



SOFF IMPACT BOND

**CATALYZING INNOVATIVE FINANCE
FOR GLOBAL RESILIENCE,**
SCALING ACCESS TO CLIMATE AND
WEATHER DATA THROUGH THE
SOFF IMPACT BOND



A contribution to scale up climate finance to \$1.3 trillion a year

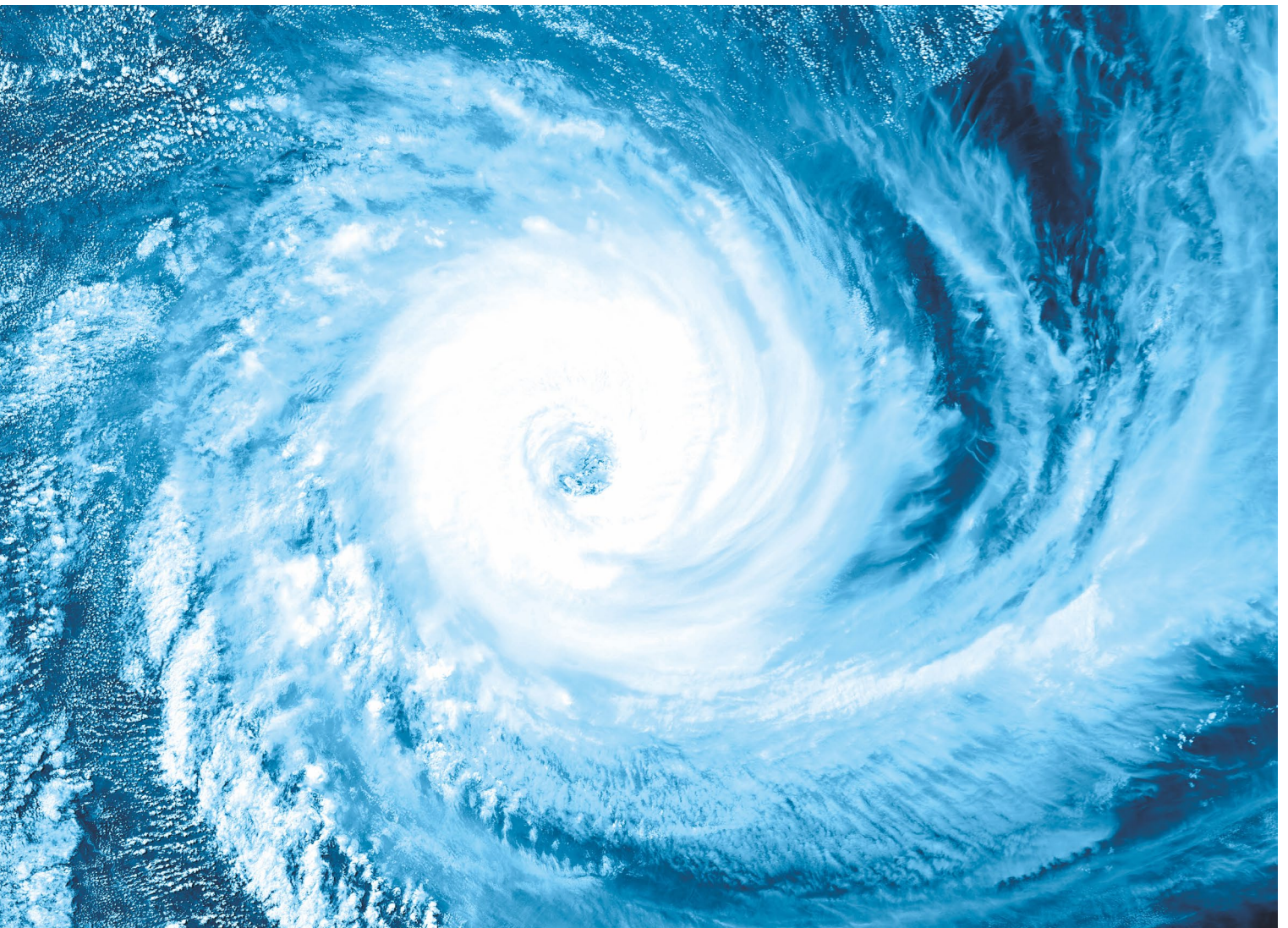
SOFF Secretariat, June 2025



1 VISION

INNOVATING DEVELOPMENT AND CLIMATE FINANCE FOR THE DELIVERY OF A FOUNDATIONAL GLOBAL PUBLIC GOOD

The envisioned announcement of the Systematic Observations Financing Facility (SOFF) Impact Bond at COP30 aims at showcasing the collaboration of multiple partners through innovative finance for the delivery of a global public good — basic weather and climate observations that are foundational for effective development and climate action.



