REQUEST FOR PROPOSALS - SUSTAINABLE INVESTMENT BANKING ROADMAP

INTRODUCTION

As intermediaries in primary financial markets, investment banks play an important role in the financial system by underwriting the issuance of securities, facilitating financial transactions, advising on mergers and acquisitions and providing research. As a result, they can have a significant influence on integrating sustainability in the financial system. However, there is little information about how investment banks consider and integrate sustainability issues in their activities and services.

While there is a multitude of sustainability frameworks and principles available to banks and investors, they do not seem to be widely applied in investment banking activities. In addition, there are no industry-specific frameworks or guidelines on how to consider sustainability issues in investment banking and how investment banking can support achieving sustainability goals. While this could be due to the specific nature of certain investment banking activities, for instance where the assets involved are not reflected on a balance sheet, we believe it is important to start a discussion on how investment banks could support the transition to a sustainable financial system.

The PRI is collaborating with UNEP FI, through the Investment Leadership Programme (ILP) to start a discussion and provide information on the following:

- how investment banking can support global progress towards the Sustainable Development Goals (SDGs),
- highlight positive leadership practices, and
- provide guidance to investment banks (and other relevant actors) on how the industry can become more sustainable.

This work is in line with the ILP mission to accelerate the transition to a sustainable financial system by sharing best practice, building capacity amongst financial system actors, and finding collaboration opportunities.

PROJECT AIMS

This request for proposals (RFP) is to seek a consultant or a firm to carry out research and analysis, with the key deliverable being a Sustainable Investment Banking Roadmap (a thought piece).

The objectives of this roadmap are to:

- clarify how the investment banking industry can contribute to achieving a sustainable financial system and global progress towards the SDGs,
identify main areas of action for investment banks and other relevant stakeholders to make
the industry more sustainable, and
provide guidance on how investment banks can enhance the sustainability of their investment
banking practices.

The roadmap will serve as a foundation for the transformation of the investment banking sector to
become more sustainable and for future work on the development of detailed sustainability guidelines
and product-specific recommendations for investment banks.

The work under this project will be executed in close collaboration with both the PRI and UNEP FI.

**PROJECT SCOPE**

The roadmap will cover the full spectrum of investment banking activities. Based on preliminary
research, these include:

- initial [and follow-on] public offering support
- advising on mergers and acquisitions
- underwriting new debt and equity securities
- capital structure advisory
- raising and restructuring private corporate debt, or debt funds
- [executing securities sales and trading (stocks and bonds)]
- strategic financial advisory
- [macroeconomic research]

The roadmap will also address the investment banking industry’s potential to create positive change
towards sustainability beyond the investment banking sector, including in the wider financial system
and the real economy through its interactions with other actors in these systems.

**ACTIVITIES AND EXPECTATIONS**

The consultant or firm should undertake the following activities:

1. **Research and analysis**

The consultant(s) will carry out the following activities during the research and analysis stage of this
project:

- literature review: including reviewing articles and other scientific and/or analytical publications,
- document analysis: including legislative acts, guidelines, and reports,
- expert interviews with approximately 25-30 interviewees, covering the following stakeholders:
  - investment banking practitioners from within the industry,
  - stakeholders interacting with investment banks, such as investors, businesses,
    banking associations, etc.
  - sector experts from civil society, NGOs, consultancy and academia, and
  - regulators.

The items in square brackets are within the scope provisionally and will be included or excluded based on preliminary
research results.
Deliverables:
- A list of sources, literature review and analysis.
- Interviews completed, written up and analysed. The format of the interviews is to be agreed with the PRI and UNEP FI project team.

2. Roadmap drafting
Based on the findings of the research and analysis, the consultant(s) will draft the following sections of the roadmap:
- Introduction, problem and objective statement.
- Map of investment banking activities, products and services, and an analysis of challenges and opportunities for making the industry more sustainable.
- Map of relevant stakeholders for investment banking and how they can affect or are affected by the integration of sustainability in investment banking (to be captured in a separate deliverable).
- State of play: current state of the investment banking sector with regard to integrating sustainability, including an overview of relevant legislation.
- Case studies of good practices of sustainability integration into investment banking services.
- Approaches and recommendations to make the investment banking sector more sustainable at the level of individual financial institutions and the broader investment banking system.

