

# **Ecosystem catalysts: Understanding funding partners and shifting power**

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**This paper was developed with support from the Hilton Foundation. It is an iterative document and has received input from a number of funders and ecosystem catalysts. We welcome further comments, please email [deborah@rightscolab.org](mailto:deborah@rightscolab.org)**

## **What is this document?**

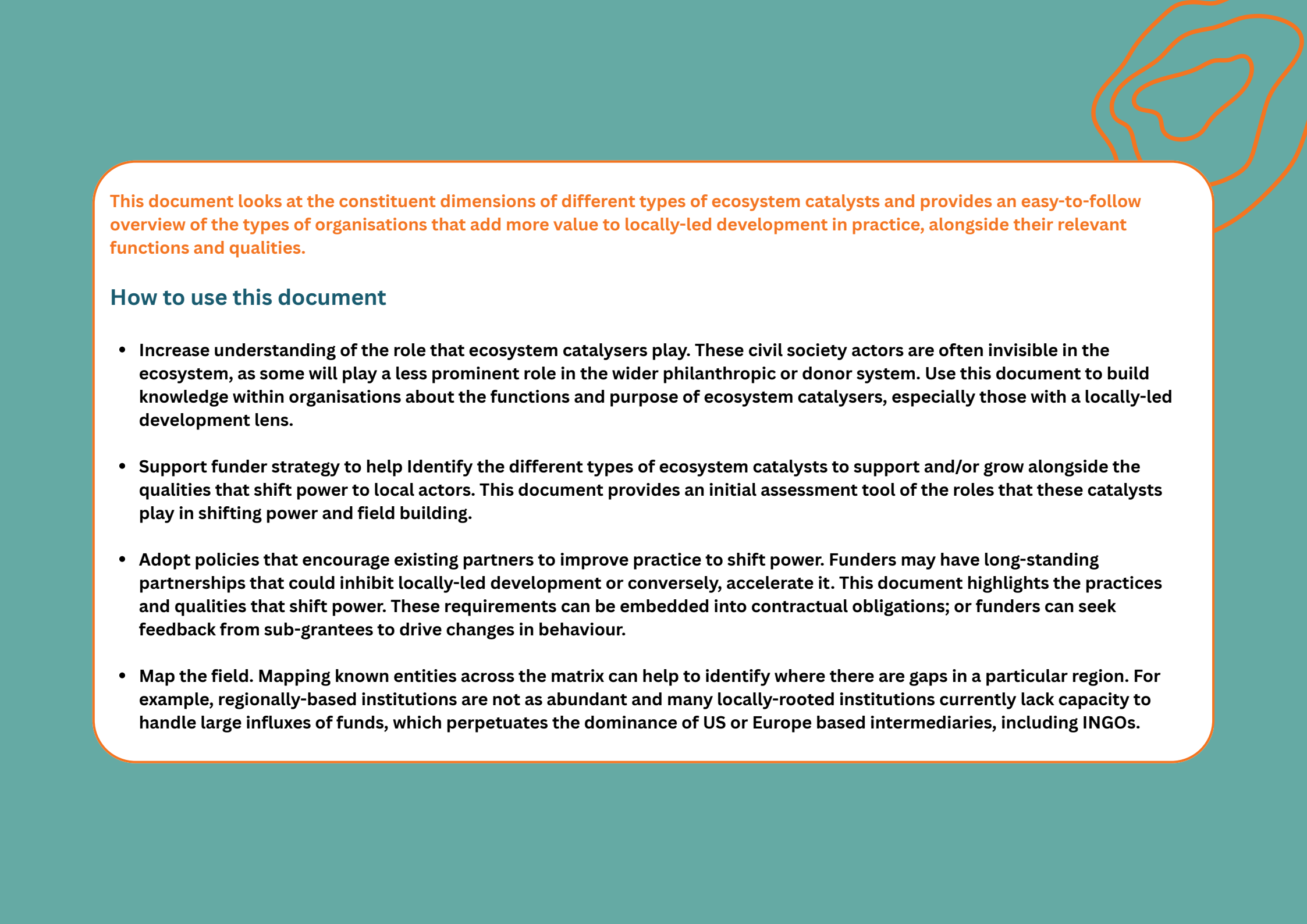
Funders, often with limited in-house resources, increasingly rely on a network of intricate partnerships to direct funding to local actors and to particular issues. This document provides an overview of the qualities, approaches and types of institutions that work to catalyse locally-led development, and that are more likely to shift power to local actors and build a healthier civil society overall. It has synthesised the information provided from a number of existing reports and tools about intermediaries across different disciplines.

