



Concept Note: “Risk Management in the context of Climate Change - Presentation of the experiences of ARC in the ECOWAS region”

ARC Session at the 33rd RPCA Annual Meeting.

October 2017

www.africanriskcapacity.org

1. CONTEXT & INTRODUCTION

Global developments in climate change have exacerbated weather events in West Africa, such as droughts, floods, and tropical cyclones, adversely affecting livelihoods, and economies. With African countries being mostly dependent on rain-fed agriculture, the reduction in outputs of staple foods is evident affecting food price and the availability of food. The 2015 drought in the Sahel demonstrated this aptly and further exacerbated on-going armed conflict and insecurity, the impacts of which have been devastating. The setback to farmers' incomes and the multiplier effects on vulnerable populations. With climate change being a continually rising phenomenon, there is need for a holistic and innovative approach to be adopted in adaptation, resilience building and financing for disaster.

Recognising this, African governments through the African Union (AU) pioneered the establishment of the African Risk Capacity (ARC) in 2012, which is aimed at providing financial solutions to African countries against climate-prone disaster. The ARC mechanism ensures that countries benefit from Early Response through a Sovereign insurance-based risk transfer approach. Getting aid to households in the critical three months after disaster could result in savings for nearly \$1,300 per household. Furthermore, according to a cost-benefit analysis study by the International Food Policy Research Institute (IFPRI) and Oxford University, every dollar invested in ARC before a drought saves \$4.40 in traditional humanitarian assistance costs. With West Africa's climatic and agricultural disparities, such an insurance risk transfer approach could work effectively to provide Early Response in the face of disaster.

2. PURPOSE OF THE SESSION

The ARC panel session would present the ARC mechanism, and experiences operating in West Africa thus far. To date, 6 West African countries are currently operating in the ARC insurance pool. 2 of these countries have received pay-outs, whilst 4 are currently undergoing the ARC capacity-building process.

The panel session would also provide the opportunity to explore complementarities between the *Africa Risk View* (ARV), the software used by ARC to trigger payouts to member countries, and the tools of the Harmonized framework. The ARC mechanism is fully aligned with existing principles of the Food Crises Prevention Framework, which include; Information and analysis of the food and nutrition situation; Consultation and co-ordination; Consensual analysis for choosing food/nutrition crisis prevention and management tools.

Specifically therefore, the objectives of the Panel Discussion include:

- Sharing experience on the ARC mechanism as a Disaster Risk Financing innovation, from the perspectives of participating West African countries.
- Discuss complementarity between *Africa RiskView* and the Harmonized Framework tools, as well as its benefits to ECOWAS member states.
- Advocating for ECOWAS and UEMOA Member States, and the Commissions as well as other network members of the RPCA to leverage on the AU developed Disaster Risk Financing mechanism.

3. EXPECTED OUTCOMES

The expected outcomes of the panel discussion, include the following:

- All RPCA actors and stakeholders have clearer understanding of the ARC mechanism and its benefits to West African countries.
- Recommendations of additional dimensions to current Food Security Analysis tools used by ARC and AGRHYMET, in the region.
- Suggestions on how Cadre Harmonisé tools and features could enhance ARV usability by Member States.

4. FORMAT OF THE DISCUSSIONS

Total Time Slot: 1 hour, 30 minutes

- Welcome and Introduction of Panellists. (10 Minutes)
- Keynote Address. (15 Mins)
- Interactive question based session among panellists: *Ghana, Mali, Niger, AGRHYMET*. (40 Mins)
- Open Question and Answer Session. (15 Mins)
- Closing and recommendations. (10 Mins)

5. PANELISTS

Role	Name	Position
Moderator & Keynote Speaker	Mr. Ouhoumoudou Mahamadou	ARC West Africa Board Member
Panelist	Dr Issoufou Baoua	Expert analyste en Sécurité alimentaire/Cadre Harmonisé, Centre Régional Agrhymet
Panelist	Mr Saley Saidou, Minister, Dipositif National de Gestion des Crises Alimentaire, Prime Minister office - TBC	Niger
Panelist	Ms Dicko Bassa, Deputy Food Commissioner, Presidency	Mali
Panelist	Ms Charlotte Norman, Director for Climate Change at NADMO	Ghana

6. VENUE & DATE

The session would be held on Monday, 4th December 2017 by 17:30PM WAT.

The venue is the Golden Tulip Le Diplomat Hotel, Cotonou.