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Not just philanthropy middlemen: The unseen role of intermediaries

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Large foundations and billionaire philanthropists often dominate the philanthropy narrative. Yet, a less visible, essential player is shaping this landscape: the intermediary funder.

Intermediaries bridge the gap between major funders and grassroots organisations, providing critical support that larger funders might find challenging to implement. These intermediary funders – sometimes perceived as mere ‘middlemen’ – play a nuanced and essential role in moving resources, especially in sectors and regions where traditional philanthropy and development aid agencies struggle to adapt.

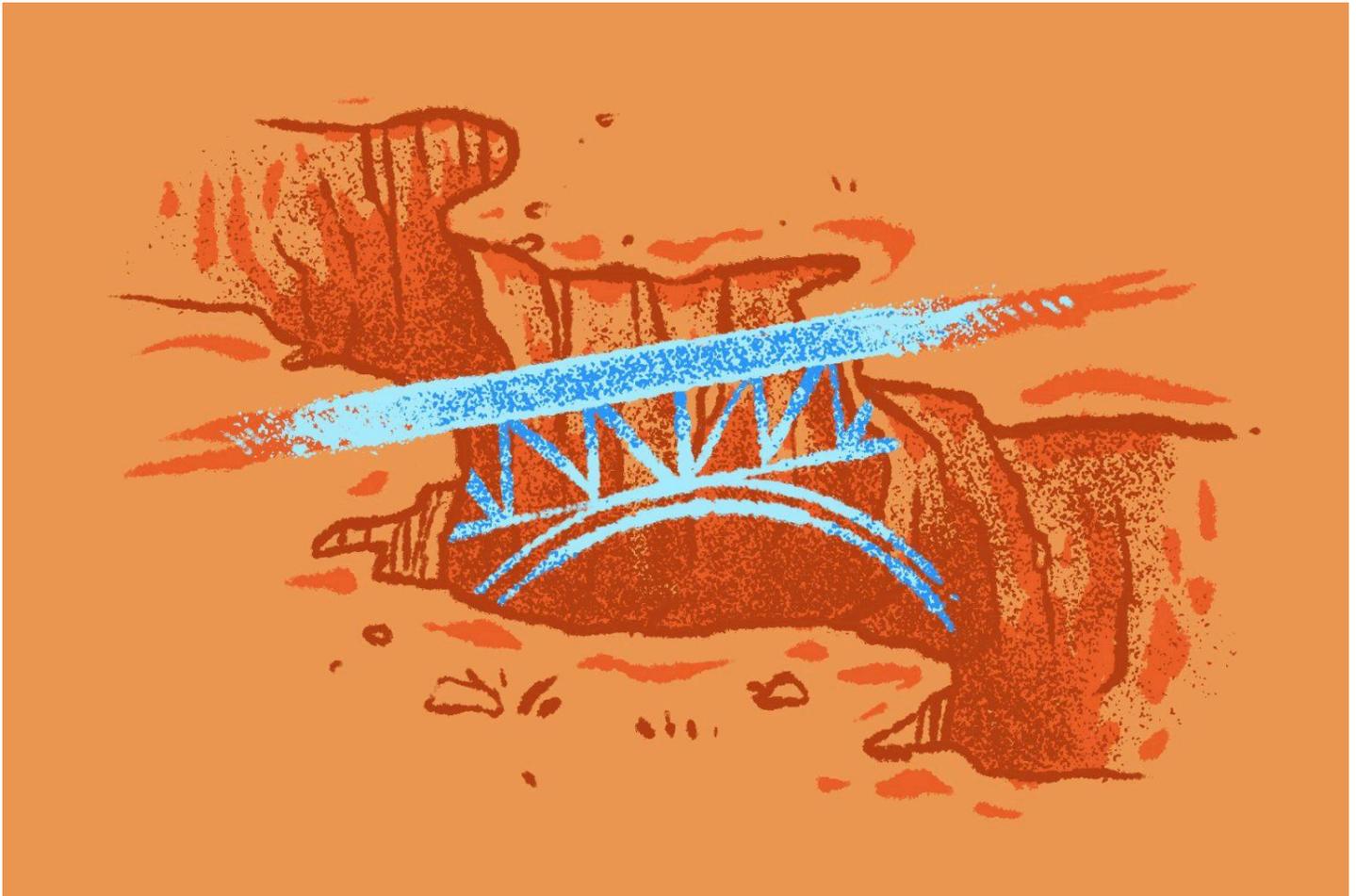


Illustration by artist Saba Taghvaei.

