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ACTIVITY REPORT OF THE AFRICAN RISK CAPACITY AGENCY



**Annual Report on the Activities of the African Risk Capacity Group
to the February 2024 AU Summit**

For the reporting period January – December 2023

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1 Introduction

1. This Annual Activity report provides an update on the activities undertaken by the African Risk Capacity (ARC) Group for the reporting period, January to December 2023. It is submitted in preparation for the 46th Ordinary Session of the Permanent Representatives Committee, the 43rd Ordinary Session of the Executive Council and the 36th Ordinary Session of the African Union (AU) Assembly of the Union as part of the reporting requirements for AU organs and institutions. The report gives a summarised background description of ARC, its organisational and governance structures, mandate and strategic direction that guides the organisation's activities. In addition to noteworthy milestones achieved during the period under review, it highlights the challenges faced and mitigation action taken.

2 ARC Background

2.1 Establishment and Structure

2. The ARC Group is comprised of ARC Agency, a Specialised Agency of the African Union (AU) and ARC Limited (ARC Ltd.), the insurance affiliate of the Group. Founded in 2012¹ under the Agreement for the Establishment of the ARC Agency (ARC Treaty), the ARC Agency is a Specialised Agency of the AU mandated to support AU member states in improving their capacities to plan, prepare for and respond to the effects of extreme climate-induced disaster and disease outbreak events towards protecting the lives and livelihoods of vulnerable populations while contributing to food security. ARC Limited is the commercial entity of the Group that provides complementary insurance services of risk management by interacting with the insurance markets. Together, the two entities form the ARC Group.

3. The Group's value proposition brings together four critical elements of preparedness: capacity building, early warning, risk pooling, risk transfer towards building the resilience of African countries against natural disaster risks. The organisation provides a diverse product offering to cater for the varied needs of member states, with products covering drought, tropical cyclones, floods and outbreaks and epidemics, as well as a micro and meso offering that covers smallholder farmers.

2.2 The ARC Group Strategy

4. The current ARC Group strategy (2020-2024) is in its fourth year of implementation, and in 2024, the Group will develop the next strategy that will take into account the lessons learnt over its decade in operation and the evolving DRM landscape to guide workstreams from 2025 - 2029. ARC's work is anchored on three strategic objectives, namely: *Innovate*, *Strengthen* and *Grow*, which form the foundations on which all priorities are based and help direct the organisation towards its vision.

3 Update on 2023 Key Workstreams

¹ AU Assembly Decision (Assembly/AU/Dec.417(XIX)), Assembly decision to establish ARC

5. The climate crisis is growing and this is playing out in the form of extreme weather events that are increasing in occurrence and intensity. There is also an increase in the burden of disease across the globe, and this is also compounded by climate change. Most African countries face multiple natural disaster risks whose impact can be devastating on many fronts. The recent incidences of weather-induced disasters demonstrate the urgent need to strengthen Africa's response capacities and adopt a proactive Disaster Risk Management (DRM) approach. African countries need to build resilience against these threats and strengthen their response capacities towards saving the lives and livelihoods of their most vulnerable populations, protecting development gains and improving food security across the continent. This makes a strong case for the ARC mechanism, a tool that is designed to equip countries to adequately respond to these threats.

6. Since 2012, ARC has been establishing itself as a partner of choice in building Africa's resilience to natural disaster threats and contributes to Agenda 2063 in building a resilient continent. To date, ARC has provided over USD \$1 billion in risk cover and paid out over USD \$120 million to assist affected communities. Over 3.8 million beneficiaries have received aid. After 11 years in operation, the organisation is working to scale up its operations and increase its reach and impact across the continent. The reporting period was instrumental in operationalising initiatives contribute towards this vision as summarised below.

