

# REQUEST FOR PROPOSALS

---

## STEWARDSHIP IN PRIVATE DEBT

BUILDING INVESTOR AWARENESS AND CAPABILITIES ON HOW TO USE STEWARDSHIP FOR PRIVATE DEBT AS WELL AS SPECIFIC STEWARDSHIP TOOLS

### BACKGROUND AND PROJECT OUTCOMES

The PRI is the world's leading proponent of responsible investment. It works:

- to understand the investment implications of environmental, social and governance (ESG) factors;
- to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

More details about the PRI are available [here](#). We currently have over 5,000 signatories globally – including investment managers, asset owners and service providers.

The PRI defines Stewardship as the use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social and environmental assets on which their interests depend. Much of the [work the PRI has done on Stewardship](#) till date has been focused on investor guidance, tools and convening investors around various sustainability issues as well as specific asset classes and styles of investors.

In 2023, the PRI surveyed and interviewed over 80 private debt investors for its [introductory guidance on responsible investment for private debt](#). By listening to these investors, we identified gaps where more support is needed.

One such gap is stewardship and engagement– these practices are viewed as challenging for private debt investors because their ownership rights differ from those in other asset classes. In this market, efforts to encourage improved sustainability outcomes have taken the form of sustainability-linked loans (SLLs), which link sustainability targets or performance indicators with the interest rates paid by borrowers.

## PROJECT AIMS

Building on our 2023 work, the PRI intends to produce guidance and tools on stewardship and engagement for private debt investors. The aim is to engage with investors to understand best practices and challenges around stewardship including how investors think about the impact of ESG factors on credit risk and understand usage of specific instruments including SLLs and margin ratchets.

Through the development and dissemination of this guidance and tools, the PRI intends to build capacity, raise awareness, and initiate dialogue on use of stewardship as a tool by private debt investors in achieving sustainability outcomes and real-world change.

## OUTPUTS AND ACTIVITIES

A key output of this work is intended to be this guidance and tools developed via interaction and dialogue with investors using surveys, interviews, workshops, webinars and case studies.

This would include leading practices as well as challenges faced by different types of investors across geographies and jurisdictions.

The PRI intends to appoint a consultant to support the development of the guidance and tools.

The consultant will review the current PRI position and thinking on signatory progression (through [progression pathways](#)) and consider how it might influence the final outputs and guidance and tools

The PRI might also explore collaborating with other parties on this project as needed.

The PRI will manage all relationships and lead this collaboration.

The consultant will be expected to support the PRI deliver the final draft of the guidance and tools (in written report or similar format) and conduct the necessary investor surveys, interviews, and workshops to inform this.

## REQUIREMENTS

As such, the key skills and experience required of the consultancy include:

- In-depth technical knowledge of ESG across private markets especially private debt
- A thorough understanding of how and why investors in private debt may use the tools of stewardship (for managing risks, identifying opportunities, and driving sustainability outcomes)
- A background in engaging directly with global investors, including at senior levels, across geographies and sectors, on sustainability issues
- The ability to gather, analyse and synthesise raw information to deliver meaningful insights

## CONSULTANCY ACTIVITIES AND EXPECTATIONS

The key activities under this engagement will be:

**Investor Insights:**

- The consultant will agree with PRI as to the most efficient and effective mechanism to provide an overview of high-level insights of the current practices, key challenges, and opportunities relating to stewardship in private debt. This may involve a survey, review of the PRI reporting data, collection of data during PRI in Person, or other mechanisms

**Investor interviews:**

- The consultant will conduct up to 20 interviews with private debt investors (identified jointly by the PRI and the consultancy) to gather insights into current stewardship practices, key challenges and opportunities including on the usage of SLLs and margin ratchets. The interviews would be based on templates agreed upon with the PRI; however, the consultancy would be expected, based on their expertise in this area, to shape the conversations with each investor to gather the most meaningful insights.
- PRI anticipated that approx. 10 – 15 interviews might be needed on the topic of stewardship while another 5 – 10 on the topics of SLLs, margin ratchets (and any other similar instruments).
- The consultant will write up notes from each interview so that key findings are easily understood and can be integrated into the guidance and tools being developed. The consultancy will be expected to compile relevant examples from interviews into examples/case studies (minimum 4 in total covering various aspects of stewardship that would be useful for private debt investors) to be integrated into the introductory guidance and tools. These examples could also then be used to produce case studies.

**Investor workshops:**

- The consultant will conduct up to 5 workshops with investors (identified jointly by the PRI and the consultant) to gather insights into current practices, key challenges and opportunities in relation to using stewardship as a tool within private debt. The workshops would be based on templates agreed upon with the PRI and will be designed to increase awareness and peer learning. The consultant would be expected, based on their expertise in this area, to lead the conversations.
- These workshops would have between 10 – 15 investors, preferably those who have not participated in the 1<>1 interviews.
- The consultant will write up notes from each workshop so that workshop summaries are easily understood and can be integrated into the guidance and tools being developed.

**Content production:**

- The consultant will draft the guidance and tools document and share for review with the PRI. The consultant will be expected to include knowledge of existing investor practices on the topic based on their experience of working in this area with private debt investors and to complement the findings from surveys, interviews and workshops.
- The final editing and design of the guidance, tools and outputs will be managed and owned the PRI. These will be PRI guidance and tools that acknowledge the involvement of the consultant
- The consultant will also draft any other educational or marketing materials as jointly agreed with the PRI (for example for investor conferences).

**Fees:** The advisory fees associated with the delivery of these activities is expected to be upto GBP 30000 (exclusive of VAT).

## DELIVERABLES AND TIMINGS

We expect the engagement to run **over a period of seven months** with key dates/timelines to be agreed. The payment schedule will be agreed with the successful consultant at the start of the contract / agreement.

Below are key deliverables and timings for the project (with some dates still tbc), to be agreed with the selected consultancy:

Activity	Timing ( <i>potential, exact dates TBC</i> )
Investor interviews	Q3'23 – Q1'25
Investor workshops	Q4'24 – Q1'25
Investor interviews and workshop write-ups	After each event
Support at investor conferences/events	At events discussed and agreed with consultant
Guidance production	Q1-Q2'25

## HOW TO SUBMIT A PROPOSAL

Please send your proposal via email to [aditya.vikram@unpri.org](mailto:aditya.vikram@unpri.org) and [daram.pandian@unpri.org](mailto:daram.pandian@unpri.org) by **close of business on Friday 18<sup>th</sup> October 2024**. Feel free to contact us with any questions regarding the project or the requests outlined in this document.

Proposals must include:

- Evidence demonstrating that the consultant possesses the key skills and experience outlined in this RFP;
- A brief biography of up to 3 key individuals who would be involved
- A proposed budget for the engagement
- Proposals should not extend over **2 pages**. Please also include any standard (or draft) terms of references as an appendix to your proposal

All proposals will be treated as confidential.