



SOCIAL SECTOR FINANCE



Our Commitment to Social Sector Finance

Orrick is committed to representing organizations involved in Social Sector Finance (SSF), the global movement that seeks to make impact investments in, and provide financial opportunity to, disadvantaged and financially underserved communities. Although organizations engaged in SSF activities often face difficult or complex legal issues, in addition to financing and investment issues, few law firms operate in this space. Because of the strength of our global corporate and finance practices and our broad experience with social sector clients through our pro bono program, Orrick is in a unique position to represent and advise clients involved in SSF.

Our SSF work has evolved rapidly and we have developed strong relationships with the many financial institutions, government agencies and non-governmental organizations (NGOs) that are active in this field. We also work with investors and supporters, advising on cross-sector collaboration and public-private partnerships (PPPs).

Our lawyers, located in offices throughout Asia, Europe and North America, provide a wide range of legal services to entities involved in SSF, often on a pro bono basis. We advise on a variety of matters, including the structuring and governance of nonprofits, banking law, securities law, foreign exchange regulations, local laws and regulations, employment law, tax law and a wide range of transactions, including structured finance, contracts and fund formation. If a matter requires knowledge of a local jurisdiction in which we are not present, we draw on our large network of local counsel in countries around the world.

Nearly one billion people lack access to water and close to three billion people lack access to safe sanitation.





Representative Work for SSF Clients

We support the broad, social goal of raising the quality of life for people in every part of the world. The poorest communities, without access to basic financial and social services, are in particular need of financing opportunities, affordable housing, education and health care, clean water and water sanitation technology and investment in clean and renewable energy. Here are some examples of how we work with SSF clients:



MICROFINANCE | We have helped establish microfinance institutions (MFIs); advised an online program that connects investors with MFIs; advised a nonprofit that subsidizes MFIs on transactions and structured finance; analyzed foreign exchange risk issues and reviewed microlending regulatory schemes in over two dozen jurisdictions.



EDUCATION | We provided transactional support to a nonprofit that has created a global market for education finance to help disadvantaged students pay for their education.



WATER AND SANITATION | We serve as outside counsel for a nonprofit that works to improve water supply and sanitation for poor communities around the world.



HOUSING | We are providing advice on an \$80 million debt financing transaction for a nonprofit that works on affordable housing issues in the U.S.



HEALTH | We provided regulatory advice to a nonprofit that delivers health care services to communities that are devastated and suffering due to war, natural disaster and disease.



ENERGY | We advised a foundation whose goals are the prevention of deforestation and the creation of green jobs on how to make investments in an African sustainable forestry fund.



Approximately
2.5 billion people—
overwhelmingly women—lack
access to basic financial services
to enable income generation,
asset creation, family financial
planning or protection against
emergencies.



Over **one billion people**
live on a dollar a day
or less.



1.6 billion
people live without
electricity and
2.5 billion people
routinely face energy
shortfalls.



Our Services

Our work for SSF clients falls into two categories, paid and pro bono. We represent a wide range of SSF clients, including leading microfinance organizations, and a significant number of the largest and most active SSF organizations globally. We also represent various SSF funds, capacity-building organizations, foundations and other key stakeholders.

We advise on a variety of matters, including the structuring and governance of nonprofits, banking law, securities law, foreign exchange regulations, local laws and regulations, employment law and tax law. In addition to our legal capabilities, our offices in key financial cities in Asia, Europe and North America enable Orrick to leverage its international footprint and broad capabilities in finance to facilitate transactions among a variety of SSF investors and supporters, NGOs and government agencies. Orrick lawyers assist domestic and foreign companies with their SSF needs within local jurisdictions and, with the assistance of local counsel when needed, research and analyze foreign exchange, tax, banking and other regulations in a wide variety of jurisdictions.

