It’s been a tough few weeks where the global COVID-19 pandemic has continued to wreak havoc across the world and led to extensive loss of lives. Locally within Africa, Tropical Cyclone Eloise also made landfall as one of the more destructive cyclones to hit the South West Indian Ocean region, bringing tropical storms and excessive rainfall in many Southern African countries and leading to devastating floods. Both these events affect our world so profoundly, with overwhelming impact on our populations. The race is on to ensure that we find suitable mitigating solutions to such insurmountable life-changing events.

This week, the arrival of the first batch of the COVID-19 vaccine in South Africa gave us some much-needed hope, and as many countries’ plans to get their vaccines are starting to take shape, there is some relief on the horizon. Although most of us are still operating under restricted conditions, the good news is that the latest metrics on the virus in South Africa also show that the peak of the second wave is now behind us.

Within ARC, we have also been actively trying to drive the ARC mandate forward by ensuring that we deliver on our promises and contribute towards responding to climate and health crises. I’d like to share three notable events with you:

**Climate Adaptation Summit**

One of our key objectives is to be able to influence the Disaster Risk Management landscape and contribute to global and continental efforts towards mitigating the impact of natural disasters. The online Climate Adaptation Summit hosted by the Netherlands on 25 – 26 January 2021 was the perfect opportunity for the ARC Group to engage on a global stage and contribute to finding the most suitable solutions to mitigate the effects of climate change. The summit convened more than 30 world leaders, 50 ministers, 50 international organisations and other stakeholders that included scientists, civil society and the private sector. It resulted in the launch of a comprehensive Adaptation Action Agenda that laid out clear commitments on new initiatives and partnerships towards building resilience to climate shocks.

During the summit, I was honoured to represent the ARC Group in my capacity as the Group Director General and present our views and work on building resilience. We were able to lobby for a USD 10 billion African premium financing fund to help African countries in taking up insurance against climate-related disasters. My colleague, Mr. Lesley Ndlovu, CEO of ARC Ltd, also led discussions on “Accelerating African Adaption” where he highlighted the role our risk transfer instruments play in promoting adaptation and increasing the resilience of local communities.

It was particularly heart-warming to hear the United Nations Secretary-General, Antonio Guterres, voice his support to scale up institutions such as ARC and the Caribbean Catastrophe Risk Insurance Facility in his opening remarks. His call to Donor Partners to work with vulnerable countries to develop innovative resilience-building instruments echoed our sentiments and confirmed our common interests to fight the effects of climate change.

The participation of the ARC Group in such high calibre events is always an opportunity to reaffirm the value of the ARC programme in protecting the lives and livelihoods of vulnerable populations. By sharing the knowledge that we have gained over our years in operation, we are able to contribute towards providing tangible solutions to the matters at hand.

**Launching of the product development and monitoring update**

Internally, as we intensify our efforts towards providing a diversified product offering, we have launched a regular Product Development and Monitoring Update meeting. The objective is to have a platform where the R&D team provides comprehensive updates on all ARC products under development, as well as information on continuous improvement activities for existing products. This will enable us to keep track of progress being made towards this important initiative that is of high interest to our Member States, Donor Partners and other stakeholders. Through this initiative, the ARC Group executives will have opportunity to regularly review and discuss the Group’s progress towards achieving this strategic goal on a monthly basis.

In addition to status updates, updates on capacity gaps, strategic partnerships and relevant global innovations of interest will also be shared. Importantly, discussions on the status of natural disasters such as anticipated tropical cyclones and droughts will be discussed, and crisis management plans will be contemplated where necessary. This will go a long way towards enhancing preparedness efforts in Member States.

**New Acting Chairperson of the Board**

I would also like to take this opportunity to announce the appointment of board member, Mr. Birama Sidibé as the Acting Chairperson of the Governing Board of the ARC Agency following the expiry of the previous Chairperson, Dr. Ngozi Okonjo-Iweala’s term on 31 December 2020, and while awaiting the establishment of the ARC Group Board. We wish Mr. Sidibé well in his new role and would like to pledge our support to him as he takes on his new role.

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**ARC GROUP DG CORNER**

“One of our key objectives is to be able to influence the Disaster Risk Management landscape and contribute to global and continental efforts towards mitigating the impact of natural disasters.”

Ibrahima Cheikh Diong, UN-ASG and ARC Group Director General
In November 2020, the African Risk Capacity (ARC) Group launched a new insurance product, the Tropical Cyclone (TC) parametric insurance mechanism for the South West Indian Ocean (SWIO) region. The first of its kind in Africa, the TC insurance policy will provide rapid financing and early response to countries affected by tropical cyclones. It is triggered based on exceeding a pre-established trigger event loss, the Attachment point. Under the ARC’s TC insurance policy, real-time monitoring and post-event reports are issued for any cyclone event affecting a SWIO country.

The ARC’s TCE was used to monitor the recent cyclones Chalane and Eloise that hit Madagascar and Mozambique in December 2020 and January 2021 respectively. Losses caused by Eloise in Madagascar and Mozambique are respectively 226,478 USD and 225,597,633 USD according to the estimates of the TCE. The calculated portfolio losses for Madagascar were less than the Attachment point of 17,562,830 USD set in the country’s TC insurance policy. As a result, no payout was due to the Government of Madagascar. On the other hand, if Mozambique had subscribed to the TC insurance policy, losses due to Eloise would have exceeded the Attachment point of 7,221,694 USD. As a result, a payout of 5,459,389.5 USD would have been due to the Government of Mozambique. The damages of Chalane and Eloise estimated by the ARC TCE are in line with the preliminary damage assessments carried out by governments and local humanitarian organisations.