3.1 Progress update: Implementation of recommendations from the ARC Second Formative Evaluation

7. The implementation of the recommendations of the second formative evaluation is on-going. So far 65% of the key proposed actions to address the recommendations have been initiated and there has been significant progress made on the key priority actions for 2023. A ToR for the review of ARC value proposition has been developed. ARC Agency engaged the UK Centre for Disaster Risk Protection in line with existing MoU to provide technical support to the review process. The design of the initial questionnaire is on-going. A ToR for the study on ARC Group financial sustainability has been developed and approved by ARC Leadership. This study is funded by the European Union and will be carried out by an independent external consultant. The recruitment of the consultant has been launched.

8. To improve the implementation of drought response, ARC conducted high-level and technical discussions with Government Officials in Madagascar, Mauritania, Mali and Senegal, guided by lessons learnt during the response and the process evaluations. The discussions focused on the improvement of the reporting tool and the development of strategies and action plans to improve the implementation of drought response. These Member States Commit to comply with the agreed improvements. Discussions with Zambia, Malawi, and Zimbabwe are in the pipeline.

9. ARC attended the Annual Replica Meeting. Replica is an innovative solution that allows humanitarian actors to take insurance on behalf of a country. The discussions at the annual meeting focused on developing an expansion strategy to scale up Replica and identifying better ways of working with governments to ensure effective implementation of payouts, and improving the implementation of the programme towards serving member states. In order to pursue the growth of the Replica initiative and protect more vulnerable communities, a new partner (UNHCR) joined the portfolio.

10. ARC is building its relationship with the World Bank, particularly on the De-risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa (DRIVE) project, as well as the REPAIR project where ARC has been selected as the implementing partner. Joint events were held with the World Bank on the sidelines of the COP28.

3.2 Strengthened Governance and Management Platforms

11. As a Specialised organ of the AU, ARC is committed to ensuring that the governance of the organisation complies with the standards of its founding body. As an entity established by the Treaty, member states have an important decision-making role in shaping the direction of the organisation through the Conference of the Parties (CoP). Over the reporting period, ARC convened the 13th session of the COP where the organisation consulted on its budget, the Programme of Work, and on a number of strategic matters for decision.

12. To date, 39 AU member states are signatories to the ARC establishment Treaty, giving them access to the ARC mechanism and decision-making powers on strategic decisions made within ARC. ARC has been working to offer a diversified product portfolio that responds to the threats that most member states face, and with this, the goal is to increase the number of Treaty signatory countries to include all AU member states and improve participation in ARC risk pools to mitigate the risks countries face. Of the 39 ARC Treaty signatory countries, only 12 have ratified the ARC Treaty and this challenges the sustainability of the organisation. ARC continues to negotiate with countries at the AU level to encourage ratification of the Treaty.

13. Internally, the ARC Boards continued to guide, support and oversee the organisation, supported by the four Board committees - the Finance and Audit, Peer Review Mechanism (for reviewing Operations and Final Implementation Plans), the Strategy and Oversight Committee, and the Product Development Customisation Committee. In addition, the Group board has established an ad hoc Country Engagement committee aimed at providing added support to the organisation's efforts to increase its coverage across the continent, and pool growth. The organisation has operationalised joint reporting through a Group dashboard with shared Key Performance Indicators that enable a more seamless collaboration across the organisation.

3.3 Implementation of the ARC Group Strategy (2020 – 2024)

14. The reporting period falls within year four of implementing the refreshed ARC Group Strategy 2020 – 2024. Focus was therefore intensified on critical aspects of the strategy, namely: (i) providing a diversified and innovative product and services offering to cater for the needs of member states; (ii) increased and sustained participation of member states in ARC risk pools; (iii) strengthened resource mobilisation effort to ensure the sustainability of the ARC Group; (iv) a demand-driven partnerships strategy to deliver on the ARC mandate; (v) focused and segmented advocacy and engagement efforts to optimally position the organisation; (vi) a solid communications strategy to tell the ARC story; and (vii) a strong gender focus to ensure gender mainstreaming throughout the ARC programme, and to uphold and influence gender equality principles in the DRMF space.

