



Independent Evaluation of the African Risk Capacity
Second Formative Evaluation Report
Interim ARC Management Response/Action Plan

September 2022

Acronyms:

CEM: Country Engagement Manager(s)

CEO: Chief Executive Officer

COMs: Communication

COO: Chief Operating Officer

CP: Contingency Planning

DG: Director General

M&E: Monitoring and Evaluation

PTS: Policy and Technical Services

R&D: Research and Development

Management Response to the Evaluation

Evaluation title: Independent Evaluation of the African Risk Capacity (ARC), Formative Phase 2

Year: 2022

Name and title of the person responsible for the management response: Ibrahim Cheick Diong,
Director General of ARC Group

Context and background:

In November 2015, the UK Government's Department for International Development awarded Oxford Policy Management (OPM) the contract for an Independent Evaluation of the African Risk Capacity (ARC) from 2015 to 2024. The evaluation plan includes two formative evaluations, a pilot impact evaluation and an impact evaluation. The first formative evaluation was completed in 2017. The pilot impact evaluation was conducted on the implementation of the 2019 ARC payout in Senegal.

This evaluation is the Second Formative Evaluation of the ARC Group. The Terms of Reference were developed by OPM in consultation with ARC Group, ARC Donor Partners and the Evaluation Steering Group established to (i) support the relevance and quality of the key evaluation products – both the Terms of Reference for evaluation phases and evaluation reports; (ii) oversee and support the implementation of the evaluation.

The objective and evaluation questions were revised to respond to stakeholder priorities and changes in ARC and its context. The revised objective is 'to assess the extent to which ARC is cost-effectively contributing to disaster response and disaster risk management (DRM) capacity development in member states, growing demand for its services and products, and developing a basis for long term sustainability'. The evaluation is theory-based and uses mixed methods to test ARC's theory of change (ToC) and answer the following evaluation questions:

- EQ1: To what extent – and how – is ARC contributing to building systemic DRM capacity of member states to anticipate, plan, finance, and respond to climate-related disasters?
- EQ2: To what extent does ARC represent value for money (VfM) for countries, beneficiaries, and donors?
- EQ3: Is ARC establishing and increasing demand for its existing (and forthcoming) products and services?
- EQ4: What is the likelihood of the longer-term sustainability of the ARC Group?

Overall response to the evaluation:

(Overall response to the validity and relevance of the findings, conclusions and recommendations.)

We acknowledge the validity of findings of the evaluation and have taken note of the recommendations made in the report by OPM on how we could streamline activity implementation through lessons learned and improve operational efficiency and effectiveness. The concerns raised in the report are critical to ARC's sustainability and to this end, they will receive the utmost attention at all governance levels of the organisation.

The final Group Action Plan detailing how the recommendations made within the evaluation will be addressed has been developed following the final report produced by OPM incorporating feedback from the Evaluation Steering Group meeting. The Action plan will also inform our 2023 Programme of Work and budget development process which starts in September 2022, and subsequently, the review of the ARC Group strategy beyond 2024.

Together with the ARC Group Board, ARC Management, reaffirms its commitment that this Action Plan developed in response to the Second Formative Evaluation recommendations will be implemented diligently throughout the organisation under the leadership of the ARC Group Director General, with oversight and strategic guidance from the Group Board. ARC Management will remain accountable for the results of the activities in the Action Plan which will pave the way towards improving the operations of the organisation. The ARC management team will endeavour to provide regular updates on progress in implementation to all our donor partners through the established channels of engagement.

We also acknowledge the critical need to develop a long-term financial sustainability plan for the organisation to ensure that the progress made thus far is consolidated and that countries continue to participate in the ARC Programme in a sustainable manner. In this vein, we will continue to direct efforts towards fundraising from existing donor partners to fill the existing funding gaps for the short term, while also focusing on medium to long-term funding needs for the organisation's sustainability.

