

This study aims to help funders better understand the potential to work with Global South Intermediaries (GSIs) in advancing localization efforts, particularly for just and equitable governance outcomes. GSIs play a strategic role in the funding ecosystem, acting as a valuable bridge between Global-North funders and grassroots actors in the Global South, fostering locally led solutions. They are important partners for governance funding, with a proven track record in Sub-Saharan Africa and Latin America, demonstrating strong systems for donor compliance. GSIs are not monolithic, and a typology framework helps in understanding their diverse models and finding suitable partners. Seven key considerations for partnering with GSIs include: their close ties with local actors and contexts, ability to take a systemic approach, the critical importance of trust, a deliberate approach to power-shifting, providing more inclusive access to resources, fostering collaboration, and capacity-strengthening. While not a panacea or a substitute for direct funding, GSIs are valuable partners for reaching localization targets and ensuring local needs are prioritized in grantmaking, especially within the governance field. The Trust, Accountability, and Inclusion (TAI) Collaborative, a network of funders, is focused on enhancing support for trust, accountability, and inclusion-related programming at the local level through intermediary organizations. Amidst donor commitments to shift international funding to local levels, TAI's 2024 Learning Days affirmed the essential role of GSIs in localization efforts within philanthropic ecosystems. Philanthropy has seen a significant increase in collaborative funds and regranting initiatives, with over \$3B deployed globally in 2021. This study explores the value GSIs add to localization and just/equitable governance, the strategies they employ, and challenges in partnering with them. The analysis is based on insights from GSIs in Sub-Saharan Africa and Latin America, feedback from TAI members, and existing research, serving as a starting point for discussions on governance programming at the local level. This section provides a clear understanding of the framework guiding the study, which is composed of three core elements: Just and Equitable Governance, Localization, and Intermediaries. Just and equitable governance is presented as a reframing of 'good governance,' focusing on fairness, justice, and inclusivity in both processes and outcomes. It emphasizes accountable, transparent institutions that promote diverse participation and protect rights, particularly for marginalized and underfunded groups. Key characteristics include inclusivity, transparency, access to justice, sustainability, and social cohesion. This model ensures equal access to resources, opportunities, and decision-making for all individuals. It recognizes the deep interconnections of governance with social, economic, and environmental factors, advocating for holistic solutions. Localization is crucial to this approach, as it transfers decision-making power and resources to local actors, ensuring contextually relevant and responsive solutions. Localization, while not new, has gained momentum recently, driven by donors seeking to shift power dynamics and channel more resources to frontline groups, movements, and activists in the Global South. This approach trusts local leadership to craft tailored solutions. However, Global North donor practices often conflict with efforts to boost local agency. Over 90% of funding still favors Global North organizations, attributed to factors like risk aversion, mistrust of local groups, and complex administrative requirements. Localization is critical for social change, with initiatives like USAID's commitment to local funding targets (25% by 2025, 50% by 2030), though progress is slow. In this study, 'local' refers to proximity to specific communities within defined geographic boundaries. Intermediaries exist in various forms, primarily managing local funding by providing grants, performing critical tasks for funders, or advising on grantmaking. Beyond regranting, they offer invaluable local expertise, foster networks, build capacities, and promote advocacy, enhancing funding impact. Studies support their role as crucial players bridging funders and recipients. GSIs uniquely act as both grantees and grantmakers, possessing a strategic position to connect funders with local partners. The term 'intermediary' is recognized as potentially reductive by some Southern organizations, as it can diminish their agency and value-add beyond mere resource transfer. However, for clarity and consistency with the donor community, the term is retained in this study, with a typology developed to reflect the diversity and complexity of their roles. Classifying intermediaries is a complex task due to overlapping characteristics. While other models exist (e.g., Gibson & Mottola, Griffith Center, Inside Philanthropy, RWJF), this study developed a new framework based on key differentiating characteristics: Origin (who created the organization), Primary objective (regranting as a core role), Geographical scope, and Decision-making (where accountability lies). This framework identifies four models of GSIs, reflecting 'ideal' qualities to serve as a starting point for analysis, acknowledging that organizations may fit a model based on dominant characteristics. The four models are: Model 1: Organizations created by civil society