15. ARC also continued to keep a close eye on the operating environment which is evolving owing to many elements: the COVID-19 pandemic caused many changes globally, while the Ukraine/Russia crisis and now the Gaza crisis have created prolonged and significant instability and global economic downturn. These events continue to shift donor focus and affect the DRM landscape. Further, the climate crisis is intensifying, with an increase in the intensity and frequency of climate-induced events. These factors are taken into account in the course of operations. The following defining initiatives and milestones are expanded on below:

3.3.1 Product Diversification

16. To strengthen Africa's resilience to natural disasters, ARC's objective is to offer diverse solutions to cater to the multiple natural disaster perils that member states face due to different climatic conditions. To this end, the diversification and strengthening of the ARC product portfolio is a key priority in delivering value to the continent. The organisation's Research and Development function is responsible for this and drives the Group's Strategic Objective 1 – Innovation, which drives for world-class solutions to ensure that the ARC offering aptly responds to the needs of member states in an era where the climate crisis is progressively taking hold. In 2023, efforts continued towards advancing the development of new risk transfer products to complement the existing solutions: The drought Model; the Tropical Cyclone Model, Outbreaks and Epidemics, and the Micro and Meso insurance offering as follows:

- **The Flood Model launched:** Development of the Flood Model was completed and the product was launched on 6 June 2023. Discussions with reinsurers are ongoing to offer policies to countries. The launch followed the review of the final report from Technical Review Forum (TRF) by experts who confirmed the readiness of the Flood Model to be used for underwriting flood insurance policy with confidence. Further developments are underway to

respond to the growing threat of floods and excess rainfall, particularly in the West African region that is more prone to this peril. The Flood product is available for Madagascar, Mozambique, Malawi, Cote d'Ivoire, Ghana, and Togo in the initial roll-out phase. To improve the use of the Model, ARC has developed, the Flood Explorer (FLE), an online platform, to allow users to access and visualise the product outputs in terms of people affected, economic losses and flood characteristics, as well as the payout to which any insured country is entitled when the policy is triggered.

- **Improvement of the Drought product:** ARC continues to offer two drought products for sovereign insurance, one addressing agricultural drought and the other tailored to pastoral areas. Work to improve the Drought insurance products was initiated, with efforts directed towards ensuring the accuracy, reliability and user-friendliness of *Africa RiskView*, ARC's forecasting tool. In 2023, the Drought products have been implemented in several countries, with improvements being gradually made to keep up with new scientific and technical developments in Crop and Rangeland Drought impact modelling and to best meet the needs of the member states. 2022 was marked by NOAA rainfall datasets challenges. To ensure the stability of the model, new datasets were made available in *Africa RiskView*. Countries revised their customisation and finalised the process of review in preparation for pool participation.
- **Improvement of the Tropical Cyclone Model:** Recent improvements consisted of (i) The spatial resolution of the exposure data/impact functions improvement from 1 km x 1km to 450 m x 450 m; (ii) a revision of exposure data and associated modeled losses by historical events; and (iii) a new stochastic catalogue of 10,000-years was developed to replace the previous one of 1,500-years. **Excessive Rainfall Model (XS Rainfall):** Research and development activities were conducted to develop a parametric rainfall product (XS Rainfall) for rainfall associated with TC along with the current ARC wind and storm surge TC product. For this project, the parametric rainfall data will be generated with: (i) Hindcasts of the previous day's rainfall (1-day hindcast) based on observations from the satellite GPM/IMERG; and (ii) forecasts of rainfall provided by the Global Forecast System (GFS) model (5-day forecast). The first live pilot of the excessive rainfall component has been running since November 2022 and outcomes used to refine the rainfall component. The last component of the excess rainfall module to estimate the amount of exposure to excess precipitations and flooding, and potential direct damages from flooding based on impact functions will be completed by early 2024.
- **Progressing the Outbreaks and Epidemics (O&E) product:** In 2023, following the completion of the O&E product development and launch in December 2022 in Dakar with the participation of the Government of Senegal, the O&E programme directed efforts towards initiating activities under the Bill