Deliverables:
- Sustainable Investment banking stakeholder map and overview of relevant legislation.
- Two draft versions of the roadmap. The roadmap is to be 20-30 pages long.
- Final roadmap.

3. Work with and report to the PRI and UNEP FI
- The consultant(s) will be expected to work closely with UNEP FI’s Project Manager for this project and the Sustainable Financial System (SFS) team at PRI. This includes regular project updates – the frequency and format to be agreed at the project kick-off meeting.
- The consultant(s) will also be expected to engage with wider PRI and UNEP FI teams as required. This will be facilitated by the those mentioned above.

Deliverables:
- Regular project update meetings and meeting notes.
- Presentations on progress and findings throughout the project.
- Briefings materials and presentations on the final roadmap.

DELEVERABLES AND TIMINGS

The key deliverables are mentioned above and included in the table below. The project will run from **18 July 2022 until 20 December 2022**. Suggested timings for the project are below - to be agreed at the project kick-off meeting. Note: there may be overlaps between the different activities.
<table>
<thead>
<tr>
<th>Activity/deliverable</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project start date</td>
<td>18 July 2022</td>
</tr>
<tr>
<td>Project kick-off and introduction from the project team</td>
<td>18 to 22 July 2022</td>
</tr>
<tr>
<td>Interviewees selection, interviews scheduling</td>
<td>25 July to 6 August 2022</td>
</tr>
<tr>
<td>Literature review and analysis</td>
<td>25 July to 2 September 2022</td>
</tr>
<tr>
<td>Interviews completed and analysed</td>
<td>8 August to 16 September 2022</td>
</tr>
<tr>
<td>Draft 1 of roadmap</td>
<td>21 October 2022</td>
</tr>
<tr>
<td>Analysis and incorporation of internal feedback</td>
<td>24 October 2022 to 18 November 2022</td>
</tr>
<tr>
<td>Draft 2 of roadmap</td>
<td>25 November 2022</td>
</tr>
<tr>
<td>Workshop with financial institutions to receive their feedback</td>
<td>28 November to 02 December 2022</td>
</tr>
<tr>
<td>Final draft</td>
<td>16 December 2022</td>
</tr>
</tbody>
</table>

**WHO SHOULD APPLY?**

The PRI is inviting proposals from consultants, academics, firms or consortiums that can demonstrate experience in:

- Research and analysis on the investment banking sector, including an understanding of the products and business processes as indicated in the "Project Scope" section above.
- Research and analysis on sustainability issues including the SDGs.
- A track record of similar completed assignments, including carrying out literature reviews, expert interviews, stakeholder mapping and report writing.
- Writing detailed analytical and technical reports and preparing briefing materials and presentations in English.

**BUDGET**

Please submit a proposal which fits into the overall budget of GBP 40,000 inclusive of VAT, if applicable.

**HOW TO SUBMIT A PROPOSAL**

Please send your proposal to [SFS@unpri.org](mailto:SFS@unpri.org) by Friday 17 June at 18:00 CEST. The timings are as follows:

<table>
<thead>
<tr>
<th>RFP process</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deadline for questions about this RFP</td>
<td>Monday 6 June 2022 at 18.00 CEST</td>
</tr>
<tr>
<td>Deadline for RFP proposals</td>
<td>Friday 17 June 2022 at 18.00 CEST</td>
</tr>
<tr>
<td>Shortlisting for interviews</td>
<td>Friday 24 June 2022</td>
</tr>
<tr>
<td>PRI and UNEP FI final decision</td>
<td>Friday 8 July 2022</td>
</tr>
</tbody>
</table>

Please contact us if you have any questions regarding the project or the requests outlined in this document.

The proposal should include:

- Availability for the requested period/ability to achieve deadlines.
■ A summary of relevant competencies, professional or academic background.

■ Reference to track record of key academic work, studies or other projects that may be relevant to this project, as well as the data sources you would propose to use.

■ Knowledge of and experience of working with the investment banking sector.

■ A summary of the approach that you would take in developing a methodology and any suggestions for deviations from the scope outlined in this document.

ABOUT THE PRI

The Principles for Responsible Investment (PRI) is a membership-based organisation that works with its international network of signatories to put the six Principles for Responsible Investment into practice. The PRI works to understand the investment implications of environmental, social and governance (ESG) factors and to support its signatories in incorporating these factors in their investment and ownership decisions. The six Principles were developed by investors and supported by the United Nations (UN) and now have over 4,900 signatories.