



**Thirteenth Steering Committee**  
**18 February 2026**

---

# **Systematic Observation Impact Bond: Progress to Date and Next Steps**

Decision 13.2

---

Systematic Observations  
Financing Facility

**Weather  
and climate  
data for  
resilience**



## Decision 13.2: Systematic Observation Impact Bond: Progress to Date and Next Steps

The SOFF Steering Committee

### Recalls

- [Decision 11.5](#), which requested SOFF to pursue the development of the Systematic Observation Impact Bond with utmost importance and urgency, with a view to announcing the Bond at COP30 as an innovative contribution to the new climate finance goal established at COP29.

**Notes** the importance of basic weather and climate data representing a global public good.

**Notes** with appreciation that at COP 30:

- The Systematic Observation Impact Bond has been announced;
- The bond has been included as an integral part of the COP30 Action Agenda;
- The Subsidiary Body for Scientific and Technological Advice (SBSTA) recognised SOFF's important role in supporting GBON compliance and early warning systems, invited SOFF to consider extending its support to additional developing countries, and noted the potential of the new SOFF funding vehicle; and

The major European meteorological infrastructure organizations ECMWF, EUMETSAT and EUMETNET issued a joint call to governments, philanthropies, and the private sector to financially support SOFF.

**Further Notes** that the SOFF Advisory Board recommended:

- Positively considering the establishment of a SOFF Special Purpose Vehicle (SPV) as a complementary and innovative SOFF resource mobilization vehicle that would enable the issuance of multiple bonds over time; and
- To explore whether the SPV could be established in a manner that would allow other UN organizations and UN-administered climate initiatives to potentially use it for scaled-up innovative climate finance with a focus on adaptation finance.

**Decides** to:

- Progress work towards the establishment of the SOFF SPV as a complementary and innovative SOFF resource mobilization vehicle, that would enable the issuance of multiple bonds over time, to support the scaling up of SOFF operations and respond to high country demand.
- Reserve up to USD 150,000 for the further SOFF SPV and bond development, including for targeted advisory support to refine the SPV design, in case the SOFF Secretariat could not mobilize these funds from other sources.

**Requests** the SOFF Secretariat to:

- Advance engagement with potential donors and investors required for bond issuance, and progress work towards the establishment of the SPV in coordination with the UN MPTF office, the SOFF co-founders (WMO, UNDP and UNEP), and technical, legal, and financial partners;
- Develop a detailed proposal for the SPV set-up including SPV structure, governance framework, and division of roles and responsibilities between the SPV and the SOFF Steering Committee for consideration at the 14th Steering Committee meeting and to share this proposal five weeks in advance of the 14<sup>th</sup> Steering Committee meeting.
- Organize a technical 'deep dive' meeting with interested Steering Committee members as the detailed SPV proposal is being developed.
- Explore whether the SPV could be established in a way that allows other UN organizations and UN-administered climate initiatives to use it to scale up climate adaptation finance, while fully ring-fencing SOFF's financial activities and ensuring no financial or legal liability for SOFF. In addition, ensuring this would not delay the establishment of the SPV and only advancing it where there is a clear and demonstrable value added for SOFF.
- Seek to mobilize short-term funding for bond and SPV development from other sources; and
- Request the UN MPTF Office to disburse up to USD 150,000 for further SPV and bond development to the SOFF Secretariat through WMO in its capacity as host of the Secretariat, if no other funding becomes available.

**Invites** Steering Committee members to champion and advocate for SOFF's innovative financing approach and engage potential funders and partners within their networks, in coordination with the SOFF Secretariat and using key messages and outreach material prepared by the Secretariat.

### **Purpose of the document**

This document provides an update on progress to date and outlines considerations for the further development of the SOFF Systematic Observation Impact Bond, including the envisioned establishment of a SOFF Special Purpose Vehicle (SPV) as a complementary and innovative SOFF resource mobilisation and financing vehicle that would enable the issuance of bonds over time.

