



Press Release

FOR IMMEDIATE RELEASE
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FRANCE CONTRIBUTES US \$5 MILLION TO AFRICAN RISK CAPACITY TO SUPPORT CLIMATE RISK INSURANCE

PARIS—The African Risk Capacity (ARC) on December 13 welcomed a US \$5 million contribution from the Agence Française de Développement (AFD) which will help African governments respond to climate-related disasters more quickly, effectively, and sustainably.

The contribution will help further ARC's mission of building the capacity of African governments to manage disaster risks through the implementation of early warning tools, contingency planning, and specialized insurance.

ARC and the AFD, on behalf of the Government of France, signed the agreement at the occasion of the One Planet Summit in Paris. The Summit brought together some 60 heads of state, several international organizations, and financial institutions to mobilize public and private finance towards accelerating efforts to meet the goals outlined in the Paris Climate Agreement.

ARC provides sovereign disaster risk insurance to African governments through its insurance affiliate, ARC Ltd, creating rapid access to life-saving funding during extreme climate events, such as droughts. ARC's technology and capacity-building efforts enable countries to monitor climate indicators and predict response costs. Its disaster preparedness work helps governments put plans and structures in place to manage disasters. All of these measures, coupled with the swift deployment of funds and resources afforded through ARC insurance policies, enable countries to pre-empt the devastating effects of drought before development gains are reversed and lives lost.

Since it began offering insurance coverage in 2014, ARC has paid out US \$34 million to four countries – Senegal, Mauritania, Niger, and Malawi – to assist over two million people when the impact of drought affected food security and livelihoods.

The Government of France and ARC are members of InsuResilience Global Partnership, which aims to scale up climate insurance to cover an additional 400 million vulnerable people by 2020.

In putting its support and resources behind ARC, the Government of France joins the United Kingdom, Germany, Canada, Sweden, Switzerland, the United States, and the Rockefeller Foundation.

"We welcome this generous donation and value France's commitment to the fight against the effects of climate change in Africa," said Mohamed Beavogui, Director-General of ARC. "With support like this from international partners aligned with our mission, African governments are in a better position to utilize new methods of financing and build resilience against climate-related disasters – and to invest in our continent's well-being."



About African Risk Capacity (ARC)

ARC works with African Union (AU) countries to reduce the risk of loss and damage caused by extreme weather events affecting the continent's populations by providing sovereign disaster risk insurance and other support.

ARC consists of ARC Agency and ARC Insurance Company Limited (ARC Ltd). ARC was established in 2012 as a Specialised Agency of the AU 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. www.africanriskcapacity.org

About the Agence Française de Développement (AFD)

AFD is a public institution responsible for the implementation of France's cooperation policy. It has been working for 75 years to fight against poverty and promote sustainable development. AFD operates on four continents *via* a network of 85 offices and carries out the mission entrusted to it by the French Government by financing development projects and programs, contributing to a more sustainable and shared economic growth, improving living conditions for populations, participating in preserving the planet, and helping stabilize fragile and post-crisis countries. In 2016, AFD earmarked 9.4bn euros to finance projects in developing countries and in the French overseas territories. afd.fr

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