Orrick has strong practice capabilities and the geographic reach to serve SSF clients globally in the following areas:

- Debt finance
- M&A
- IPO advisory services
- Regulatory advice
- Venture capital and private equity
- Investment funds
- Peer-to-peer (P2P) and related online microlending platforms
- Intellectual property
- Labor and Employment
- Renewable energy
- Tax

The geographic regions in which we have worked include:

Africa

Cameroon; Egypt; Ghana; Kenya; Mozambique; Nigeria; Togo; Uganda

Americas

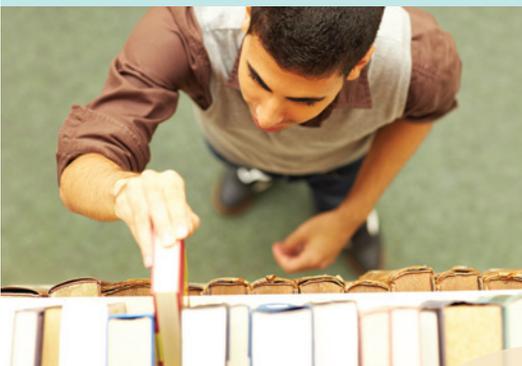
Argentina; Brazil; Colombia; Paraguay; Venezuela; USA

Asia-Pacific

Bangladesh; China; India; Indonesia; Mongolia; Nepal; Philippines; Sri Lanka; Tajikistan; Thailand; Vietnam

Europe and Middle East

England; France; Israel, West Bank & Gaza; Italy; Lebanon; Ukraine



More than
770 million adults
lack even
minimal literacy
skills.



A Shared Goal of Community Responsibility

Orrick's commitment to community responsibility drives us to work in partnership with our SSF clients to help them make impact investments in, and provide financial opportunities to, disadvantaged and financially underserved communities.



MICROFINANCE | Since 2003, Orrick has assisted microfinance clients with advice on a full range of business issues, including corporate, tax, real estate and intellectual property. Our microfinance practice received the 2008 Business Law National Public Service Award from the American Bar Association, which noted that our work on microfinance matters has had an impact on thousands of poor persons in the developing world. The ABA also noted our work with microfinance clients in New York City.



EDUCATION | Orrick advises both nonprofit and for-profit organizations that are creating innovative ways to build the financial infrastructure necessary to deliver adequate levels of funding for quality education, while promoting educational efficiency and equity at all levels of society.



WATER AND SANITATION | Orrick is committed to supporting its clients focused on improving access to safe water supply and delivery and provision of safe sanitation. These clients typically target vulnerable populations in urban, peri-urban and rural environments, and work with local NGOs and national and international government agencies to achieve these goals.



HOUSING | Orrick advises clients on transactions that bring innovative financing options to cities in the developing and developed world to increase the breadth of scalable, affordable housing solutions for marginalized communities. We also advise clients developing energy-efficient materials and cost-effective construction techniques.



HEALTH | Orrick advises leading private organizations in the health services sector to apply their resources and expertise to meet the health needs of the poor. The goals of the international health community include improving the access, quality, efficiency, and equity of healthcare; improving maternal care; and ensuring food security.



ENERGY | Orrick is actively involved in numerous projects that bridge the funding gaps that help finance the delivery of energy to underserved populations in a clean and sustainable way. These include both “top-down” energy infrastructure and “bottom-up” grassroots energy solutions, and involve a mixture of private sector, multilateral and local government investors.

“Microfinance is an area of particular interest for Orrick because it leverages our finance expertise and global reach to impact literally millions of poor persons around the world. We are privileged to have the opportunity to work closely with leading microfinance clients worldwide. This is a shining example of our global commitment to community responsibility.”

— *Ralph Baxter*
Chairman, Orrick



Orrick has advised and is advising **CHF International** on diverse projects, including funding for its affiliated microfinance institution (MFI) in Jordan by the Overseas Private Investment Corporation (OPIC), and regarding the establishment of an MFI in Sudan. CHF has been a leading provider and facilitator of financial services in developing and transitional countries worldwide for more than 20 years.

