

The African Risk Capacity Group, made up of the ARC Agency and ARC Ltd, would like to commend the United Nations Office for Disaster Risk Reduction (UNDRR) for the organization of this timely Global Platform which is coming in the wake of one of the most damaging weather events in the African continent, cyclone Idai.

As UNDRR recorded, between 1998 and 2017 climate related geophysical disasters have killed 1.3 million people and left a further 4.4 billion injured, homeless, displaced or in need of emergency assistance. It is also clear from science that climate and weather-related disasters are going to worsen, unfortunately, Africa has overtime, relied on development partners for support, more reactively, while communities affected by disasters are left with very little to survive on. African Risk Capacity, a Specialized Agency of the African Union (AU), was established to change this image by supporting African governments with the capacity to transform the way they plan, prepare, and respond to natural disasters. ARC's DRR approaches include:

- **Preparation:** harnessing state-of-the-art technology (AfricRiskView) for early warning and a contingency planning/preparedness process that builds national capacities to strengthen their disaster risk management systems;
- **Risk pooling:** innovating finance mechanisms that capitalize on the natural diversity of weather systems across Africa, allowing countries to manage their risk as a group in a financially efficient manner;
- **Leveraging resources :** enabling countries to access rapid, predictable and early payment when disaster strikes thus saving scarce financial resources as 1USD in early response saves 4 USD in late response
- **Donor support:** using donor finances to support public funds and scale up with private finances

Supported by its growing team of financial partners including Rockefeller Foundation, United Kingdom, Germany, Canada, Sweden and Switzerland among others, ARC has, in only 5 years of risk transfer insurance operations, impacted the lives of over 2,100 000 vulnerable men, women, boys and girls through disbursement of over 36,800,000 USD as payouts for early responses. ARC has also provided over 400 million USD in drought risk coverage.

ARC has achieved this feat through its Drought Model whose efficacy has been severally proved when Governments of Member States received insurance payouts triggered following poor rainfall seasons in the Sahel and Southern Africa, enabling them to provide timely assistance to the affected population.

In collaboration with UN Agencies, Humanitarian actors and NGOs, ARC has offered **Replica insurance product for countries lacking financial and operational capacity for greater coverage expansion beyond that purchased themselves.** ARC's Replica is an innovative

approach to expand climate risk insurance coverage to more people and improve the effectiveness of emergency humanitarian response in countries prone to extreme weather events.

Following requests from Member States, ARC has been intensively working on the development of River Flood and Tropical Cyclones Models to derive corresponding risk financing products that will provide immediate access to financing to African countries that are prone to such hazards and enable them to provide timely assistance to affected communities.

ARC is also developing the Extreme Climate Facility (XCF), an innovative Adaptation financing mechanism that would support African countries in building their resilience as a result of increasing climate volatility. Through diversifying African countries' funding sources to include private capital, the XCF will allow for increased access to international funding available for climate adaptation funding in Africa using the principles of insurance-linked securitization.

Following the devastating Ebola outbreak in West Africa, African Risk Capacity is also developing a parametric model and insurance product to address countries' financing needs in containing outbreaks of viruses and diseases common to the African continent.

Cognizant of the fact that closing the gender gap is central to achieving the Sustainable Development Goals (SDGs), and aware of the importance of women's role in agriculture and in disaster response to food security and economic growth, ARC upholds the gender equality principle and strives to tailor its DRR approaches to accommodate the specific challenges faced by vulnerable women and men in its Member States.

As the well-known wise saying goes *"If you want to go fast, go alone. If you want to go far, go together"* it is expedient that we go very fast since the issues confronting the African continent are not slowing down. We are therefore calling on all actors, NGOs, CSOs, private sector, financial and technical partners, as well as the humanitarian actors, to **join us on this innovative journey towards development insurance to reduce the wide protection gap in order to ensure that no one is left behind**, and especially, that vulnerable men and women are able to build resilient communities in the face of ever-increasing disasters in the African continent, and indeed the World at large.

Signed:

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