

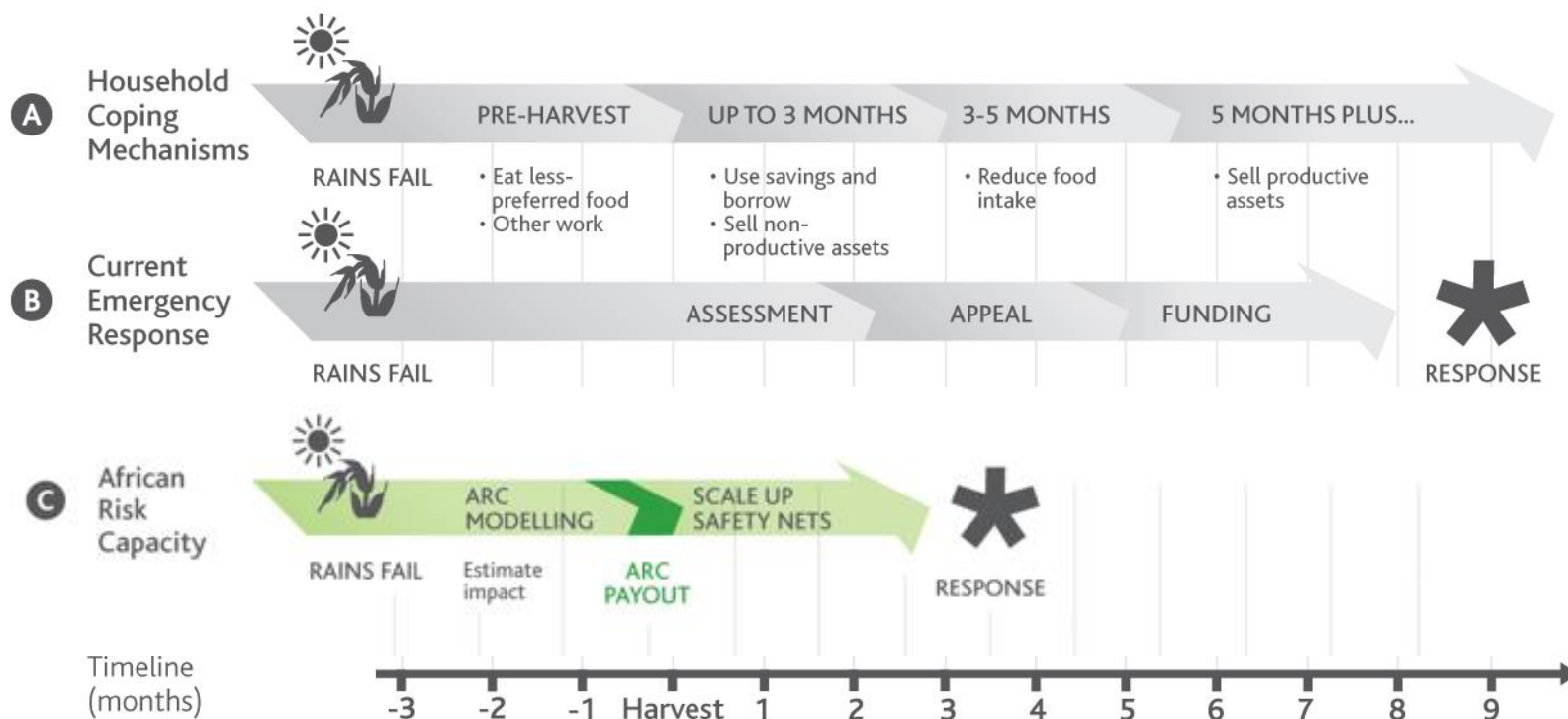


# **African Risk Capacity**

Tuga Alaskary

Country Engagement Manager

# Disaster Risk Management Response System



Source: Clarke/Hill, Cost-Benefit Analysis of the African Risk Capacity Facility,