Our detailed responses to the recommendations with related actions is outlined below:

Key recommendations and management response

Evaluation recommendation 1: ARC Group should clarify and agree its core ‘value proposition’ with its main stakeholder groups.				
Management response: Agree				
Note It is our belief that within the ARC Group, our core value proposition is understood. However, there is an opportunity to further clarify what this value proposition is to ensure a clear and common understanding among all ARC stakeholders.				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
ARC organises consultation with ARC Group Board, AU, ARC Member States and Donors on its value proposition	Medium	Q1 of 2023	ARC Group DG with support from PTS	No
Based on the outcomes of the consultation, ARC Group to propose the formulation of the agreed value proposition	Medium	Q2 of 2023	ARC Group DG	No
ARC stakeholders (ARC Group Board, AU, ARC Member States and Donors) approve the value proposition	Medium	Q3 of 2023	ARC Group DG	No

Evaluation recommendation 2: ARC Agency needs to identify strategies to help recipient governments improve implementation of their drought responses				
Management response: Agree				
Note Indeed, this is something that we take very seriously as an organisation because one of the value propositions of ARC is rapid response to help protect the lives and livelihoods of vulnerable communities. We are therefore committed to continue working with governments to help improve the drought response.				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
ARC to organise a high-level workshop with Government Officials to identify concrete strategies and action plans to improve the implementation of drought response.	Medium	First quarter of 2023	ARC Group DG, Front Office, ARC Agency COO, CEMs, PTS, Legal, COMs	Yes. Although the overall cost of such an event can be reduced by setting up a hybrid format, there would still be substantive logistical aspects to fund.
ARC to support Member States in the implementation of the strategy and action plans to improve drought response	High	Continuously - the completion date of such an activity is subject to the readiness of the strategy in each country as they are on different levels of development or implementation	CEMs, CP, and PTS	Yes, as initiative will require in-country presence for capacity building, technical assistance, and some level of advocacy.
ARC to monitor and report on the implementation of the strategy, action plans and progress	Medium	Based on selected monitoring indicators agreed upon with the country.	CEM, CP and M&E	Yes, as initiative may require in-country presence for accurate assessment.

Evaluation recommendation 3a: ARC must address the immediate funding crisis faced by Agency through a two-year reform plan				
Management response: Agree				
Note In response to current donor partners' feedback, ARC revised its projected funding needs in the fundraising strategy and continues to engage the existing donor partners to address their concerns to help unlock potential funding from current ones for the short to medium term. Furthermore, we reiterate our firm commitment to continue reflecting on the cost effectiveness in implementing our activities as we grow the pool and develop cost scenario reflecting more probable funding that would ensure continuity of functions for the organisation.				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
ARC to propose concrete action plan with timelines and deliverables to address donors' immediate concerns	High	Immediately (Done)	PTS/ARC Agency Finance	No
ARC to propose a revised indicative budget for 2023 and 2024, considering the potential funding for the period	High	End June (Done)	PTS/ARC Agency Finance	No
ARC to propose a plan with priority interventions and human resources in line with the proposed budget	High	Q4	PTS/ ARC Agency Finance	No
ARC to mobilise additional resources from existing and new donors	High	End of Q3	ARC Group DG /PTS	Yes, for engagement with new partners

Evaluation recommendation 3.b: ARC must address the immediate funding crisis faced by Agency through an inclusive strategy development process				
Management response: Agree				
Note				
<p>The senior management under the leadership of the Group DG, with guidance and support from the Board, has already decided to establish a team to start addressing the questions around the organization’s financial sustainability. It is expected that the work of this team will be complemented by an independent review from an external consultant, incorporating the outcomes of discussions on membership fees when options will be tabled at the next conference of the parties (April 2023) for consideration.</p> <p>The ARC Conference of the Parties (CoP), during its last meeting in April 2022, had noted the urgency for African countries to take ownership of the ARC institution and pay membership fees. The CoP approved, in principle, the need for payment of membership fees by ARC Members and requested the ARC Secretariat to prepare concrete proposals.</p>				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
ARC, with the help of external consultant, to conduct an independent full study on its financial sustainability with proposal on different options	Medium	Q2 2023	PTS	Yes
ARC and its stakeholders (ARC Group Board, Donors and AU) to examine and agree on the option(s) for ARC financial sustainability	Medium	Q4 2023	PTS	No
ARC Group, ARC Board and AU to agree on and implement a	Medium	Q4 2023	PTS	Yes/No, depending on outcomes from the report