actors belonging to local movements with regranting as their top priority. Model 2: Local organizations advancing a specific goal (advocacy, research, etc.) where regranting is a complementary activity. Model 3: Locally registered organizations with regranting as their primary goal, created with single donor support. Model 4: Pooled funds from two or more institutional donors, with regranting done by a local or regional entity. This section presents key insights from a sampling of Global South Intermediaries (GSIs) promoting just and equitable governance in Sub-Saharan Africa and Latin America, followed by a detailed analysis of six selected organizations. The selection criteria included location, expertise, decision-making power, grantmaking focus, and alignment with one of the four GSI models developed in the study. A desk review mapped GSIs in Sub-Saharan Africa and Latin America focusing on just and equitable governance, specifically excluding intermediaries controlled by Global North actors. The review highlighted that few GSIs are solely dedicated to governance, but many integrate governance into intersecting areas like gender, social justice, human rights, and climate change. These organizations, often founded by local activists, operate at community, national, or regional levels, supporting grassroots organizations, social movements, and civil society groups with financial aid, capacity-strengthening, networking, peer learning, and advocacy. Funding primarily comes from philanthropic organizations and the EU, with prominent region-specific donors. Trends show particular donor focus on climate initiatives and women's funds. Six case studies were selected to illustrate the diverse GSI models and provide insights into their structures, strategies, and characteristics in advancing localization and governance. These include: ACENTO, Acción Local (Model 3) in Mexico, supporting social justice and human rights, founded by MacArthur Foundation. Africa No Filter (ANF) (Model 4), a continental donor collaborative, funding arts, culture, media, and advocacy. Fondo Acción Solidaria (FASOL) (Model 1) in Mexico, empowering grassroots groups for socio-environmental justice. ForumCiv, Regional Office for Eastern and Southern Africa (Model 3), established by Sida, strengthening human rights and democracy. Kenya Community Development Foundation (KCDF) (Model 1), enhancing community voices for sustainable development and social justice. Women's Rights Advancement and Protection Alternative (WRAPA) (Model 2) in Nigeria, facilitating women's access to legal rights and advocating for social justice. GSIs have significant potential to advance just and equitable governance at the local level by shifting power towards local actors and bridging funding gaps for historically underfunded communities. This requires transformation within existing funding and governance ecosystems, which are often marked by power imbalances rooted in colonial legacies. GSIs act as both grantees and grantmakers, enabling them to simplify compliance with local frameworks, deeply understand local contexts for effective fund use, and balance power dynamics with grassroots organizations. They foster local agency, build trust-based ecosystems, and strengthen social cohesion. The document introduces the concept of the 'cascading effect,' where GSIs' behavior as grantmakers often mirrors their experiences as grantees. Funders promoting trust and flexibility encourage GSIs to adopt similar values, fostering more equitable partnerships and strategic alliances with local organizations. Shared decision-making is crucial for shifting power dynamics, fostering trust, and strengthening community agency by engaging stakeholders in shaping priorities and strategies. Co-creation, a key mechanism, decentralizes power and promotes horizontality, integrating diverse perspectives for more equitable decisions. GSIs align with these objectives, strengthening trust and challenging power imbalances. They recommend funders recognize and address power dynamics in resource allocation, embracing community-driven models and shared decision-making. GSIs also suggest flexibility in funding approaches to adapt to evolving conditions. While participatory approaches are fundamental to GSIs, their implementation varies, influenced by funder flexibility and tolerance for trial and error. Examples include FASOL's regranting committee with local insights, KCDF's Community Endowment Funds empowering communities as decision-makers, and ForumCiv's Right(s) Way Forward approach fostering co-creation through Community Action Plans. Many local organizations and networks are connected to historically underfunded groups, whose agency has been diminished by long-standing practices. GSIs play a crucial role in bridging this gap by facilitating access to resources, making marginalized communities more visible to donors, and rebalancing power dynamics. GSIs recommend fair compensation for individuals within organizations, emphasizing holistic support for those driving change at the grassroots. While all GSI models commit to serving underfunded communities, models 1 and 2 often have an advantage due to deep-rooted connections. GSIs implement diverse strategies to close funding gaps, moving beyond open calls to targeted approaches and mapping exercises to reach overlooked populations. Examples include ACENTO's shift to targeted mapping for underserved populations in Mexico and WRAPA's leveraged

networks to support women's rights organizations across Nigeria. Many GSIs use tiered funding systems to provide flexibility for individual activists, small grassroots organizations, and emerging networks. Capacity-strengthening is essential for advancing just and equitable governance, equipping local actors with tools for sustainable change. It moves beyond traditional 'capacity-building' by recognizing existing local knowledge and fostering mutually beneficial exchanges through collaboration. Strengthening organizational structures enhances self-reliance and reduces dependence on external support. Learning is crucial for continuous improvement, identifying gaps, and viewing failures as growth opportunities. GSIs suggest funders shift emphasis to learning processes, prioritizing lessons learned and social impact over rigid financial accountability. They also recommend directing resources toward strengthening institutional capacities in areas like internal governance, financial management, and communication. GSIs