throughout the institution;
- resources and instruments have to be available and applied, and if necessary, to be developed afresh;
- monitoring of gender performance should be part of the annual organisational monitoring procedures. Periodically, at least every 4 to 5 years, a major organisation-wide gender activity should be planned, in order to keep women’s rights and gender equality on the agenda. This should include creative and inspiring methods in order to avoid resistance against the watchdog function of internal gender experts;
- success in gender mainstreaming continues to be dependent on visionary leadership and skills of key individuals. Human resources are therefore the most important resource for gender mainstreaming;
- building of insider/outsider alliances, including with women rights activists, enable sharing of new ideas, good practices, peer reviews and development of trust and credibility.

Even when the above conditions are met, it should not be taken for granted that they remain in place over the years. It has to be considered as ongoing work in progress!

3. **Women Unlimited - Hivos GW&D policy**

In 2006 Hivos reconfirmed its vision on the root causes of poverty and gender inequality in *Women Unlimited*, the third GW&D policy document in a row since 1988. Unequal access to and control over material and non-material resources result in unequal participation of women in decision-making processes that shape their lives and opportunities.

Hivos implements a dual strategy, as over the years this has proved to work and yield results:

- Promotion of the rights, interests and participation of women, via support to women’s organisations through the GW&D programme;
- Mainstreaming/integration of the rights, interests and participation of women in all Hivos programme components/sectors.

Hivos invests in both tracks, simultaneously, in response to the current challenges to advance the agenda of women’s rights in a changed and ever changing world, and notably, in the context of international co-operation. Hivos considers it urgent to rejuvenate and re-politicise the agenda of women’s rights. There is need to increase scale and impact so as to benefit a larger number, and wider diversity, of women. New strategies and cutting edge activism are required to break through the current policy inertia. There is need for fresh blood to enable the participation and leadership of young women, and alliance building with men and women active in other civic movements.

As an actor in The Netherlands and Europe, Hivos aims to strengthen public support for and accountability to women’s empowerment and gender equality within international co-operation. Hivos hosts the new national platform for networking, knowledge-sharing and policy advocacy for women’s rights and gender equality WO=MEN.

*Women Unlimited – Unfinished Business* is the trade name for Hivos’ lobby in support of women’s rights in international co-operation, including specific resource allocation, for the empowerment of women and girls.

4. **Changing context of international co-operation**

The focus of most agencies in development co-operation has been on the second track of integrating women’s issues and gender equality perspectives into the mainstream of policies, programmes and institutions. Many recent evaluations point at the unsuccessfulness of *mainstreaming* as work on institutionalising women’s empowerment and gender equality has had low priority. Meanwhile the emphasis on mainstreaming has been at the expense of resources and attention for the track of specific policy, programmes and resources for the empowerment of women. Resources for women’s organisations and gender equality units have been cut down with the argument that their presence and expertise had been made redundant by

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the thrust via gender mainstreaming. This has resulted in a reduction in gender expertise,
capacity and advocacy, which resides predominantly within women’s organisations and gender
equality units, and which are indispensable to processes of mainstreaming.

Changes in aid modalities, in particular donors’ replacement of direct project support and
implementation, with recipient-country-led strategies such as sectoral approaches, basket funding
and budget support have implied that gender equality, as a policy objective was lost. The Paris
Declaration on Aid Effectiveness also fails to recognise the centrality of gender equality in aid
effectiveness. Its current operationalisation tends to focus on agency efficiency rather than
effectiveness for development results such as the MDGs.

Civil society organisations – including women’s organisations – have become more dependent
on the goodwill of their own governments; possibilities for policy dialogue with, and direct
funding from, bilateral agencies have been reduced. Many recipient governments do not
prioritise women’s rights, and are not in favour of strong civil society advocacy for justice and
equality. Two-thirds of the women’s organisations surveyed by AWID say that it has become
more difficult in the last five years to raise funds for women’s rights and gender equality.8

ODA calls for proposals and funding criteria do not match easily the work done by women’s
organisations or the application and reporting requirements are too rigid and demanding to be
met. The specific gender equality calls for proposals and budget lines tend to be few and small,
in particular in view of the application and reporting requirements. This is particularly the case
for the European Commission (EC) that is notorious for contributing an appalling low, not even
0.05%, of its total budget to women’s equality organisations and institutions.9 And yet the EC
channels around 10% of all ODA and is the sixth largest donor of the OECD-DAC.10 The new
EC thematic programme Investing in People, which includes a.o. gender equality, will
predominantly be channelled through global partnerships, mentioning the ILO and the Global
Fund to fight Aids, TB and Malaria. UNIFEM however is not mentioned.