**As a result a dollar spent on drought response through ARC saves \$4.40 in traditional humanitarian assistance costs**



## ARC: Value for Member States

**ARC is a Specialised Agency of the African Union, established in 2012, and is governed by a board of African ministers and experts.**

**The ARC Agency's first financial affiliate, ARC Insurance Company Limited, was established in early 2014.**

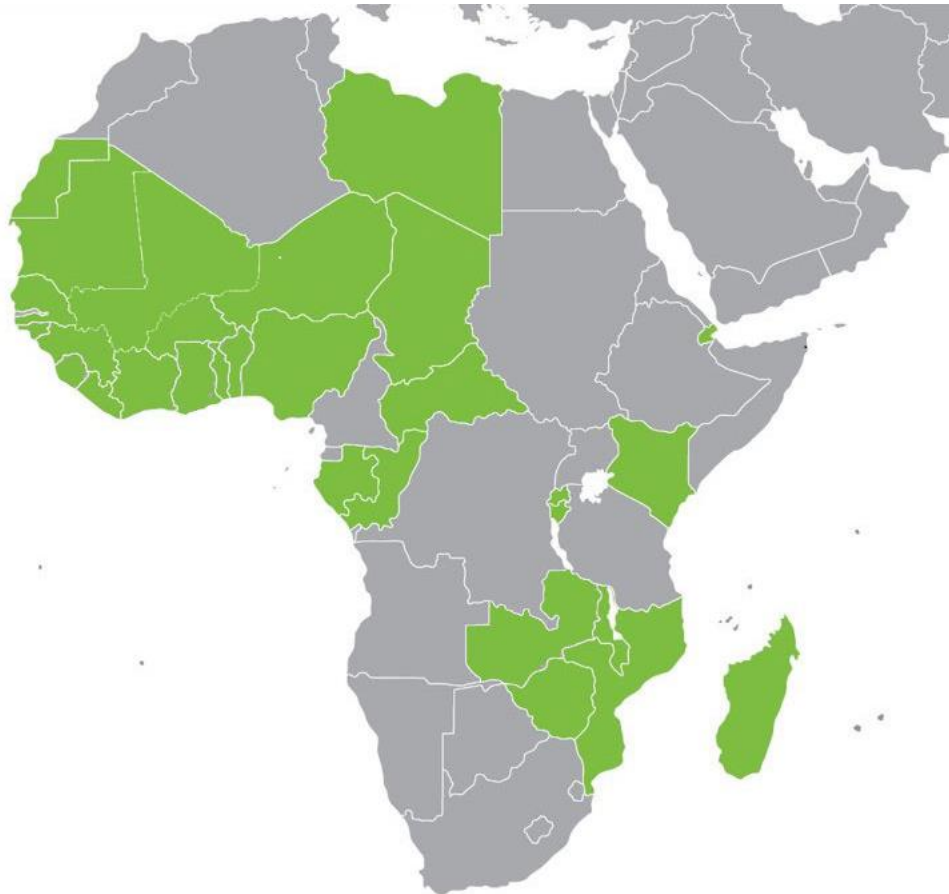
**Through its unique structure, ARC bring together three critical elements to create a powerful value proposition for it participants and their partners:**

- **Early Warning:** *Africa RiskView*
- **Response:** Contingency Planning
- **Insurance:** Index-based insurance and risk pooling

**ARC currently provides index-based drought insurance and is adding cyclone insurance this year and flood insurance next year**



