

Eleventh Steering Committee 19-21 May 2025

SOFF Resource Mobilization Track Record, Requirements and Actions until June 2027

Decision 11.4

Systematic Observations Financing Facility

Weather and climate data for resilience





Decision 11.4: SOFF Resource Mobilization Track Record, Requirements and Actions until June 2027

The SOFF Steering Committee

Acknowledges the SOFF resource mobilization track record to date and the efforts to achieve the Updated Resource Mobilization Action Program until June 2025 adopted at the 8th SOFF Steering Committee meeting.

Notes the resource mobilization requirements and scenarios to deliver on the extended First Implementation Period work programme until June 2027.

Adopts the proposed actions through June 2027, taking into account that decisions on SOFF Secretariat resource mobilization capacity and SOFF Impact Bond are taken through separate decisions.

Agrees to take stock of resource mobilization actions at the 14th SOFF Steering Committee meeting.

Requests the SOFF co-founders (World Meteorological Organization, United Nations Development Programme and United Nations Environment Programme), supported by SOFF Steering Committee members, Advisory Board members, operational partners and SOFF countries to actively champion the SOFF resource mobilization efforts.

Purpose of this Document

This document reflects on SOFF's resource mobilization track record to date, lays out the resource mobilization requirements needed to achieve the extended First Implementation Period targets, presents two potential resource mobilization scenarios for the period 2025 – 2027, and proposes actions through June 2027.



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SOFF Resource Mobilization Track Record, Requirements and Actions until June 2027

1. Introduction

During the first three years of its existence, twelve pioneer funders pledged USD 107 million for the Systematic Observations Financing Facility (SOFF). This is a considerable achievement and attests to the commitment of the twelve funding countries and organizations to improve the world's weather and climate observations infrastructure and data sharing in an innovative, effective and sustainable way. Their financial support has allowed SOFF to get started quickly and efficiently with the delivery of Readiness and Investment financing for 61 countries. However, it has been apparent that the financial resources mobilized for SOFF so far are not sufficient to continue the fast pace of delivery with which SOFF started in meeting the high demand for its services and staying the course in terms of achieving the important delivery targets of the SOFF First Implementation Period.

In recognition of this challenge, the SOFF Steering Committee, at its 8th meeting in June 2024 took <u>Decision 8.2</u>, which endorsed the Updated Resource Mobilization and Outreach Strategy, adopted the Updated Mobilization Action Program until June 2025, and decided to focus resource mobilization efforts on high priority short-term actions and to regularly review these actions. Table 1 summarizes the agreed SOFF Short-term Resource Mobilization Actions.

Action Area	What	Who	When	Timing of Impact					
	Outreach to Bilateral Funders								
Current SOFF funders	Seek additional pledges	Current funders; WMO/UNDP/UNEP leadership; SOFF Secretariat	July-November 2024; and beyond	COP29; November 2024- June 2025; and beyond					
Additional bilateral SOFF funders	Seek new HIC funders, esp. large potential funders	Current funders; WMO/UNDP/UNEP; SOFF Secretariat	Ditto	Ditto					
Outreach to EC, GCF, LDF, Foundations and Private Aggregators									
EC	Seek EC pledge incl. with letter to INTPA	Current SOFF Funders from EC; SOFF Secretariat	Ditto	Ditto					

Table 1. Short-term Resource Mobilization Actions at 8SC (see Annex to Decision 8.2).



GCF	Seek GCF funding for SOFF programs	SOFF Secretariat; GCF management; current SOFF Funders at GCF Board	July 2024-June 2025	June 2025 and beyond				
	Activate Strong High-Level Champions for SOFF							
Targeted outreach at leader/ministerial level	Prominent mention of SOF at high-level events and Meetings Letters to ministers of potential funders	WMO/UNDP/UNEP leadership and current funder ministers; Ministers of current funders	July 2024-June 2025	COP29; November 2024- June 2025; and beyond				

These actions were aimed at responding to a slower Resource Mobilization pace than necessary to meet country demand, based on five lessons learned during the implementation of the original Resource Mobilization and Outreach Strategy adopted with <u>Decision 2.3</u> in October 2022. These five lessons guided the following priorities:

- Mobilize more bilateral official funders;
- Move beyond bilateral funders;
- Streamline the SOFF resource mobilization process;
- Strengthen SOFF communications and outreach; and
- Mobilize champions.

