As we move towards the end of the year, it is important to look back and appreciate how far we have come in order to better foresee the challenges of tomorrow. It is indeed essential for the ARC Group to continue to pursue its refreshed strategic towards the achievement of set strategic objectives as we drive towards our vision.

Since joining the organisation, I have come to appreciate that our strength lies in our ability to harness the power of the Group, our aptitude to provide comprehensive solutions and our unwavering commitment towards the ARC mandate. The role of ARC Ltd, the insurance affiliate of the ARC Group, cannot be underestimated as it is a critical one in the fulfilment of our strategic objectives. ARC Ltd employs innovative financing mechanisms in risk pooling and risk transfer across Africa and transfers it to international risk markets. It is responsible for carrying out parametric weather insurance and together with ARC Agency, the Group provides Member States with capacity building services and access to state-of-the-art early warning technology, contingency planning, and risk pooling and transfer facilities.

2020 has been a particularly successful year for Ltd and for the Group as a whole as we managed to write the highest number of insurance policies to date. In a year where the COVID-19 pandemic has had a devastating impact on most African countries, this is indeed a milestone to be celebrated, all thanks to the hard work and determination of colleagues, and the steadfast support from our partners who have helped make it possible.

The role of premium support

Activities in this quarter have focused on the strategy refresh process and reaffirmed the importance of pool growth as key to the sustainability of ARC Ltd and of the whole Group. With a strong focus on product diversification and market expansion, ARC is committed to a holistic approach that seeks to address the needs of Member States while proactively supporting countries in overcoming and addressing the barriers to pool participation. ARC views premium support as a critical element in driving the ARC programme forward by availing and mobilising financial support to countries. ARC Ltd leads premium support efforts by engaging Donor Partners towards this cause. In times when countries are hard-pressed to provide solutions to the COVID-19, premium support goes a long way towards alleviating some of the pressures that governments face. This pool growth was made possible by our partners who were crucial enablers of this success. As we look ahead, premium finance will continue to be integral to the Group’s comprehensive Fundraising Strategy, an important part of the ARC programme and will be a key priority of the 2021 Programme of Work.

Product diversification

From a product diversification perspective, the development of the Tropical Cyclone product was concluded in the quarter, with the launched targeted for November. This is yet another achievement that brings us a step closer to our vision of being able to offer personalised service based on the specific risk needs of a country. As the development of other products continues, we are excited at the prospect of growing our portfolio offering and repositioning ARC as a multi-peril solutions provider in Disaster Risk Management and Financing. Going forward, expanding our range of insurance products and solutions, and scaling up insurance coverage for non-sovereigns such as provincial and state governments, national agricultural insurance schemes and small to medium scale farmers will be prioritised.

Overall, 2020 has been a year where, through innovation and increased focus on sustainability, partnerships and capacity building, ARC Ltd was able to achieve outstanding results despite the current COVID-19 pandemic. Although we still a lot to achieve, I believe that the successes and challenges of today are paving the way for our greatest objective, which is to help our Member States improve their capacities to better plan, prepare and respond to extreme weather events and nature disasters through modern finance mechanisms.
We live in daunting times when changes in global climate patterns, largely attributed to human action, continue to cause devastation of unforeseen proportions across the world. Increased levels of greenhouse gases such as atmospheric carbon dioxide produced by fossil fuels have resulted in the greenhouse effect, an undesirable warming of the earth’s surface and the air above it. Consequently, extreme weather patterns in the form of heat waves, droughts, floods, hurricanes, tornadoes, snowmelt and more have become an unwelcome common occurrence, with heart-breaking reports from across the world becoming a regular phenomenon on news feeds. Not only is this a challenge for governments whose responsibility it is to protect their populations and their economies but it’s a nightmare for households whose lives are disrupted by natural disasters.

Operating on a continent that is hard-pressed to fulfill many competing needs with limited resources, it is not always easy to get governments to see things our way and to prioritize disaster risk management in their fiscal planning process. Therefore, the importance of continued engagement and raising awareness of key stakeholders across the continent is undeniable and will serve to inspire buy-in. In addition, enhancing dialogue on the critical importance and role of disaster risk financing as a solution and availing a mix of tools for financing disasters would afford countries an opportunity to respond early, and build back better. While encouraging governments to prioritise disaster risk management in their budgets is the first point of call, the reality on the ground might not always allow for this. Operating in this environment, the ARC Group has to be proactive in finding innovative solutions that will help counter some of the challenges encountered.

