

African Risk Capacity (ARC)

Sovereign Disaster Risk Solutions –
A Specialized Agency of the African Union





The Mission of the African Risk Capacity (ARC)

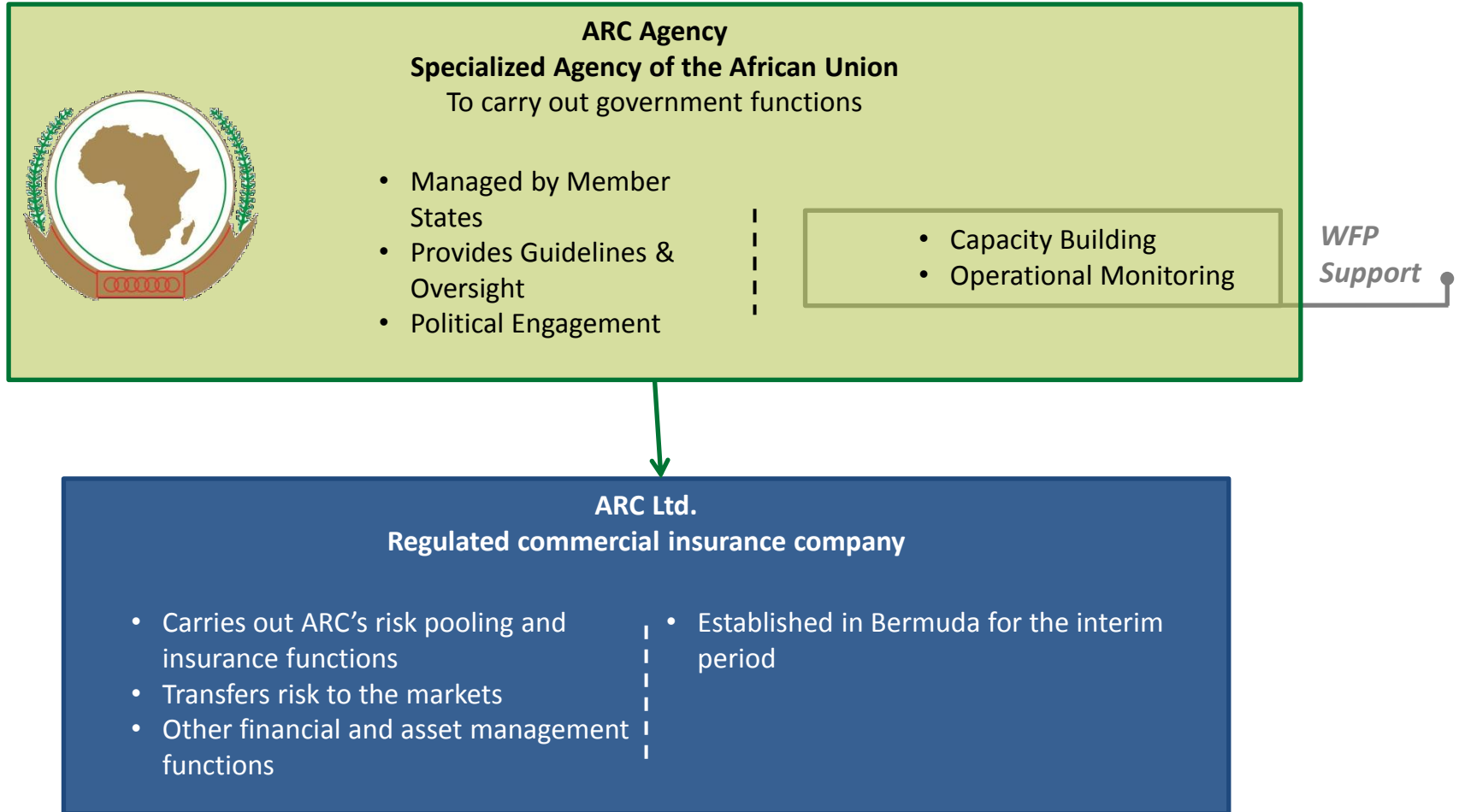
The ARC is a Specialized Agency of the African Union (AU) designed to:

- **improve current responses to drought food security emergencies and**
- **build capacity within AU member states to manage drought risks**

As an African-owned, continental, early response mechanism, ARC offers an African solution to one of the continent's most pressing challenges.



