



SYSTEMATIC OBSERVATION IMPACT BOND

FREQUENTLY ASKED QUESTIONS



1

What global challenge is the new Impact Bond addressing?

Nearly 90 per cent of the most critical weather and climate observations needed from the 77 Least Developed Countries (LDCs) and Small Island Developing States (SIDS) are still missing. These countries operate only one in ten of the stations required under the internationally agreed [Global Basic Observing Network](#) (GBON) standard that is mandatory for all countries. Germany alone has more reporting weather stations than the whole African continent.

This lack of critical data—the invisible ingredient of every forecast, climate action and early warning system—puts lives, livelihoods and economies at risk worldwide.

2

What is SOFF?

The [Systematic Observations Financing Facility](#) (SOFF) is a United Nations fund created at the request of 193 countries in 2022 by the World Meteorological Organization (WMO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP). Its sole purpose is to close the critical gap in basic weather and climate data. At the core of its mandate are most resource constrained LDCs and SIDS.

SOFF provides grants and peer-to-peer technical assistance through a structured [three-phase model](#): Readiness (assess gaps), Investment (finance stations and capacity) and Compliance (sustainable results-based support to keep data flowing).

With WMO as its Technical Authority, it brings together more than 70 partners under one roof to achieve tangible, measurable results that strengthen and sustain global forecasting and early warning systems.

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What has SOFF achieved so far?

Since becoming operational in July 2022, SOFF has delivered proof of concept, showing that its operational model works at speed and low cost. More than 100 countries have requested support, and [66 countries are already part of the programme](#).

To date, following commitments from [12 pioneer funding partners](#), USD 116 million has been approved to support countries in their efforts to close the data gap. 61 countries are in the Readiness phase, and 43 of them have already completed it. 18 countries have advanced to the Investment phase, with USD 107 million in approved funding. Within just 18 months of the first investment approvals, Rwanda and Mozambique are already sharing data globally through SOFF-supported stations.

4 What is the objective of the Impact Bond?

The Systematic Observation Impact Bond aims to fast-track mobilization of USD 200 million by end 2026 to close the weather and climate data gap in at least 30 LDCs and SIDS. These countries are close to entering the SOFF Investment phase and need additional resources to move forward. The Bond is expected to help generate at least a five-fold increase in the weather and climate data shared in average from these countries.

The Bond is also a means to innovate climate finance for the delivery of a global public good—the essential weather and climate data on which we all depend on.

5 What development impacts will the Impact Bond enable?

By contributing to closing the weather and climate data gap in developing countries, the Systematic Observation Impact Bond will result in [significant improvements in global forecasts](#) and as a result unlock major social and economic benefits. [According to the World Bank](#), closing the global GBON data gap could generate an estimated USD 5 billion in direct annual gains and unlock around USD 160 billion across key sectors such as agriculture, water, energy and transport.

Better data will strengthen the world's ability to predict and respond to extreme heat, wildfires, floods, and other disasters, reduce losses in agriculture, support food and water security, and help manage the growing risks of climate-induced migration. The Bond is therefore a [practical investment](#) in global resilience and in the data that make accurate forecasts and early warnings possible.

6 What makes the Bond an innovative solution?

The Systematic Observation Impact Bond is built on a combination of three features that make it an innovative climate finance solution.

- **It frontloads finance** so countries can act quickly, combining investor capital with longer-term donor commitments to move from planning to delivery without delay.
- **It creates a broad public**—private coalition of governments, development agencies, philanthropies and businesses to mobilize catalytic funding – it is a concrete example of the COP30 Presidency's vision of a global Multirao (collective effort).
- **It links finance to verified results** – at least a five-fold increase of weather and climate data generated and internationally exchanged by benefiting countries, independently verified by WMO.

7

Who will invest in the Bond and why?

The Systematic Observation Impact Bond targets both institutional and impact investors.

- It offers institutional investors a principal-protected opportunity to contribute to foundational climate action while generating returns.
- Impact investors can go further by accepting a lower or zero return, or a limited share of capital risk, to unlock more resources for the countries that need them most.

For both groups, the Bond provides a unique chance to invest in the global public good of reliable weather and climate data—essential for managing risk, protecting lives, livelihoods and supporting sustainable growth.

