

Eighth Steering Committee
18-19 June 2024

SOFF Financial Situation,
Country Demand and
Funding Needs

INF 8.2

Systematic Observations
Financing Facility

**Weather
and climate
data for
resilience**



Purpose of this Document

This document provides an overview of the current financial situation, including anticipated pledges by the 8th Steering Committee meeting, outlines the anticipated country demand for SOFF within the targets set in the Updated Work Programme 2022 - 2025, alerts on the financial resources gap to deliver the SOFF work programme and respond to country demand, provides and analysis of the evolving cost trends of submitted Investment Funding requests, and proposes an approach how to handle the current challenging situation. It complements the Updated Resource Mobilization and Outreach Strategy and action programme until June 2025 (Decision 8.2), and the Short-term approach to Investment Phase funding in the context of resource constraints (Decision 8.4).

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SOFF financial situation, country demand and funding needs

1. Context

Challenging financial situation

Despite additional pledges from four existing funders that are anticipated to be announced at the 8th SOFF Steering Committee meeting (8SC), the current resource mobilization status poses severe challenges to the ability of SOFF to deliver in line with the targets adopted by the Steering Committee in the Updated Work Programme 2022 – 2025.

For the first time, SOFF does not have the financial resources to approve all submitted country funding requests and to sustain the pace of implementation demonstrated so far. The Investment funding requests submitted by 7 countries correspond to USD 39.6 million (INF 8.3) while the resources available for 8SC approval amount of USD 11.8 million.

High country demand and ambitious work programme

Since the beginning of its operations, SOFF has been facing strong country demand, with 101 countries having requested support so far. SOFF has responded to these requests at speed and scale. The first Readiness funding requests were approved by the Steering Committee in March 2023 (4SC), and as of today 62 countries have been programmed of which 60 countries are benefitting from SOFF Readiness support and 11 from SOFF Investment support. More information on SOFF progress can be found in the [SOFF Action Report 2023](#), and more detailed and up-to-date information is contained in document INF 8.1 on SOFF Implementation Progress.

Based on the Steering Committee [Decision 6.6](#) that adopted the Updated SOFF Work Programme 2022-2025, additional countries are expected to benefit from support during the First SOFF Implementation Period 2022-2025. The target set by the Steering Committee is to provide SOFF Readiness support to a total of 75 countries and SOFF Investment support to 50 countries within the set funding target of USD 200 million by June 2025.

Underperforming Resource Mobilization

While SOFF mobilized sufficient funds since June 2022 to start operations, anticipated to amount in total to USD 92.6 million by 8SC, resource mobilization is currently off-track to reach the USD 200 million target by June 2025; the resource mobilization gap to reach such target corresponds to USD 107.4 million. The risk of a potential funding shortfall was acknowledged in the SOFF Risk Management Framework ([Decision 4.2](#), point 1.4), and also in the Updated Work Programme 2022-2025 ([Decision 6.6](#)).

2. Anticipated total pledges by 8th Steering Committee

By the 7SC, all initial pledges amounting to USD 79.4 million were transformed into commitments. This means all SOFF funders were holding a Standard Administrative Agreement signed with the UNMPTF Office committing the pledged resources to be deposited at the SOFF UN Fund. Since 7SC four additional pledges have been confirmed or are under consideration from existing funders by the 8SC, anticipated to amount to USD 13.2 million. Therefore, the total amount of pledges by the 8SC is anticipated to correspond to USD 92.6 million, see Table 1.

Table 1. SOFF current financial status and anticipated pledges, in USD ([using the UN exchange operational rates as of 1st May 2024](#)).

	Pledges and Commitments at 7SC	Anticipated additional pledges by 8SC	Total expected pledges by 8SC
Austria	4,143,766	2,159,827	6,303,593
Belgium	7,270,799	4,537,796	11,808,595
Canada	746,825		746,825
Denmark	3,501,896		3,501,896
Finland	3,252,385		3,252,385
Iceland	845,000	tbc	845,000
Ireland	5,434,782		5,434,782
Netherlands	15,761,551		15,761,551
Nordic Development Fund	10,042,250	6,479,481	16,521,731
Norway	11,887,406		11,887,406
Spain	3,194,700		3,194,700
United States of America	13,337,000		13,337,000
TOTAL	79,418,360	13,177,104	92,595,464

Note: Only deposits are certified by the UNMPTF Office whilst pledges and anticipated deposits are calculated by the SOFF Secretariat using the [UN Operational Rates of Exchange](#) and are subject to currency fluctuation. Figures shaded in grey reflect anticipated pledges by four funders, with Iceland's additional contribution still under consideration.