ARC Structure





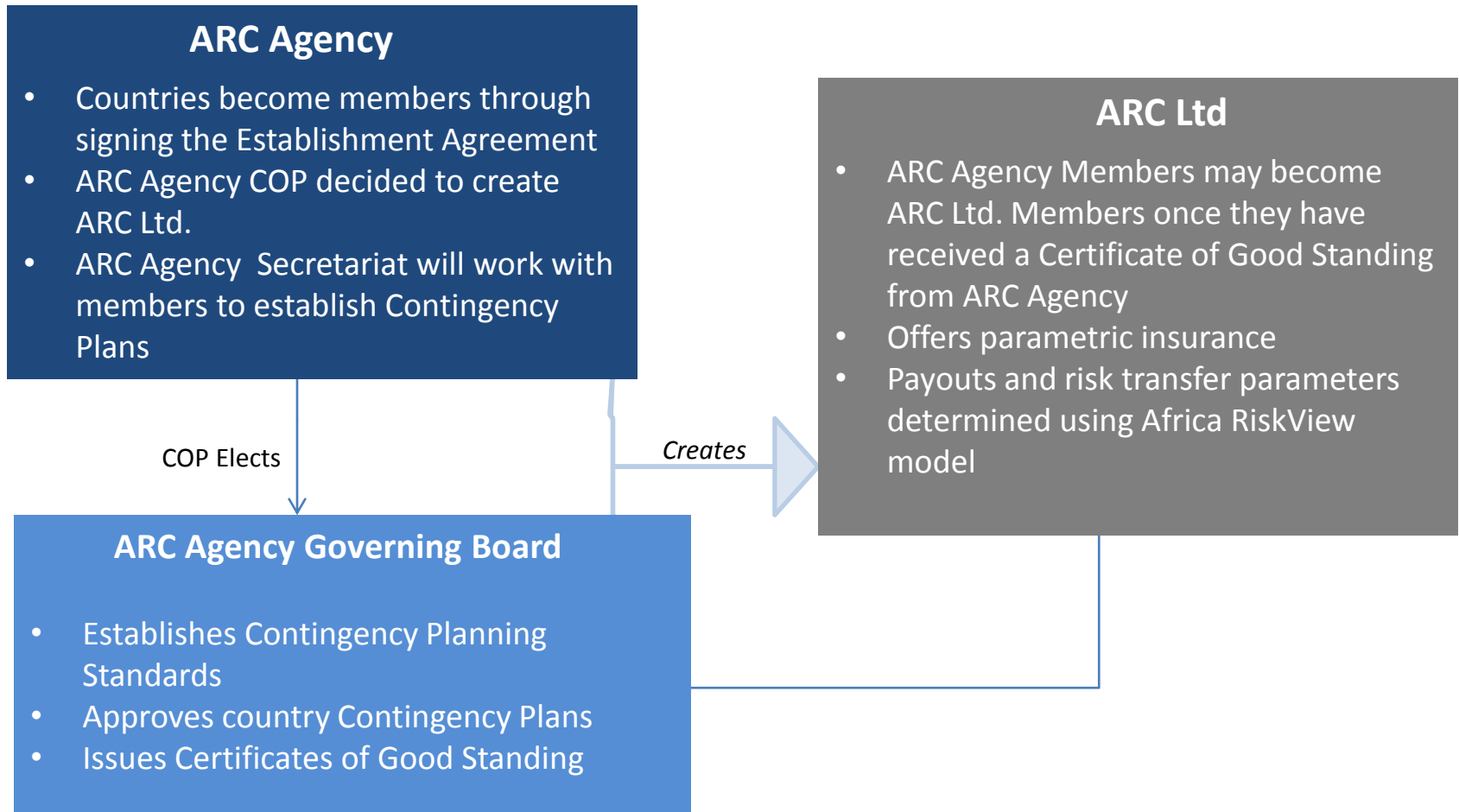
ARC Agency and ARC Ltd

- **ARC Specialized Agency is the cooperative mechanism for:**
 - Overseeing the entire ARC operation
 - planning development
 - providing capacity building to individual countries
 - approving contingency plans and monitoring their implementation
- **ARC Ltd will be the mechanism for actually carrying out the quasi-commercial insurance functions of risk pooling and transfer.**



