

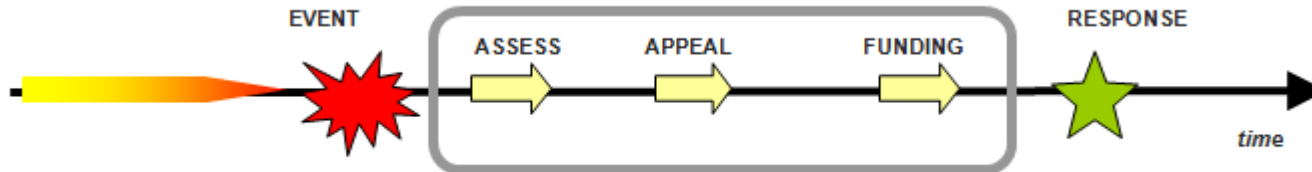
African Risk Capacity

*Sovereign Disaster Risk Solutions
A Project of the African Union*

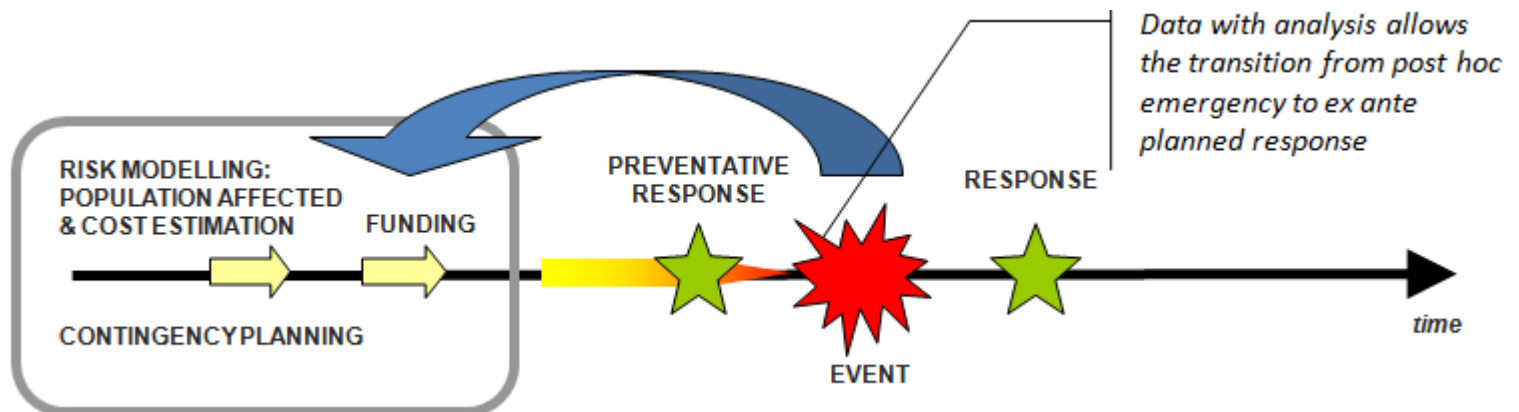


The Way Disaster Assistance Works Now

The way disaster assistance works now...



The way disaster assistance could work...





What is ARC?

The African Risk Capacity (ARC)

**Project of the African
Union**

Sovereign Disaster Risk Solutions



African owned...

Sovereign Disaster Risk Solutions



Financial entity

Will provide...

Participating AU Member States with..

**contingent funds in the case of
drought**

Sovereign Disaster Risk Solutions



In concept, the ARC risk pool is designed to...

Provide ***quick-disbursing funds*** after drought enabling a ***more timely response***
Reduce risk management costs by pooling risk across regionally diverse weather systems
Lower the cost to governments of disaster relief and impact of drought

Sovereign Disaster Risk Solutions



Transfers *risk*

away from vulnerable communities that shoulder the bulk of this burden to the pool and then to *international financial markets* that can handle it much better.



