

Equitable Food Oriented Development (EFOD)

The EFOD Brown Paper defines Equitable Food Oriented Development and outlines a vision, shared values, and criteria. The report also provides examples of the impact of EFOD in communities, and makes recommendations for scaling EFOD principles to achieve equitable development more broadly.

EFOD Defined

“Equitable Food Oriented Development is a development strategy that uses food and agriculture to create economic opportunities, healthy communities, and explicitly seeks to build community assets, pride, and power by and with historically-marginalized communities.”

(EFOD Collaborative, 2019)

EFOD Collaborative Vision

Food is central to community health, political agency, and economic resilience, but food system initiatives have historically excluded impacted Black, Indigenous, and People of Color communities, or capitalized on their creativity without adequate investment. In contrast, organizations that align with the growing EFOD movement use food system projects, enterprises, and interventions as vehicles for wealth-building, community-owned development, and health equity.

EFOD Criteria

- **Equity and justice-first:** equity and justice are central to the larger mission of transformative systems and power change that extends beyond the food system.
- **Place- and people-based:** connection and accountability to a community with a distinct identity; leadership that has a long-term or meaningful connection to social justice in that community.
- **Use market-based or business strategies:** creating real and sustainable economic opportunities.
- **Community leadership development and community organizing:** top leadership represents and is accountable to the community; organizations advocate for community involvement in key policy or development decision-making.
- **Community ownership:** characterized by community-member assets and ownership as well as alternative economic structures and decision-making processes (i.e., co-ops).

Role of EFOD Organizations as Partners	Role of Developers/Policy makers as Partners	Community Benefit
Own physical assets (land, buildings, etc.) for community direction and use	Alleviate pressures in high-cost real estate markets by making space in mixed-use or commercial developments available for EFOD organizations	Preserving space for local control and long-term community ownership
Reflect community needs and existing assets, engage community members in decision-making, because of long-established history and trust in community	Integrate EFOD voice into public-sector planning, policies and investments	Decreased community alienation from local seats of power
	Community Benefits Agreements reflective of EFOD	Increased public accountability and transparency
Overall role for philanthropy: Supporting a larger EFOD knowledge base in the community economic development industry Supporting EFOD organizations to maintain accountability to/advocate for their local communities.		

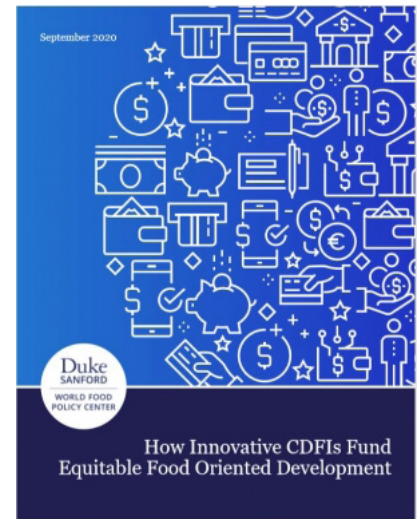
Source

EFOD Collaborative. (2019). Equitable Food-Oriented Development Building Community Power Prepared by the EFOD Collaborative OCTOBER 2019. <https://efod.org/wp-content/uploads/2021/08/EFOD-Brown-Paper-2019.pdf>

How Innovative CDFIs Fund Equitable Food Oriented Development

This report describes how three Community Development Financial Institutions (CDFIs) successfully fund EFOD projects and organizations to drive economic growth in under-resourced and under-banked communities of color. EFOD businesses need funding that incorporates both philanthropic and the community development financing (such as debt and growth financing) that can be uniquely provided by CDFIs. While many synergies exist, CDFIs do not always operate in alignment with EFOD. Fundamental evaluation criteria and lending practices render some CDFIs ill-equipped for EFOD partnership.