Since June 2024 the external environment for international resource mobilization has dramatically worsened for all development and climate actors. Many traditional donor countries have substantially cut their international assistance budgets. Given fiscal constraints and changing domestic priorities, the prospects for a reversal of these trends are poor. According to a recent OECD report, ODA declined in 2024 by 7 percent and is projected to further decline between 9 and 17 percent in 2025. These developments have a significant impact also on SOFF and have limited its ability to raise the funding needed to respond to the demand for country support. The lessons drawn last year in Decision 8.2 remain valid, but the challenge facing SOFF is now even more serious than it was a year ago.

This document, and the decision that it supports, builds on the analysis and agreed actions under Decision 8.2. It reviews the steps taken since June 2024 in implementing the agreed Short-term Resource Mobilization actions and their impact; proposes potential resource mobilization actions for 2025-2027; explores alternative resource mobilization scenarios; and considers some longer-term resource mobilization actions and implications.



2. SOFF resource mobilization track record

2.1. Resource mobilization actions taken since June 2024

Since June 2024, SOFF has been actively implementing the agreed Short-term Resource Mobilization actions.

Outreach to current funders

The Secretariat has been in regular bilateral contact with current funders who have been very supportive of SOFF. During the period June 2024 – April 2025, six current funders pledged an additional USD 13 million.

Outreach to new bilateral funders

The Secretariat has been reaching out to several potential funders, proposing bilateral meetings, inviting them to briefings, and taking advantage of opportunities presented via the meeting calendar of the WMO Secretary-General. Unfortunately, no new bilateral funders have joined the current funder group since March 2024, while some have expressed interest in following the developments of the SOFF Impact Bond (Decision 11.5).

Outreach to new funders

- **European Commission (EC):** The Secretariat coordinated a meeting of the current funders from EU countries. So far, the EC has not decided to pledge to SOFF. The Secretariat also organized a meeting with the SOFF Steering Committee co-chair and a representative of the EC at the margins of the 29th UN Climate Change Conference (COP29), with indications to explore a potential collaboration on a SOFF Impact Bond.
- Green Climate Fund (GCF): The SOFF Secretariat engaged in exchanges with the GCF Secretariat about funding a possible SOFF programme for Fragile and Conflict-Affected States, following Decision 9.6. The WMO Secretary-General reached out to the GCF Executive Director to gain her support. For SOFF to gain access to GCF funding, it would need to attract an intermediary organization accredited by the GCF. The SOFF Secretariat therefore explored with UNEP and UNDP whether they could serve as Accredited Entities in channelling GCF funding into SOFF UN Fund. After extensive exchanges, UNEP and UNDP informed SOFF that they would be unable to serve as intermediaries, since they had concluded that the GCF would have to amend its basic operational policy.
- Fund for Responding to Loss and Damage (FRLD): The SOFF Secretariat explored this option in contacts with the FRLD Secretariat in Washington. Khadeeja Naseem, SOFF Global Facilitator, is close to the FRLD process and serves as the SOFF champion for potential access of SOFF to FRLD resources as and when the Fund decides its allocation rules.



• **Impact Bond:** In recognition of the fact that efforts to raise additional funding from traditional sources were not readily yielding sufficient results, the Secretariat under the leadership of the WMO Assistant Secretary-General started exploring the possibility of an impact bond on the sidelines of COP29. This innovative financing option has the potential benefit of (a) diversifying the SOFF funder base by attracting foundations, new bilateral funders, and middle-income country governments, among others, and (b) frontloading the financing of SOFF by attracting investors who would put up the money in the short term. Since COP29, the SOFF Secretariat, with the support of WMO Executive Management, has been intensively exploring whether and how to pursue an impact bond. Decision 11.5 provides further detail on the impact bond option.