Since December 2006, teams of Orrick lawyers around the globe, relying on local counsel, have been representing **Kiva**, an online P2P lending platform that connects MFIs in the developing world with social investors. Orrick attorneys have conducted research and analyzed the laws of over thirty-five jurisdictions in the developing world to determine whether restrictions exist in those countries for capital transactions made to and from the United States, and whether, more generally, Kiva's business model can operate in these jurisdictions without excessive regulatory restrictions.

Since early 2010, Orrick has been outside counsel to the **Calvert Foundation (CF)** in a wide variety of financing transactions. For example, Orrick advises CF on its "green portfolio," which allows investors to channel their investment dollars to community-based strategies to address climate change, reverse environmental degradation and promote sustainable development strategies. Orrick also advised CF in connection with its participation in a unique fund called "HELP Haiti" to assist the recovery of Haitian MFIs in the wake of the January 2010 earthquake. Finally, in a true testament to Orrick's breadth of SSF capabilities, Orrick advised CF in its first-ever loan to a partner MFI of Water.org (see below) in India for water/sanitation loan portfolio growth.

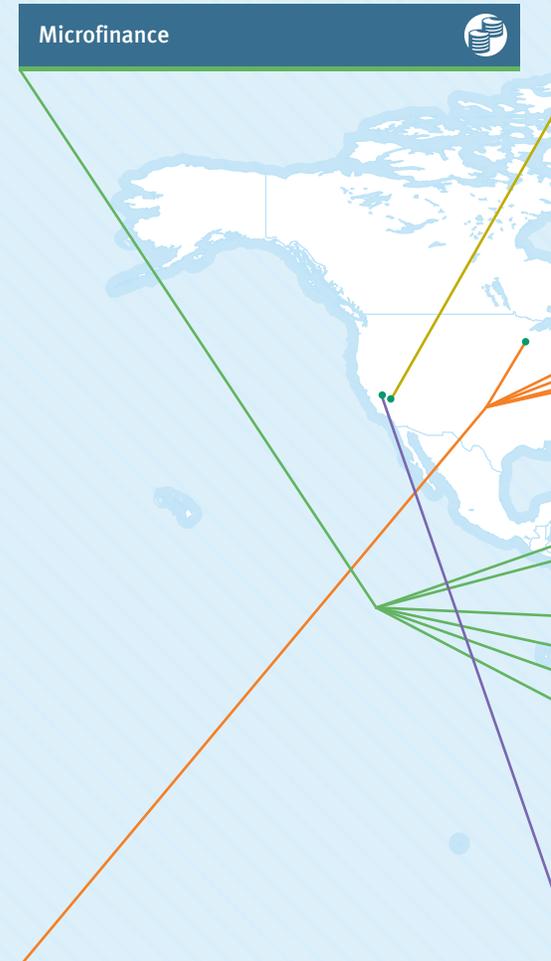
Orrick closed a precedent-setting education finance fund for **Enzi**, focused on the human capital contract (HCC), pursuant to which low-income students, in exchange for college tuition, commit to pay a fixed percentage of their income post-college to the company's investors. Enzi's fund pushed the boundaries of HCC because it was modeled on an equity fund, even though most HCC funds are based on a mix of debt and equity. The fund disbursed money to low-income Stanford University graduate computer science students from India, and only with this assistance did they have the opportunity to complete their degrees. The fund also created a new kind of note issued to the investors who are critical of the success of the P2P lending model.

Orrick advised the microfinance accelerator **Unitus** on a full range of both nonprofit and commercially oriented transactions. Unitus and its subsidiaries required a diverse range of functional and regional expertise, including transactional, finance and regulatory matters. Our Asian- and U.S.-based Social Sector Finance lawyers assisted in creating Unitus Capital, a subsidiary of Unitus, Inc., that served as an investment bank boutique for microfinance institutions (MFIs). Several of our U.S.-based SSF lawyers provided counsel on international tax structuring issues, negotiation of a licensing agreement, establishing microfinance operations in Kenya and a wide range of intellectual property issues.