ARC Agency and ARC Ltd

ARC Agency oversees the establishment of ARC Ltd, but once established ARC Ltd will function independently





Relationship Between ARC Agency and ARC F

Countries become Members of ARC Agency through signing the Establishment Agreement



Member States work with ARC Agency to develop Contingency Plans for the use of insurance payouts



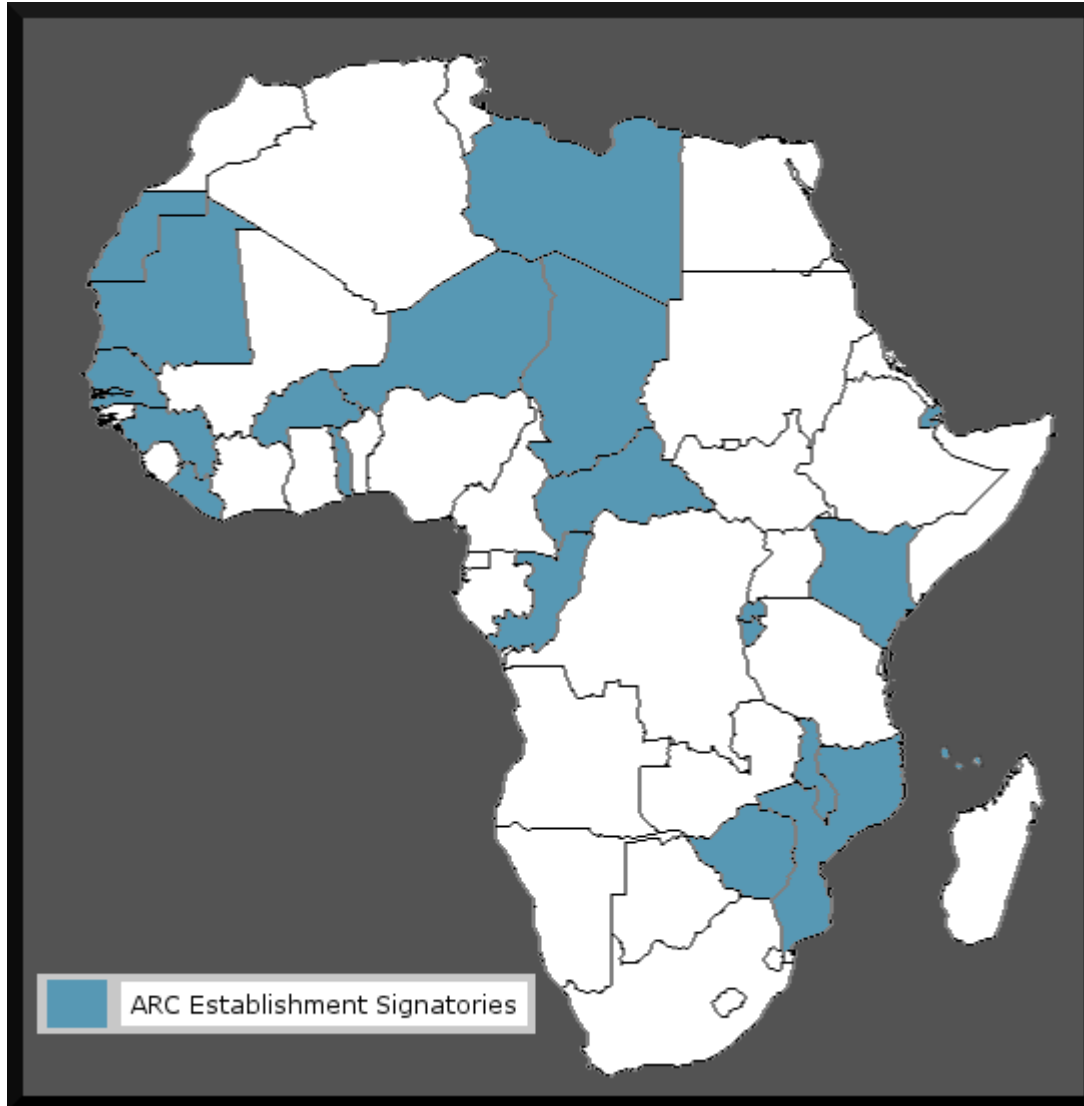
The Board of ARC Agency reviews the Contingency Plans and issues Certificates of Good Standing once a Member Country has met all requirements