and Melinda Gates Foundation (BMGF) grant. The project aims to promote Gender Responsive Mechanisms for Epidemic Preparedness in the ECOWAS region and supports six priority countries: Côte d'Ivoire, Ghana, Guinea Bissau, Nigeria, Senegal, and Sierra Leone. On 20 and 21 March 2023, ARC held a West Africa Regional Consultation in Dakar, which brought together Government Officials representing Ministries of Gender, Public Health, Disaster Risk Management, and Finance from the six ECOWAS members to kick-start the project. Work has now moved to operationalising in-country initiatives and completed in 3 countries. National Gender, Health Emergency and DRM Consultants were appointed in Senegal, Ghana and Guinea-Bissau where in-country implementation is in progress. The development of a Joint Action Plan with the Africa Center for Disease Control (CDC) on epidemic intelligence and health security planning and financing was also initiated.

- **Expanding Micro and Meso insurance:** In 2020, ARC initiated its non-sovereign business by introducing a pilot Meso and Micro insurance. Non-traditional ARC risk transfer activities showed very encouraging results in 2023. ARC Ltd has so far written \$12m of premium – a 10x increase from last year's gross written premium figure. Policies issued to the Governments of Djibouti and Malawi, in collaboration with the World Bank, led to revenue growth. First, the Government of Djibouti signed a 5-year policy covering the state against the risk of drought and excess rainfall (as a proxy for capturing urban floods in the city of Djibouti). A premium of \$2m was paid partly as a grant from GRIF and from an IDA loan). The AfDB – through ADRIFI – has demonstrated interest in strengthening the parametric product and scaling up coverage. In Malawi, ARC Ltd issued a policy to cover the scaling up of the social protection payment mechanism and this continued into 2023. These are built upon a drought model co-developed by the government of Malawi and the World Bank. In addition, reinsurance activities in meso insurance continued this year with the launch of a dry run for the coverage of rice producers in Cote d'Ivoire. The product went live with the planting window starting at the start of July and will cover 5,000 producers whose registration costs and premiums are paid by the World Food Programme (WFP).

3.3.2 Pool Participation

17. The sustainability of the ARC Group is a key consideration for the organisation and is driven from all angles of the organisation. Pool growth, which is a critical part of sustainability, is a result of the country engagement and technical pool preparation work that is done with the countries and is a key measure of the success of the ARC programme. Despite the fiscal challenges facing the continent, in 2023, ARC achieved its highest risk pool to date, all thanks to engagement efforts and the ongoing support from donor partners that have come on board to provide premium support. A record US\$25 million in premiums was achieved for Pool 10A, which covers countries in the West and Central Africa region, in Quarter 2. The total risk transferred to markets was US\$134.1 million, with the company providing drought

coverage to 13.4 million people in Africa through Pool 10A alone. 9 countries are participating in the East and Southern African pool which covers the 2023/2024 agricultural season (23 sovereign policies and 17 Replica policies). This is also a great milestone.

Table 1: Pool X policy uptake by country

Country	Policies
Togo	<ul style="list-style-type: none"> • 2 Sovereign policies
Mali	<ul style="list-style-type: none"> • 1 Replica policy taken by World Food Programme (WFP)
Senegal	<ul style="list-style-type: none"> • 1 Replica policy taken by Save the Children Fund
Niger	<ul style="list-style-type: none"> • 2 Sovereign policies
Mauritania	<ul style="list-style-type: none"> • 2 Sovereign policies • 2 Replica policies taken by WFP
The Gambia	<ul style="list-style-type: none"> • 1 Sovereign policy • 1 Replica policy taken by WFP
Burkina Faso	<ul style="list-style-type: none"> • Replica policy taken by WFP
Zambia	<ul style="list-style-type: none"> • 1 Sovereign policy
Malawi	<ul style="list-style-type: none"> • 4 Sovereign policies
Zimbabwe	<ul style="list-style-type: none"> • 1 Replica policy taken by Start Network • 1 Replica policy taken by WFP
Madagascar	<ul style="list-style-type: none"> • 2 Sovereign policies • 1 Replica policy taken by WFP
Chad	<ul style="list-style-type: none"> • 1 Sovereign policy
Madagascar - Tropical cyclone	<ul style="list-style-type: none"> • 1 Sovereign policy • 1 Replica policy taken by WFP
Comoros- Tropical cyclone	<ul style="list-style-type: none"> • 1 Sovereign policy
Somalia	<ul style="list-style-type: none"> • 2 Replica policies taken by Start Network

