

# REQUEST FOR PROPOSALS

---

## PRI SOVEREIGN ENGAGEMENT ON CLIMATE CHANGE: MARKET CLIMATE RISK ANALYSIS

June 2025

## OVERVIEW

The Principles for Responsible Investment (PRI) is seeking proposals for a research project related to its emerging work on sovereign engagement and climate change being conducted through the [Collaborative Sovereign Engagement on Climate Change](#) initiative (the Initiative).

The PRI is seeking analysis that will identify and synthesise existing data and scenario-based projections on current and future macroeconomic and fiscal climate-related impacts that are available in the public domain for Australia, Canada, Germany, India, Indonesia, Japan, Mexico, New Zealand, South Africa and South Korea. Similar analysis is also sought, where possible, for eight sub-sovereign jurisdictions across Australia and Canada.

The PRI may seek to extend a contract with a successful tenderer for additional analysis covering further markets depending on the outcome of the initial project and resourcing.

This analysis should include identification and synthesis of consistent metrics of climate-related physical and transitional risks for the economic and fiscal positions of each market including but not limited to impacts on budget revenue and expenditure, economic growth, inflation and trade balances. Where possible the analysis should identify what existing data and scenario projections are the most material climate-related risks for each jurisdiction across different types of physical risks or industries.

The PRI also seeks a literature review and incorporation into the analysis of assessment of the current and future impact of climate-related risks on sovereign- and sub-sovereign-issued bond yields relevant to the focus markets.

Finally, this analysis should identify where data gaps exist particularly from government sources and explain the limitations of existing scenario-based projections such as any exclusion of emissions feedback loops, tail risks, granularity of models, large confidence intervals, the effects of cascading events and/or effects of major supply chain disruptions.

Due to budget limitations, availability of existing materials and the nature of the Initiative, the PRI request proposals do not include plans for new economic modelling or involve proprietary data sets.

The review and analysis should be limited to already published projections in the public domain or that can normally be obtained without fee and identify where gaps exist in this information. Priority in assessment should be given to data sets from government-sponsored and produced analysis such as the scenarios produced by the Network for Greening the Finance System (NGFS), government-produced budget and risk assessment processes, and academic literature.

The PRI does not intend to publish this analysis in full. The results will be shared with external stakeholders including PRI signatories and government officials. Fully credited extracts or summary information may be included in or used to inform future publications about the Collaborative Sovereign Engagement on Climate Change or other work, at the PRI's discretion.

## PRI AND THE COLLABORATIVE SOVEREIGN ENGAGEMENT ON CLIMATE CHANGE

The PRI is the world's leading proponent of responsible investment, supporting over 5300 signatories worldwide to use responsible investment to enhance returns and better manage risks. The PRI acts in the long-term interests:

- Of its signatories.
- Of the financial markets and economies in which they operate.
- And ultimately of the environment and society.

The PRI is truly independent. It encourages investors to use responsible investment to enhance returns and better manage risks but does not operate for its own profit; it engages with global policymakers but is not associated with any government; it is supported by, but not part of, the United Nations.

### THE INITIATIVE

The [PRI's guidance has demonstrated](#) that creating opportunities for dialogue between international investors and governments is mutually beneficial. It enables sovereigns to articulate their approach to managing sustainability risks, investors to voice support for action, and both sides to gain a deeper and more common understanding of those risks and opportunities. This helps inform government responses to climate challenges and investment decisions. A growing number of investors now explicitly factor in sovereign climate performance to their investment decisions.

In 2022, at the request of interested signatories, the PRI convened a pilot collaborative sovereign engagement programme focused on Australia. Participating investors seek to collaboratively support governments to mitigate climate change and meet their commitments to the Paris Agreement, where relevant.

Through sovereign engagement, global investors also seek to reduce their exposure to risks associated with a failure to rapidly transition to a net zero global economy through investments in sovereign bonds and universal ownership. In line with PRI's [Active Ownership 2.0](#) framework, the initiative seeks positive real-world and systemic outcomes, centred around common goals and collaborative action.

Through mutually beneficial engagement, investors are focused on:

- Closing the gap between current action and a Paris-aligned emissions reduction trajectory.
- Detailed, credible and economy-wide net zero transition plan with supporting policy mechanisms, budget expenditure and investment structures.
- Building greater climate adaptation and resilience across economies and communities to avoid worsening disruption and damage from physical risks; and
- Improving disclosure of sovereign exposure to climate risks and opportunities consistent with international standards.