## Table of contents

1. Background .....	5
2. Progress to date .....	6
3. SOFF Special Purpose Vehicle (SPV).....	6
4. Key Considerations for Establishing and Operating the SOFF SPV.....	8
4.1 Precedents for the SOFF SPV.....	8
4.2 Jurisdictional Considerations.....	8
4.3 Outsourcing Model .....	8
4.4 Interface between SPV, UNMPTF, SOFF co-founders and SOFF Steering Committee .....	9
4.5 Treasury and Financial Services .....	9
4.6 SPV Development, Establishment and Operating Costs .....	9
5. Risks & Mitigation Measures .....	10
6. Next Steps and Indicative Timeline .....	10

# Systematic Observation Impact Bond: Progress to Date and Next Steps

## 1. Background

Global demand for SOFF support to achieve compliance with the mandatory data requirements of the Global Basic Observing Network (GBON) has grown rapidly. More than 100 countries have requested SOFF support, with 61 countries already receiving SOFF readiness assistance and 12 countries receiving SOFF investment support (INF 13.2). This rapid take-off of SOFF as a new specialized UN fund has been made possible thanks to the leadership and commitment of 12 public pioneer funders.

Despite this progress, a substantial financing gap remains to support countries in establishing their observation networks in line with GBON standards and to deliver on the targets of the SOFF work programme, as decided by the Steering Committee (Decisions 6.6 and 11.3).

Progress to date has been supported exclusively through SOFF's core funding model, based on direct sovereign contributions to the SOFF UN MPTF. These contributions enabled the programme's establishment and early implementation and will remain a core element of SOFF's financing architecture.

At the same time, reliance on this channel alone limits the pace, predictability, and range of resources that can be mobilised in response to growing demand. Broadening the SOFF financing base to include private and philanthropic capital alongside public funding will strengthen SOFF's ability to mobilise resources at the scale and speed now required.

In 2025, SOFF began exploring the case for a complementary resource mobilization approach through the envisioned issuance of the Systematic Observation Impact Bond. The bond is intended to frontload donor resources, expand the funder base by mobilising private and philanthropic capital, and link donor funding to verified GBON results.

At its meeting in May 2025, the 11<sup>th</sup> Steering Committee considered this approach and decided to pursue the development of the bond with utmost importance and urgency, with a view to announcing it at COP30 as an innovative contribution to the new climate finance goal.

Early support from the Nordic Development Fund (NDF) played a fundamental role in advancing this work. NDF provided a booster grant of EUR 150,000, which enabled SOFF to undertake the initial scoping and groundwork required to translate the Steering Committee's request into concrete preparatory action. Resources supported early analytical and advisory inputs, and targeted engagement with partners to frame design options and test early assumptions around a potential SPV and bond instrument. The grant also enabled SOFF to develop the core narrative and positioning needed to announce the Systematic Observation Impact Bond at COP30 and to engage partners

around this concept in a credible and informed manner. This work has positioned SOFF to now move into a next phase of more in-depth structuring, subject to additional resources.

## **2. Progress to date**

Significant progress has been made in advancing SOFF's complementary and innovative resource mobilization through the development of the Systematic Observation Impact Bond concept. The bond was not only announced at COP30; it was also included as an enabler and accelerator of the COP30 Action Agenda itself and announced jointly with the Climate High-Level Champions and the COP30 Presidency, reinforcing its alignment with global climate finance priorities.

At COP30, the announcement of the bond was accompanied by a set of mutually reinforcing signals underscoring the strategic importance of SOFF and its ambition to innovate resource mobilization for the delivery of a global public good – basic weather and climate data. The SOFF 2025 Action Report was launched, making the case for scaling up support to close the global observing gap. In parallel, major European meteorological infrastructure institutions issued a joint call to governments, philanthropies, and the private sector to financially support SOFF. At the same time, the Subsidiary Body for Scientific and Technological Advice (SBSTA) recognised SOFF's important role in supporting GBON compliance and early warning systems, invited SOFF to consider extending its support to additional developing countries, and noted the potential of the new SOFF funding vehicle.

Building on this momentum, SOFF engaged in intensive discussions with a range of public and private partners to assess potential structuring options for the bond, including different issuance and delivery models drawing on established public and multilateral financing practices. These discussions converged on the need for an approach that would: (i) provide a long-term financing architecture for innovative and complementary SOFF resource mobilization, instead of a one-off bond issuance; (ii) enable SOFF to issue its own bonds, rather than being dependent on Multilateral Development Banks to issue bonds on its behalf; and (iii) allow flexibility in the use of financing instruments, tailored to donor and investor interests.

Against this backdrop, the establishment of a SOFF special purpose vehicle has been identified as the most suitable means of meeting these requirements.