3.3.3 Fundraising Efforts

18. Over the last few years, ARC has intensified resource mobilisation towards ensuring the sustainability of the organisation. ARC's existing donors, the FCDO, KfW, Global Affairs Canada, Swiss Agency for Development and Cooperation (SDC), the European Union, BMGF and AFD have continued to support the organisation. Efforts have been directed towards securing additional resources from existing donor partners and as well as bringing new donor partners on board. In this regard, the Arab Bank for Economic Development in Africa (BADEA), the United Nations Office for Disaster Risk Reduction (UNDRR), and the Green Climate Fund (GCF) have come on board as new partners. There are ongoing engagements with others. Below is a summary of resources mobilised:

Table 2: Achievements in Fundraising – funds received

Source of funding	Amount	Status	Purpose
Swiss Dev Corporation	0.7 million	Partially disbursed	Activities in Zambia and Zimbabwe
Global Affairs Canada	4.1 million	Partially disbursed	Funding for ARC Programme of Work
European Union	1.6 million	Partially disbursed	Funding for ARC core activities
UNOCHA	USD 464,000	Partially disbursed	Project-based for four countries
UNDRR	USD 136, 034	Partially disbursed	Early warning system capacity building for Niger
BADEA	USD 392, 028	Partially disbursed	Project-based for 6 countries
IFAD/GCF	USD 7.3 million over 5 years	Prospective	Research and development for 4 select countries
Islamic Development Bank	USD 1.5 million	Prospective	Capacity building for Zambia and Zimbabwe
SDC Kenya	To be determined	Prospective	Supporting Kenya DRM
Team Europe	Euro 10 million	Prospective	Scale up ARC activities
NORAD (Norway)	To be determined	Prospective	Supporting ARC programme
Gates Foundation	USD 1.9 million	Prospective	Expansion of ARC O&E initiative

3.3.4 Improved Financial Management

19. Over the reporting period, there was an extensive focus on exercising financial prudence by optimising the use of the limited available resources while ensuring that every aspect of ARC operations is well considered towards providing service to member states. The Board approved the 2023 Programme of Work and Budget during the Group Board Meeting held in January 2023. The ARC Agency budget for 2023, excluding the 6.5% ISC, stands at US \$12.8 million, where \$1.8 million is earmarked for O&E specifically. Despite a challenging funding environment, meaningful progress has been made. Efforts to engage new and established donors continued.

3.3.5 Strengthened Advocacy and Engagement

20. With the ARC mandate aligned to various global and continental frameworks, all work from the programme serves to fulfil objectives drawn from the guiding frameworks such as the African Union Agenda 2063, the Sustainable Development Goals, the Paris Agreement on Climate Change, and the Sendai Framework for Disaster Risk Reduction 2015-2030. ARC recognises the importance of a coordinated effort with authorities and other stakeholders in this space to fulfil continental DRM objectives. Advocacy and engagement are therefore key to driving the ARC programme forward and finding opportunities for collaboration. In 2023, ARC continued to cement relationships with all stakeholders in the DRMF environment in order to position the ARC programme as a viable solution against weather-related disasters and disease outbreaks. The Group participated in key international and continental events that sought to mobilise efforts towards prioritising DRM in response to climate change. Platforms such as the Africa Climate Summit held in Kenya in September 2023, COP 28 in November and various other engagements were excellent engagement opportunities, including dialogue at the highest political and executive levels; with other decision-making bodies; and with development and donor partners in this space.