The Australian pilot was designed to help the PRI and signatories understand the best way to support further sovereign engagement on climate change and maximise the value to both governments and investors.

An external review of the pilot progress in 2024 and growing signatory demand led to a decision to expand the pilot into an ongoing multi-market initiative. In 2025, the PRI is seeking to expand the Collaborative Sovereign Engagement on Climate Change to new markets and is currently working to establish engagement programmes focused on Canada and Japan.

As part of this expanded initiative, the PRI is seeking to support participants with more primary research to help investors determine engagement priorities, understand climate risks and track progress.

## PROJECT AIMS AND CONSULTANT PROFILE

The aim of this project is to support participating investors to better understand the economic and fiscal exposure of potential engagement focus markets to climate-related risks and to support ongoing dialogue about the disclosure and actions to address these risks.

Key skills and experience required for the proponent include:

- Demonstrated experience in reviewing large data sets and model outputs across multiple scenarios and time horizons.
- Understanding of economic and climate change models including inputs, assumptions, scenarios and limitations.
- Knowledge of the transmission of climate risks to macroeconomic and fiscal sovereign risk.
- An ability to design a research methodology that can be applied consistently to markets of different socio-economic characteristics and across data sets with variance in methodology and outputs.
- Proven ability to communicate complex data in a synthesised and digestible way.

The PRI aims for the project to:

- Provide a consolidated summary of data for focus jurisdictions from the outputs of existing scenario-based modelling and other relevant research.
- Assist investors in engagement with sovereigns and sub-sovereigns by better understanding the macroeconomic and fiscal exposure of focus markets under different scenarios to climate-related physical and transition risks.
- Assist investors in engagement with sovereign and sub-sovereigns on their disclosure of climate risks and opportunities by better understanding where data is available and/or lacking particularly in government reporting.

## ACTIVITIES AND EXPECTATIONS

The successful proponent will conduct desktop research and analysis of existing data in the public domain of the macroeconomic and fiscal impact of climate change for ten national jurisdiction and, where possible, eight sub-sovereign jurisdictions. The PRI expects some or all data for some markets, particular for sub-sovereign jurisdictions, may not exist or be outdated.

The successful proponent will also consider any research in the public domain that assesses the current or future potential impact on the performance of government-issued bonds in the relevant jurisdictions.

This study should cover the following national jurisdictions:

- Australia
- Canada
- Germany
- India
- Indonesia
- Japan
- Mexico
- New Zealand
- South Africa
- South Korea

In assessing data for Australia and Canada, the successful proponent should also draw out and synthesize any data that exists for the following sub-sovereign jurisdictions:

- Alberta (Canada)
- British Columbia (Canada)
- New South Wales (Australia)
- Ontario (Canada)
- Queensland (Australia)
- Quebec (Canada)
- Victoria (Australia)
- Western Australia (Australia)

If the proponent expects the assessment will be conducted iteratively or in marketing groupings then assessments for Australia, Canada and Japan, and associated sub-sovereign jurisdictions, should be prioritised ahead of others.

At a minimum the successful proponent should assess the macroeconomic and fiscal outputs via a market-level breakdown of the following:

- The most recent generations of NGFS short- and long-term scenarios.
- Other relevant global, country or region-specific data and scenario-based projections that assess macroeconomic and fiscal impacts.
- Budget, climate risk or other reporting from public institutions (e.g. forward estimates or statements in national budgets, national risk assessments) in the relevant markets including the published outputs of central banks, national research agencies and government departments if separate to or building on global NGFS scenarios.
- Other peer review studies where country-level results are projected or may be extracted such as [Burke et al](#) (2015) and [Kotz et al](#) (2024), if additive or providing further weight to the above.

The analysis should also assess peer reviewed or soft literature that seeks to quantify the effect of climate-related risks and opportunities on sovereign bond yields such as [Barnett and Yannelis](#) (2024), [Collender et al](#) (2023), [Cevik and Jalles](#) (2022) and draw out country or sub-sovereign-level data for the relevant jurisdictions if available.

The proponent should identify relevant climate scenarios to include in the analysis based on the availability of data and the aims of the project listed above. The proponent should also identify relevant macroeconomic and fiscal indicators to include in the analysis based on the availability of data across relevant model outputs and studies, and the aims of the project listed above.