2 CHALLENGE

CLOSING MAJOR WEATHER AND CLIMATE DATA GAPS IN DEVELOPING COUNTRIES THROUGH SOFF

Data are the invisible but foundational ingredient. All weather forecast and climate prediction depend on observational data from the current and past state of the earth. The [Managing Director of the International Monetary Fund, Dr Kristalina Georgieva](#), emphasizes that “In the new climate economy, weather data is economic data.”

A new international agreement on the mandatory exchange of basic weather and climate data is in place. In a breakthrough decision, the 193 countries of the World Meteorological Congress established in 2021 for the first time the minimum surface-based weather and climate data that all countries must generate and internationally exchange – the [Global Basic Observing Network \(GBON\)](#).

There are major data gaps. Many developing countries are far behind in meeting their weather and climate data sharing obligations. In Small Island Developing States (SIDS) and Least-Developed Countries (LDCs) only eight percent of mandatory surface weather stations are reporting according to the international agreement. In Germany, there are more reporting weather stations than in the whole African continent.

SOFF is a new United Nations specialized climate fund. Following the request of the World Meteorological Congress, [SOFF has been co-created by WMO, UNDP and UNEP as a United Nations fund](#) focusing exclusively on supporting countries in achieving GBON compliance through long-term financial and peer-to-peer technical assistance. An [independent external review](#) assessed SOFF as being highly relevant, highly transparent, and highly effective; as the best viable option for countries to upgrade, maintain and operate their observation systems in a sustainable fashion; and as foundational for additional investments of other partners. SOFF is [working hand-in-hand with other multilateral climate funds](#) to ensure effective linkage to initiatives designed to support the use of improved weather and climate data.

3 OBJECTIVES

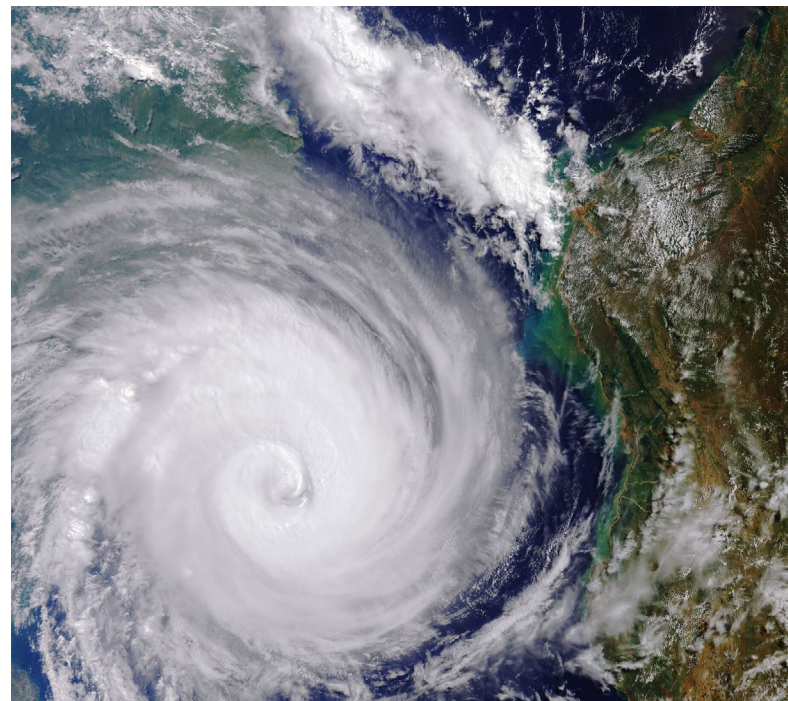
AN INNOVATIVE CONTRIBUTION TO DELIVER ON THE CLIMATE FINANCE GOAL

Create impact. The bond will enable developing countries to boost generation and international exchange of basic weather and climate data. The amount of data shared by countries benefitting from the SOFF Impact Bond resources is expected to increase by at least 500 percent compared to the baseline independently established by WMO. [Lord Nicholas Stern, Professor of Economics and Government at the London School of Economics](#), states that “Helping developing countries to comply with their commitment to collect and share minimum quality weather data could result in 5 billion USD in global benefits, annually”, benefits created in many sectors including agriculture, transportation and energy.

Respond to country demand. Developing countries are committed to deliver their contribution to the Global Basic Observing Network, and more than 100 countries have already requested SOFF support. In its first three years, SOFF has mobilized USD 107 million in grants from 12 sovereign funders. This allowed SOFF to take off, but in order to continue operating at speed and scale and to respond to country demand SOFF urgently needs to mobilize an additional USD 200 million.

Expand donor base. In line with the COP29 decision on the new climate finance goal, SOFF is seeking contributors from a wide variety of sources, public and private, bilateral and multilateral. This includes “traditional” funders, bilateral funders from emerging market economies, subnational entities, philanthropies, as well contributions from the private sector that recognize the benefits of additional surface-based weather and climate data.