5. First track: Hivos support to women’s organisations – GW&D is a sector

The GW&D programme has the institutional status of a sector, one out of the seven Hivos sector
programmes.11 Sectors have resources in terms of policy, staff, expertise, budgets and
instruments.

Hivos’ ultimate goal is a political one, aimed at increased participation, representation and
influence of disadvantaged women (and men) in decision-making processes. Consequently,

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9 OECD, (June 2007), Aid in Support of Gender Equality and Women’s Empowerment, Statistics based on DAC Members’
EEPA, (2005), Accountability Upside Down, Gender equality in a partnership for poverty eradication, Eurostep and Social
Watch, p. 22.
10 OECD (April 2007), Table 1: Net Official Development Assistance in 2006, Preliminary data for 2006,
http://www.oecd.org/dataoecd/14/5/38354517.pdf
11 The sector status was granted in 1995, then one out of five sectors. The current seven sectors are: Sustainable Production,
Financial Services & Enterprise Development, Human Rights & Democratisation, Aids, Gender, Women & Development, Arts &
Culture, ICT & Media.
Hivos prefers to support civil society organisations, which aim explicitly at bringing about social and political change. Civil society organisations, working in alliances, as social movements are important drivers of change for the agenda’s of sustainable development, equality, economic and social justice. Again, the consequence is that Hivos does not support civil society organisations that concentrate on (just) the delivery of basic social services. In Hivos’ vision, that is the responsibility of governments.

5.1. Rationale to support women’s organisations

For Hivos it is crystal clear that women’s organisations have been and continue to take the lead in civil society to promote the interests, rights and participation of women. This has been confirmed by external evaluations, highlighting the persistent division of labour within civil society, women’s organisations representing the interests of women and male dominated civil society organisations not acknowledging the political value, importance and role of women’s rights and organisations.12

It is critical to recognize the multiple roles that women’s organisations fulfil:

- agenda setting of old and new gender inequalities, exposure of violations of women’s rights;
- knowledge generation, gender specific analysis and dissemination;
- empowering women through knowledge sharing on rights, mobilisation to claim rights and demanding accountability to these rights;
- building women’s leadership, voices, representation and citizenship in civil society, public and private sector;
- building organisations, networks, alliances, movements across a diversity of women’s interests and engendering other civil society organisations and alliances;
- service provision, in particular in relation to rights that states fail to deliver or recognise, e.g. violence against women and sexual & reproductive rights;
- development of international normative frameworks and accountability mechanisms and increased formal, legal equality;
- challenging deep entrenched notions of gender inequality, people’s minds, values, attitudes and behaviour, changing societal relations and creating new norms and values in society.

5.2 Earmarked GW&D budget

Each Hivos sector receives a fixed percentage of the core funding that Hivos receives from the Dutch Ministry of Foreign Affairs. During the period 2007 – 2010 annually 15% of the core funding is allocated to the GW&D sector. The non-core funding (25% of the total Hivos budget) acquired from other sources is raised on the basis of specific delineated projects or programmes. Hivos experience with raising additional funding for women’s organisations, beyond its core funding, has proven to be more difficult in recent years. This is particularly the case for the

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European Commission, bilateral agencies and private foundations for similar reasons that women’s organisations face. The emphasis on gender mainstreaming and the changed aid modalities also have reduced access to resources for Hivos for ongoing grant making to women’s organisations. At present the other Hivos sector programmes are more successful in acquiring additional funding.

For Hivos this has had the consequence that the strategy of the fixed funding target of 15% of the total annual budget (target since 1996), can no longer be realised due to the increased dependence on non core-funding. The percentage of total expenditures for the GW&D sector has gradually dropped from 15% in 1995 to 10% in 2006.