Enhancing the dialogue on the critical importance and role of disaster risk financing and availing a mix of tools for financing disasters such as contingency funds; contingent lines of credit such as the World Bank CATDDO; risk transfer and insurance mechanisms such as one the ARC Group is providing, would afford countries an opportunity to respond early, and build back better. Ad hoc, post-disaster support is still needed to support plans but should not be the first line of defense for droughts, floods, tropical cyclones, or pandemics.

There’s an increasing need to find new innovative disaster risk management solutions that will build the resilience of Member States. The ARC Group will continue to proactively work with governments and partners to better support the needs of countries throughout the continent and minimise the exposure of populations to natural disasters and extreme weather events.

The month of December is usually known as an exciting time of the year as families look forward to much needed time together after a long year. As the year comes to an end and the festive season is upon us, it is common to look back at the year that was and take stock of the achievements realized, challenges encountered and dreams yet to be accomplished. The year 2020 will forever be etched in our memories as one of the most difficult years that the world has ever experienced, all thanks to the coronavirus and its power to bring the world to a standstill. As things normalize in some parts of the world and there is news of a breakthrough in developing a vaccine, there is some semblance of hope that this year will end on a happy note after all.

To many, 2020 was “stolen” from them and as the world mourned the loss of social life. The psychological effects of restricted human contact under severe lockdown conditions were especially difficult to deal with. Trying to maintain the norm whilst maneuvering around the COVID-19 pandemic has been difficult at best and scary at times, amidst threats to household income, loss of jobs, destructions to the school calendar etc. Yet most have survived and are excited at the prospect of life again as effort to contain the virus continue.

While our eye remains on completely eradicating this pandemic, focus is also slowly shifting towards the upcoming holidays as an opportunity to let our hair down and have some fun. Many are wondering if it will still be possible to have their usual holiday routine and at the same time, keep family and friends safe during the pandemic. This festive season will be a different one as families have to think of new ways to celebrate while still heeding to calls to continue practicing social distancing and other precautionary measures. Perhaps just being able to be home with the immediate family will be the way to go, but even for those who will be able to travel, a responsible approach is still required.

To promote tourism in your local area and get the industry moving again, it will be good to consider visiting some of your local attractions to experience some time out of the home. To name but a few, those in Johannesburg can visit the Sterkfontein Caves, Apartheid Museum in Soweto and the many game reserves just outside Johannesburg while those in Abidjan can visit sites such as The Basilica of our Lady of Peace, the Tai National Park or the Assagny National Park, all of which are ready to show you an amazing time.

Do share with us some of your thoughts for celebrating this period responsibly and we will be glad to share your ideas with rest of our audience.

Click here to watch a video from the World Health Organisation on how to protect yourselves over the holiday season.
NEWS FLASH

ARC Ltd Board Retreat

On Wednesday October 9th, the ARC Ltd Board held a retreat to orientate the new Board Members on their role in the ARC Group ecosystem and to give strategic direction to management on the fulfilment of the ARC Group priorities.

Meeting with Executive SADC Secretary

On Monday December 7th, the ARC Group DG and UN ASG, Ibrahima Cheikh Diong, held a virtual meeting with H.E Dr. Stergomena Lawrence Tax, Executive SADC Secretary. He reaffirmed the commitment of the ARC Group to work with the Secretariat to reduce the impacts of climate change by enhancing Disaster Risk Management as elaborated in the SADC Regional Indicative Strategic Development Plan.

Evaluation mission to the Centre region of Côte d'Ivoire

Last week (November 30th to December 4th), the ARC Technical Working Group of Côte d’Ivoire undertook a mission to the Centre region of Côte d’Ivoire to evaluate the impact of the ARC payout received in November 2019 on the vulnerable populations. The mission visited the regions of Gbeke, Gontougo, Hambol, Iffou, Marahou which regroup respectively 24%, 9%, 30%, 11% and 26% of the 6498 households that have received the cash transfer of 50 000 Fcfa. The beneficiaries told to the group that they were extremely grateful for the money received and it was a great relief. For most of them it has helped them reimburse the debts they have incurred following the poor agricultural season.