The Certificate of Good Standing will allow the ARC Agency Member to participate in the ARC Ltd risk pool (i.e. take out insurance coverage with ARC Ltd)



ARC Establishment Agreement Signatories



Original Signatories (23 November 2012)

1. Burkina Faso
2. Burundi
3. Central African Republic
4. Chad
5. Republic of Congo
6. Djibouti
7. 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

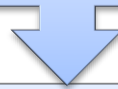
Additional Signatories (date signed)

19. Kenya (28 January 2013)
20. Mauritania (28 January 2013)
21. Côte d'Ivoire (6 February 2013)
22. Comoros (15 February 2013)

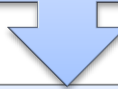


Overview of AU Decisions on the ARC

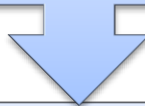
30 March 2010 - 3rd Joint AU Conference of African Ministers of Economy and Finance, Planning and Economic Development and ECA Conference of African Ministers of Finance, Planning of Economic Development- Lilongwe, Malawi



16 April 2010 - 2nd Africa Ministerial Conference on Disaster Risk Reduction - Nairobi, Kenya



29 March 2011 - 4th Joint AU Conference of African Ministers of Economy and Finance, Planning and Economic Development and ECA Conference of African Ministers of Finance, Planning and Economic Development - Addis Ababa, Ethiopia



27 March 2012 - 5th Joint AU Conference of African Ministers of Economy and Finance, Planning and Economic Development and ECA Conference of African Ministers of Finance, Planning and Economic Development - Addis Ababa, Ethiopia



16 July 2012 - AU Assembly of Heads of State and Government Decision to Establish the ARC as a Specialized Agency of the African Union taken in Addis Ababa, Ethiopia



AU Assembly of Heads of State and Government

Held in Addis Ababa, Ethiopia 16 July 2012

- **REQUESTED** the Commission in collaboration with ARC Secretariat to elaborate a legal agreement for the **establishment of the African Risk Capacity (ARC)**
- **DECIDED** that ARC shall be established as a **Specialized Agency** of the African Union and accorded the privileges and immunities specified in the OAU General Convention on Privileges and Immunities
- **REQUESTED** the Commission to convene a meeting of government experts and subsequently a **conference of plenipotentiaries before the end of the year** to consider and adopt the establishment agreement”





Establishment Process

21-22 May 2012

Validation Workshop

- Consideration and validation of the ARC Establishment Agreement by 30 experts and prominent figures from across Africa and industry experts from around the world before circulation to Member States

11-12 September 2012

Experts Meeting

- Consideration of ARC Establishment Agreement by experts from AU Member States

19-23 November 2012

- ## **Conference of Plenipotentiaries**
- Negotiation of ARC Establishment Agreement between AU member States
 - ARC Establishment Agreement signed by 18 countries





First Meeting of the ARC Conference of the Parties



25-28 February 2013
Dakar, Senegal

- Elected the ARC Agency Governing Board
- Decided to establish ARC Ltd. in Bermuda
- Authorized the Governing Board to negotiate an Administrative Services Agreement (ASA) with WFP
- Selected Dr. Richard Wilcox as the of the interim Director General