## **Why this document?**

Multiple actors are needed to help philanthropy, government and multilaterals get more money to where it's needed. Larger funders may lack the capacity to manage high grant volumes or will lack the connections to the multiple numbers of civil society actors driving social change locally. Locally-led development demands that we have a civil society infrastructure that helps to shift power, rather than adding more bureaucracy or another level of power in a complex aid chain. Institutions are needed to support building healthy, resilient organisations at local levels. Funders are looking to understand more about this space; how best to use different funding partners in practice; and support their development.

Many partners are often referred to as 'Intermediaries' though this is a much-contested phrase, especially for those who are locally-rooted. They consider the phrase a barrier and argue that it minimises the work that they actually do to help build civil society and movements. Shifting power and the movement for locally-led development have promoted some clear principles on what is expected from the funding system, including ensuring that decisions are made as close to the ground as possible, and that risk management and bureaucracy is proportionate and reasonable. They want partners who add value to the growth and independence of a strong local civil society. This document therefore aligns with the phrase 'ecosystem catalysts' to refer to those 'intermediary' organisations who shift power and build the field.

There are multiple types of different ecosystem catalysts and it's important to distinguish between them. Depending on the needs of the end recipient, some may need different functions and services, from 'minimalist' to 'maximalist'. Donors may also require different functions, too. It's important for the decisions to be led in collaboration with local actors and the ecosystem catalyst.



**This document looks at the constituent dimensions of different types of ecosystem catalysts and provides an easy-to-follow overview of the types of organisations that add more value to locally-led development in practice, alongside their relevant functions and qualities.**

## **How to use this document**

- **Increase understanding of the role that ecosystem catalysers play. These civil society actors are often invisible in the ecosystem, as some will play a less prominent role in the wider philanthropic or donor system. Use this document to build knowledge within organisations about the functions and purpose of ecosystem catalysers, especially those with a locally-led development lens.**
- **Support funder strategy to help identify the different types of ecosystem catalysts to support and/or grow alongside the qualities that shift power to local actors. This document provides an initial assessment tool of the roles that these catalysts play in shifting power and field building.**
- **Adopt policies that encourage existing partners to improve practice to shift power. Funders may have long-standing partnerships that could inhibit locally-led development or conversely, accelerate it. This document highlights the practices and qualities that shift power. These requirements can be embedded into contractual obligations; or funders can seek feedback from sub-grantees to drive changes in behaviour.**
- **Map the field. Mapping known entities across the matrix can help to identify where there are gaps in a particular region. For example, regionally-based institutions are not as abundant and many locally-rooted institutions currently lack capacity to handle large influxes of funds, which perpetuates the dominance of US or Europe based intermediaries, including INGOs.**

## FUNCTIONS OF ECOSYSTEM CATALYSTS

<b>Back-office support</b>	Can include employment, legal, accounting, etc.
<b>Re-granting</b>	Have the capacity to shift funding to multiple contexts
<b>Risk management for donors</b>	Can assume key legal and/or political risks
<b>Risk management for sub-grantees</b>	Assumes donor risk on behalf of sub-grantees
<b>Hosting dialogue</b>	May include convening power and/or knowledge development for groups of funders
<b>Co-investor</b>	Will leverage their own capital and investment in the sub-granted organisation alongside the funding provided from donors
<b>Organisational strengthening</b>	Helps to build knowledge and skills of the movement, network or community
<b>Expertise</b>	Has their own subject-based or sector expertise that they bring to different constituents (eg. environmental)
<b>Movement knowledge</b>	Has significant knowledge and expertise of the movement they are funding
<b>Local knowledge</b>	Has specific local, place-based knowledge, trusted by local actors
<b>Advocacy/political</b>	Will influence the agenda with key decision-makers
<b>Scale</b>	Can handle grants of different sizes
<b>Flexible funding</b>	Can manage flexible funds
<b>Pooled funding</b>	Can manage pooled funds from multiple donors, including reporting and accountability requirements
<b>Intersectional</b>	Bridges different issues and sectors
<b>Governance</b>	Provide either formal or informal governance and oversight where (often legally) required
<b>Ecosystem strengthening</b>	Strengthening the overall field, which could be subject oriented (eg. climate) or regionally situated

