

UN Sustainable Development Goals

A new set of 17 Sustainable Development Goals (SDGs) was launched by the United Nations in late 2015. Covering a comprehensive spectrum, these integrated goals will serve as the framework for setting public policy and related investment through to 2030. The Post-2015 Development Agenda is a fresh opportunity to harness financial tools for development including risk management and insurance.

Through African Risk Capacity's (ARC) climate risk financing mechanisms, the African Union is leading this approach. As a comprehensive and integrated African solution to tackling the impact of natural disasters on vulnerable people and wider development, ARC gives African governments access to state-of-the-art risk management tools, including early warning systems and insurance. It helps support populations' basic human rights of life, livelihood and shelter while contributing to the realisation of the SDGs.

In January 2015, ARC paid out \$26.3mn to Senegal, Mauritania and Niger following poor growing seasons. These countries had collectively paid around \$8mn in premiums to ARC, and the payout was received by the countries to fund their response actions before the traditional UN appeals process had even been launched.

Investing in ARC may thus save vulnerable countries money long-term, as \$1 spent on ARC is estimated to save \$4.40 in traditional humanitarian assistance costs.

Poverty alleviation - Food Security - Sustainable Economic Growth



ARC supports **poverty alleviation** and **food security** by enabling countries to purchase insurance coverage against failed harvests due to insufficient rainfall. It will also be offering coverage against the impacts of tropical cyclones and flooding. Affected communities can be reached more quickly through countries' use of contingency plans which are pre-approved via a peer-review mechanism, and linked with science-based early warning outputs from ARC's risk modelling platform, *Africa RiskView*. This also means that humanitarian aid can be delivered more efficiently than is possible under the current response systems.

Quick payouts funding rapid response, along with the sense of security that the ARC insurance scheme brings, stops vulnerable populations from resorting to negative short-term coping mechanisms. ARC helps these populations not to erode their savings, nor sell off their assets, cut nutritional intakes and take kids out of school, thus **avoiding longer-term consequences of trapping families in poverty cycles and reversing economic growth**.

Education - Social Equality - Inclusion



In vulnerable communities, extreme weather can reverse years of economic and social development. Families with access to ARC-related protection can better maintain income levels which helps **maintain school attendance**. At a village level, this limits the risk of community schooling breaking down during times of acute agricultural stress or after a big natural catastrophe such as a cyclone. ARC helps communities to avoid reducing their food intake, something that can have a bad impact on children's attendance or performance at school. This way, ARC can assist in maintaining positive trends and prevent financial and humanitarian reversal.

For Goal 5 on **inclusion**, ARC's contingency plans are set up to ensure that all vulnerable members of targeted regions, including marginalised women and girls, receive food provisions.

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Environmental Stewardship - Climate Risk Management - Resilient Cities and Settlements



African governments spend a year with ARC specialists working to customise *Africa RiskView* so that it accurately reflects the country's exposure to climate risk from the sovereign to the community level. This results in a greater understanding and provisioning of **immediate and longer-term structural resilience** to these threats. Information on various environmental and human settlements is integrated into the modelling and, via a user-friendly and highly transparent interface, is translated into results that policymakers, the business community and the wider public can understand and utilise.

From its unique software to the development of contingency plans and financial support, ARC is specifically designed to target Goal 13, **tackling climate change and its impacts**, thereby protecting the most vulnerable citizens and communities in Africa.

Intra- and Inter-Country Equality - Accountable Institutions - International Cooperation and Public-Private Partnerships



ARC **reduces inequality** within countries by addressing the inequality between communities exposed to natural catastrophes and those who are less affected. As a pan-African insurer, ARC also reduces inequalities between nations both by pooling the risk across the continent, which brings the cost of insurance down, and by sharing knowledge which contributes to reducing risk overall.

Having developed as a Specialised Agency of the African Union, ARC is seen as an exemplary institution **founded on transparency, peer review and international collaboration**. Addressing Goals 16 and 17, ARC brings together scientific and regulatory communities with private, public and mutual sectors in Africa and across international reinsurance markets and policy communities.

For more information, visit africanriskcapacity.org

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