Frontload resources. Given the high global costs of delayed action, the bond will make resources available upfront through borrowing in debt capital markets while allowing donors to spread contributions over a longer period, e.g. five years.



4 PARTNERS

MOBILIZING MULTIPLE PARTNERS FOR A COLLECTIVE EFFORT TO ACHIEVE BOND VISION AND OBJECTIVES

Donors. SOFF is providing grant-only support to its beneficiary countries, recognizing the global public good value of basic weather and climate data. Therefore, the SOFF Impact Bond needs grant contributions from donors. The key element of the Bond architecture is to mobilize funders that will repay the Bond upon achievement of predefined results, i.e. additional quality-assured basic weather and climate data that are internationally exchanged. The Bond structure also requires a risk-sharing model either through funders that provide a guarantee in case the results cannot be achieved, or through a risk-sharing arrangement between donors and bond investors. Finally, the Bond structure requires funders that will cover the annual interest rate of the Bond and/or impact investors that are ready to forgo at least part of the interest. While interest payments increase costs of funds relative to traditional fundraising, the opportunity to accelerate SOFF investments will create significant additional global socio-economic benefits annually.

Bond issuer/arranger. SOFF will work with a multilateral development bank to structure and issue/arrange the Bond.

Private investors will purchase the bond. The SOFF Impact Bond targets investors that aim to create an impact with their investments and to contribute to the new climate finance goal. Depending on the final bond structure, investors will either have a guaranteed interest payment over the lifetime of the bond or will forgo at least part of the interest. A key group among private investors are those willing to accept the risk associated with delivery of GBON-compliant performance and/or donor commitments to SOFF.

Intermediary. Bond proceeds will be transferred to the SOFF UN Multi-Partner Trust Fund that serves as the SOFF trustee.

Implementors. Countries will be responsible to implement actions approved by the SOFF Steering Committee – the SOFF decision making body - and deliver the basic weather and climate data enabled by SOFF financing.

Verifier. SOFF is creating a webtool that allows public tracking and monitoring of all weather stations financed through bond resources. WMO will independently verify if the pre-defined results are achieved, in particular the increase of GBON data internationally shared.

5 STRUCTURING OPTIONS

THE FINAL BOND STRUCTURE IS BEING DEVELOPED IN CLOSE COLLABORATION WITH POTENTIAL BOND CONTRIBUTORS

The SOFF Impact Bond is a key building block of SOFF resource mobilization.

While SOFF continues to seek further immediate grant contributions to the SOFF UN Fund, financial innovation is sought through the SOFF Impact Bond. In parallel, further collaboration opportunities with the [multilateral climate funds with which SOFF signed a collaboration framework at COP28](#) are being explored.

The SOFF Impact Bond is an innovative finance vehicle that builds on proven precedents. This includes the International Finance Facility for Immunization as an example for front-loading of donor contributions to support acceleration of Gavi's vaccination programs.

SOFF is considering different approaches to structuring the bond. The bond could be issued on the market or be structured as an impact-linked financing arrangement.

Structuring option 'Bond issued on the market'. An established, highly rated (AAA) multilateral development bank would issue the bond in the global debt capital market. The issuer would pay market rate interest and repay the principal to investors at the specified maturity of the bond with resources committed by the SOFF Impact

Bond donors. In case results are not achieved a donor or institution serving as guarantor would assure repayment of the principal, potentially in a risk-sharing manner with the other donors, i.e. principal is guaranteed for the investor.

Structuring option 'Impact-linked financing arrangement'. This option requires a tailored risk-sharing arrangement between investors as bond holders and donors as bond contributors in case of results not achieved by the countries benefitting from bond resources. This option targets impact investors that are willing to take part of the risk by forgoing part of interest or even part of principal. It also requires donors that would commit to contributing a fixed amount and an additional performance-based amount when results are achieved.

The final Bond structure could include variations of the two basic approaches and will depend on the interest of the bond contributors. Structuring decisions will be taken jointly with the bond issuer/arranger, the bond contributing partners and the SOFF Steering Committee.

6 STATUS

DECISION TAKEN, INTEREST RAISED, PARTNERS BEING MOBILIZED

The SOFF Steering Committee decided to pursue the development of the bond with utmost importance and urgency with the vision to announce the bond at COP30 as an innovative contribution to the new climate finance goal established at COP29. It also decided to further engage potential public and private partners and philanthropies to seek their contributions to the bond.

A senior SOFF financing and bond development team has been established, including three former World Bank Vice Presidents, and outreach to multiple potential public and private bond partners is ongoing.

Initial interest and commitments have been secured. The World Bank confirmed its interest to potentially structure and issue/ arrange the bond. The Nordic Development Fund is providing financial support through a “booster grant”, and the first philanthropy is preparing a contribution to the bond.





Systematic Observations Financing Facility

Weather
and climate
data for
resilience

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