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@ARC
A Newsletter of the African Risk Capacity Group

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It has been yet another exciting week for the African Risk Capacity (ARC) Group. The 8 years anniversary on Monday, November 23, 2020, was a milestone, not just in mere numbers, but in real terms. Faithful to our mandate to help transform the way Member States plan, prepare, and respond to natural disasters, the organisation has assiduously worked with countries and partners to build sustainable adaptation, mitigation and resilience measures.

When ARC was established as a Specialised Agency through an African Union Treaty in 2012, the need for a continental climate disaster risk framework and pool was urgent. The value proposition was to help Member States better understand their disaster risk profiles, access viable early warning tools, and develop a preparedness plan for protecting livelihoods of their vulnerable populations from predictable natural disasters. Prior to that time, countries that faced catastrophes, especially drought, could only expect relief from humanitarian agencies months after the occurrence of the peril, and often with unpleasant consequences for the vulnerable populations.

In the past 8 years, we have shown uncommon commitment and brought unprecedented innovation in the pursuit of our mission. Repeatedly, we have made valid proof of the ARC concept with tangible results. Till date, we have written 66 policies which were signed by ARC Member States. From this, USD 108 million has been paid in premiums for cumulative insurance coverage of USD 773 million and for the protection of 77 million vulnerable population in participating countries.

Following these commitments, ARC Ltd made USD 63 million payouts to the Governments of Senegal, Niger, Mauritania, Malawi, Cote D’Ivoire, the START Network and WFP following droughts episodes in 2014, 2015 and 2019. Only recently, in 2020, payouts of USD 2,13 million were made to the Republic of Madagascar to cover 600,000 vulnerable population; and another USD 1,755,890 to the Government of Zimbabwe and WFP to support over 500,000 people affected by the drought.

These funds provided much needed assistance to over 3.5 million people whose livelihoods rely on agriculture, preventing the loss of hard-earned developmental gains in addition to 1.4 million livestock. Governments have also used the payouts to scale up cash transfers, subsidize livestock feeds, replenish depleted food reserves, and distribute emergency food supplies.

Yet, we know that our work is still cut out for us. Due to the demanding economic realities of balancing budgetary priorities, especially in a COVID-19 era, a significant number of African countries are still outside the coverage of the ARC mechanism. In response to this, ARC has continued to explore and forge new partnerships with technical and financial actors, both within and outside the continent, to assist countries in the most appropriate and possible way. Also, as the climate adaptation landscape mutates and countries continue to brace with new perils, the Group is relentless in its research, development and innovation efforts to extend its product offerings beyond drought.

Indeed, the past 8 years have seen ARC surmounting existential challenges with manifest proofs of our concept. As we focus on the future, we are repositioning ARC as a partner of choice for Member States’ Disaster Risk Management (DRM) initiatives; and integration of our DRM model into Country Strategy Papers for stronger policy commitments. Through this, we commend our partners, ARC Advocates and other friends of ARC, within and outside the continent; and count on their continued support as we build synergies to achieve a climate and natural disaster risk resilient Africa.

Ibrahima Cheikh Diong, UN ASG and ARC Group Director General

“ As we focus on the future, we are repositioning ARC as a partner of choice for Member States’ Disaster Risk Management initiatives; and integration of our DRM model into Country Strategy Papers for stronger policy commitments.”
As we look forward to another 8 years, we carry with us the lessons learnt and relationships built since ARC was founded in 2012, and pride ourselves in our role of strengthening Africa’s resilience to natural disasters. Despite the challenging operating environment and the uncertainty brought about by the COVID-19 pandemic, we are thrilled to be embarking on a new journey that will set the organisation on another trajectory.

With various new initiatives and progressive solutions designed to reposition the organisation, the implementation of the refreshed ARC Group Strategy 2020 – 2024 presents new opportunities for the Group and its stakeholders. The Disaster Risk Management and Financing space (DRMF) is an evolving one and ARC’s niche role cannot be underestimated.

The refreshed strategy sets the scene for a comprehensive and diverse service offering. Much progress has been made towards the development of risk-specific products to enable a tailored offering to countries while improvement efforts to ARC’s flagship solution, the drought product, continue. We are particularly excited about the fast-approaching launch of our Tropical Cyclone and the Outbreaks and Epidemics products in 2021. The O&E product is a unique ARC offering that will equip Member States to respond to the ever-increasing threat of disease in Africa.

With the passion to create an enabling environment and a commitment to influence the DRMF space at policy level, ARC will continue to strengthen its working relationship with country, regional and continental authorities and avail its expertise to contribute towards this greater cause. The gender-sensitive ARC programme is robust and designed to save lives and livelihoods when a disaster strikes. Through advocacy efforts, ongoing engagement with stakeholders, partnerships with reputable institutions and the unwavering support of our donor partners, ARC will make a difference.