The three CDFIs in the case study – **New Hampshire Community Loan Fund** (<https://communityloanfund.org>), **Inclusive Action for the City** (<https://www.inclusiveaction.org>), and the **Intertribal Agriculture Council** (<https://www.indianag.org>) - were interviewed about their practices. Six areas of innovation were identified:



1. **Cultivating trust to identify opportunity:** Successful CDFIs rely upon existing community networks to identify borrowers, funders, and technical assistance providers. They recognize the importance of building trust with the communities they serve and prioritize resources towards that end.
2. **Amassing and deploying flexible capital:** Successful CDFIs focus on building a large fund with capital that can be customized, prioritizing borrowers' needs and business models rather than investors'.
3. **Underwriting with relationships:** Effective CDFIs invest in relationships with borrowers to mitigate risk. By establishing coaching partnerships, these CDFIs support businesses to grow and to collaboratively manage their repayment obligations.
4. **Designing products and services in a bottom-up fashion:** Successful CDFIs assess businesses individually to identify the most impactful products or terms for them rather than apply a one-size-fits-all approach.
5. **Developing localized expertise:** Effective CDFIs develop extensive expertise on the communities they serve. Social, economic, and environmental knowledge along with robust partnership networks enable them to identify innovative opportunities.
6. **Responding to local systemic barriers:** Successful CDFIs identify systemic barriers that burden their communities and take action to change them, including mobilizing for policy change and systems transformation.

Ultimately, CDFIs best equipped for EFOD feature community members in their top leadership, build community assets and equity, invest in existing networks, and prioritize community ownership, policy change, and systems transformation in their work.

Source

Gomori-Ruben, L. (2020, September). How Innovative CDFIs Fund Equitable Food Oriented Development, *Duke World Food Policy Center*. <https://wfpc.sanford.duke.edu/reports/how-innovative-cdfis-fund-equitable-food-oriented-development>

Aligning The CDFI Fund with EFOD

(Unreleased Memo, commissioned by the EFOD Collaborative
and produced by the Harvard Food Law & Policy Clinic)

The **CDFI Fund** (<https://www.cdfifund.org>) is a government entity within the Department of the Treasury, established in 1994 to provide financial assistance to CDFIs, increasing their capacity to invest in underserved communities.

EFOD organizations require financing to offset their startup costs, grow, and thrive. Many EFOD organizations seek loans from CDFIs, who act as an alternative to traditional banks by offering a range of financial products to marginalized communities. Still, EFOD organizations often encounter obstacles such as not qualifying for credit from CDFIs. The Harvard memo analyzes regulations for CDFIs and the common barriers EFOD organizations face as they try to secure CDFI funding.

Common barriers EFOD organizations face:

1. EFOD organizational operations, business plans, and metrics may not align with conventional CDFI underwriting practices that emphasize applicants' ability to repay loans, often without an understanding of nonprofit program funding or community dynamics.
2. EFOD organizations often don't have the financial record necessary to demonstrate an ability to repay CDFIs, despite a history of successful fundraising and financial sustainability.
3. EFOD organizations may not have sufficient capital or collateral to qualify for loans under conventional CDFI underwriting practices. Extractive policies condone the use of community assets as collateral against EFOD loans, diminishing the prospects for community wealth creation.

The report offers the following policy change recommendations:

Encourage CDFIs to Lend to Higher-Risk Borrowers: Rather than support existing CDFI lending practices, the CDFI Fund should adopt policies that encourage CDFIs to use CDFI Program awards to issue loans to riskier borrowers.

Encourage CDFIs to Target EFOD Organizations: Congress and the CDFI Fund can expand programs such as the Healthy Food Financing Initiative to directly target EFOD-aligned community-based organizations and enterprises owned by people of color.

Source

ALIGNING THE CDFI FUND WITH EFOD. (2021). Harvard Food Law & Policy Clinic.

Community-Rooted™ Approaches as an Alternative to Community-Based Approaches

Communities in Partnership (CIP) coined the term: “community-rooted™” regarding its approach to community development. The key is that its mission, vision, and day-to-day operations center on those most affected by community conditions, and leverages community residents’ expertise and resources. Community-Rooted™ approaches utilize governance structures, decision-making practices, and strategies that reinforce accountability, enhance community ownership, and emphasize systems-level change.

“Community-Rooted™” is used as an alternative to “community-based” organizations that can marginalize community voice, limit capacity building, and neglect the underlying causes of community conditions. Community-rooted™ organizations leverage community residents’ expertise and resources.

Community-Rooted™ Approach

A systems approach to community change	Residents' knowledge about local systems and relationships informs a community-rooted organization's vision, mission, and community development strategies.
Equitable engagement	Providing opportunities to individuals with undervalued skill sets that are often difficult to quantify, acknowledging the importance of their input. Matching existing skillsets with specific roles and providing resources, such as career development and coaching, to build leadership capacity.
Organizational leadership and operations	Staff is directly accountable to their communities because they are from the community, live within the community, or have substantial ties to the community. The majority of the board is made up of residents most affected by a community-rooted organization's action (or inaction) and thus, are the best fit to shape the organization's direction.

