Outbreak & Epidemic (O&E) Insurance Programme

African Risk Capacity (ARC) Agency is a Specialized Agency of the African Union (AU), governed by and working with AU Member States to improve their capacities to better plan, prepare and respond to natural disasters and protect the food security of their vulnerable populations. In 2015, African Ministers of Finance requested ARC Agency to develop a product to address countries’ financing needs to contain infectious disease outbreaks common to the African continent. ARC Agency took on the challenge and is developing a new parametric insurance product for outbreaks and epidemics to enable rapid country-led responses to stop the spread of a nascent infectious disease outbreak.

THE THREAT

Emerging infectious diseases pose an increasing threat to health and development in Africa. Slow and unpredictable funding amplifies both the risk and impact of outbreaks, as evidenced by the Ebola epidemic in West Africa.

ARC’S ACTION:

Building on its existing infrastructure, ARC is introducing a sovereign and parametric insurance product as part of an Outbreak & Epidemic (O&E) insurance programme, which:

1. Establishes a pool of cost-effective capital that can be rapidly deployed
2. Incentivises countries to acknowledge O&E
3. Facilitates better health systems strengthening and preparedness by linking payouts to pre-prepared response plans
4. Promotes pan-African and sub-regional solidarity and coordination
5. Links the investments of the AU and its partners into a full ecosystem for pandemic risk management

EXPECTED RESULTS

- Faster and more predictable funding
- Early action by governments to combat outbreaks and epidemics
- Catalytic funding to start country response and promote ownership
- Reduced impact of outbreaks and epidemics

Learn more at www.AfricanRiskCapacity.org