Orrick advised **Global Partnerships**, a U.S.-based nonprofit organization that has been providing loans to MFIs in Central and South America for a number of years, in creating a novel financing structure for the organization to make loans available to MFIs. With Orrick's assistance, Global Partnerships formed an investment fund that issued debt instruments that were privately placed to investors. The proceeds of the issuance of the notes were made available for loans to MFIs in Central America.

Orrick represented the **Overseas Private Investment Corporation (OPIC)** in connection with one of the earliest groundbreaking international structured finance transactions for MFIs (BlueOrchard Microfinance Securities I) consisting of notes collateralized by MFI debt obligations. The proceeds of the US\$87 million issuance were used to finance 14 MFIs in nine emerging economies.

Microfinance



Housing



Orrick is advising **Living Cities, Inc.** in connection with an \$80 million debt financing transaction that will provide funding to five major U.S. cities as part of Living Cities' Integration Initiative, which focuses on innovation to address systemic issues related to affordable housing. The five cities—Baltimore, Cleveland, Detroit, Minneapolis-St. Paul and Newark—submitted proposals for grant and loan funding to tackle their cities' respective municipal problems.

A team of transactional attorneys provided comprehensive services to **Lumni**, an organization dedicated to creating an efficient global market for education finance through the introduction of the HCC. The team facilitated the development of two small loan funds to benefit students in a school in the San Francisco Bay Area that allowed the students to obtain funding for college. Orrick's support has enabled Lumni to begin scaling its operations to serve more students.

Education 

Orrick serves as outside counsel to **Water.org**, a nonprofit that provides cutting-edge solutions to the crisis in global water and sanitation sectors, known as watsan. The organization's innovative WaterCredit initiative links the watsan and microfinance sectors and helps MFIs develop scalable, sustainable loan portfolios focused on their clients' watsan needs. Water.org is also involved in global watsan advocacy, ICT and public health-related activities.

Water 

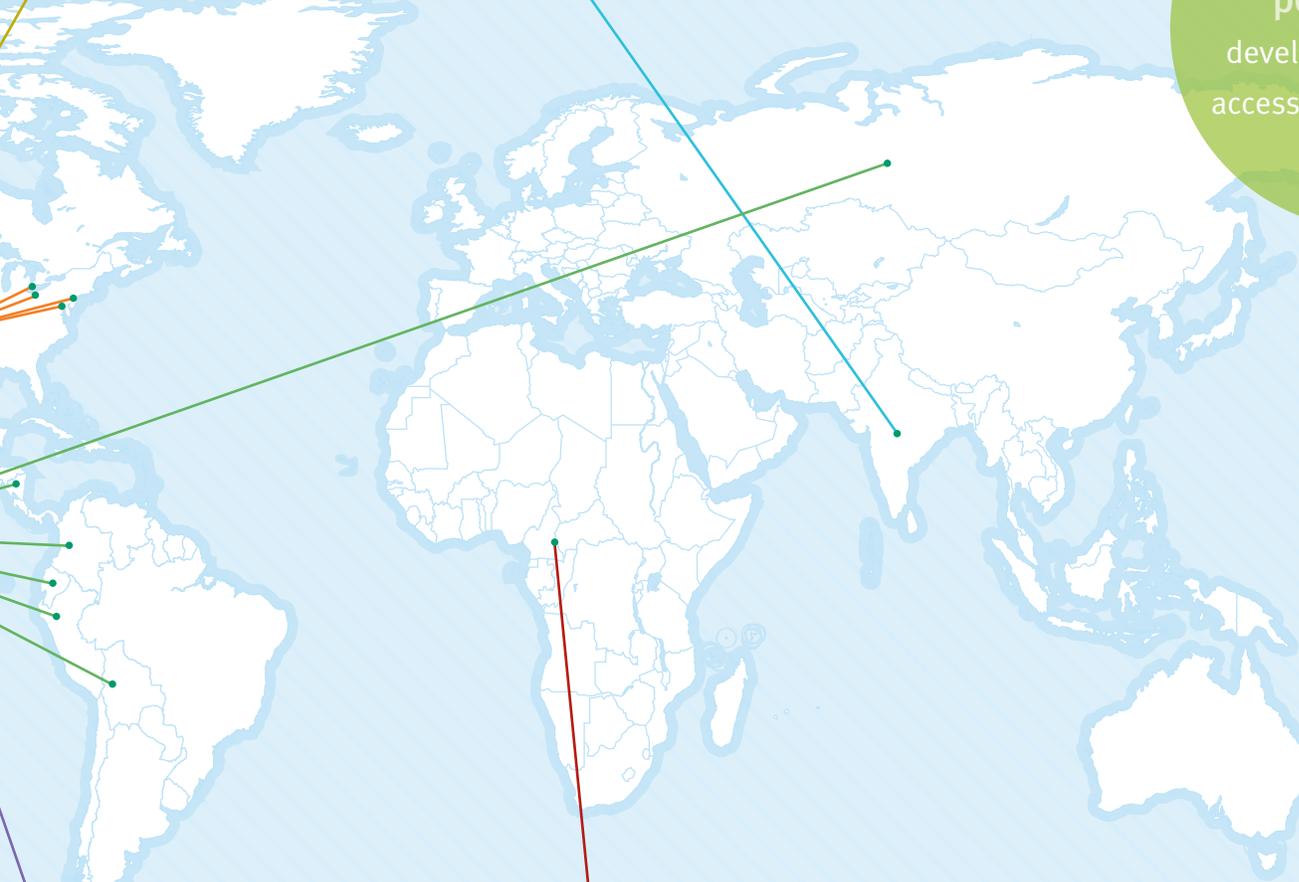
More than **2.5 billion** people in the developing world lack access to basic financial services.

