



## Terms of Reference of the Expert Advisory Panel on *Africa RiskView*

### A. Background: About ARC

In 2012, the African Risk Capacity (ARC) was established by treaty as a Specialised Agency of the African Union (AU) to help Member States improve their capacities to better plan, prepare and respond to extreme weather events and natural disasters, therefore protecting the food security of their vulnerable populations. By linking early warning systems with contingency planning and supported by modern financial mechanisms, ARC enables governments to provide targeted responses to disasters in a more timely, cost-effective, objective and transparent manner, thereby reducing response costs and loss of livelihoods.

To date, the ARC Establishment Agreement has been signed by 33 countries across the continent, ~~and is an~~ indicating ~~of~~ the comprehensive endorsement of the work being undertaken by ARC as part of Africa's new climate and disaster management infrastructure. In 2014, the member governments established ARC Insurance Company Limited (ARC Ltd), the Agency's financial affiliate, which is licensed as a mutual insurer, to manage the risk taken on through underwriting a pool of weather and other disaster risks. ~~Together~~ ARC Agency, an international organisation, and ARC Ltd, the dedicated sovereign risk insurance facility, comprise the ARC Group, which is listed on the OECD-DAC Annex 2 as a multilateral organisation for ODA scoring purposes.

Capitalised with US \$90m ~~(based on a 20-year no-interest US \$200 m loan)~~ in risk capital from the British and German governments (based on a 20-year no-interest US \$200 million loan), eight countries have purchased insurance from ARC Ltd ~~through and participated~~ the in four drought risk pools since 2014. During this period, ARC Ltd has ~~also made paid out~~ outs a ~~totaling of~~ ≈US \$36.8 million to drought-affected countries (US \$26 million to Senegal, Niger and Mauritania collectively in early 2015; ~~and~~ US \$8 million to Malawi in early 2017; ~~and~~ US \$2.4 million to Mauritania in 2018). These payouts s have gone towards assisting over 2.1 million people and over a million livestock.

### A. *Africa RiskView* Software

ARC's proprietary weather modelling software, *Africa RiskView*, is the technical engine behind ~~the the African Risk Capacity~~ ARC (ARC) and the tool provided to ARC Member States to help them manage their weather risk and identify the appropriate amount of risk to transfer to the ARC Ltd risk pool.

*Africa RiskView* serves four purposes: a) as an underwriting tool for transactions with ARC ~~Insurance Company Limited (ARC Ltd)~~; b) to assist decision makers in making critically aware, informed decisions about ~~not only~~ insurance, ~~but also about~~ and their general investments in risk management, c) as an early warning tool for African governments; and d) to create a single, transparent System of Record for African drought, flood and cyclone risks with ~~{~~ hazard, vulnerability and exposure information ~~}~~.

Although the ARC Agency is already investing a considerable amount of resources and is succeeding in keeping its technical engine at a level that responds to the demand of ARC Member States, additional support is required to help the ARC Agency Secretariat (the Secretariat) take ~~taking~~ substantial strategic, policy and developmental decisions in relation to

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*Africa RiskView*. Accordingly and given the complex technical and legal proficiency required to make sure that appropriate and cost-efficient decisions are taken concerning the development of the *s*Software, the ARC Agency Governing Board (the *Board*) has decided to establish an Expert Advisory Panel on *Africa RiskView* Software (the *Africa RiskView* Advisory Panel). The *Africa RiskView ARV* Advisory Panel is an advisory body of experts, created to advise on strategic, developmental, technical and legal issues, and provide support to the Secretariat, ensuring the sustainability of the *s*Software pillar of ARC.

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#### A. Purpose of the *Africa RiskView* Expert Advisory Panel (EAP)

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The terms of reference for the *Africa RiskView* Advisory Panel are to assist the Secretariat in the continued development of the tool, through (1) providing the provision of legal, technical and developmental expertise, and (2) by advising on a range of issues including but not limited to information technology for development, intellectual property law, countries demand for insurance products, and software security. The specific support and guidance shall be provided either by correspondence or at meetings to which the experts may be invited. The duties of the *Africa RiskView* Advisory Panel include *inter alia* to:

- Act as a sounding board on scientific and technical issues relevant to the development of *Africa RiskView* and the use of its modelling methodology as the basis for a parametric insurance scheme;
- Advise on the strategic development of *Africa RiskView*, including advising on the actual extent of demand for specific insurance products demand in countries, on the basis of based on their personal expertise and knowledge networks;
- Where possible, support the development of *Africa RiskView* through partnership development, outreach, and resource mobilization, where possible;
- Review the short and long-term strategy of *Africa RiskView ARV* and advise and recommend when necessary, amendments to the work-plan for the design of *Africa RiskView* when necessary;
- Advise on the quality, limitations, and appropriate uses of research and studies carried out by or on behalf of the ARC Agency, in relation to *Africa RiskView*;
- Advise on the legal elements and institutional decisions taken on regarding ownership, licensing, patenting, and other uses of *Africa RiskView*;
- Advise on the adequacy of *Africa RiskView* the legal and technical protection system of *Africa RiskView* and recommend additional protection measures when necessary; and
- As needed, advise the Secretariat on specific problems and constraints relating to the design of the *Africa RiskView* software platform, as well as mitigation measures; and
- Facilitate the integration of ARC technical work and research related to *Africa RiskView* with the work of pan-African and regional organizations working in the areas of climate change and disaster risk management.

#### Membership

Membership of the *Africa RiskView* Advisory Panel may include leading experts in climate risk modelling, insurance and reinsurance, intellectual property law, information technology for development, coding, and security, private sector actors.

#### Term of Service

Experts appointed to the *Africa RiskView* Expert Advisory Panel shall remain in service for a period of three years, renewable.

The appointment of the Members of the Expert Advisory Panel may be terminated at any time by the Board, or its Chair acting on the Board's behalf, if the interests of the ARC Agency so require.

#### **Members Remuneration**

Members of the *Africa RiskView* Advisory Panel do not receive any remuneration from the ARC Agency; however, when attending meetings by invitation of the ARC Secretariat, they shall be entitled to reimbursement of travelling expenses, honorarium, and daily living allowance during such meetings.

#### **ARC Secretariat Roles and Responsibilities**

Within the ARC Secretariat, the Research and Development department will facilitate the activities of the *Africa RiskView* Advisory Panel and ensure that the panel meets the requirements of the ARC Agency. Responsibilities of the ARC Research and Development department include:

- Planning, budgeting, and arranging logistics for the annual meeting of the *Africa RiskView* Advisory Panel;
- Ensuring the composition of *Africa RiskView* Advisory Panel expertise matches the areas outlined in the Terms of Reference; and
- Writing summary reports of *Africa RiskView* Advisory Panel meetings to share with the ARC Secretariat.