## **3. SOFF Special Purpose Vehicle (SPV)**

The SOFF Special Purpose Vehicle (SPV) would serve as the dedicated resource mobilization and financing vehicle through which Systematic Observation Impact Bonds and other potential financing options would be structured and deployed. As a separate legal entity, the SPV would provide a platform to mobilise private and philanthropic

capital alongside public funding, and to channel such resources in support of SOFF's mission. While enabling the issuance of bonds, the SPV would also allow, over time, for the deployment of other complementary funding mechanisms.

Funds raised through the SPV would be transferred to the SOFF UN MPTF for SOFF work programme implementation. Where applicable, WMO's independent verification of GBON results would underpin results-based arrangements, including payments to or from donors and investors when financing is conditioned on agreed outcomes. This structure would allow SOFF to engage donors and investors through a single, clear and coherent financing framework, while ensuring that funds remain subject to UN financial rules, oversight arrangements, and SOFF's established governance and operational modalities.

The SPV would enable donors and investors to support SOFF's mission through a range of donation and investment options aligned with their respective resource capabilities, financial policies, and operational requirements. The options outlined below could be combined to form a financing portfolio that meets SOFF's needs, while allowing donors and investors to participate in ways that reflect their respective constraints and preferences.

**Upfront grants** would allow philanthropic, private, and public contributors to provide grant funding through the SPV at the point at which they join the financing structure. These contributions would strengthen confidence in the financing structure, which in turn facilitates the mobilisation of additional contributions, ensure that the SPV has the financial capacity to operate as intended, and lower the costs of bond issuance.

**Forward grants** would allow philanthropic, private, and public contributors to commit grant funding that would be provided through the SPV at a later stage, either as unconditional commitments or subject to agreed conditions. Unconditional forward grant commitments would allow the SPV to use investor funding upfront to support accelerated implementation of SOFF work programme, with investor funds repaid once the forward grants are paid. Conditional forward grant commitments could be linked to the delivery of verified results, with appropriate safeguards in place to manage the risk of delays or shortfalls in work programme delivery.

**Investor financing** would allow investors to provide impact financing through the SPV, aligned with the amount, timing, and certainty of upfront and forward grants. This would enable the SPV to accelerate SOFF work programme implementation, with investor funding repaid over time from committed grant flows. Such financing could be structured on market or concessional terms, through a variety of methods including public or private bond placements, and, where appropriate, incorporating verified results elements.

**Guarantees** would allow philanthropic, private, and public contributors to provide defined risk cover through the SPV, without the need to advance funds upfront. Such financing could serve as safeguards to support certain forward grant commitments and investor financing arrangements.



## **4. Key Considerations for Establishing and Operating the SOFF SPV**

Implementing the SOFF complementary resource mobilization and financing approach through the establishment of a SPV requires a legal and operational structure that is sufficiently flexible to accommodate the full range of funding options, while providing donors and investors with confidence in the associated legal, governance, financial, and administrative arrangements.

### **4.1 Precedents for the SOFF SPV**

There are well-established precedents for the use of an SPV in a multilateral context to mobilise and frontload resources for global public goods. Most notably, the International Finance Facility for Immunisation (IFFIm) was established in 2006, at the initiative of Gavi, the Vaccine Alliance, as a charitable entity under UK law. Since its inception, IFFIm has operated exclusively as a financing vehicle for Gavi, using a model that frontloads forward sovereign pledges from a group of donors. It is overseen by an independent expert board and relies on the World Bank for treasury management services.

A more recent example is the CIF Capital Markets Mechanism (CCMM), which was established as a UK-based entity to frontload scheduled reflows from climate-related multilateral development bank loans cofinanced by the Clean Technology Fund, a financial intermediary fund administered by the World Bank.

### **4.2 Jurisdictional Considerations**

SOFF is assessing potential jurisdictions for the establishment of the SPV as a charity or corporation for public purposes with an initial focus on Ireland and the UK, both of which have well-established SPV frameworks used to access capital markets and support international financing initiatives.

In both jurisdictions, it is possible to establish an SPV with limited operational scope, designed to issue financing instruments and transfer net proceeds to the sponsoring affiliated structure without incurring taxes on those financing flows. While there are differences in governance and administrative requirements, particularly with respect to local management and oversight, these will be assessed in more detail following the 13th Steering Committee meeting.

### **4.3 Outsourcing Model**

Consistent with established practice, SOFF intends to operate the SPV purely as a financing vehicle with a very lean structure and to outsource selected financial and administrative functions to qualified third-party providers. Legal and administrative arrangements are being assessed, including options to engage a qualified international financial institution to support functions such as arranging funding and managing liquidity and reserves.



