



## Community Development Finance Association

### Advocacy

#### Good Practice's title

Advocacy on behalf of CDFA members to promote and support the community finance sector. The full details of the CDFA's approach to advocacy is available in Annex A.

#### Main objective

The CDFA's objectives are:

- To build a consensus with stakeholders both within and outside of the Government.
- To use robust and current data from its members to strengthen its case.
- To ensure that the CDFA's message can be easily communicated and shared by the media and public relations companies, to enable stronger public presence.

#### Key words:

Advocacy, Community Finance, Alternative Finance, Policy

<b>Type of organization</b>	Trade association; Company Limited by Guarantee
<b>Country</b>	United Kingdom
<b>Year of inception of the good practice</b>	2001
<b>Services and products provided</b>	Advocacy, wholesale funding
<b>Portfolio (€)</b>	n/a
<b>Average loan size (€)</b>	n/a
<b># of clients</b>	n/a

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#### Institutional profile

The role of the CDFA is to cultivate a thriving community finance industry through:

- Our engagement with government on behalf of CDFIs and the communities they serve.
- Our Change Matters performance framework and Code of Practice.
- A stimulating programme of events and networking opportunities.
- Offering our members advice, information and consultancy when they need it.

#### Mission of the organization

The CDFA's mission is to support the development of a thriving and sustainable community development finance (CDFI) sector that provides finance for disadvantaged and underserved



communities and, as a consequence, contribute to the increasing prosperity of these communities.

### **Governance structure**

The CDFA is a company limited by guarantee (CLG) accountable to an independently elected board of directors, who represent both the CDFA's membership and the wider sector.

## **Good Practice**

### **Introduction**

The CDFA advocates for its members by consulting them on relevant policy issues, forming relationships with policy makers and private sector stakeholders to gain support and call for legislative change. Integral to the CDFA's approach is building a strong evidence base. By demonstrating the value the policy intervention or initiative has, the CDFA is able to maximise its impact when advocating for the needs of its members.

### **Target group and accessibility**

The CDFA advocates on behalf of its members, Community Development Financial Institutions (CDFIs). To do so the CDFA targets government officials, members of peer organisations, such as social enterprise funders, as well as representatives of the financial services industry. A benefit of CDFA membership is advocacy and policy development.

### **Innovativeness**

The CDFA's advocacy measures are comparable to those of peers, in terms of innovativeness. The CDFA uses learnings from members, peer organisations in the UK, as well as those in other countries to tailor its approach to the needs of current policy environment in the UK to maximise the impact and value of its work. The CDFA maintains its innovativeness by customising its advocacy approach to the specific policy problem, and the relevant stakeholders. By establishing relationships early-on, the CDFA is able to leverage these relationships when advocating on behalf of its members.

### **Relevance given the context**

Given the economic environment in the UK, the CDFA's advocacy work is very relevant, as there has been a contraction in businesses' ability to access finance. The CDFA seeks to expand the capacity of CDFIs to serve this market in need through its advocacy work. Our approach has been highly successful, leading to a rise in CDFI lending to small businesses by 257 per cent in 2013, demonstrating the potential value of advocacy.

### **Adaptability to other contexts**

Whilst the context of the CDFA's policy and advocacy work is specific to the financial services and community finance sectors, the CDFA's approach and methodology is transferable to other advocacy organisations and sectors. It is relevant to all other organisations that focus on advocacy and policy to understand how to present a compelling case and advocate for a sustainable alternative. CDFA approach and methodology focuses on building an evidence base and targeting the material for the specific audience.



Importantly, the CDFA aims to use a different approach when trying to gain support from a neutral government versus an opposing government or party. Distinguishing between these audiences is crucial for defining the advocacy approach, securing support, and defining appropriate policy intervention. The details of the CDFA's methodology are available in Annex A.

### **Efficiency**

The CDFA aims to be cost-efficient. As the CDFA performs other functions in addition to advocacy, and its staff split their time across functions, cost/revenue ratios exhibiting cost efficiency.

### **Outcomes**

Some examples of recent CDFA achievements include:

- Secured £60million for the community finance sector through a new Regional Growth Fund programme.
- Initiated a landmark bank to community development finance institution (CDFI) referral scheme.
- Oversaw a capacity-building programme which established a performance framework for the sector.
- Acted as a key player in the formation of the Community Investment Coalition (CIC), a new national partnership focused on campaigning for fair finance.