# Member Countries



----- *Original Signatories (23 November 2012)* -----

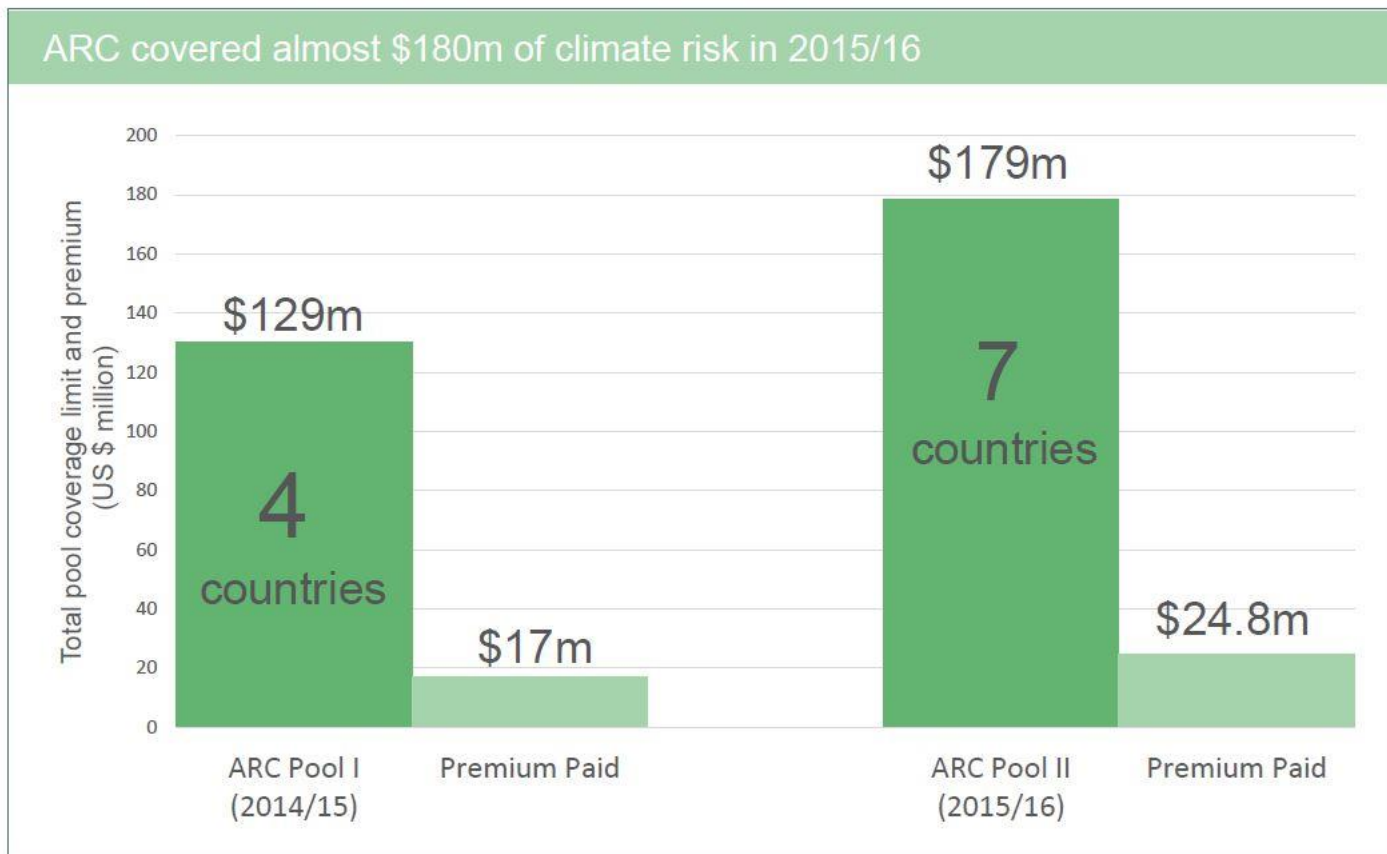
1. Burkina Faso
2. Burundi
3. Central African Republic
4. Chad
5. Republic of Congo
6. Djibouti
7. The Gambia
8. Guinea
9. Liberia
10. Libya
11. Malawi
12. Mozambique
13. Niger
14. Rwanda
15. Sahrawi Arab Democratic Republic
16. Senegal
17. Togo
18. Zimbabwe