enhance their own structures and, as grantmakers, help local actors identify improvement areas. Examples include ACENTO's biannual collaborative meetings, ForumCiv's customized assessments, KCDF's training and mentorship, and Africa No Filter's Capacity Building Grants focused on arts, media, culture, and advocacy. Just and equitable governance requires collective action to tackle systemic issues. Collaboration unites stakeholders around common goals, amplifying influence, and minimizing duplication. It empowers local actors to expand their agency and participate in decision-making. Leveraging local knowledge and existing relationships strengthens outreach, fosters resilience through resource pooling, and promotes peer learning. GSIs suggest funders enhance communication and coordination among themselves to prevent overlapping efforts and foster collective learning. Different GSI models have unique strengths in promoting collaboration: Model 1 (civil society roots) has closer ties, Model 2 (advocacy/implementation) possesses deep thematic knowledge, Model 4 (pooled funds) harnesses broader resources, and Model 3 leverages donor relationships. Examples include Africa No Filter fostering the Africa Narrative Collective, WRAPA employing the Ten Pillar Partners model for shared learning, FASOL enhancing impact through a Mentorship Network, and ForumCiv organizing multi-sectoral forums to connect various stakeholders. Financial sustainability is crucial for GSIs to promote just and equitable governance, enabling long-term planning, organizational autonomy, and impact. It encompasses financial stability, robust internal structures, strong leadership, and continuous learning, strengthening local actors' participation in governance. GSIs suggest funders simplify reporting mechanisms, balancing transparency with reduced administrative burdens, and promote autonomy in resource management through unrestricted funding. Sustainability is also affected by shrinking civic spaces and geopolitical dynamics, forcing adaptations on civil society organizations. GSIs recommend funders remain aware of these challenges and provide flexible, adaptive support. The structure of GSIs influences their financial sustainability: Model 4 (pooled funds) and Model 3 (single donor support) tend to have more reliable backing, while Models 1 and 2 often rely on continuous grant-seeking, requiring diversification of funding sources. Examples include KCDF's Community Foundation Model and Endowment Funds, ACENTO's multi-year funding, and WRAPA's diversified revenue model incorporating investments and membership fees. While GSIs offer significant strengths for localization, they are not a one-size-fits-all solution or a full substitute for direct support to CSOs. Funders may still need to adapt their systems for direct local engagement to reduce administrative layers. However, GSIs can bridge gaps for organizations not equipped to handle large grants, and fiscal sponsorship models can provide fiduciary roles. Key opportunities and risks have been identified when partnering with GSIs: ****Trust, Transparency, and Accountability****: ***Opportunity***: GSIs can address structural inequities, decentralize power, foster trust-based approaches, bridge gaps for underfunded communities, and shift power towards local actors. ***Risk***: They might replicate power imbalances, act as gatekeepers, adopt top-down approaches due to funder controls, prioritize donor interests over local needs, leading to strained relationships and undermining trust. ****Bureaucracy and Efficiency****: ***Opportunity***: GSIs can alleviate funder bureaucracy by simplifying compliance, offer deep local context understanding for effective fund use, and lead to sustainable outcomes. ***Risk***: Their operational needs can consume significant resources, causing inefficiencies, slow decision-making, and administrative hurdles for local organizations if intermediaries don't simplify processes. ****Proximity to Local Contexts and Knowledge Gaps****: ***Opportunity***: GSIs are crucial for distributing funds to smaller organizations, reaching grassroots actors, fostering trust, navigating cultural nuances, and implementing locally led solutions. ***Risk***: Not all GSIs effectively leverage their proximity, maintaining transactional relationships, offering minimal support, lacking genuine local connections, thereby diminishing their value. Global South Intermediaries (GSIs) are not a universal solution but are pivotal in supporting just and

equitable governance programming for larger donors. Their localized knowledge and strong community ties enable tailored programs that enhance transparency, accountability, and participatory governance. Philanthropic and governmental funders are encouraged to consider GSIs as strategic partners to align funding with local priorities, foster adaptive, locally led solutions, and advance governance ecosystems upholding local ownership and equity. The study concludes by posing further questions to spark discussion among ecosystem stakeholders: Is there a better term than 'intermediary'? What defines an intermediary as 'local'? How important is a justice lens for organizations working on governance? When is funding through GSIs more advantageous than direct funding? How can GSIs meet rigorous due diligence requirements? Should intermediaries develop exit strategies? How can philanthropic foundations ensure intermediaries reflect core values? What learning agenda and metrics should be used to evaluate impact? And in what ways can progressive intermediaries transform philanthropy? This section typically contains supplementary materials, such as a mapping of intermediaries and studies on intermediaries and GSIs, which serve as further resources for the document's analysis. This section provides a comprehensive list of all sources cited in the study, including academic papers, reports, and articles related to intermediaries, philanthropy, localization, and governance.