However, the budget indicator has played and continues to play a crucial role. It is explicitly mentioned in the Hivos four year Business Plan with core support from the Dutch Ministry of Foreign Affairs. It is tracked annually and integrated into the financial and programme administration, and has to be reported on in Hivos annual reports. Over the years the fixed budget target for the GW&D programme has served its purpose of keeping support to women’s organisations on the agenda, and of demanding accountability to gender equality and the agenda of women’s rights (internally). The 2004 external Programme Evaluation confirmed this.13

5.3. Funding mechanisms and partner policy

Hivos has different funding mechanisms, ranging from small-scale one-off support (with a maximum of € 10,000), to annual project or programme support and institutional core support with a maximum contract period of 4 years. In 2006 the largest annual grant size to a women’s organisation has been €200,000, whilst the average annual grant size to women’s organisations was €65,000.

Hivos also provides support to some of the women’s funds, Mama Cash and the African Women’s Development Fund, for ongoing grant making where they have an added value compared to Hivos. For instance in their support to small, new, young initiatives that cannot yet meet Hivos standards for reporting and registration.14 According to AWID’s Fundher reports Hivos niche is its support to medium size women’s organisations between €50,000 and €100,000.

Hivos supports women’s organisations at all levels, local, national, regional, continental and global, in recognition of the importance of women’s rights work at all levels and to make the connections between the different levels. The GW&D budget is allocated per region but with the flexibility to shift resources between regions if the need arises.

Renewal of the partner portfolio is part of Hivos partner policy, to enable new and often young organisations to become part of the Hivos network. Organisations are supported for a maximum of ten years, though with scope for ongoing support in case of specific added value and strategic relevance of the organisation for the sector and Hivos programme.

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13 EOS Consult, p. 18.
14 Hivos requires partners to be formally registered and to provide financial statements approved by an external auditor, except for one off initiatives, small grants, extreme repressive contexts or when auditing firms are absent.
Hivos receives far more requests for support from women’s organisations than it can meet with its current budget. A recent trend has been an increase in the number of funding requests from international and regional women’s organisations. This is likely evidence for the decentralisation of multi- and bilateral aid to embassies and country offices and a decrease of centrally managed funds for women’s empowerment and gender equality.

Staff allocation to the GW&D sector currently consists of 5% of total Hivos number of staff. Their prime responsibility is to provide support (funding, capacity building, knowledge sharing) to partner organisations in the regions they are responsible for. In addition they have a gender mainstreaming responsibility towards colleagues in the other sectors.

5.4. Results oriented practice and organisational learning

Results orientation is on the agenda of Hivos, partner organisations and back donors. In Hivos 2007 – 2010 GW&D Plan results are defined at outcome and output levels, bearing in mind long-term results at effect and impact level. In Hivos view attribution of results at impact level to specific interventions and single actors, be it a partner organisation or donor, is not possible. Given the nature of results that the GW&D programme ultimately aims to achieve involves social change, the challenge is to track or capture change, both quantitative and qualitative. One of the major 2007 – 2010 GW&D result areas is the strengthening of the women’s movement, in particular its claim making capacity. For this purpose Hivos provides support to key, strategic women’s organisations that strategize for re-politicisation and rejuvenation of women’s organisations and the agenda of women’s rights. Monitoring and evaluating this process will be both exciting and challenging.

Organisations that receive funding from Hivos are required to account financially and content wise. Annually they have to submit a work plan, a report over results (based on indicators agreed upon), and financial statements approved by an external auditor. Information on progress made is also acquired by e-communications, annual visits, external evaluations and financial inspections. Annually 5% of the total partner portfolio is evaluated. Data on results of individual partner organisations are stored and monitored in the programme administration and linked to the monitoring of Hivos own results.

External programme evaluations are carried out to evaluate the results of Hivos programmes, sectors and intervention strategies. The majority of these evaluations involve the programmes of other Dutch INGOs as well. The gender team has periodically used the instrument of a participatory self-assessment to evaluate, reenergize and strengthen the commitment to both the GW&D sector programme and to gender mainstreaming throughout Hivos.