3. Anticipated financial resources available for 8th Steering Committee decisions

Through previous decisions, the Steering Committee approved in total USD 80.8 million, of which USD 75.4 million for SOFF operations (see Annex I) and USD 5.4 million for covering the costs of the SOFF Secretariat and to conduct SOFF impact studies. In other words, SOFF so far overcommitted USD 1.4 million, Table 2 contains an overview of all approvals made so far by the Steering Committee.

Table 2. Previous SOFF Steering Committee approvals.

	Financial commitments (USD million)
SOFF Operations	75.4
SOFF Secretariat	5.1
Impact studies	0.3
Total	80.8

The anticipated resources available for approval by the 8SC amount to USD 11.8 million (see Table 3). This comprises the anticipated additional pledges by the 8SC in the amount of USD 13.2 million, anticipated to be converted into commitments by or soon after the 8SC, with a deduction of USD 1.4 million from overcommitments carried forward from the previous Steering Committee.¹

Table 3. Financial balance after SOFF 7SC decisions and projected resources available for 8SC approvals in USD millions.

	Commitments
Balance from 7SC decisions	-1.4
Anticipated 8SC additional resources	13.2
Anticipated resources available for 8SC	11.8

4. Anticipated country funding requests by June 2025

The Updated SOFF Work Programme 2022-2025 increased the number of countries to be supported by SOFF to 75 (Readiness) and 50 (Investment) while the funding target of USD 200 million remained unchanged. From this funding envelope USD 180 million are foreseen for Investment funding² and USD 10 million for Readiness funding.

Based on SOFF implementation progress, the SOFF Secretariat regularly updates the projections of expected funding requests to be considered by the SOFF Steering Committee (Table 4). These projections are kept within the targets of the Updated Work Programme 2022-2025, i.e., do not consider country demand beyond the set targets which is substantially higher. So far 101 countries have requested SOFF support, of which currently 39 Readiness programming requests are unmet (see Annex II), taking into consideration that the Steering Committee already programmed 62 countries. In addition, as Readiness funding has been approved for 60 countries, these countries are expected to prepare Investment funding requests; the Updated SOFF Work Programme 2022-2025 aims at supporting 50 countries with Investment funding by June 2025.

¹ The prior Steering Committee meeting granted approval for a funding package with an exceptional overcommitment.

² Including investment peer advisory and Implementing Entities fees.

Table 4. Expected country demand (number of countries) within the limits of the targets established in the SOFF Updated Work Programme 2022-2025.

Funding requests	Approved since March 2023	8SC Jun 24	9SC Oct 24	10SC Mar 25	11SC Jun 25	Total
Investment	11	7	8	12	12	50
Readiness	60	0	5	4	6	75

The 7 Investment funding requests submitted for consideration of the 8th Steering Committee are totalling USD 39.6 million (INF 8.3) and an additional financing request from Australia Bureau of Meteorology (Decision 8.3) for the provision of peer advisory services in Kiribati and Solomon Islands corresponds to USD 0.6 million. Taking into consideration anticipated USD 11.8 million available for approval, this creates a funding gap in the amount of USD 28.4 million at the 8SC. For the first time, country funding requests are higher than available resources.

5. Financial resources gap to deliver on the Updated Work Programme 2022-2025

There is an operational funding gap amounting to USD 103 million that are expected to be allocated by June 2025 for countries' Investment and Readiness phase funding requests within the set targets of the Updated Work Programme (Table 5). SOFF currently does not have these resources and therefore have to be mobilized in the coming 12 months if the program is to be delivered.

Table 5. Operational commitments since March 2023, anticipated resources available for approval at 8SC to respond to country funding requests, and corresponding Investment and Readiness phase funding gap by June 2025 (in USD million).

Funding requests	Approved since March 2023	8SC June 2024	9SC October 2024	10SC March 2025	11SC June 2025	Total
Investment	66.3	11.8			101.9	180

Readiness	8.9	0	1.1	10
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6. Cost analysis of Investment funding requests

Since the commencement of operations, the SOFF Secretariat has captured lessons learned and developed a better understanding of the costing of SOFF investments and therefore is increasingly better equipped to forecast and calculate the expected financial requirements of SOFF operations to deliver on the targets set by the Updated Work Programme 2022-2025.