Far from simply channelling funds, intermediaries are transformative actors in the philanthropic ecosystem. They work as connectors, advocates, and interpreters of local contexts, enabling grassroots organisations to access not only funding but also support systems. Unlike larger private funders and aid agencies, intermediaries have the political and administrative agility – and the relationships – to make small and/or flexible grants, often at short notice, which is vital for addressing the needs of marginalised communities. They operate at a unique intersection, blending local knowledge, responsiveness, and a commitment to equity – qualities that are crucial for fostering real change, and are increasingly essential in this time of political uncertainty.

The designations used for intermediary funds are as varied as these funds themselves: public foundations, hybrid funders, activist or movement-led funds, solidarity funders, pass-throughs or re-grantors. Some of these terms don't do justice to the complexity and significance of the work of these organisations.

Intermediaries understand that effective grantmaking goes beyond sending grant money. In regions facing restrictive legal environments, shifting political landscapes, or discriminatory banking, they find creative pathways to ensure resources reach communities. For instance, they may employ alternative funding routes or leverage networks to facilitate secure transactions. This kind of flexibility is often beyond the financial or practical abilities of larger private funders, who are bound by rigid protocols and often lack direct insight into the realities on the ground. Intermediaries provide a form of 'accompaniment', backing grantees to support not just their projects but also their organisational resilience, internal capacity, and long-term impact.

In addition, many intermediaries play a vital role in protecting civil society from government crackdowns and financial restrictions. Activist-led funds and grassroots regranting organisations have developed alternative financial pathways, such as decentralised funding mechanisms and pooled donor funds, to ensure that frontline movements can continue their work despite hostile legal environments. For example, some intermediaries now offer fiscal sponsorships that allow unregistered organisations to receive funding, while others provide cybersecurity and legal protection grants to activists facing political repression.

Misunderstood, even in the methodology

Despite their contributions, intermediaries are often misunderstood and undervalued. A recent [report](#) by the Center for Effective Philanthropy (CEP) highlights this tension, suggesting that intermediaries lack added value compared to ‘originating funders’^[1]. However, CEP’s analysis falls short in capturing the full scope of intermediary work. The report, which compares grantee perceptions of intermediaries and originating funders, does not account for key factors that shape grantee experiences. For example, it overlooks the distinct challenges faced by grassroots organisations and community groups that often rely on intermediaries for their first significant funding. These organisations benefit from the proximity, flexibility, and trust that intermediaries offer – qualities that are difficult to quantify but are essential for real impact.

The methodology used in the CEP report raises concerns. The study compares the experiences of grantees funded by only 24 intermediaries with those of 340 direct funders – creating an uneven and misleading comparison. The report also fails to differentiate between grantees who receive funding from both intermediaries and direct funders versus those who only experience one type of funding relationship. Without this distinction, the findings do not accurately capture the unique role intermediaries play in ensuring resources reach marginalised movements that traditional funders often overlook.

Key for building trust

One of the core strengths of intermediaries is their ability to build and maintain trust with grassroots organisations. Many small, community-based organisations find direct relationships with large funders challenging due to stringent requirements, lengthy bureaucratic processes, linguistic barriers, and misalignment of values. In contrast, intermediaries often approach partnerships with an emphasis on trust, proximity, and a mutual understanding of local challenges. This relational approach creates an environment where grantees feel empowered to share the complexities of their work openly, knowing that the intermediary can adapt to their evolving needs.

For example, [Collective Abundance](#) is led by climate and social justice organisers who work side by side grantee collectives outside of their role as part of an intermediary funder. This shared lived reality and work in community allows for the real life, everyday needs of grantees to be shared in confidence and for solutions to be co-created in real time. With a vision toward stronger, more coordinated movements for climate *justice* across Europe, intermediaries like Collective Abundance are showing the value of extending autonomy towards and resourcing various elements of the movement ecosystem. These elements form a cohesive whole, fully capable of defining their own interconnected needs. In working toward this vision, Collective Abundance seeks unrestricted funding in order to give unrestricted funding so that their country collectives can have full autonomy over the resources available to them, including for when unexpected expenses or emergencies occur.

Intermediaries also play a crucial role in elevating local voices within global funding ecosystems. They act as advocates, translating the needs and perspectives of grassroots movements to major funders. Through intermediaries, the insights and priorities of local communities gain visibility in decision-making processes. In many ways, intermediaries serve as ‘movement incubators,’ not only distributing funds but also amplifying grassroots voices and supporting the growth of sustainable, community-led initiatives.

[FRIDA|The Young Feminist Fund](#) does this through their sustained participatory grantmaking model. At an initial stage of a funding relationship, FRIDA holds a voting process through which applicants themselves decide which groups to fund. During the middle years of the funding relationship, groups are recurrently consulted through surveys and 1-on-1 communications to participatorily adjust programs and tailor non-financial support to their needs. Finally, at the last stage, FRIDA holds a participatory reverse call for applications to mobilise donors to continue resourcing groups transitioning out of the funding relationship, fostering long-term movement sustainability through sequenced, increased and coordinated grantmaking with allied donors. This sustained participatory model ensures that the needs and perspectives of grassroots collectives are centred and continuously upheld, not only to drive change in their communities, but also to shape and shift the power dynamics within the philanthropic sector that aims to increase their capacity.