The ARC Group met with the Regional Representative - West & Central Africa – of the Bill & Melinda Gates Foundation, Mrs. Natasha Quist, to delineate the mission objectives of both organisations and explore opportunities for synergies and potential collaboration. Two workstreams will be given greater attention, gender and infectious disease outbreaks, and subsequent work sessions are scheduled to demonstrate how the two organisations could collaborate effectively, and contribute substantially to the ARC’s Group Strategy 2020 – 2024 and BMGF’s Strategy for Africa.
In East Africa and the Sahel, livestock herding is the principal livelihood for over 40 million people and represents up to 60 percent of the agricultural Gross Domestic Product (GDP). Despite the considerable contribution of the livestock sector to local economies and to household welfare, pastoralist populations remain extremely vulnerable to climate shocks. Drought is one of the main causes of livestock mortality for pastoralists in the region. The increase of climate variability combined with rising population pressure and rangeland degradation makes typical herding strategies such as migration less effective and strain informal traditional coping mechanisms. Early detection of drought extent and severity is thus critical to effectively trigger humanitarian response.

To address drought in pastoral areas, ARC developed a specific model targeted at the rangeland areas of Africa. The ARC rangeland model is based on satellite-derived vegetation condition data. The rangeland model has been integrated in Africa RiskView, ARC’s technical engine, to complement the existing drought indicator already implemented by ARC, the Water Requirement Satisfaction Index (WRSI) which largely targets cropping areas.

Ground performance of the model was assessed in Kenya during the pilot run targeting the short rains of 2019 and long rains of 2020. Retrospective data from 2001 to 2020 was also used to assess its performance. The choice of Kenya for the pilot was premised on the fact that the country had extensively used Earth Observation - based products in its early warning systems based at the National Drought Management Authority (NDMA). Also, the country had been a beneficiary of Index Based Livestock Insurance (IBLI) programme developed by the International Livestock Research Institute (ILRI) and implemented as Kenya Livestock Insurance Programme (KLIP).

Results of the pilot in Kenya revealed that the rangeland drought index was closely related to the number of the food insecure during the moderate to severe drought years. Recent research has shown that food insecurity in the Horn of Africa is closely linked to drought. This close correlation of the rangeland drought index with the number of the food insecure thus validates the effectiveness of the model in correctly detecting drought events.

Additional pilots of the rangeland model are being undertaken in Mauritania, Senegal and Niger in the West African Sahel region. Ground biomass data is being used to validate the model. Preliminary analysis in these countries shows that the rangeland drought index is closely matched with ground biomass measurements, thus forage availability, as expected. The rangeland model is expected to be used by ARC members to transfer rangeland drought risk from 2021 onwards.
NEWS FLASH

- The Government of Côte d’Ivoire has secured a drought-related payout from ARC Ltd (a subsidiary of the ARC Group) for this ending season

In the current agricultural season, a rainfall deficit was detected during the sowing window in the northern part of Côte d’Ivoire. An estimate of up to 320,000 vulnerable people were identified, resulting in a guaranteed payout of $2,185,000 for this ending season. The country has developed the Final Implementation Plan which focuses on assisting the affected populations through a one-off cash transfer intervention. The government anticipates reaching out to beneficiaries by April 2021. This payment comes in addition to the $738,539,88 payout received by Côte d’Ivoire last year to provide rapid assistance to vulnerable population in the Central Region of the country following severe rainfall deficits in the 2019 agricultural season.

- Gender Transformative Fund (GTF)

The GTF, an innovative, non-classical Fund dedicated to gender transformative issues in DRM, was presented to the ARC Group DG on November 25th by the ARC Gender Unit led by Ms. Christiana George. The objectives of the GTF are to:

- Engage in actions capable of transforming mentalities:
  a) Advocacy for equal power relations.
  b) Campaigns against systemic discrimination, harmful norms and practices.

- Support the creation of an enabling environment for ARC’s operations:
  a) Building all inclusive partnership bringing together non-traditional partners such as the Ministry of Gender, UN Women, CSOs, Women Advocacy groups as well as INGOs.
  b) Taking gender and Disaster Risk Management (DRM) campaigns to the grassroots thus providing wider visibility to ARC’s operations.

- ARC Ltd CEO, Lesley Ndlovu, meets his team

Mr. Lesley Ndlovu, CEO of the Johannesburg-based, ARC Limited, met with his team on November 26th. This is the first one-on-one since March when the Government of South Africa enforced lockdown and travel restrictions to mitigate the COVID-19 pandemic. It was a moment of warm camaraderie and reminiscences.

COMING UP

- SOC 2nd meeting on November 30, chaired by Dr Ngozi Okonjo-Iweala.

- Joint Board on December 8 in Johannesburg (A farewell will be organized for Dr Okonjo-Iweala at the event).

- 3rd Africa Galien Forum on December 10, 2020. The GDG will be co-chairing a high-level panel on “Multisectoral and Community Participation: Strengths, Weaknesses and Recommendations”.


@ARC Editorial Team