6. Second track: Gender mainstreaming – gender equality is also cross cutting

Hivos firmly adheres to the original double track strategy of gender mainstreaming as advocated in the Beijing Platform for Action. The second track is based on two different strategies.
6.1. **Earmarked GW&D funding in other sectors**

Similar to the 15% of core funding to the GW&D sector programme, all other Hivos sectors combined are expected to allocate 15% of their core funding to organisations and activities that specifically benefit women. This target is a recent one and to be achieved by 2010. Women’s organisations that qualify to be part of one of the other Hivos sectors are supported out of the budget allocation to those sectors. Thus organisations of lesbian women are supported from the Human Rights & Democratisation budget and feminist media initiatives from the ICT & Media budget.

The 15% target is tracked annually, integrated into the financial and programme administration, and included into the annual planning and reporting cycles of all sectors.

For the different sector programmes issues of particular interest for women have been identified to pay attention to in the engagement with partners, in the development of the portfolio and the need to develop staff expertise.

6.2 **Gender performance criteria for all partners.**

Hivos has designed an instrument to measure the gender performance of partner organisations and their programmes. The instrument scores organisations on the basis of 10 essential indicators, 5 at organisational level and 5 at programme level. A baseline measurement has been carried out in 2005 and will be repeated every two years. The number of ‘mixed’ partner organisations (excluding the GW&D sector partner organisations) with a gender focus has increased from 33% in 1996 to 46% in 2005.¹⁵

Out of the 10 indicators, 4 have been identified as outstandingly indicative for gender mainstreaming. Performance against these indicators can be scored as positive, acceptable, insufficient or negative. In the baseline column the percentage of all partner organisations (excluding the GW&D sector partner organisations) that score positive or acceptable have been recorded. Taking into account that annually 10 – 15 % new partners, that often not yet meet Hivos gender standards, become part of Hivos’ portfolio, Hivos has formulated the following new targets, based on the 2005 baseline.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2005 (Baseline)</th>
<th>2007</th>
<th>2010</th>
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<tbody>
<tr>
<td>Gender objectives at organisational level</td>
<td>52%</td>
<td>55%</td>
<td>60%</td>
</tr>
<tr>
<td>Gender objectives in programme</td>
<td>50%</td>
<td>55%</td>
<td>60%</td>
</tr>
<tr>
<td>Sex-disaggregated data</td>
<td>44%</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>Internal gender expertise</td>
<td>39%</td>
<td>40%</td>
<td>45%</td>
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Actual mainstreaming will have to be realised within the sector programmes. For each sector programme specific targets have been set, based on the 2005 baseline.

The gender performance criteria are integrated into the programme administration. All Hivos staff that process funding requests are required to use this tool. It serves an agenda setting purpose internally and with partner organisations. All sectors have to identify, plan and report on specific interventions to assist partners to improve their gender performance, including gender and organisational change trajectories, gender self-assessments and gender audits.

The GW&D team plays a supportive role for mainstreaming in the other sectors for which the sectors are responsible. Ultimate accountability for gender mainstreaming is at the level of Hivos directors.

7. Recommendations

Based on almost twenty years of Hivos two track strategy, with resources, budgets, staff and instruments for both tracks, Hivos has formulated ten recommendations that will contribute to increase and mobilise resources for women’s empowerment and gender equality.

1. Commitment to the agenda of women’s empowerment and gender equality implies policies, operational strategies, resources and expertise for the dual strategy of gender mainstreaming:

- specific policy, programmes and resources for women’s empowerment;
- integration of women’s issues and gender equality perspectives into the mainstream of all policies, programmes and resource allocations.

Both tracks deserve substantial earmarked investments.