Activate high-level champions

Since assuming her position, the WMO Secretary-General has been actively promoting SOFF in her meetings with funder counterparts as well as in her speeches and communications. SOFF has also been actively supported by the Steering Committee cochair from Ireland and by other members of the Steering Committee, including representatives from the Alliance of Small Island States (AOSIS) and the LDC Group. In addition, senior government and multilateral agency representatives made strong supportive statements on behalf of SOFF at the events organized by SOFF at COP29.

2.2. Results and implications of resource mobilization actions to date

The trends in resource mobilization are shown in Table 2. The number of funders has remained constant since the 7th Steering Committee meeting in March 2024 with no new funders added. Contributions from existing funders have increased by USD 13 million since June 2024, an important but relatively small increase to achieve the resource mobilization targets.



Table 2. Growth in SOFF Funding Base.

	1SC June 2022	3SC Nov. 2022	5SC June 2023	7SC March 2024	8SC June 2024	9SC Oct. 2025	10SC Feb. 2025
Numbe r of funders	7	8	10	12	12	12	12
Funders	Austria Denmark Finland Iceland Ireland NDF Norway	Austria Denmark Finland Iceland Ireland NDF Norway United States	Austria Denmark Finland Iceland Ireland NDF Netherlands Norway Spain United States	Austria Belgium Canada Denmark Finland Iceland Ireland NDF Netherlands Norway Spain United States	Austria Belgium Canada Denmark Finland Iceland Ireland NDF Netherlands Norway Spain United States	Austria Belgium Canada Denmark Finland Iceland Ireland NDF Netherlands Norway Spain United States	Austria Belgium Canada Denmark Finland Iceland Ireland NDF Netherlands Norway Spain United States
Total pledges in USD million	29	41	65	79	94	94	107

As a result of the slow growth in financial resources available, new commitments by SOFF also slowed down for the last three Steering Committee meetings and with a significant amount of unmet demand, especially Investment funding requests, awaiting approval.

3. Proposed actions through June 2027

The lessons and directions of the Updated Resource Mobilization Strategy (Decision 8.2) remain broadly applicable for the remainder of the proposed extended First Implementation Period June 2025 – June 2027 (Decision 11.3). However, more emphasis and resources will have to be devoted to developing new and unconventional financial sources, since the traditional bilateral funder community will be severely constrained in its ability to step up. The following actions are envisaged for the next two years:

Action 1: Continued outreach to current funders

Current funders have demonstrated that they recognize the value proposition of SOFF and the essential contribution it makes by closing weather and climate observation gaps in developing countries. With their membership on the Steering Committee, they have a strong role to play in determining the future of SOFF. It is therefore reasonable to expect that at least some of the current funders will continue supporting SOFF in its important work. The Secretariat will pursue continuous outreach to and engagement with current funders. However, the expected amounts of resources that can be raised from current funders will likely not exceed USD 35 million over two years.



Action 2: Reinvigorated outreach to new bilateral funders and the EC

Despite the overall challenging fundraising environment, SOFF will continue to make the case to potential new bilateral funders, especially the larger ones among them, that achievement of their development and climate objectives depends critically on improved weather and climate observations. In addition, SOFF will continue to make the case with the European Commission (EC). In connection with its impact bond, SOFF will have an opportunity to diversify its access to funders, including Middle Income Countries. This potential expansion of SOFF's funder community should contribute to an increased recognition of the benefits generated by SOFF and provide a better basis for longer-term resource mobilization.

Action 3: Innovative funding approaches – Impact bond, GCF and FRLD

The last twelve months have demonstrated clearly that SOFF will have to explore new funding approaches if it is to meet its target for the extended First Implementation Period. The envisioned impact bond is currently the highest priority and has the best chances among the new financing options to generate a substantial new resource flow during the next two years. The goal is to mobilize up to USD 200 million with the bond. Decision 11.5 provides more details. SOFF will continue to reach out to GCF and FRLD, but getting access to their resources might take time. However, it may be appropriate to count on their support for the longer term (see section 5 below).