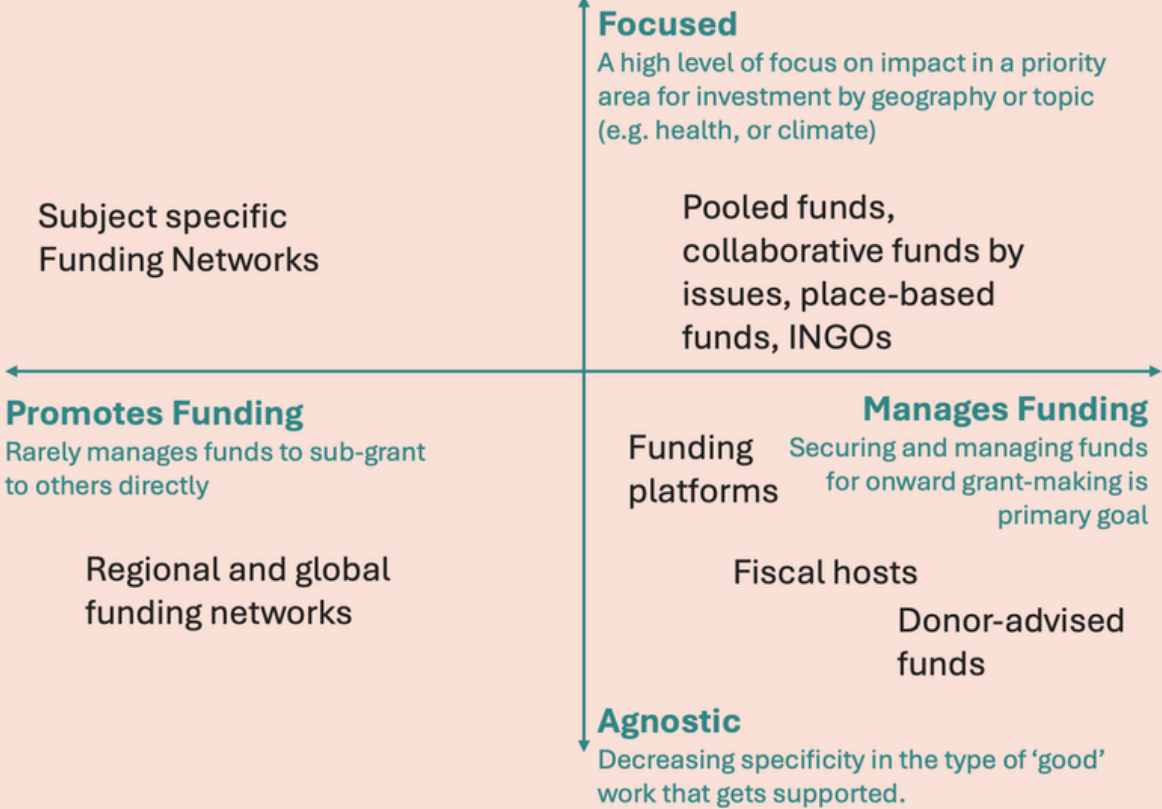
## QUALITIES THAT SHIFT POWER

<b>Participatory</b>	Decisions on grant-making made through collective responsibility and decision-making
<b>Shares costs fairly &amp; transparently</b>	Equal approaches to sharing overheads; or agreed appropriate costs with constituents
<b>Risk sharing</b>	Doesn't place undue risk burden on local actors/constituents
<b>Accountable to local actors/or their constituency</b>	Accountability systems that prioritise the concerns/ownership/feedback from constituents vs. donors
<b>Legitimacy/Local knowledge</b>	Connected ecosystem relationships; and/or legitimacy with local actors
<b>Sustainability</b>	Has diverse sources of income and new income generation models to reduce dependency on a minority of larger funders
<b>Governance</b>	Inclusive governance models that enable engagement from multiple stakeholders.
<b>Leadership</b>	Leadership that understands wider context of the system and shifting power

# Ecosystem Catalysts

What are the different types or ways of working?

*In general, most ecosystem catalysts will shift funding from one entity to another through regranting or sub-granting. Ecosystem catalysts may also help to support field building and collaboration.*



# Ecosystem Catalysts

## Examples

*In general, all eco-system catalysts shift funding from one entity to another through regranting or sub-granting. Ecosystem catalysts may also help to support field building and collaboration.*

*Examples: Funding networks, such as HRFN, Environmental Funder Networks. African Philanthropy Network, Civicus, GFCF*

## Promotes Funding

Rarely manages funds to sub-grant to others directly. May also build the field and support civil society and/or philanthropy.

*Examples: African Philanthropy Network, Wings, COF, ACF, EPIC*

## Focused

A high level of focus on impact in a priority area for investment by geography or topic (e.g. health, or climate). Strong role in field building.

*Examples: Global Green Grants Fund, Co-Impact, Kenya Community Development Fund (KCDF)*

## Manages Funding

Securing and managing funds for onward grant-making is primary goal

*Examples: Panorama Global, Global Giving, Global Dialogue, Rockefeller Philanthropy Advisers*

## Agnostic

Decreasing specificity in the type of 'good' work that gets supported.

# Mapping initiatives (sample)

- Global "North"
- Majority world or distributed

Some examples of ecosystem catalysts, the roles they play and their geographies.

