

## AFRICAN RISK CAPACITY AND THE AFRICAN DEVELOPMENT BANK PARTNER TO STRENGTHEN AFRICAN COUNTRIES STRUGGLING WITH CLIMATE DISASTERS

**ABIDJAN, Côte d'Ivoire / JOHANNESBURG, South Africa / HAMILTON, Bermuda, 7 March 2017**

The African Risk Capacity (ARC) has added a crucial partner to its portfolio by formally teaming up with the African Development Bank (AfDB) to strengthen mechanisms to manage weather-related risk on the continent. This partnership will formalize a technical collaboration to enhance risk management infrastructure and policy across Africa; it will also support African countries in building resilience against climate shocks and in taking ownership of their disaster response.

In concrete terms, AfDB and ARC Agency will work together to develop their Member states' capacity in understanding the value of risk transfer tools.

The partnership is intended to result in ARC Member countries integrating risk management into their policy and development objectives, with a particular focus on recurrent disasters such as drought, floods and tropical cyclones as well as on improved resilience and speedier recovery after disasters.

ARC and AfDB signed the Memorandum of Understanding (MOU) on the margins of ARC's Fifth Conference of Parties (CoP5) in Abidjan, Côte d'Ivoire on 7<sup>th</sup> March 2017.

### Background

The signing of the MOU is subsequent to the Letter of Intent (LOI), which was signed between the two institutions in May 2016 during the AfDB's Annual Meetings in Lusaka. The MOU formalizes a technical partnership to collaborate on the enhancement of the risk management infrastructure and policy regime across Africa.

The aim of this partnership will be for the institutions to collaborate: in the development of capacity and services; providing capacity building to individual countries; to embed risk management in planning and to deepen the understanding of the value of risk transfer tools. This collaboration is in line with the support that the Bank should provide to Regional Member Countries (RMCs) pursuant to its Charter as well as its role in assisting RMCs to adapt to the growing hazards from climate change.

Signing the MOU on the behalf of the African Development Bank, the Senior Vice-President, Dr. Frannie Leautier, stated: *"In the context of this MOU, ARC and AfDB will partner to support Member States in key areas, which will lay the foundations for a robust approach at the national-level around disaster risk financing."*

Mr. Mohamed Béavogui, United Nations Assistant Secretary-General and the Director-General of ARC, views the MOU with AfDB a key milestone, stating: *"this partnership with AfDB will complement ARC as we will jointly train and prepare countries to better manage weather-related risk and mainstream insurance into their disaster management plans."*

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### **About African Risk Capacity (ARC)**

The *African Risk Capacity Agency* (ARC Agency) was established in 2012 as a Specialised Agency of the African Union (AU) by a Conference of Plenipotentiaries – consisting of 32 African nations – to help African Union Member States improve their capacities to better plan, prepare and respond to weather-related disasters. The objective of the ARC Agency is to assist AU Member States to reduce the risk of loss and damage caused by extreme weather events affecting Africa’s populations by providing, through sovereign disaster risk insurance, targeted responses to natural disasters in a more timely, cost-effective, objective and transparent manner.

The African Risk Capacity Insurance Company Limited (ARC Ltd) is a financial affiliate of the African Risk Capacity (ARC), a specialized agency of the African Union (AU), an initiative designed to improve current responses to climate-related food security emergencies. ARC Ltd is a mutual insurance facility comprised of its members, which included in 2016: Burkina Faso, Mali, Mauritania, Niger, Senegal, the Gambia. – The membership also includes its capital contributors. KfW on its own behalf, and for the account of the Federal Republic of Germany acting through its Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung, BMZ) and the United Kingdom (Department for International Development, DfID) have contributed the first tranches of their respective EUR 50 million and GBP 90 million commitments.

For more information, please visit: [www.africanriskcapacity.org](http://www.africanriskcapacity.org)

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### **About African Development Bank (AfDB)**

The African Development Bank Group (AfDB) is a multilateral development finance institution established to contribute to the economic development and social progress of African countries. The AfDB was founded in 1964 and comprises three entities: The African Development Bank, the African Development Fund and the Nigeria Trust Fund. The AfDB’s mission is to fight poverty and improve living conditions on the continent through promoting the investment of public and private capital in projects and programs that are likely to contribute to the economic and social development of the region. The AfDB is a financial provider to African governments and private companies investing in the regional member countries (RMC).

Since 2016 and within the framework of its Ten Year Strategy (TYS 2013 – 2022) the Bank has stepped up its pace to Africa’s development by focusing on five priorities that are crucial for accelerating Africa’s economic transformation. The Bank calls them the “High 5s”: *Light up and power Africa; Feed Africa; Industrialise Africa; Integrate Africa; and Improve the quality of life for the people of Africa*. Within the context of the High 5s, the Bank has revamped the review its strategic focus to give greater attention to Africa’s fundamental challenges and how the Bank is addressing them.

For more information, please visit: [www.afdb.org](http://www.afdb.org)

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