Action 4: Reinforced outreach and champions

SOFF will continue to strengthen its evidence-based efforts to communicate its value proposition to the development and climate community. This will require strong champions, building on the clear example having been set by the WMO Secretary-General and Assistant Secretary-General and others. In this connection, senior leaders of current funders, of the SOFF co-founders UNDP and UNEP, and of recipient countries will be called upon to add their voices to promoting SOFF's innovative and effective operating modality in addressing a foundational development and climate agenda.

Action 5: Strengthening the SOFF Secretariat's capacity for resource mobilization

It is now abundantly clear that resource mobilization is an essential function that the SOFF Secretariat must be equipped to deliver on. The staff currently charged with supporting resource mobilization, however, are severely stretched with other obligations and have not had the capacity to pursue the resource mobilization task with the intensity and scope needed if SOFF is to succeed.



4. Resource mobilization requirements and scenarios to deliver on the extended First Implementation Period work programme

This section explores the resource mobilization requirements and two possible scenarios of incremental resource mobilization for the potentially extended First Implementation Period up to June 2027, and their programming implications.

4.1. Requirements

Based on the extended First Implementation Period updated work programme (Decision 11.3), SOFF funding needs correspond to USD 188 million up to June 2027, if it is to deliver on the work programme targets (75 country receiving support for the Readiness phase and 50 country receiving support for the Investment phase).

4.2. Downside Scenario: up to USD 35 million

This scenario assumes the additional resources available to SOFF from current funders. The maximum amount expected represents a cut of 50% of current funders' contributions compared to the resources mobilized so far.

4.3. Growth Scenario: up to USD 200+ million

This scenario assumes that in addition to the additional pledges from current funders, SOFF will raise up to USD 200+ million by mobilizing new funds from different sources, including the EU, GCF (<u>Decision 9.6</u>), FRLD, and a SOFF Impact Bond. This scenario would allow SOFF to deliver on the First Implementation Period targets (see Decision 11.3).

4.4. Implications

The realization of these two scenarios would have vastly different implications for SOFF. Further information on the risks of not mobilizing sufficient resources to deliver on the work programme can be found in Decision 11.3.

If SOFF encounters the *Downside* scenario, with a total availability of only up to USD 35 million in incremental finance for the period July 2025 to June 2027, resources to respond to country demand will be extremely limited, highlighting the need for an approach to managing country funding requests (Decision 11.6).

Finances from the *Growth* scenario may not become available in the short run. This means that, until then, SOFF will effectively have to operate within the *Downside* scenario.



5. Conclusions and looking ahead at longer-term resource mobilization actions

Like all other development and climate finance agencies, SOFF will be challenged by the recent significant deterioration in the global financing environment. For the remaining two years of the extended First Implementation Period, SOFF will have to intensify its resource mobilization actions as recommended in this document. Its success in launching an impact bond will critically determine its ability to meet the programming targets set for the next two years. If the growth scenario were not to materialize, SOFF would have to substantially cut back its operational activities with the resulting loss in contribution it can make to critical development and climate objectives. The consequences of a serious resource shortfall were presented in some detail in the Updated Resource Mobilization and Outreach Strategy and Action Programme until June 2025 (Decision 8.2), in the SOFF Risk Management Framework (Decision 4.2), and are summarized in Decision 11.3.

The resource mobilization actions recommended in this document are also important in creating the essential conditions for SOFF to deliver on its ambitious goals beyond the First Implementation Period. For its long-term effectiveness and even survival, SOFF will have to maintain the support of its current funders, while diversifying its resource base beyond these funders and intensively searching for innovative financing approaches, including the ones mentioned above. Making the strongest possible case for its value proposition, mobilizing and keeping champions with a strong voice, and demonstrating its continued effectiveness in delivery will be critical. Should SOFF remain in a relatively low resource mobilization scenario for the longer term, it may have to revisit its relationship with the Implementing Entities and possibly other development and climate finance partners by having them take on greater co-financing responsibility for the Investment phase, with potential increases in complexity, coordination requirements and costs of delivery.