

PRESS RELEASE

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AFRICAN RISK CAPACITY LAUDS THE APPROVAL OF THE AFRICA DISASTER RISKS FINANCING FACILITY BY THE AfDB

The African Risk Capacity (ARC) has lauded the approval of the Africa Disaster Risk Financing Programme (ADRFi) Programme, by the African Development Bank (AfDB).

The discussions to establish the ADRFi as a mechanism to enhance the resilience and response to climate shocks and natural disaster risks in Regional Member Countries (RMCs) was formalized in March 2017.

Since then, the African Development Bank and the African Risk Capacity, under the signed technical collaboration agreement began to orchestrate activities to enhance risk management infrastructure and policy across Africa as well as supporting countries in building resilience against climate shocks.

During the African Development Bank Annual Meetings 2018 in Busan, South Korea, a special session on 'Climate and Disaster Risk Financing' gave a fresh impetus to the realization of the set objectives. The ADRFi programme is a timely response for a premium financing support request from a number of RMCs to bridge the resource gap impeding the necessary participation in the African Risk Capacity insurance pool.

"This is one of those moments when one feels very proud as an African", stated Mohammed Beavogui, the Director-General of ARC, while reacting to the announcement by the AfDB. "The faithfulness and commitment of President Adesina and his team to the realisation of this initiative begs for emulation by other regional and multilateral partners. This is critical for us to achieve food security in the continent through ensuring that Africa's vulnerable populations are insured against the often-overwhelming impacts of climate-induced natural disasters."

Saluting the unstinting support of President Akinwunmi Adesina, and tenacious hard work of the AfDB and ARC teams involved in birthing the ADRFi programme, the Board Chairperson of African Risk Capacity, Dr Ngozi Okonjo-Iweala, shared her excitement. According to her, *"The disaster risk financing landscape in Africa has received an empowering shot in the arm...let us now move quickly to extend our*

disaster risk insurance coverage to more member countries which, before now, could not join the ARC pool owing to fiscal constraints.”

The CEO of African Risk Capacity Limited, Dolika Banda, equally lent her voice in appreciating the huge commitment from both institutions that went into the realisation of the trailblazing initiative. *“We now know that collaborative partnerships work when there is good fidelity. ARC will leverage on the crest of this great achievement to connect with other institutions towards a more inclusive disaster risk insurance coverage for Africa”,* she said.

The ADRiFi Programme will focus on national institutional strengthening, policy development, risk profiling, and contingency planning for disasters for participating RMCs.

In line with the agreed structure, it will support countries in developing climate risk profiles, strengthen contingency plans and support risk transfer through premium subsidies of up to 50% over a five-year period. By Year 5 of the programme, the country will be paying the full premium.

The ADRiFi programme is open to all AfDB Regional Member Countries that are ARC Member States and signatory to the ARC Establishment Treaty.

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About African Risk Capacity (ARC) ARC consists of ARC Agency and ARC Insurance Company Limited (ARC Ltd). ARC Agency was established in 2012 as a Specialised Agency of the African Union to help Member States improve their capacities to better plan, prepare and respond to weather-related disasters. ARC Ltd is a mutual insurance facility providing risk transfer services to Member States through risk pooling and access to reinsurance markets; it is owned by Member States with active insurance policies as well as KfW Development Bank and the UK Department of International Development (DfiD), as capital contributors.

With the support of the United Kingdom, Germany, Sweden, Switzerland, Canada, France, The Rockefeller Foundation and the United States, ARC assists AU Member States in reducing the risk of loss and damage caused by extreme weather events affecting Africa’s populations by providing, through sovereign disaster risk insurance, targeted responses to natural disasters in a more timely, cost-effective, objective and transparent manner. ARC is now using its expertise to help tackle some of the other greatest threats faced by the continent, including outbreaks and epidemics.

For more information, please visit: www.africanriskcapacity.org

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