Health 

Orrick has served as counsel to the **International Medical Corps (IMC)** on a variety of regulatory and compliance issues. For over 25 years, IMC has worked to relieve the suffering of those impacted by war, natural disaster and disease by delivering vital health care services that focus on local health care training and helping devastated populations return to self-sufficiency.

Energy 

Orrick advised **Calvert Foundation** on its investment in the Global Environment Fund's Africa Sustainable Forestry Fund, which seeks to invest equity in existing plantations, greenfield plantations, natural forest concessions, bioenergy and value-added wood processing in Sub-Saharan Africa. The fund addresses active forestation, reforestation and prevention of deforestation, and promotes green job creation.





ABOUT ORRICK

Orrick is an international law firm with more than 1,100 lawyers located in the major commercial centers of North America, Europe and Asia. Tracing its roots to 1863, over the years, Orrick has pursued a strategy of steady but measured growth to meet the needs of our clients for high-quality legal solutions wherever they do business. Our practices are balanced between high-stakes litigation and complex transactions, while emphasizing proactive counseling and risk management. In recognition that our clients require both quality and value, the firm has led the legal industry by combining market-leading practice capabilities with client-service innovation.

TRANSACTIONAL

- Banking and Finance
- Capital Markets
- Compensation and Benefits
- Emerging Companies
- Energy
- Financial Markets
- Global Infrastructure
- Mergers and Acquisitions
- Outsourcing and Technology Transactions
- Public Finance
- Real Estate
- Restructuring
- Tax

LITIGATION

- Antitrust and Competition
- Commercial Litigation
- Employment Law
- Insurance
- Intellectual Property
- International Arbitration
- Mass Torts and Product Liability
- Public Policy and Government Affairs Practice
- Securities Litigation and Regulatory Enforcement
- Supreme Court and Appellate Litigation
- White Collar Criminal Defense and Corporate Investigations

For additional information regarding Orrick's Social Sector Finance practice and lawyers, please contact:

Cam Cowan
202-339-8488
ccowan@orrick.com

Rene Kathawala
212-506-5100
rkathawala@orrick.com

Orrick, Herrington & Sutcliffe LLP | 51 West 52nd Street | New York, NY 10019-6142 | United States | tel +1-212-506-5000
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