An analysis of the initial 18 Investment funding requests submitted for Steering Committee consideration (11 requests approved at 6SC and 7SC, 7 requests submitted to 8SC – see INF 8.3) shows that the financial requirements to close the GBON investments gaps are higher than initially foreseen.

The initial estimation of the funding needs was based on a [World Bank study](#)³. That study assessed total costs of observation infrastructure in selected High and Upper Middle-Income Countries. Actual costs are higher in part due to inflation and due to special features of the countries supported so far. With SOFF's focus on SIDS and LDCs, including many Fragile and Conflict Affected States, capacity development needs to achieve GBON compliance and Operations and Maintenance (O&M) requirements (which amount to over 50% of the 18 submitted funding requests) are higher than in High and Upper Middle-Income Countries and initially anticipated. This is in part related to remote locations of GBON stations in several SIDS as well as the very limited capacity of National Meteorological and Hyrdological Services in many SOFF beneficiary countries.

An updated projection of Investment funding requirements for the targeted 50 countries, based on the 18 submitted funding requests so far, indicates that it is highly unlikely that the full investment funding costs of 50 countries can be accommodated within the USD 180 million resource envelope shown in Table 5, unless the GBON gap to be covered in these countries is much smaller than the average so far.⁴

³ Grimes, David R.; Rogers, David P.; Schumann, Andreas; Day, Brian F. 2022. Charting a Course for Sustainable Hydrological and Meteorological Observation Networks in Developing Countries. © World Bank, Washington, DC. <http://hdl.handle.net/10986/38071>.

⁴ The 18 Investment funding requests range from less than USD one million to more than USD 10 million per country and range from 2 stations to 17 stations. The initial 18 funding requests so far have covered larger than average GBON gaps – close to 30 percent of the 77 SIDS and LDCs GBON surface land and upper air stations gap.

7. Proposed approach to respond to Investment funding requests

To respond to country demand, the set targets of the Updated SOFF Work Programme 2022-2025 and higher than anticipated costs for SOFF investments to close the countries' GBON gaps, a three-pronged approach is proposed.

First, stepped up resource mobilization efforts. Decision 8.2 outlines the Updated SOFF Resource Mobilization and Outreach Strategy and proposes an Action Programme until June 2025.

Second, prioritization of SOFF Investment funding requests. Decision 8.4 outlines the approach to prioritization and proposes a prioritized Investment funding request for 8SC decision.

Third, pursuing a phased approach to investment funding, when technically feasible and relevant based on the country context, to increase the number of countries benefitting from Investment funding support during the First Implementation Period, following the approved South Sudan example. Decision 8.4 contains further information and proposes a corresponding Steering Committee decision.

Annex I: SOFF approvals for operations since March 2023

Beneficiary Country	Peer Advisor	Implementing Entity	Approval Readiness (USD)	Approval Investment (USD)	Total (USD)
Antigua and Barbuda	United Kingdom	UNDP	182,970		182,970
Bahamas	Finland	IADB	131,653		131,653
Bangladesh	Norway	IsDB	165,330		165,330
Barbados	Finland	IADB	129,943		129,943
Belize	United Kingdom	IADB	199,757	860,694	1,060,451
Bhutan	Finland	UNEP	80,000	4,598,124	4,678,124
Burkina Faso	Spain	AfDB	199,300		199,300
Cabo Verde	Netherlands	UNEP	73,000	3,848,318	3,921,318
Cambodia	United Kingdom	World Bank	199,757		199,757
Chad	Austria	WFP	188,415		188,415
Comoros	Morocco	AfDB	120,000		120,000
Cuba	Spain	UNDP	160,000		160,000
Democratic Republic of the Congo	Switzerland	AfDB	198,000		198,000
Djibouti	Austria	UNDP	147,217		147,217
Dominica	Austria	WFP	135,650		135,650
Dominican Republic	Spain	WFP	160,000		160,000
Ecuador	Switzerland	IADB	200,000		200,000
Ethiopia	Norway	UNDP	185,625	9,908,957	10,094,582
Federated States of Micronesia	United Kingdom	UNEP	154,309		154,309
Fiji	Australia	World Bank	96,905		96,905
Grenada	Spain	N/A	120,000		120,000
Guinea-Bissau	Portugal	UNEP	120,000		120,000
Guyana	Austria	IADB	170,748		170,748
Haiti	Switzerland	IADB	145,000		145,000
Jamaica	Finland	IADB	125,799		125,799
Kiribati	Australia	UNEP	105,255	10,845,152	10,950,407
Lao People's Democratic Republic	Austria	World Bank	195,000		195,000
Liberia	Nigeria	AfDB	120,000		120,000
Madagascar	Germany	AfDB	164,469		164,469
Malawi	Norway	UNDP	186,615		186,615
Maldives	Finland	UNEP	97,105	4,876,526	4,973,631
Marshall Islands	United Kingdom	UNEP	154,309		154,309
Mauritius	South Africa	AfDB	147,575		147,575