### **Sustainability**

The CDFA's core mission is advocating for its members and driving policy forward, so this work will continue in the long run, as long as CDFA exists. The success of its initiatives are evaluated internally and occasionally by external parties. The CDFA is also a member of multiple committees and groups that seek to influence policy, so its work on behalf of its members to the broader social and financial services sectors will be maintained. The CDFA receives funding for its advocacy work through grants that support staff time allocation to this work. As the CDFA is the trade association for the community development finance sector in the UK and has played a crucial role in its development, it has relationships with funders (both governmental and private) that recognise the important role it plays in advocating on behalf of the sector.

### **In practice:**

By using the approach described in Annex A, the CDFA launched a loan referral scheme with the British Bankers Association in 2013, where banks refer clients declined finance to regional CDFIs. This referral scheme increases CDFIs' presence as alternative finance providers, creates new relationships between CDFIs and banks, and helps underserved consumers access finance.

### **Further readings**

- CDFA Annual Report: <http://www.cdfa.org.uk/about-cdfis/icf/>
- CDFA Manifesto: <http://www.cdfa.org.uk/about-cdfis/justfinance/>
- See below [Annex A](#) with CDFA Advocacy methodology

## Annex A - Advocacy good practice methodology CDFA

	Neutral Government			Opposing Government	
Purpose	Consultation response	Shaping new policy	Calling for legislative/regulatory change	Securing political/parliamentary support	Mounting a campaign
Approach	<ul style="list-style-type: none"> <li>- Be specific</li> <li>- Respond to a small number of points that are most pertinent</li> <li>- Use evidence gathered from member survey to substantiate views, ensuring a strong evidence base</li> <li>- Make sure recommendations are clear, measurable and achievable</li> </ul>	<ul style="list-style-type: none"> <li>- Build a base of support, amongst senior officials and politicians</li> <li>- Ensure availability of extensive, independent data to support your ask</li> <li>- Frame the tasks carefully</li> <li>- Be solutions focused and ensure consequences have been considered</li> <li>- Make links as appropriate with other government initiatives, so to make clear any added value</li> <li>- Cost it clearly</li> <li>- Ensure good political backing can be optimized, as and when necessary</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure objective you want to achieve really is a legislative/regulatory matter</li> <li>- Get a well-developed (pro-bono) opinion from a respected legal source</li> <li>- Propose very clear, concise and specific recommendations (preferably that can fit within an existing arrangement so there's no need for new, or primary, legislation)</li> <li>- Use robust and objective evidence as the basis for your proposal</li> </ul>	<ul style="list-style-type: none"> <li>- Build alliances across sector and within associated/supporting industries (e.g. banks, building societies, social investment agencies etc.)</li> <li>- Find a 'hook' e.g. a policy idea to which government is firmly committed, to which you can clearly link your issue</li> </ul>	<ul style="list-style-type: none"> <li>- Capture the imagination!</li> <li>- Translate an idea into something that'll grab people; dedicate resource to media/PR and brand work – it'll pay off</li> <li>- Develop strong media contacts, and establish credible evidence/story lines and reliable public affairs presence</li> <li>- Piggy-back on major events (Olympics, elections, national budgets etc.) that generate public interest</li> </ul>
Maximizing your impact	<ul style="list-style-type: none"> <li>- Cross-refer to responses that partner agencies are submitting and ensure 'your' liner is explicitly supported</li> </ul>	<ul style="list-style-type: none"> <li>- Form alliances outside of government, to intensify pressure and objectify interventions (individual lobbying always runs the risk of being dismissed as self-interested)</li> <li>- Use comparisons with other nations' policies</li> </ul>	<ul style="list-style-type: none"> <li>- Get support from regulatory bodies in advance of any political intervention</li> <li>- Get in principle endorsement from other related organizations</li> </ul>	<ul style="list-style-type: none"> <li>- Media mobilization</li> <li>- Elaboration of well-crafted case studies that clearly illustrate the point we are making, and that have a human element</li> </ul>	<ul style="list-style-type: none"> <li>- Coral support from those directly elected (e.g. the electorate)</li> <li>- Use members/local agencies to lobby local politicians</li> <li>- Provide pre-prepared postcards/letters to MP's/ministers, for mass distribution, to raise profile and ideally make it an election issue</li> </ul>