The monitoring of the cyclones Chalane and Eloise showed that the ARC TC parametric insurance product is an important part of the disaster mitigation system. Not only does it help reduce the financial burden on our Member States, but it also gives incentives to put preventative and preparedness measures in place. This is especially critical given how the recent Tropical Cyclones in Southern Africa have resulted in floods that endangered the lives and livelihoods of millions of people. Indeed, TCE’s real-time and post-event reports are critical as they offer invaluable information for governments and humanitarian actors to help reduce the dramatic impact of these extreme weather events on their populations. These reports are useful for planning the evacuation of populations at risk, as well as for the proactive provisioning of humanitarian stocks. In addition, the TCE reports contribute to the planning and implementation of response and recovery activities.

The ARC TCE’s real-time estimates are also useful to insurance industries as they allow them to preempt and minimise losses. Finally, the ARC Group plans to expand TC’s risk pool in the SWIO region and urges Donor Partners to strengthen their financial capacity to better support Member States and vulnerable populations.
Since the declaration by the World Health Organization (WHO) of the novel coronavirus (COVID-19) outbreak as a Public Health Emergency of International Concern (PHEIC) on 30 January 2020, the African Union (AU) has undertaken various measures to contain the spread of the virus and to mitigate the economic fallout that would be caused by the virus.

In his capacity as current rotating Chairperson of the AU and AU Bureau of the Assembly, President of South Africa H.E. Cyril Ramaphosa, convened and presided over several virtual meetings of the Bureau of the Assembly of AU Heads of State and Government with the Chairperson of the African Union Commission and Chairpersons of the Regional Economic Communities (RECs) of the AU in 2020. The purpose of the meetings was to discuss joint continental action to combat the spread of the coronavirus and mitigate its economic impact on the continent, as well as to apprise the Chairpersons of the RECs of the AU on the actions and initiatives undertaken by the AU in response to the COVID-19 pandemic. The Meetings also provided a platform for the Chairpersons of the RECs to brief the Bureau on regional measures taken in this regard. Among other things, the Bureau agreed on the establishment of the AU COVID-19 Response Fund, endorsement of the AU COVID-19 Strategy and AU Partnership for Accelerated COVID-19 Testing Initiative (PACT).

The ARC Group was available to assist the African Union COVID-19 response and came up with innovative solutions to manage the COVID-19 pandemic in Member States. The organisation was proactive in contributing to the continent’s response to the pandemic through participation at the Africa Task Force for Coronavirus (AFTCOR) Coordinating Committee. ARC also contributed to the Comprehensive Socio-Economic Strategy to COVID-19 founded by the AUC Social Affairs Department. Furthermore, in the framework of its MoU with the Africa CDC, ARC developed two COVID-19 simulation tools to support informed decision-making in African Union Member States by anticipating the evolution of the pandemic under specific assumptions.

On 12 April 2020, in his capacity as Chairperson of the Union, H.E. Cyril Ramaphosa appointed special envoys to mobilise international economic support for the continental fight against COVID-19 through the European Union, the International Monetary Fund, the World Bank and partners. H.E. the President also put in place a platform for business leaders, chaired by Special Envoy, Mr. Strive Masiyiwa, to support these continental efforts in implementing the continental COVID-19 strategy. Furthermore, in November 2020, the COVID-19 African Vaccine Acquisition Task Team (AVATT) was created to ensure that Africa would be able to secure sufficient vaccine doses to achieve herd immunity. AVATT was also mandated to secure the necessary vaccines and blended financing resources towards the achievement of Africa’s COVID-19 vaccine strategy which targets vaccinating a minimum of 60% of Africa’s population as guided by the Africa Centres for Disease Control – Africa’s technical arm lead for the COVID-19 response.

In collaboration with Afreximbank, AVATT structured the Advance Procurement Commitment (APC) facility, a mechanism aimed at ensuring Africa’s access to COVID-19 vaccines from no later than April 2021. It provides assurance to identified vaccine manufacturers that vaccine orders placed through the African Medical Supplies Platform (AMSP) would be firm and will be paid for as may be agreed.

Significantly, AVATT has confirmed the acquisition of a provisional 270 million vaccine doses for African countries, with at least 50 million said to be available for the crucial period of April to June 2021. These efforts complement the COVAX facility, a World Health Organisation and Gavi Vaccine Alliance initiative to help low- and middle-income countries secure access to vaccines on a fair and equitable basis.

**NEWS FLASH**

**ARC Ltd is now a member of the Insurance Development Forum (IDF)**

The Insurance Development Forum (IDF) is an industry-led public-private partnership established to facilitate and support the growth and development of insurance-related resources and capabilities to help achieve the objectives of the Sustainable Development Goals (SDGs) and related United Nations (UN) Agreements of Sendai (Disaster Risk), Addis Ababa (Finance for Development), Paris (Climate), Istanbul (Humanitarian System), collectively herein known as the U.N. Global 2030 Agenda.

It aims to optimise and extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses, and public institutions that are vulnerable to disasters and their associated economic shocks.
Lesley Ndlovu, ARC Ltd CEO, will be a speaker at the Everywoman in Risk Forum on February 10th.

This year’s Everywoman in Risk Forum will bring together a cross-industry risk panel to discuss new and emerging risks and to share their views on what to expect in the next 12-18 months, including:

• New and emerging risks to look out for;
• The new workplace: how best to support your team while managing data protection and security;
• The importance and impact of gender diversity in a changing framework.