

ARC and UN Partner to Increase Insurance Coverage in Africa

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Addis Ababa, January 30, 2018 – The African Risk Capacity (ARC), an agency of the African Union, and the United Nations Economic Commission for Africa (ECA) today announced a new partnership which will see the two organisations work together to increase insurance coverage against climate risks for African states.

The multilateral deal was announced at the African Union’s Annual Summit in Addis Ababa, and commits ARC and ECA to build the capacity of their 33 common Member States by embedding risk management investments into government planning through policy development. ARC and ECA also will share expertise and commit financial resources to joint analytical work in areas of economic and climate risk research in order to promote risk transfer instruments.

The UN estimates that Africa will see the adaptation costs of climate change rise to \$50 billion per year by 2050.

“This partnership marks a bold new phase of heightened collaboration on combatting the effects of climate change in Africa,” said Mohamed Beavogui, Director-General of ARC Agency. “The future of disaster risk management is an increasingly urgent economic issue, and ECA’s unique expertise will complement ARC’s work serving its Member States and building preparedness and resilience on the continent.”

In the four years that ARC has offered insurance coverage to its Member States, it has paid out more than USD \$34 million to Member States affected by drought events. These resources have assisted over two million people affected by climate disaster.

“Climate change is one of the biggest threats to Africa’s economic and social development,” said ECA Executive Secretary Vera Songwe. “We believe that efforts like our partnership with ARC will help move the needle, so that African countries can be well-guarded against these threats, and they can thrive.”

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About United Nations Economic Commission for Africa (ECA)

ECA is a UN regional commission established by the Economic and Social Council (ECOSOC) of the United Nations (UN) in 1958. ECA’s mandate is to promote the economic and social development of its member States, foster intra-regional integration, and promote international cooperation for Africa’s development. Made up of 54 Member States, and playing a dual role as a regional arm of the UN and as a key component of the African institutional landscape, ECA is well positioned to make unique contributions to address the Continent’s development challenges.

ECA's strength derives from its role as the only UN agency mandated to operate at the regional and sub-regional levels to harness resources and bring them to bear on Africa's priorities. To enhance its impact, ECA places a special focus on collecting up to date and original regional statistics in order to ground its policy research and advocacy on clear objective evidence; promoting policy consensus; providing meaningful capacity development; and providing advisory services in key thematic fields.

For more information, please visit: <https://www.uneca.org/>

About African Risk Capacity (ARC)

ARC consists of ARC Agency and ARC Insurance Company Limited (ARC Ltd). ARC Agency was established in 2012 as a Specialised Agency of the African Union to help Member States improve their capacities to better plan, prepare and respond to weather-related disasters. ARC Ltd is a mutual insurance facility providing risk transfer services to Member States through risk pooling and access to reinsurance markets; it is owned by Member States with active insurance policies as well as KfW Development Bank and the UK Department of International Development (DfID), as capital contributors.

ARC plays an important role in responding to countries' needs at times of crisis by providing fast access to funding for pre-agreed-upon, rapid response plans developed in conjunction with governments. ARC's financing complements other forms of local and international support.

In the few years since ARC began, it has proved to be an effective and vital model – paying out USD \$34 million to four countries (Senegal, Niger, Mauritania, and Malawi) affected by drought events. Those resources provided assistance for over two million people and approximately one million cattle.

ARC is using its expertise to help tackle some of the greatest threats faced by the continent, including droughts, outbreaks and epidemics, and tropical cyclones.

For more information, please visit: www.africanriskcapacity.org

PRESS CONTACT:

Molly Toomey
mttoomey@mercuryllc.com

Sophia Denekeew
Denekeews.uneca@un.org