

PRI Governance Review Request for Proposal

The PRI Association is inviting Requests for Proposals from individuals or organisations qualified and interested in conducting a review of the Principles for Responsible Investment (PRI) governance structure.

Aim:

The aim of this review is to assess the PRI governance structure. The review's recommendations must balance the interests of different signatories and ensure that decisions about the PRI's mission, direction, strategy, finances and operations are transparent, accountable to signatories, efficient and fit-for-purpose. The governance review is expected to include, but will not be limited to, an evaluation of the rights of each category of signatory, the roles and responsibilities of the governing bodies and their committees. For more information see the [draft scope](#).

Background:

In 2010, the PRI made changes to its legal structure and incorporated the PRI Association as a not-for-profit company limited by guarantee under UK law. The process of incorporation required changes to be made to the PRI's governing body and the establishment of a new Constitution. The ultimate result was a complex governance structure made up of an asset owner-majority Advisory Council (the Council) directly elected by signatories, an Association composed of the asset owner members of the Council, and an Association-appointed fiduciary Board of Directors (the Board). Certain signatory rights and responsibilities were also moved from the signatory body as a whole to the Council.

These changes were made in good faith and following legal advice to improve the operational effectiveness of the PRI and to meet what the Council believed to be the needs of the organisation and signatories at that time. The changes were driven by the rapid growth of the PRI's signatory base, the need to strengthen management oversight of the Secretariat, a desire to deepen and expand the PRI's work programmes and a resulting decision to move from voluntary to mandatory fees, payable annually by all signatories. These developments necessitated more effective fiduciary responsibility for PRI Association.

Some signatories, however, have raised concerns about the process used to adopt the new legal and governance structure and elements of the new Constitution, particularly how these changes affected the rights of asset owner signatories. After listening to these concerns, the Council agreed at its meeting on 30 September 2013 to carry out a formal review of PRI's governance.

An overview of the PRI's current governance structure can be found on the PRI [website](#) and 2013 [Annual Report](#). This [overview](#) answers some of signatories' most frequently asked questions about PRI governance. Copies of the [Articles of Association](#) [Administration Rules](#) and the [Draft Scope for Consultation](#) are also available on the PRI website.

Timeline and process:

The deadline for submissions is **17.00 GMT 10 March 2014** and it is envisaged that the independent individual or organisation will be appointed in late March, after interviews with the Governance Committee and PRI executive team in London during the week of 24 – 28 March.

Phase 1 (April – June 2014): Review of the PRI governance and initial recommendations.

For examination and consideration:

- signatory feedback on the published draft scope;
- PRI context and wider environment;
- signatory rights, responsibilities and representation;
- PRI governing bodies;
- committees of the governing bodies.

The reviewer will need to consider signatory feedback on the draft scope and the viewpoints of the Council representatives, Board directors, PRI executive team, and UN partners.

Deliverable: A succinct report and in person presentation of the

- signatory feedback;
- draft review; and
- initial recommendations

to the Council at the end of June / start of July. The meeting is expected to take place in New York City.

Phase 2 (July – September 2014): Feedback on the governance review and initial recommendations.

Late July publication of the review and initial recommendations to signatories and interested parties through the PRI website and a letter to signatories. The PRI will ask for feedback either via email or in person at the Signatory General Meeting (SGM) on 23 September 2014.

For examination and consideration:

- Feedback from signatories and interested stakeholders before and during discussions at the SGM.

Deliverable: Summary of the feedback to the review and initial recommendations.

Phase 3 (October – November 2014): Final recommendations on the PRI governance structure and how to implement those recommendations.

Deliverable: Final report for the Council to include:

- summary of the review process;
- full review;
- summary of feedback throughout the process;
- final recommendations on the PRI governance structure; and
- how to implement those recommendations in accordance with the Articles, Rules and bylaws of the PRI Association.

The appointed person or organisation will work with the Councils' Governance committee, the PRI Executive team and the new Council chair.

The final report will be published to signatories in November 2014 and the Council will be ultimately responsible and accountable for ensuring that recommendations emanating from the review are effectively implemented, by the end of December 2014, in accordance with the Articles, Rules and bylaws, following consultation with signatories.

Candidates will be evaluated based on their responses to the following key questions and selection criteria.

Key questions:

Please provide answers to the following questions, limiting your response to each question to **400 words**. You may provide supporting documents in an Appendix. All six questions below are equally weighted.

1. What expertise do you have in conducting governance reviews, including in providing recommendations on constitutions; committees; and signatory/member rights, responsibilities and representation?
2. Do you anticipate any potential conflicts of interest that may impact on your independence in conducting this review? If so, how do you propose to minimise and manage these?
3. Please indicate your skills in project management and in communicating effectively with a global audience.
4. What relevant experience do you have:
 - Working with global organisations with diverse signatories/members
 - Soliciting and understanding the perspectives of different stakeholders
 - Understanding of the investment industry
 - Understanding of not-for-profit and mission-based organisations
5. What is the total fee you propose for this project? In addition, please provide a breakdown of fee per phase of the project.
6. Please indicate your familiarity with the UK legal framework for not-for-profit companies.

Selection criteria:

1. Expertise in conducting governance reviews, including providing recommendations on constitutions; committees; and signatory/member rights, responsibilities and representation;
2. Independence from PRI and effective management of potential conflicts of interest;
3. Proven project management skills and ability to communicate clearly and simply in written English for a global audience;
4. Relevant experience including:
 - 4.1 Working with global organisations with diverse signatories/members
 - 4.2 Soliciting the perspectives of different stakeholders
 - 4.3 Understanding of the investment industry
 - 4.4 Understanding of not-for-profit and mission-based organisations
5. Value for money for fees quoted; and
6. Appreciation of UK law, specifically regarding the legal framework for not-for-profit companies.

For reasonable clarification and to submit proposals, please email governance@unpri.org. The deadline for submissions is **17.00 GMT 10 March 2014**.