Intermediaries’ existence is not just about trickling down grants, it’s about changing the game for philanthropy to actually catalyse –not hinder– systemic change and economic justice. Intermediaries foster bidirectional synergy between bottom-up and top-down streams of change, simultaneously committing to more horizontal mutual partnerships instead of vertical giving.

There’s no ‘one way’

Intermediaries vary greatly in size and scope. At a larger scale, [ClimateWorks Foundation](#) operates as an intermediary to help philanthropy invest in partners that can scale high-impact climate solutions to the climate crisis. ClimateWorks equips philanthropy with the knowledge and insights, networks of partners, and strategies to catalyse climate action. ClimateWorks has developed funding mechanisms that allow for rapid-response grants in response to emergent climate risks in different communities and geographies. Their approach showcases how larger intermediaries can maintain flexibility while working on a global scale.

The flexibility and responsiveness of intermediaries make them indispensable in crisis situations. They often manage rapid-response funds, which allow them to move resources quickly to address emergencies or urgent needs. This is particularly important for organisations engaged in politically sensitive work or operating in high-risk environments, where rapid action can be critical. Bypassing the long grant cycles typical of larger funders, intermediaries enable grassroots movements to act swiftly, whether in response to a natural disaster, an escalation in political repression, or a sudden policy change. Intermediary funders also seek to support through flexible core grants rather than project-based funding, which underscores holistic, tailored and autonomous support to movements.

[Dalan Fund](#) works in 16 countries across Central and Eastern Europe, Caucasus, and Central and North Asia (CEECA regions), most of which have experienced authoritarian regimes and a shrinking space for civil society, and are now dealing with anti-rights and anti-NGO laws in the form of so-called Foreign Agents and Anti-LGBT propaganda laws. To adapt to the ever-shifting landscape, Dalan has been developing the capacity to recalibrate based on present-day realities. For example, in 2024, within three

months, Dalan Fund drew international attention to the crisis in Georgia and resourced 22 groups – CSOs, grassroots organisations, independent media outlets, and trade unions – through a promptly established participatory crisis response mechanism.

As part of its work to better understand the scale and severity of the impact caused by US funding cuts, Dalan hosted a sense-making session and circulated a survey among advisors and grantee partners in February 2025. For 44 percent of grantee partners, Dalan is currently their only remaining funder. Only 4 percent indicated they could sustain operations for another year. In response, the participatory crisis response mechanism – Shield Fund – was established, with the mission to protect democracy, access to human rights, and dignity in the CEECNA region in the wake of U.S. funding cuts. Approximately 25 grantee partners are already in the pipeline to receive top-up grants in the coming weeks, with more expected to follow.

Another example of how intermediaries navigate closing civic spaces can be found in the [Fund for Global Human Rights](#). This fund supports grassroots activists in highly repressive environments, sustaining local human rights movements with long-term flexible funding, accompaniment, and emergency support. Through its Enabling Environment for Human Rights Defenders program, the Fund for Global Human Rights has supported cross-regional research and collaboration to push back against the ‘security playbook’ – a common set of authoritarian tools and tactics used by governments to clamp down on civil society and restrict rights.

Not just for moving money

Many intermediaries facilitate or fund capacity-building trainings and horizontal learning spaces, technical assistance, and leadership development in local languages and in accordance with cultural norms and practices, which are invaluable to grassroots organisations that may lack access to these resources. By strengthening capacity, intermediaries ensure that organisations are better equipped to sustain their work long after a particular grant ends. This type of accompaniment is critical for fostering long-term, systemic change.

In many cases, intermediaries are the only entities willing to fund sectors deemed socially controversial, politically ‘risky,’ or where people and groups advancing their human rights may be criminalised. Originating funders may shy away from these areas due to perceived risks or regulatory challenges, yet intermediaries step in, channelling resources to causes that often are otherwise left unfunded. In this sense, intermediaries are not just ‘filling gaps’ but actively shaping the landscape and taking on the risk for private funders that cannot or will not do so.

Public foundations and intermediaries that have a local or national support base of people who donate funds, volunteer, sign petitions or otherwise engage with the fund’s work may have more public legitimacy than a private grantmaker whose funding sources and decisions are opaque. Intermediaries that work locally and nationally engage with a society and are accountable to it because they are actively part of it.

Intermediaries also play an advocacy role, amplifying the concerns and needs of grassroots movements in larger philanthropic spaces. By doing so, intermediaries foster a two-way flow of accountability: not only are they accountable to the communities they serve, but they also hold themselves responsible to the funders who provide resources. This approach promotes a model of mutualism and shared responsibility that is often absent in traditional, more vertical, and asymmetrical funding structures.