----- *Additional Signatories (date signed)* -----

19. Kenya (28 January 2013)
20. Mauritania (28 January 2013)
21. Côte d'Ivoire (6 February 2013)
22. Comoros (15 February 2013)
23. Gabon (30 January 2014)
24. Madagascar (31 January 2014)
25. Benin (27 June 2014)
26. Nigeria (4 December 2014)
27. Mali (27 May 2015)
28. Ghana (28 January 2016)
29. Guinea Bissau (29 January 2016)
30. Sao Tome and Principe (29 January 2016)
31. Sierra Leone (29 January 2016)
32. Zambia (29 January 2016)



# ARC in Action





## ARC in Action

### 2014 Payout

**\$26.3 million**  
payout

**3**  
countries



**1.3 million**  
people

**900,000**  
livestock



# ARC in Action



## Senegal (\$16.5 Million)

### Use and Targeted Beneficiaries

- Targeted food distribution
- Total beneficiaries: 927,416 people
- Subsidized sales of cattle feed
- Beneficiaries: 900,000 animals

- End of season: Dec 10
- Funds released from Ltd: Jan 27
- Premium: \$3.4 m



## Mauritania (\$6.3 Million)

- Targeted Food distribution
- Total beneficiaries: 250,000 people.
- In March 50,00 households identified and provided with distribution cards (average 5 people per household)

- End of season: Nov 20
- Funds released from Ltd: Jan 29
- Premium: \$1.4 m



## Niger (\$3.5 Million)

- Targeted Food Distribution
- Total beneficiaries: 157,000 people.
- Conditional cash transfer and food distribution in drought-affected regions

- End of season: Oct 31
- Funds released from Ltd: Feb 25
- Premium: \$3.0 m



# ARC's Innovation

Member State Owned

An Inter-disciplinary Approach

A Cost-effective Model



# Expanding to Scale



## ARC Vision 2020: Agenda for Action

Insure **150 million** people in Africa by 2020 with **1.5-2 billion** dollars in coverage across **30** countries



## Expanding to Scale

- **Premium Financing to allow for high risk countries with low resilience to join ARC**
  - Financing for countries that have operational capacity to use payouts but lack funding to pay premium
  - Exploring with AfDB, EU and others
- **Capacity Building**
- **Research & Development**
- **Extreme Climate Facility**
- **Replica coverage**

Website: [www.africanriskcapacity.org](http://www.africanriskcapacity.org)

Twitter: @ARCapacity

# ARC Agency Board Members



**Hon. Dr. Ngozi Okonjo Iweala**  
(AU Commission)



**Hon. Diombar Thiam**  
(North Africa)



**Mr. Tosi Mpanu-Mpanu**  
(AU Commission)



**Mr. Birama Sidibe**  
(West Africa)



**Mr. Ouhoumoudou Mahamadou**  
(Central Africa)



**Hon. Professor Peter Mwanza**  
(Southern Africa)



**Hon. Dr. Agnes Kalibata**  
(East Africa)



**Mr. Mohamed Beavogui**  
(ARC Director General – Non voting)



# ARC Ltd Board Members



**Dr Lars Thunell (Chair)**

Former CEO of the IFC/  
Executive Vice  
President, World Bank  
Group



**Dr. Dolika Banda (CEO)**

Former IFC Director



**Mr. Wise Chigudu**

CEO, Impi Risk Solutions,  
Former Head of Risk and  
Interim Director of Ceded  
Reinsurance at Argo  
Insurance Group



**Mr. Dele Babade**

CEO ACL Capital  
Partners



**Mr. Hans-Peter Gerhardt**

Former CEO of AXA Re and  
Paris Re



**Mr. Vincent Rague**

Former CIO and Global  
Head of Property  
Finance at IFC



**Mr. Amadou Diallo**

CEO, DHL Freight  
International



**Dr. Richard Wilcox**

Assistant Secretary  
General, WFP

