

Hogan
Lovells



**Social Entrepreneurship
and Social Financing Practice**

“This isn’t corporate social responsibility. It’s corporate organisations doing what they do best – using their skills and resources to create new revenue and financing models – in partnership with leading charities and social entrepreneurs to jointly tackle social problems. Speak to the professionals at Hogan Lovells, Accenture and Deloitte, and they will tell you how much this means to them. This goes beyond charity – it’s a unique and exciting opportunity to reinvent the entire way a sector works, and come up with badly needed new ideas to help the social enterprise sector become financially sustainable.”

Mark Cheng, UK Director of Ashoka
The Guardian (8 June 2012)

“Social entrepreneurs are not content just to give a fish, or teach how to fish. They will not rest until they have revolutionized the fishing industry.”

Bill Drayton, Founder and CEO of Ashoka

Social Enterprise and Social Financing

Entrepreneurs are a source of innovation and change. In the private sector entrepreneurs act as engines of growth and social entrepreneurs build on this, using their creativity and drive to challenge fundamental inequalities in the global community.

Today’s social entrepreneurs are leading a revolution in the way in which we approach intractable global problems. By harnessing the considerable experience of our lawyers we have developed a comprehensive international programme of assistance to support this area of development and innovation and its social aims. Our aim is to offer a joined up practice which extends across our international network of offices and ultimately, to give communities the chance to help themselves through the means of social enterprise.

The Social Enterprise and Social Finance Practice at Hogan Lovells has a particular focus on five key areas:

- poverty;
- access to education;
- access to healthcare;
- environmental sustainability; and
- policy reform.

The practice therefore concentrates its efforts on advising those social enterprises and social financing projects that aim to address one or more of these global issues.

The five strands of our practice are:

- **Direct legal support** to social enterprises;
- **Direct in-country support** in developing countries. Hogan Lovells is able to second lawyers each year to provide full-time support to social enterprises working on international development goals;
- **Supporting access to finance** by providing advice to social finance institutions which provide capital to successful social enterprises to help them scale up their operations;
- **Capacity building** by providing funds to NGO partners to allow them to assist social entrepreneurs to become "investment ready" so they can improve their business model to gain access to alternative sources of social capital to allow them to grow; and
- **Promoting better policy and greater understanding** of the social enterprise sector. We facilitate consultation and research to foster a better understanding of policy issues affecting social entrepreneurs.



Oro Verde (© Kike Arnal/Oro Verde)

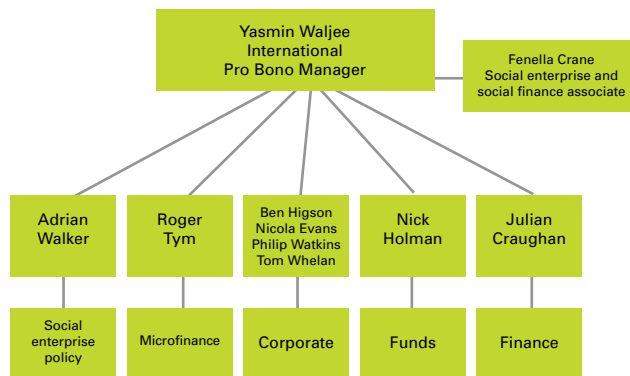
"One thing is very clear to me – that with social business taking off, the world of free market capitalism will never be the same again, and it then will really be able to deliver a deathblow on global poverty."

Professor Muhammad Yunus, Founder of Grameen Bank

Our Social Enterprise Board and Governance

The Social Enterprise and Social Finance Practice is made up of over 40 lawyers supervised by the Social Enterprise Board comprised of our full time professional pro bono and social enterprise lawyers and nine partners. Each member of the team is personally committed to working with social entrepreneurs to forge a better world and make Hogan Lovells the premier global firm advising on social enterprise issues.

The firm has an established track record of providing pro bono support to social enterprises and social finance projects and the Practice is a sign of its continued dedication to this work.



"The pro bono services provided by Hogan Lovells to charities and social enterprises are a fantastic resource for organisations such as ours, and have been a practical and effective way of helping to further WSUP's mission of improving the lives of the urban poor."
Will Day, WSUP Chair

What is Social Enterprise?

A social enterprise is a business with a social or ethical purpose. Its object is to improve the world we live in through commercial and sustainable means.

What is Social Finance?

Social finance creates sustainable funding for organisations that address social issues. It promotes investments which offer a social, as well as financial return and marries private sector investment with social sector needs.



WSUP (Water and Sanitation for the Urban Poor): a non-profit partnership between the private sector, NGOs and research institutions focused on solving the global problem of inadequate water and sanitation in low-income urban communities.

"At FARM-Africa we had an innovative idea, to set up Africa's first livestock franchising business, and with the help of your talented and dedicated staff this idea is now a reality. Thank you Hogan Lovells for working with us to make quality, accessible and affordable livestock services in Africa a reality."
Nigel Harris, CEO, FARM-Africa

Our work

We have provided strategic legal advice on issues relating to corporate structure, intellectual property, finance, environmental law and employment to dynamic social entrepreneurs who wish to use business ideas to address social issues, for example:

FARM-Africa

Initially, in 2009 Hogan Lovells was involved in a review of FARM-Africa's operations on the ground. We provided two employment lawyers from our New York office to work in Ethiopia and Kenya to develop a comprehensive employment handbook over a period of six weeks.

Alongside this, our corporate and tax lawyers worked with FARM-Africa on their business plan to establish a franchise veterinary service.

Blue Ventures

Blue Ventures is an award winning marine conservation organisation dedicated to conservation, education and sustainable development in tropical coastal communities.