The interconnections that exist among ‘originating’ funders and intermediaries are disregarded by the report, discrediting intermediaries’ value and worth. Incremental systemic change requires concerted action across different levels and through diverse scales of movement support that originating funders can’t cover on their own. Setting comparisons between ‘originating’ funders and intermediaries under the same undifferentiated criteria dismisses the need for action through more intentional co-resourcing efforts and concatenated funding. Privately endowed funders and intermediaries can and, in these times, must work in tandem. This collaborative approach is what bridges the gap rather than deepening it through unrigorous and unweighted comparatives. As the MacArthur Foundation notes, ‘Working through intermediaries can facilitate collaboration with other funders and pooling of resources for regranting.’

A narrow framing of what intermediaries are and do risks delegitimising them at a time when their work is more critical than ever. As traditional funding sources tighten and geopolitical crises increase, the need for flexible, responsive funding is growing. Without intermediaries, countless organisations – particularly those in marginalised or high-risk sectors – would struggle to survive, let alone thrive.

Achieving progressive goals requires intermediaries

In the current philanthropic climate, with buzzwords like ‘localisation’ and ‘power-shifting’, intermediaries embody these values. They don’t just fill gaps left by traditional funders; they redefine the way resources flow, centring local voices, adaptability, and a deep commitment to equity. Recognising their contributions is crucial if we are to build a philanthropic ecosystem that truly supports community-led change. Instead of diminishing the role of intermediaries, the sector should focus on understanding and strengthening their work.

For progressive philanthropy to achieve its ambitious goals, intermediaries must be acknowledged for their unique strengths. They are more than financial conduits – they are advocates, partners, and enablers of sustainable, community-driven solutions, and at this critical moment with a rise in authoritarianism, rolling back of racial equity work, and political repression the role of intermediaries is more needed than ever before. As the sector evolves, embracing the role of intermediaries will be key to fostering a more inclusive, responsive, and effective philanthropic model. By championing their work, we can ensure that philanthropy reaches those who need it most, empowering communities to drive their own futures.

This article was co-authored by members of the [EDGE Intermediaries POD](#), including **Davina Rojas Murga** at FRIDA | The Young Feminist Fund, **Hilda Vega** at Hispanics in Philanthropy, **Samie Blasingame** at Collective Abundance, and **Amanda Mercedes Gigler** at EDGE Funders Alliance. Contact the EDGE Funders Alliance to learn more about the Intermediaries POD, and find out how you can participate.

Footnotes

1. ^ According to the CEP, they use the term ‘originating funder’ to designate ‘a grantmaker that directly funds nonprofit organizations and intermediaries, as opposed to an organization that primarily regrants funds.’ This definition is misleading, as many intermediary funders also directly fund nonprofit

organizations and other intermediaries, operating via their own strategies and missions, often in close alignment with movement partners. While there are subcontracting entities and pass-through entities that simply ‘re-grant’ funds from other funders, this is not necessarily the norm.

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Martua T. Sirait

Thank you, this article enlight and elaborate well the critical function and the missundertading of the role as intermediary institution, such as our organisation Samdhana Institute operates in Southeast Asia. Hope more articles on these kind of funders-community led intermediaries-Ips&Lcs and NGOs /individual relationahip will be shared in the future, once again Bravo



David Bonbright

Congratulations to the authors for this welcome mapping of our fast-changing philanthropy landscape. To push us all a bit in our thinking, and to imagine how we might quantum jump forward into a new mindset, I wrote this story (<https://medium.com/catalyst-now-igniting-systems-change/three-design-principles-to-turn-impact-ecosystems-into-power-tools-for-lasting-change-cbf8d63ffb60>) as a thought experiment in response to the question: how might we shift from competing for funding to collaboration for impact?



Stefan Witthuhn | Robert Bosch Stiftung

I found this article very relatable from the perspective of a private foundation that utilizes both, direct funding and intermediaries. The role of intermediaries is crucial and cannot be overestimated when it comes to funding small and far-away initiatives. Still, we feel that direct funding remains vital. Gaining direct experience with small, local grantees directly provides valuable insights. It is not only reminding us of the advantages intermediaries offers. We choose not to solely rely on intermediaries because our funding strategies emphasize impact on the ground. Direct contact is essential for program staff to effectively build and evaluate these strategies. A good relationship between large foundations with intermediaries is extremely helpful to secure ongoing funding. By sharing their experiences and the stories of those they serve, intermediaries enable large foundations like ours to showcase successful outcomes and advocate for specific funding strategies to our managers and boards, even if that's not at the core of their mission.

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Analysis

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