



Countries exchange disaster risk financing experiences at African Risk Capacity workshop

Ouagadougou, 20 July 2017 – Countries from across Africa came together in Ouagadougou for the first African Risk Capacity Agency (ARC) lessons learned regional workshop. Government officials from 13 African nations and representatives from Inter-African Conference on Insurance Markets (CIMA) shared their experiences with and ideas for African-owned disaster risk financing against climate events on the continent.

“We are convinced that all the positive reflections that will emerge from your work will make an additional brick on the construction site of a more resilient Africa facing climate change,” said Ms Bénédicte Ouédraogo, Executive Secretary of the National Council for Food Security of Burkina Faso.

Since 2012, ARC has assisted African Union Member States to improve their capacities to better plan, prepare and respond to extreme weather events and natural disasters. ARC, a Specialized Agency of the African Union, convened its new and its more experienced Member States, as well as partners in disaster risk management in Africa, to take stock of five years of disaster risk financing in the West and Central African region and share the successes, challenges, and paths forward in an open African-led platform.

“Through ARC, the African Union is giving us an institution to face our climate change related issues,” said Mr Saley Saidou, the Executive Secretary of Dispositif National de Gestion des Crises Alimentaires in Niger, during the opening ceremony.

From West and Central Africa, six countries – Burkina Faso, Mauritania, Niger, Senegal, Mali, Gambia – joined ARC’s insurance pools by purchasing coverage against the impact of drought events from ARC Insurance Company Limited (ARC Ltd), a financial affiliate underwriting insurance for ARC Member States. In the past five years, ARC Ltd provided up to US\$402.7 million in coverage against drought damages through resources pooled from premium contributions of eight African countries, public-private partnerships, and an interest-free loan from KfW Development Bank and the United Kingdom.

Four countries – Senegal, Niger, Mauritania and Malawi – have received pay-outs totalling over US \$34 million, which assisted 2.1 million people and nearly a million livestock from the effects of drought-related disasters on food security.



Officials from the Governments of Malawi participated to offer their experience as members of ARC’s risk pool and to facilitate a cross-regional exchange of experiences from Southern Africa, and officials from Côte d’Ivoire, Togo, Guinea, Ghana, and Nigeria attended the workshop to learn from past experiences of veteran ARC risk pool countries as potential entrants into ARC’s pool.

Africa has historically faced a high risk of drought, and the risk continues to grow with climate change. For the third consecutive year, the Horn of Africa is facing insufficient rains and food insecurity, contributing to what a UN senior official has called the worst humanitarian crisis since World War II. Instead of waiting for pledges of international aid, African governments are taking measures to provide earlier, more predictable funding at critical moments through mechanisms like ARC’s to save more lives and livelihoods.

ARC’s disaster risk financing model was recently bolstered by the UK announcement of the new London Centre for Global Disaster Protection at the G20 Meetings in Hamburg. The centre will help build the capacity of developing nations to use disaster planning and risk transfer tools – work that ARC has been spearheading in Africa since 2012 and demonstrating through the workshop in Ouagadougou.

“Africa and Burkina Faso need frameworks in the field of disaster risk management,” said Ms Ouédraogo. “At the level of our continent, the ARC is the only continental African solution that takes care of the risks of natural disasters.”

About African Risk Capacity (ARC)

The African Risk Capacity Agency (ARC Agency) was established as a Specialised Agency of the African Union (AU) to help African Union Member States improve their capacities to better plan, prepare and respond to weather-related disasters. The objective of the ARC Agency is to assist AU Member States to reduce 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.

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

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