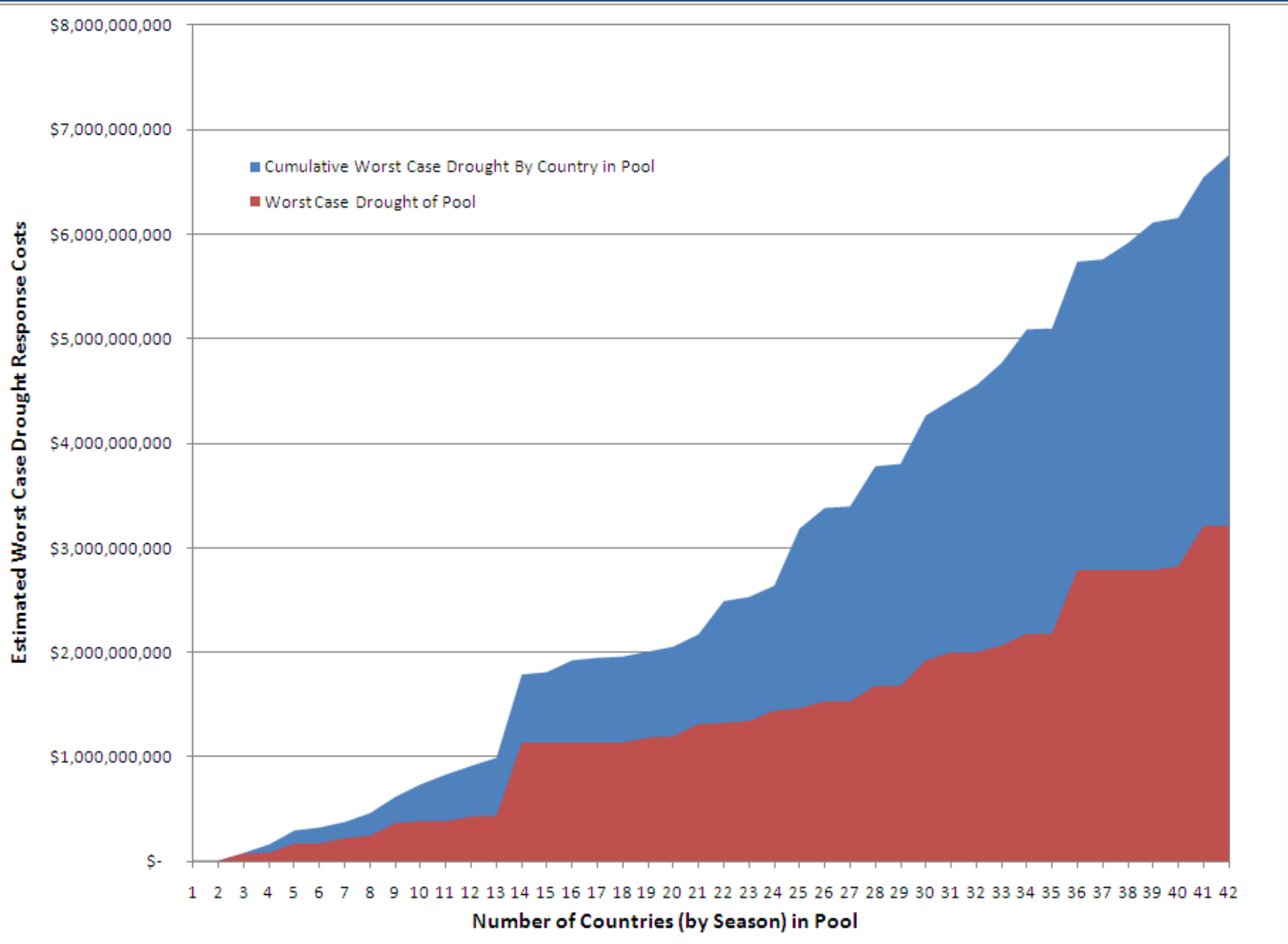
Transfers

ownership

of disaster risk management from the international community to ***African governments***, creates incentives for risk reduction and ensures more ***objectivity, transparency, accountability*** and fairness in the humanitarian assistance system.



Pan African Solidarity is Cost Efficient





Thank You