ARC Membership and Ratification Drive

21. Over the reporting period, the Membership and Ratification drive has grown. Membership growth enables us to increase our reach and impact, contributes to the sustainability of the ARC Group and helps us build a continental organisation. In this regard, this year, we welcomed the Republics of Cape Verde and Cameroon, the Federal Democratic Republic of Ethiopia and South Sudan as new ARC members, bringing ARC membership to 39. This is evidence of effective advocacy from across our stakeholder group, and we are grateful for the calls for support received from the AU and COP. We also made progress on our ratification drive, a process that is critical in facilitating the payment of membership fees. The Republic of Cameroon acceded to (ratified) the ARC Establishment Treaty, bringing to 12 the number of countries to do so. Malawi, Zambia and Mozambique have also moved closer to ratification.

22. The AU leadership and member states have continued to support ARC's efforts towards advancing the continent's agenda in responding to and mitigating the impacts of climate change and disease outbreaks. The ARC Group attended and participated in key AU statutory and non-statutory meetings. At the January to February 2023 AU Summit, ARC presented its mandatory annual report for the reporting period, the outcomes of which fed into the overall summit decisions. The summit: (i) will continue to urge member states to sign and ratify the ARC treaty; and (ii) commended the ARC Group for its efforts to scale up its operations, particularly in light of the recently launched Outbreaks and Epidemics (O&E) and Flood products. The ARC management continued to engage the AU in other separate engagements to cement relationships and work together in identified workstreams.

3.3.6 The Development of Smart Partnerships

23. ARC acknowledges the power of partnership in supporting our mandate and advancing critical workstreams such as product development and disease modelling. To this end, ARC strives to leverage the power of partnerships to complement service delivery to member states. Collaborations with existing partners such as the African Development Bank (AfDB), BADEA, UNOCHA, the Africa Center for Disease Control (CDC), IBM, and the Food and Agricultural Organization (FAO), and new collaborations such as the World Bank DRIVE and REPAIR initiatives, Microsoft and Afreximbank are progressing well and will continue into 2024.

3.3.7 Gender Mainstreaming in Disaster Risk Management and Finance

24. Over the last few years, ARC has been working to mainstream gender throughout the ARC programme. In 2023, in line with its Gender strategy, ARC vigorously continued to build the capacity of its partners to integrate gender in DRM processes by supporting member states in tailored programmes. Since the start of implementation of the Gender Strategy in 2019, we have celebrated many milestones, including the development of tools, guidance notes and training manuals; capacity building of staff and member states; publications and dissemination of Policy Briefs; facilitation of gender analyses and policy dialogue sessions in member states. An inaugural policy dialogue was successfully launched in Ethiopia in July, and a second one has just concluded in Ghana. A mid-term evaluation of the ARC gender strategy undertaken this year showed notable progress on key elements of the strategy, an encouraging trend indeed. The gender retreat held in July 2023 was a great opportunity to reflect on ARC's journey and map the way forward.

3.3.8 Reshaped Communications

25. ARC, through its communications function, continued to position the organisation as a credible and influential voice in shaping the continent's management of natural disaster risks. In 2023, ARC was able to create visibility of its work, develop new and strengthened existing partnerships with the AU Information and Communications Directorate, the first cohort of AU Media fellows, the media and other stakeholders to promote accurate narratives on DRM from our member states and beneficiary communities' perspectives through content creation and storytelling. Events also focused on strengthening institutional communication and optimising digital communication, which resulted in an increased following on social media platforms. In the last quarter, a mission was undertaken to collect stories from beneficiaries in Zambia which will be shared on different platforms. A survey was also conducted to get the staff's perspective on the effectiveness of ARC communications and the results will be used to shape the new Communication Strategy which will be developed at the beginning of 2024.