The identification of scenarios and indicators to be assessed can be finalised in consultation with the PRI during the methodology design and scoping phase of the project. However, a top line indication of the scale of assessment that is viable within the project budget would assist the PRI in assessing proposals.

The proponent should demonstrate a clear approach to how it would synthesize available data on the relevant indicators where different resources and outputs are available.

In completing this analysis, the proponent should provide written commentary on:

- Where data is unavailable in the public domain, especially as it relates to reporting from governments and other relevant public institutions in the relevant jurisdictions.
- The limitations of model and other research outputs analysed such as critical elements not being incorporated such as tail risks, climate feedback loops and supply chain disruption or where the granularity of data is insufficient or has large confidence intervals.

The PRI requests that proponents do not propose to run fresh project-specific economic modelling or use proprietary data that cannot be found in the public domain or normally accessed without fee.

The PRI requests that consultants do not propose methodologies where the focus jurisdictions are compared or ranked against each other. Benchmarking against a global mean relative to the income and development status of the jurisdiction can be considered if methodologically justifiable and possible within the project budget and available data.

The consultancy fees associated with the delivery of these activities are expected to be within the following range: £30,000 - £35,000 excluding VAT. Consultants are asked to break down their proposed budget.

## DELIVERABLES AND TIMINGS

Based on the activities above, the PRI expects the following deliverables to be completed.

### Methodology development and literature review

- A proposal on which data and studies will be drawn from, which scenarios will be used, and which indicators will be assessed.
- A literature review that justifies the use of relevant studies or data.
- A statement about the proposed use of AI tools, if any.

### Synthesis and analysis

- A summary report, no more than 15 pages, covering headline outputs and limitations.
- Additional annexes as required to cover market-level analysis or data.
- A short gap analysis, no more than five pages, covering where relevant data is unavailable from government institutions across the focus jurisdictions.
- A spreadsheet covering the outputs of the study by scenario, jurisdiction and indicators.
- A summary presentation slides using a template to be provided by the PRI.

Deliverables will not be published in full by the PRI. Outputs of the deliverables will be shared with PRI signatories and where useful for engagement, government officials and other stakeholders in relevant focus markets. The PRI may publish credited extracts or summaries of the outputs as part of regular Initiative reporting or other publications at its discretion.

The expected timeline for this work is August 2025 – March 2026. More detail on timings and milestones is provided in the table below. The PRI has flexibility on the start and delivery dates.

Activity	Timing
Deadline for RfP submissions	31 July 2025
Project start date	15 August 2025
Proposed methodology and literature review	04 October 2025
PRI review	18 October 2025
Draft analysis	12 December 2025
PRI review	30 January 2026
Final materials due	01 March 2026

## HOW TO SUBMIT A PROPOSAL

Please send your proposal via email to [tom.arup@unpri.org](mailto:tom.arup@unpri.org) by Thursday 31 July 2025. Feel free to contact us with any questions regarding the project or the requests outlined in this document. Extensions for proposals will be considered on a case-by-case basis.

Proposals must include:

- Evidence demonstrating that the proponent has the key skills and experience outlined.
- A brief biography of up to three key individuals who would be involved.
- An outline of the proposed activities, methodologies and deliverables.
- A proposed budget for the project.
- Proposals should not extend over **8 pages**.

All proposals will be treated as confidential.





## DISCLAIMER

This document is provided for information only. It should not be construed as advice, nor relied upon. The PRI Association is not responsible for any decision or action taken based on this document or for any loss or damage arising from such decision or action.

All information is provided “as-is” with no guarantee of completeness, accuracy or timeliness and without warranty of any kind, expressed or implied. The PRI Association is not responsible for and does not endorse third-party content, websites or resources included or referenced herein.

The inclusion of examples or case studies does not constitute an endorsement by the PRI Association or PRI signatories. Except where stated otherwise, the opinions, recommendations and findings expressed are those of the PRI Association alone and do not necessarily represent the views of the contributors or PRI signatories (individually or as a whole).

It should not be inferred that any third party referenced endorses or agrees with the contents hereof. The PRI Association is committed to compliance with all applicable laws and does not seek, require or endorse individual or collective decision-making or action that is not in compliance with those laws.

Copyright © PRI Association (2025). All rights reserved. This content may not be reproduced, or used for any other purpose, without the prior written consent of the PRI Association.