

African Risk Capacity's 2015 payouts: At least 1.3 million people set to benefit

In 2015, ARC paid out more than \$26 million to three countries affected by drought in the Sahel: Mauritania, Niger and Senegal, which had paid combined premiums of \$8 million for drought insurance. The funds, disbursed ahead of the UN appeal, are being used to deliver quick and much-needed relief to affected populations.

In the Sahel belt, increasingly erratic weather and political insecurity are worsening already widespread hunger and malnutrition. In early 2015, following a significant rainfall deficit, ARC paid out \$26.3 million to the governments of Senegal, Niger and Mauritania. These funds will benefit an estimated 1.3 million people and over half a million livestock.

Payouts were tracked in and calculated by *Africa RiskView*, ARC's proprietary software that translates satellite-based rainfall data into near real-time estimates of number of people affected and the cost of responding to these in-need populations. The governments of Senegal, Niger and Mauritania, as well as Kenya, the fourth member of ARC's initial risk pool, worked over an 18-month period with ARC Agency to customise *Africa RiskView* to ensure that the model best reflected their historical drought risk profiles. Governments then use their own customised version of *Africa RiskView* to simulate past and future losses and select how much cover they wish to purchase, forming the basis of the insurance contract and the resulting premium to be paid.

Prior to taking out insurance, ARC Members must have already put in place peer-reviewed contingency plans. After Final Implementation Plans for each country were certified by the ARC Agency Governing Board through its Peer Review Mechanism, payout funds were released. Use of payout funds are audited after implementation, to ensure appropriate use and to enable learning from each implementation to feed back into updated and improved contingency plans.

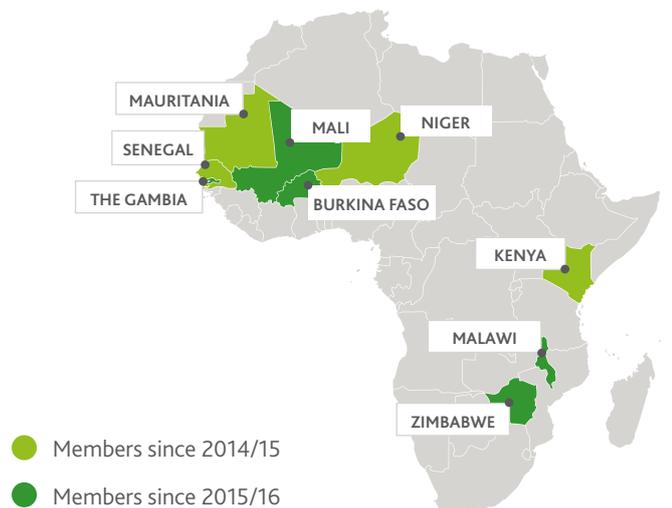
2014 PAYOUT

\$26.3 million
payout

3
countries

1.3 million
people

600,000
livestock



Case Studies



Senegal

- Received **\$16.5 million** for food distribution and subsidised sales of animal feed.
- Total planned beneficiaries: around **925,000 people**, with **570,000 cattle** also benefitting through subsidised sales of animal feed.
- More than **3,200 metric tonnes (MT)** of food commodities (out of **18,000 MT**) pre-positioned in food insecure areas. Pre-positioning facilitates the speedy delivery of food and reduces the risk of delays, thus reaching beneficiaries in a more timely manner.
- Procurement processes for cattle feed completed with **6** local companies to provide **14,180 MT** with contracts signed in March. **100%** of cattle feed has been delivered to distribution points for subsidised sales.



Mauritania

- Received **\$6.3 million** for food distribution to families in food insecure areas where livelihoods have been negatively affected.
- Total planned beneficiaries: **250,000 people**. In March, **50,000 households** were identified and provided with distribution cards (average 5 people per household).
- Procurement of **11,000 MT** of rice from local suppliers completed in March.
- Distribution to beneficiaries started in April 2015 and was completed shortly after Ramadan.



Niger

- Received **\$3.5 million** for conditional cash transfers and food distribution support in drought-affected regions of the country.
- Total planned beneficiaries: **157,000 people**.
- The cash transfer programme began on 15 June 2015 and targets **115,000 people**.
- Rice distribution to **42,000 people**.