#### **4.4 Interface between SPV, UNMPTF, SOFF co-founders and SOFF Steering Committee**

An arrangement under which the SOFF co-founders or the UNMPTF Office would serve as the interface between SOFF and the SPV and recognize the SPV as an UN-aligned financing vehicle will be assessed and developed following the Steering Committee meeting. This will address governance arrangements and respective roles and responsibilities, including the roles of the UNMPTF Office as the SOFF trustee to receive proceeds on behalf of SOFF and of the SOFF Steering Committee.

Proceeds raised by the SPV, net of costs, would be transferred to the UN MPTF and managed in a ring-fenced manner in accordance with the UN MPTF's standard fiduciary and compliance procedures. Funds would be channelled to beneficiary countries following SOFF Steering Committee decisions in line with the SOFF policy and operational framework as per the SOFF Operational Manual.

Where the SPV undertakes a bond issuance, appropriate treasury arrangements would be put in place to ensure that the SPV's assets are managed in a manner that supports timely interest and principal payments to investors, without affecting the management of work programme funds within the SOFF UN MPTF.

#### **4.5 Treasury and Financial Services**

The operation of the SPV would require a limited set of financial services to support its financing activities, consistent with market practice for comparable financing vehicles. These services would include transaction structuring and execution, treasury and liquidity management, payment processing, financial administration, and reporting.

In line with the outsourcing model, these functions would be provided by qualified third-party institutions with relevant expertise, either a Multilateral Development Bank or a private bank. Detailed arrangements, including the scope of services and roles and responsibilities, would be developed and submitted to the Steering Committee at a later stage for consideration and decision.

#### **4.6 SPV Development, Establishment and Operating Costs**

Development, establishment and operating costs associated with the complementary resource mobilization and financing approach are expected to remain modest and in line with comparable multilateral financing vehicles.

Development costs including targeted advisory support to refine the SPV design and prepare a detailed proposal for Steering Committee consideration and decision, are estimated at USD 150,000.

One-off establishment costs are estimated at approximately USD 100,000, rising to USD 200,000 should an indicative credit rating be pursued.

Annual operating costs are expected to remain limited, estimated to correspond approximately USD 50,000, with total costs dependent on the volume of resources mobilized and managed.

## 5. Risks & Mitigation Measures

Risk	Mitigation Measures
Structural and transactional complexity	Keep SPV arrangements light and as simple as possible. Apply a phased structuring approach, starting with a private placement for the first bond. Complexity would be introduced only as justified by scale or efficiency gains.
Donor commitment and repayment risk	Anchor the finances of the SPV on clearly defined upfront and forward grants, with pre-agreed amounts, timing, and conditions. Where relevant, guarantees would be used as safeguards to support conditional commitments.
Risk of insufficient cashflows to repay investors	Align investor financing strictly with the amount, timing, and certainty of upfront and forward grants. Investor repayment would be limited to the SPV's secured cashflows, without creating liabilities for SOFF and its co-founders, UN MPTF and existing SOFF donors.
Market appetite and investor participation	Focus on targeted placements with mission-aligned institutional and impact investors, supported by early market engagement to test structure, pricing, and tenor.
Governance and accountability risks	Maintain clear separation of roles between the SPV, SOFF, the UNMPTF as SOFF trustee, and the Steering Committee, with independent verification of results by WMO.

## 6. Next Steps and Indicative Timeline

### 13th Steering Committee, 18 February 2026

- Decision on next steps.

### Between the 13th and 14th Steering Committee

- Further mobilisation of philanthropic, private and public partners interested in supporting the Bond as donors and/or investors.

- Refinement of the proposal to establish a SOFF SPV as a complementary and innovative SOFF resource mobilization mechanism, including potential structure and governance arrangements of the SPV and its interaction with SOFF UNMPTF and SOFF Steering Committee.

#### **14th Steering Committee, 20-22 May 2026**

- Decision on the structure of the SPV and next steps.

#### **Between the 14th and 15th Steering Committee**

- Establishment of the SPV including required legal, administrative and financial arrangements.
- Confirmation of initial potential donor and investor support and preparation of the issuing of the first bond.

#### **15th Steering Committee, October 2026**

- Consideration of a decision on launching the first bond.

#### **COP31**

- Launch of the first Systematic Observation Impact Bond.