Through their marine expeditions, volunteers from around the world work closely with field research teams, in partnership with local



FARM-Africa

“It is hard to think of many other law firms that could provide the comprehensive range of legal expertise that our clients required, ranging from an in-depth understanding of the UK charitable sector and the requirements of the Charity Commission, to the corporate finance expertise needed to structure the hybrid social enterprise and issue an equity offering under the Enterprise Investment Scheme.”

Mark Cheng, Executive Director of social investment firm Chelwood Capital

communities in Madagascar and Belize. The social enterprise works with coastal communities to help them to protect their marine environments and develop livelihoods in a sustainable way. Hogan Lovells has prepared a number of agreements for Blue Ventures including MoUs with Governments and has advised on intellectual property and employment matters.

Oxford Lotus Fund

The fund will be a \$100m healthcare impact-investing fund. The key aim of the fund is to make healthcare more affordable for low and middle-income consumers in developing countries by investing in affordable and cost-disruptive healthcare products and services. We are advising on the establishment of the fund.

Bottletop

Bottletop is an ethical fashion charity that produces high quality fashion items that are created from recycled ring-pulls and bottle-tops by workers in low income areas of Brazil. Surplus profits are donated to the Bottletop charity, which supports youth education projects around the world. Hogan Lovells lawyers have advised Bottletop on an organisational restructuring to expand their work and develop a trading arm.

Beyond Youth and client collaboration with Ford

Beyond Youth is an UnLtd Big Venture Challenge award winner, which performs highly successful interventions among young offenders aged 14 to 25. The program effectively reduces recidivism while promoting productive life changes. Working with Ford’s legal department,

“The practical and highly professional advice and input from Mark played a key role in obtaining a very positive outcome for ARM and Fairtrade.”

Cristina Echavarria, Executive Director, Alliance for Responsible Mining



SolSource, China

we advised on the franchise agreements that allow BY to be introduced in prisons and youth offending institutes across the United Kingdom.

Impact Investment Exchange Asia

Lawyers in our Singapore office have provided IIX with pro bono legal advice regarding the establishment of an Impact Guarantee Fund for investments in social enterprises focused on climate change mitigation and adaptation.

The fund is a new instrument to catalyse impact investment in Asia-Pacific. By partially guaranteeing impact investments, the fund will reduce risk for impact investors when investing in qualified social enterprises. Those social enterprises complying with criteria focused on sustainability, scalability and social and environmental impact will be eligible for support. The fund will leverage impact investments in Asia-Pacific, bringing more capital to the social enterprises that need it most.

International Pro Bono Ambassadors



Oro Verde (© Kike Arnal/Oro Verde)

The firm's International Pro Bono Ambassadors scheme provides legally qualified members of the firm with a once-in-a-lifetime opportunity to use a period of unpaid leave or holiday to work with communities in low income countries, on projects involving human rights and international development.

Hogan Lovells associates have provided in-house legal advice to Oro Verde, an organisation that aims to preserve the bio-diverse Chocó region of Colombia by supporting artisanal gold-mining communities and promoting environmental sustainability. Hogan Lovells lawyers also advised the Alliance for Responsible Mining on the development of the world's first "FAIRTRADE AND FAIRMINED" label for gold. The project was launched in 2010 to the retail gold industry in Europe and was profiled in The Guardian and Independent.

"Hogan Lovells has been a powerhouse providing assistance to entrepreneurs in the UK and internationally. Their breadth of expertise has meant they are able to tangibly support an incredibly diverse range of organisations and are one of the leaders in the social enterprise and social financing field."

Ben Metz, social entrepreneur and social enterprise consultant

Our NGO Partners

We are privileged to work alongside some of the world's leading networks of social entrepreneurs. Internationally, we partner with Ashoka where we sponsor the position of Director of Global Social Investment and provide our expertise to their network of social entrepreneurs.

Regionally, we support UnLtd and the School for Social Entrepreneurs and in China, the Foundation for Youth Social Entrepreneurship. We also work with the SEED Initiative a global partnership for action on sustainable development and the green economy.

These partnerships enable us to apply our expertise in support of pioneering social entrepreneurs working in their local communities, such as:

- German social entrepreneur of the year Ramazan Salman who is changing German society's approach towards the integration of immigrants. He has created the "ethnomedical centre", to allow immigrants who have recently arrived in Germany to seek medical treatment and access health institutions with the help of well-settled immigrant communities.
- Hua Dan, a social enterprise based in China which supports migrant populations by providing them with inspirational training in the arts to help to promote individual personal development.

“We are living in a phenomenal age. If we can spend the early decades of the 21st century finding approaches that meet the needs of the poor in ways that generate profits and recognition for business, we will have found a sustainable way to reduce poverty in the world.”

Bill Gates at the World Economic Forum 2008

Thought Leadership

The increasing interest in promoting social entrepreneurship and new ways of conducting business brings with it the new challenges related to combining a variety of sources of finance, variations in tax treatments internationally and the corporate structure. We regularly provide thought pieces and specialist input to opinion formers in Government and institutions promoting a better regulatory environment for social enterprise.

World Economic Forum’s Global Agenda Council

A partner in our Infrastructure and Project Finance team is privileged to be a member of the World Economic Forum’s Global Agenda Council on Social Innovation to develop policy on social entrepreneurship and social financing.

DFID paper

In partnership with Ashoka, the firm prepared a paper for DFID on how to catalyse impact investment for development. Due to Hogan Lovells’ ‘Social Finance’ program with Ashoka UK, to assist social entrepreneurs in becoming investment ready and to secure investment, we are in a strong position to provide recommendations.



Bamyan Media harnesses the power of mass media to inspire a new generation of youth leaders and accelerate the spread of social innovation.



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