Source

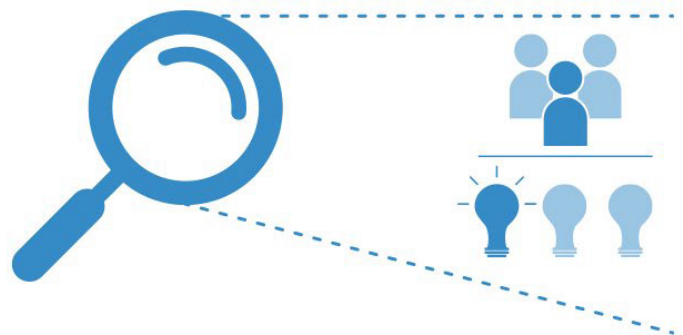
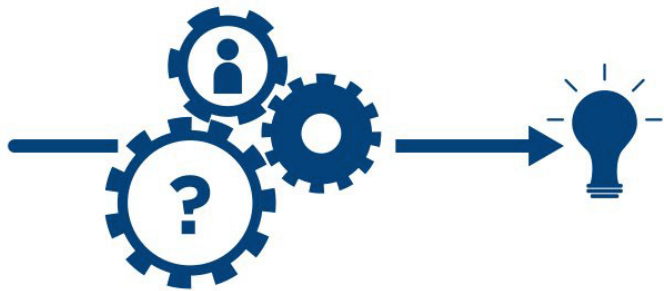
Smith, C., Spurlock, D., Abdur-Rahman, A., & Jowers, K. (2020, July 10). Community-Rooted Organizations: Enhanced Accountability and Capacity Building for Community Development. *Metropolitiques*. Retrieved from <https://metropolitiques.eu/Community-Rooted-Organizations-Enhanced-Accountability-and-Capacity-Building.html>

Disparities in Philanthropic Giving

Two of the biggest factors holding back philanthropy's quest for social change

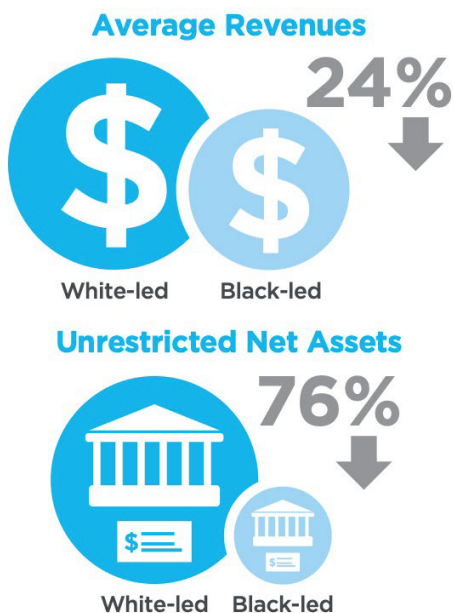
1 Understanding the role of race in the problems philanthropists are trying to solve

2 The significance of race in how philanthropists identify leaders and find solutions



Source: The Bridgespan Group

There are **disparities in revenues and unrestricted assets** between **white-led and Black-led** early-stage organizations



Source: Echoing Green Applicant Information, 990 Data from GuideStar, Bridgespan Analysis.

Recommended Reading

Howe, E., & Frazer, S. (2020, June). Pocket change: How women and girls of color do more with less. *Ms. Foundation for Women*. Retrieved from <https://forwomen.org/resources/pocket-change-report/>

Cyril, M. D., Kan, L. M., Maulbeck, B. F., & Villarosa, L. (2021, September). Mismatched – philanthropy's response to the call for racial justice. *Philanthropic Initiative for Racial Equity*. Retrieved from <https://racialequity.org/mismatched/>

Bradach, J., Dorsey, C., & Kim, P. (2020, May 4). Racial Equity and Philanthropy. *Bridgespan*. Retrieved from <https://www.bridgespan.org/bridgespan/Images/articles/racial-equity-and-philanthropy/racial-equity-and-philanthropy.pdf>