

Terms of Reference

Title of Project: Proactive Financial Regulators - Addressing climate and nature risks

Name of Programme Team: Sustainable Finance Policy Team, WWF-UK

Overarching purpose:

WWF-UK is seeking a supplier to research and develop a report on how UK regulators can better steward the financial system in a way that facilitates the transition to a net zero and nature positive economy. The report will act as a foundational piece of research for advocacy, policy and future work in this space by WWF-UK and other partner NGOs.

Background:

WWF is one of the world's largest independent conservation organisations, active in nearly 100 countries. Our supporters – more than five million of them – are helping us to restore nature and to tackle the main causes of nature's decline, particularly the food system and climate change. We're fighting to ensure a world with thriving habitats and species, and to change hearts and minds so it becomes unacceptable to overuse our planet's resources.

WWF-UK works with its partners to ensure the UK's financial system supports a net zero, nature positive future. The UK's financial system plays a significant role in fuelling climate change and nature loss by determining which real economy activities are financed, and which aren't. It also has global impact: WWF's Big Smoke report found that UK banks and asset managers were responsible for financing 805 million tonnes of CO2 in 2019.¹

WWF-UK and its partners want to ensure the regulators of the financial system are using all the tools at their disposal to support the UK's transition to a net-zero, nature positive economy. Though the UK's financial regulators are making progress, they have a broad range of tools which we believe they could use to have greater impact. Recent evidence demonstrates that more needs to be done: an assessment of sustainable financial regulation globally by WWF International shows that the UK's financial regulators are making progress on banking supervision for climate risks, but action on wider environmental and social risks is lagging behind².

This is why WWF-UK and its partners are progressing a work programme aimed at driving the UK's financial regulators to be proactive in the area of climate and nature, and to identify and develop practical actions that the regulators can take.

Project scope and objectives:

The overall purpose of this project is to research and analyse how UK regulators can steward the financial system in a way that facilitates the transition to a net zero and nature positive economy. As the research and analysis is carried out, the supplier should bear in mind the existing mandates of the financial regulators, primarily to preserve financial stability and market functioning in the long term. Whilst options looking at changing the remit of the regulators may be relevant to reference, this should not be a focus of this work.

The research would involve:

¹ [uk financed emissions v11.pdf \(wwf.org.uk\)](https://www.wwf.org.uk/publications/uk-financed-emissions-v11.pdf)

² 2023 SUSREG Annual Report: An Assessment of Sustainable Financial Regulations and Central Bank Activities. [wwf-susreg-report-2023.pdf \(panda.org\)](https://www.wwf-susreg-report-2023.pdf)

- Identifying the range of levers available to the UK's financial regulators that can be used to tackle climate and nature issues – this should be a first-principles assessment, including looking at levers that may not traditionally be linked to climate and nature risks across the operations of the regulatory bodies.
- Looking at regulators around the world for best practice and practical steps.
- Assessing these levers according to their potential impact, with the intention of creating a prioritised list of the most effective levers financial regulators have for tackling climate and nature issues to ensure financial stability and market functioning in the long term.
- Assessing the extent to which UK financial regulators currently use these levers to tackle climate and nature issues, including identifying barriers to their use where applicable.

The supplier will need to have excellent knowledge of the UK financial regulators and their functions, ideally from experience working within or alongside them. The research should be informed by interviews with experts currently working within or around the UK financial regulatory system or that have worked within financial regulators in the past.

WWF-UK is able to provide a non-exhaustive list of initial focus areas for the research. However, the specific topics for investigation in the report would be refined during the scoping and research phases. WWF-UK is also able to provide a proposed list of regulators to be in scope of this project, but the definitive list would be subject to agreement during the scoping phase.

Deliverables:

1. Engagement (interviews, roundtables etc) with sector experts to inform the research, jointly with WWF UK.
2. Workshop in May 2024 to explore initial concepts and findings.
3. A technical report that presents all the findings and analysis by August 2024, and makes the case for the interventions proposed in a way that is likely to be influential to regulators, market participants and policymakers (50-70 pages including infographics etc).
4. A summary report that is intended for publication and widespread use by September 2024. This summary report should be prepared with accessibility in mind, so that it can serve as the basis for conversations with non-technical experts (15-25 pages including infographics etc).

Roles and responsibilities

WWF-UK is leading this piece of work in consultation with a range of partner NGOs which also have an interest in sustainable financial regulation in the UK. We believe that WWF, a credible and neutral organisation led by environmental values, is best positioned to produce a persuasive and impactful piece.

The supplier shall:

- be under the direction of the WWF staff managing this project;
- commit to regular check-ins with WWF and inform WWF if and when issues arise between these check-ins;
- carry out the project planning and analysis required to produce the reports within the agreed deadlines.

WWF shall:

- Work closely with the selected supplier;
- Provide feedback on draft versions of the reports;

- Provide a list of resources which can be used as a starting point for research (including prospective interviewee names and documents);
- Be on hand to answer queries;
- Provide final sign-off of report.

This project is part funded by a philanthropic organisation, who shall:

- Assist in the scoping of the project;
- Be informed of progress and consulted if issues arise;
- Provide input where required on draft versions of the research;
- Facilitate introductions with industry experts.

Submission of Proposal:

Proposals should include :

- Relevant background of the supplier/consultant(s) involved, CVs of consultants who will participate in the project;
- Cost estimate for the project to include the daily rate, the number of days/breakdown of cost by task/milestone. Please also include any applicable charity discounts you may offer. Please stipulate if VAT is applicable.
- Detailed timeline for delivery.
- A brief overview of your organisations environmental and social activities, for example, *CSR policies, charity/community support, apprenticeship hosting, DE&I work, gender pay gap, or ISO qualifications.*
- Completion of WWF-UK Sustainable Procurement Questionnaire

The proposal should be no longer than 5 or 6 sides plus CVs of participating consultants/suppliers.

Proposals will be assessed using a selection of criteria, likely including: fit to brief, previous experience of consultancy, organisational and individual experience and expertise of the research topic, how quickly the work can be completed, value for money, credible proposed methodology.

Please contact WWF UK (wmcdonald@wwf.org.uk) if you would like to discuss the project before submission of your proposal.

Closing date to submit proposals: end of day on 29th March

Contract signature & work to commence: mid April

Delivery of final report: As above

Guidance on budget available: c.£55,000 inclusive of VAT

Date: 7th March 2024

Commissioned by: WWF-UK, Living Planet Centre, Brewery Road, Woking, GU21 4LL

Contact person: Will McDonald wmcdonald@wwf.org.uk

Contracting with WWF-UK:

It is our requirement that an appointed external partner adopts our standards terms and conditions for engaging with us. These are included within the tender documents. *Please confirm you are willing to accept these terms. Should you have any amends you wish to make, these will need to be discussed with the WWF-UK legal team.*

WWF-UK asks all suppliers to comply with the Supplier Code of Conduct and WWF-UK 3rd Party Expenses Policy. Both documents are enclosed within the tender pack. *Please confirm your acceptance of both.*

All contracted suppliers are required to register on Panda Purchasing (WWF-UK's PO and invoice system). *Should you be successful in your bid, please confirm you will be willing to register on the system.*