8

How is investors' capital protected?

The Systematic Observation Impact Bond considers a principal-protected tranche in which investors' capital is fully guaranteed through binding commitments from donors. This structure ensures that investors face no loss of principal while contributing to a measurable global impact.

A separate impact tranche would allow investors who wish to take part in risk-sharing to accept a limited share of capital at risk. This feature would increase the total resources available for countries and amplifies the Bond's overall impact.

9

How is the interest rate paid?

SOFF provides grant-only resources to countries to deliver a global public good – basic weather and climate data that according to international agreement must be generated and exchanged by all countries and are openly available and therefore does not generate direct financial returns. The interest payments to investors are covered by donor contributions.

The higher the share of impact investors committed to accepting a lower or zero interest rate, the less donor funding is needed for interest payments, and the more resources can go directly to countries. SOFF encourages low or zero-interest participation from impact investors to maximize the impact of every dollar raised.

10 What is the role of donors?

Donors—governments, development agencies, philanthropies, and private sector benefiting from the data—play a central role in the Systematic Observation Impact Bond. Their commitments make it possible to protect investors' capital, cover interest payments and mobilize private investment at scale.

Donors can contribute in three ways:

- **Unconditional contributions** – grants that can be invested directly in countries or used to cover interest payments.
- **Hybrid contributions** – grants that are partially unconditional and partially conditional on the results achieved.
- **Provision of guarantees to cover risks** – ensuring investor confidence and expanding the total amount of financing available.

Together, donors and investors enable SOFF to accelerate delivery and sustain results in the most resource-deprived countries.

11 What are the main risks and how are they managed?

The Systematic Observation Impact Bond is designed to manage risks carefully while delivering results. The main risks are:

- **Impact risk:** that the expected increase in internationally shared data from countries is not fully achieved. SOFF mitigates this risk through its hands-on operational model—providing peer to peer technical assistance from advanced meteorological services - and closely monitoring countries' advancements in project implementation.
- **Donor risk:** that a donor does not honor its commitment to pay. This risk is mitigated through binding agreements, diversification of the donor base, and the use of guarantees.

Together, these safeguards ensure that the Bond delivers reliable results and measurable global impact.

12 How is the bond structured?

The Bond effectively brings together countries that are committed to deliver their share of data to the global network with investors and donors - see Annex.

The detailed structure of the Systematic Observation Impact Bond is being developed in collaboration with participating investors, donors and partner banks. Its final design will depend on the portfolio of contributors mobilized and may take the form of either a public or private placement. The final structure will ensure transparency, efficiency and full alignment with SOFF's results-based model.

13 How will investors and donors engage with SOFF?

SOFF considers the creation of an Innovative Finance Advisory Council - a platform designed to bring together partners with commitments to the Bond. Donors and investors would be able to join the Council that would serve in an advisory capacity, providing recommendations to the SOFF Steering Committee on the use of innovative financing to scale up SOFF operations. Its purpose is also to ensure continuous dialogue between SOFF, investors and donors, fostering trust, global visibility and joint learning.

The Council will draw on recognized expertise in climate and impact finance to help shape future Systematic Observation Impact Bonds and SOFF innovative finance.

14 When will the Bond be issued?

The Systematic Observation Impact Bond will be presented at COP30 as part of the COP30 Action Agenda. Its issuance will depend on the pace of mobilizing investor and donor commitments. A first commitment from a philanthropic organization has been secured, and discussions with several potential investors and donors as well as potentially participating banks are advancing.

To maintain momentum and allow SOFF to continue delivering at speed and scale, the Bond should be issued by mid-2026. Its launch will mark a tangible step towards closing the global weather and climate data gap and demonstrating how innovative finance can support delivery of a global public good.

15 Is it possible to make direct contributions to SOFF instead of using the Bond?

Yes. The Systematic Observation Impact Bond is fully complementary to direct grants. Donors can continue to provide direct contributions to the SOFF UN Fund, while innovative finance is envisioned as a second fundraising stream to expand and sustain SOFF's impact.

Annex

Systematic Observation Impact Bond Overview





Systematic Observations Financing Facility

Weather
and climate
data for
resilience

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