2. Women’s organisations and gender units/experts are the main drivers of both tracks. Therefore substantial investment in the first track is a precondition for any results and impact of the second track. So if, which is not recommended, trade off choices have to be made, the first track should receive priority. The first track should receive budget support, implying predictable, multi-year, core funding. It should aim to strengthen the capacity, mandate, outreach and results of the specific women’s/gender machineries/organisations at all levels (multilateral, governmental, civil society and global, continental/regional, national and local).
A sector status for the first track will benefit the “building of power-houses for women’s rights.”16

3. The agenda of women’s rights is driven by civil society actors, e.g. women’s organisations, and not by governments (North or South), donor agencies, other civil society organisations, or the private sector. Substantial investment in scaling up the capacity of women’s organisations is crucial. The current aid architecture is perpetuating a vicious circle of women’s organisations being small and remaining small. This keeps women’s organisations in the margins and not being taken serious and listened to. Women’s organisations should receive predictable, multi-year, core funding. In case of institutional and organisational obstacles or political risks to provide direct access to resources to women’s civil society organisations, agencies in the

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different funding sectors should identify alternative ways to provide financial support to women’s organisations, for instance through intermediary ongoing grant making organisations that have the commitment, track record and capacity to support women’s organisations.

4. Funding should be accessible to women’s organisations at all levels, local, national, regional, continental and global. This will require earmarked budgets managed at central and decentralised levels.

5. Upgrading women’s empowerment and gender equality to a sector status should have consequences for the Paris Aid effectiveness agenda, for ownership, alignment, harmonisation, managing for results and mutual accountability. The policy, development and budget dialogues between donor and recipient countries should always include the gender sector, with representation and ownership by gender equality stakeholders from government and civil society. Donor countries should invest in the capacity of the gender equality stakeholders to contribute to the quality of the dialogues.

6. Investment in the second track requires earmarked budgets and gender performance criteria. This implies that multilateral, bilateral, INGO and private foundation funding for ongoing grant making to multilateral initiatives (e.g. Global Fund to fight Aids), to sectors in recipient countries (e.g. transport, water, energy), to INGOs (e.g. for civil society organisations), to Southern civil society organisations (e.g. human rights organisations) should insist on women’s specific programmes, interventions, resources and gender performance criteria as a strategy to strengthen the mainstreaming of gender equality within the intermediary grant making institutions.

7. The agenda of women’s rights and gender equality requires strong actors and commitment from all stakeholders given the need for an holistic approach to address the complex and interwoven nature of women’s rights violations: violence, risk to HIV infection, poverty, unequal wages, job insecurity, maternal mortality and morbidity, non-representation, illiteracy, discrimination etc. This implies recognition of the different and complementary role of different stakeholders, government, civil society and the private sector. It requires acknowledgement of the relevance to be in disagreement and opposition to one another. Diversity is strength and should not be outlawed by narrow interpretations of ownership, alignment, harmonisation, effectiveness and accountability. Strong civil societies flourish along side strong governments and vice versa. Fragile states tend to coincide with fragile civil societies.

8. Strengthening the accountability of the European Commission to women’s empowerment and gender equality is a major challenge and deserves priority attention from the European Union member states. The gap between policy rhetoric and the budget allocations to women’s rights work and evidence of results in terms of women’s empowerment and gender equality has to be addressed urgently. EU member states have a prime responsibility in this respect.

9. The international donor community that engages with initiating new normative frameworks as a strategy to address the quality and quantity of international co-operation should take cognisance of and not back track on already adopted gender equality frameworks and standards. Women’s organisations and gender experts are spending spend a lot of time, energy and
resources on doing ‘gender equality repair’ work at the normative level, having to defend rights earlier achieved, at the expense of actions to enforce realisation of these rights. Recent examples of ‘gender equality repair’ work concerned the scope and indicators for the MDGs and the Paris Declaration on Aid Effectiveness.

10. Never give up! Perseverance is innovative!

To quote Hivos Executive Director at the closing session of the Hivos-AWID INGO meeting on Women’s Rights – Unfinished Business, held in Amsterdam, November 2006:

“We all know about gender fatigue. Because gender inequality is very deep entrenched in people’s minds, values, attitudes and behaviour, we require expertise and passion, but also time and perseverance. As donors we keep pushing for innovation to be responsive to the changing global context. We do have to keep in mind however that it is very innovative to stick to your principles and continue with the hard work of gender justice instead of keeping on chasing after new fashions.

It is the responsibility of donor agencies to mobilise public support and resources, to build alliances with citizens (women and men), politicians, journalists, entrepreneurs, to invest in the future of women and girls in the South. Let’s go for gender equality and women’s empowerment and let’s put the money where our mouth is."17

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