4 Challenges and Recommendations

26. The ever-changing disaster risk landscape is characterised by intensifying weather-related disasters and an increase in disease outbreaks and has continued to challenge the continent on many fronts. Member states have to contend with more disasters of varying degrees, exerting excessive strain on the already limited resources. This in turn impacts ARC operations on different fronts as follows:

27. **Financial sustainability of the ARC Group:** By far, the financial sustainability of organisation remains one of the greatest challenges that ARC is facing. As a donor-funded organisation, ARC Agency relies on funding from donor partners to fund operations and projects, while ARC Ltd. is a commercial entity that has to make a profit from its operations. While much progress was made on the fundraising front and in pool participation, more work is required to move the organisation to a much more sustainable space. Efforts to engage existing and new donor partners to support the ARC programme will continue in 2024.

28. Further, the diversification of the ARC offering, which saw the introduction of the Flood Model was a key milestone that will improve pool participation and contribute to moving operations towards a self-sustaining position. The efforts to mobilise funds via member fees from ARC Treaty signatories have also been intensified to avail another income stream. Cameroon also deposited its instruments of ratification and this will contribute to sustainability efforts.

29. **Pool participation:** The affordability of member states to pay their own premiums limits their participation in ARC risk pools. Premium finance support has been a notable solution to this challenge, and ARC recognises it as one of the critical foundations needed to move DRM forward. In 2023, the organisation continued to engage donor partners to enable the uptake of much-needed insurance to cover natural disaster risks and the protection of populations. This year, ARC celebrated its largest pool in its history – a notable achievement indeed. ARC will continue to drive pool participation on all fronts and work with various stakeholders to scale up initiatives such as the Replica programme which allows humanitarian partners to take up insurance on behalf of a country, or the Premium Support Facility that funds premiums for select countries. Country engagement at all levels will also be intensified to bring more countries into the pool and increase coverage.

30. **Signatory and ratification of the ARC Treaty:** Of the 55 African states, 39 are signatories to the ARC Treaty, and only 12 have ratified the Treaty by depositing their instruments of ratification. This limits ARC's reach and impact and affects pool participation. Linked to this is the payment of membership fees alluded to above.

31. **ARC'S RECOMMENDATIONS TO THE EXECUTIVE COUNCIL:** ARC will continue to work to build a truly African organisation that strives to meet the needs of the continent. It is committed to bringing world-class solutions to member states through product diversification, resource mobilisation to facilitate growth, demand-

driven partnerships to deliver on its mandate, and gender mainstreaming in the African DRM landscape. The organisation therefore seeks the support of the Executive Council to:

- Encourage countries to support ARC and its mandate, and to participate in the ARC programme;
- Support the signing and ratification of the ARC Treaty by Member States that have not yet done so;
- Support ARC in working with all continental authorities to influence the DRM space at the policy level.

5 Annex I: Draft decision on the Annual Activity Report of the ARC Group

THE EXECUTIVE COUNCIL,

- (1) TAKES NOTE** of the Report of the ARC Group and the recommendations made therein.
- (2) COMMENDS** the Member States that joined this year including the Republic of Cape Verde, the Republic of Cameroon, the Federal Democratic Republic of Ethiopia and South Sudan, as new ARC members.
- (3) COMMENDS** the ARC Group for working to scale up its operations and to increase its reach and impact on the continent and particularly on the launch of the flood product thereby advancing multi-hazard disaster response for Member States.
- (4) CALLS UPON** Member States that have not yet signed and ratified the Agreement for the Establishment of the ARC Agency to accelerate their processes of signing and ratifying of the Agreement in order to fully enjoy the benefit accorded to countries under the Agreement.

2024-01-15

Activity Report of the African Risk Capacity Agency: Annual Report on the Activities of the African Risk Capacity Group to the February 2024 AU Summit for the reporting period January – December 2023

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