Mozambique	South Africa	WFP	148,400	7,865,565	8,013,965
Nauru	Australia	UNEP	86,255		86,255
Nepal	Finland	UNEP	86,000		86,000
Niger	Nigeria	AfDB	170,000		170,000
Palau	United Kingdom	UNEP	154,309		154,309
Papua New Guinea	Australia	UNDP	138,601		138,601
Rwanda	Finland	UNDP	92,917	3,507,377	3,600,294
Saint Kitts and Nevis	Finland	IADB	128,463		128,463
Saint Lucia	Austria	WFP	135,650		135,650
Saint Vincent and the Grenadines	Austria	WFP	135,650		135,650
Samoa	Australia	World Bank	96,905		96,905
Sao Tome and Principe	Netherlands	UNDP	125,000		125,000
Senegal	Netherlands	IsDB	74,000		74,000
Seychelles	South Africa	AfDB	129,200		129,200
Solomon Islands	Australia	UNDP	96,905	8,178,574	8,275,479
Somalia	Nigeria	UNDP	150,000		150,000
South Sudan	Austria	AfDB	152,698	2,460,056	2,612,754
Suriname	Netherlands	UNDP	150,000		150,000
Tajikistan	Finland	World Bank	134,842		134,842
Tanzania	Denmark	UNDP	128,717	9,026,278	9,154,995
Timor-Leste	Finland	UNEP	130,000		130,000
Tonga	New Zealand	World Bank	99,200		99,200
Trinidad and Tobago	Finland	IADB	129,745		129,745
Tuvalu	New Zealand	UNEP	39,800		39,800
Uganda	Netherlands	IsDB	200,000		200,000
Vanuatu	New Zealand	World Bank	103,965		103,965
Zambia	United Kingdom	WFP	199,757		199,757
Sub Total			8,376,685	65,975,621	74,352,306
WMO indirect support cost (7% of peer advisor fee)			586,367.95	292,605	878,973
Total Readiness + Investment			8,963,053	66,268,226	75,231,279
Regional workshops					200,000
Total Operations					75,431,279

Annex II: List of unmet country requests for SOFF support

Beneficiary Country	Group
Algeria*	LMIC
Angola*	LDC
Benin*	LDC
Botswana*	UMIC
Burundi	LDC
Cameroon	LMIC
Central African Republic*	LDC
Congo	LMIC
Cook Islands	SIDS
Costa Rica*	UMIC
Côte d'Ivoire*	LMIC
Egypt*	LMIC
El Salvador*	UMIC
Eritrea*	LDC
Eswatini*	LMIC
Gabon*	UMIC
Gambia*	LDC
Ghana*	LMIC
Guinea	LDC
Honduras*	LMIC
Jordan	LMIC
Kenya*	LMIC
Lesotho*	LDC
Libya	UMIC
Mali	LDC
Mauritania*	LDC
Mexico*	UMIC
Morocco*	LMIC
Namibia	UMIC
Nicaragua*	LMIC
Nigeria*	LMIC
Niue	SIDS
Panama*	UMIC
Sierra Leone	LDC
South Africa*	UMIC
Togo	LDC
Tunisia*	LMIC
Ukraine	LMIC
Zimbabwe	LMIC

This list includes LDCs, SIDS, LMICs, and UMICs.

*Countries requested SOFF support through decisions by WMO Regional Associations or through requests of Presidents of WMO Regional Associations on behalf of the countries.