Members of the ARC Agency Governing Board

REGION	NAME		EXPERTISE
African Union Commission	Hon. Dr. Ngozi Okonjo-Iweala (Nigeria)	Primary	Development Finance
African Union Commission	Mr. Tosi Mpanu-Mpanu (DRC)	Primary	Climate Change, Climate Risk Finance
Central Africa	Mr. Ouhoumoudou Mohamadou (Niger)	Primary	Finance, Economic Development, Disaster Management
	Mr. Tinga Ramde (Burkina Faso)	Alternate	Food Security
West Africa	Dr. Jacques Diouf (Senegal)	Primary	Food Security
	Hon. Mr. Mahama Zoungrana (Burkina Faso)	Alternate	Rural Development, Food Security
North Africa	Hon. Diombar Thiam (Mauritania)	Primary	Finance, Development
	Mr. Bouh Ould Sid' Ahmed (Mauritania)	Alternate	Hydraulic Engineering, Finance
East Africa	Hon. Dr. Agnes Kalibata (Rwanda)	Primary	Food Security
	Mr. Alexis Kanyankole (Rwanda)	Alternate	Agricultural Finance, Marketing
Southern Africa	Hon. Professor Peter Mwanza (Malawi)	Primary	Food Security
	Dr. Desire Mutize Sibanda (Zimbabwe)	Alternate	Development Economics, Finance
ARC Secretariat	Dr. Richard Wilcox	Non-Voting	Ex Officio Member



First Meetings of ARC Governing Board





23 April 2013
Washington, D.C.

- Selected Dr. Ngozi Okonjo-Iweala, the Coordinating Minister for the Economy and Minister of Finance of Nigeria, as Chairperson
- Authorized Dr. Ngozi to finalize the ASA with WFP
- Briefed on ARC Agency progress to date and decided to reconvene in early June to take decisions



















ARC Participation

-  41 countries attended ARC conferences and meetings for the establishment and design of the ARC
-  22 countries signed the Establishment Treaty
-  12 countries have signed pre-participation agreements with ARC
-  18 Scoping Missions and 12 Technical Workshops were conducted since December 2011

	Treaty	PPA	Workshop	Scoping Mission	ARC meetings
 Algeria					✓
 Benin					✓
 Botswana			✓	✓	✓
 Burkina Faso	✓	✓	✓	✓	✓
 Republic of Burundi	✓				✓
 C. A. R.	✓				✓
 Cameroon					✓
 Chad	✓				✓
 Republic of Congo	✓				✓
 Comoros	✓				✓
 Côte d'Ivoire	✓				✓
 Djibouti	✓				✓
 Egypt					✓

	Treaty	PPA	Workshop	Scoping Mission	ARC meetings
 Ethiopia		✓	✓	✓	✓
 Gabon					✓
 The Gambia	✓				✓
 Ghana			✓	✓	✓
 Republic of Guinea	✓				✓
 Kenya	✓	✓	✓	✓	✓
 Lesotho		✓	✓	✓	✓
 Liberia	✓				✓
 Libya	✓				✓
 Malawi	✓	✓	✓	✓	✓
 Mali				✓	✓
 Mauritania	✓	✓		✓	✓
 Mozambique	✓	✓	✓	✓	✓
 Nigeria					✓

	Treaty	PPA	Workshop	Scoping Mission	ARC meetings
 Niger	✓	✓	✓	✓	✓
 Rwanda	✓	✓		✓	✓
 Sahrawi Arab Republic	✓				✓
 Sierra Leone					✓
 Senegal	✓	✓	✓	✓	✓
 Seychelles					✓
 South Africa					✓
 South Sudan					✓
 Swaziland		✓	✓	✓	✓
 Tanzania				✓	✓
 Togo	✓				✓
 Uganda			✓	✓	✓
 Zambia				✓	✓
 Zimbabwe	✓	✓		✓	✓



Next Steps

Date	Event
June 2013	Second Meeting of the ARC Governing Board <ul style="list-style-type: none">• Adopts Contingency Planning Standards• Approves steps for establishing ARC F in the jurisdiction chosen by the COP• Approves interim directors for ARC Ltd.
July/August 2013	Ongoing Work streams <ul style="list-style-type: none">• Member States finalize Contingency Plans• Interim Directors of ARC Ltd oversee the application for an insurance license in Bermuda
September 2013	Third Meeting of the ARC Governing Board <ul style="list-style-type: none">• Approves Member State Contingency Plans, allowing Member States to enter the risk pool
November 2013	Second Meeting of the ARC Conference of the Parties <ul style="list-style-type: none">• Set final standards for Certificates of Good Standing• Consider candidates for Director General of the ARC Agency
December 2013	FIRST ARC RISK POOL IS FORMED



THANK YOU