plan for ARC financial sustainability				
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Evaluation recommendation 4.a: For the two-year reform plan, reforms should be prioritised and agreed with key stakeholders : Transparency in budgeting and in the reporting of expenditure should be improved.				
Management response: Agree				
Note Adapting the budget should be possible once requirements are gathered and agreed upon. Adjusting the reporting is a more challenging as we use WFP's finance management system and reporting templates. ARC is exploring the encoding of expenditures which would allow us to generate reports on a needs basis for each department to be shared with senior managers as a starting point.				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Understand donor priorities for budgeting and reporting	Medium	Q4 2022	PTS &ARC Finance	No if done virtually
Explore and have understanding on additional reporting of expenditures required to supplement standard WFP/ARC system generated reports. Work on additional expense reporting format after deliberations with donor representatives.	Medium	Q4 2022	ARC & WFP Finance	Additional Finance and/developer time
Build revised budget template	Medium	Q3 2023	ARC Finance	Additional Finance Staff

Consult key stakeholders/partners on revised reporting to obtain required support and acknowledgement of what can and cannot be done before implementation	Medium	Q4 2023	PTS &ARC Finance	No if done virtually
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Evaluation recommendation 4.b: For the two-year reform plan, reforms should be prioritised and agreed with key stakeholders : Operational costs for both ARC Agency and ARC Ltd should be reviewed and where possible reduced.				
Management response: Agree				
Note In practice, the Finance and Audit Committee is already exercising oversight on the Financing Strategy, but the ToRs of the Committee will be reviewed to add this function explicitly. The Strategic Oversight Committee (SOC) also oversees the overall Group Strategy, including the financing strategy and budget allocations.				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Review the Finance and Audit Committee ToRs to include oversight functions of the Financing Strategy	High	By December 2022	Legal/ARC Agency COO	No
ARC Agency to provide plans for cost control to the Group Board	High	By end of December 2022	PTS/ARC Agency COO	No
ARC Agency and ARC Ltd. to implement and report progress on the plan to control cost	High	Quarterly basis from Q1 2023	ARC Agency Finance	No

Evaluation recommendation 4.c: For the two-year reform plan, reforms should be prioritised and agreed with key stakeholders : ARC Agency and ARC Ltd should commission a fundamental **external review of the drought model**

Management response: Agree

Note

The recommendation to conduct an external and independent review of Africa RiskView is welcome. We propose to include in the review all three products currently offered (Crop and Rangeland Drought, and Tropical Cyclones). It's worth noting that Africa RiskView has been reviewed at least 4 times by globally-recognised institutions (EU Joint Research Centre in 2011 and 2018; GAD on behalf of DFID in 2015; WB in 2017). Regarding the perceived unreliability of the Drought model and Africa RiskView , there's an apparent discrepancy between "opinions" of key informants and the scoring by the actual users of the model (survey). The average score on "trust in Africa RiskView" is 69%, which is actually a good score for such an impact model. Moreover, trust in Africa RiskView is cited by countries as a factor of purchasing insurance. The evaluation team could perhaps revisit the interviews of the key informants and provide statistics on how often the "mistrust" in Africa RiskView is mentioned while considering the actual exposure of the key informant to Africa RiskView or similar drought modelling systems.

Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Collect specific feedback on Africa RiskView and other ARC models to guide the ToRs for an external systematic review	High	December 2022	R&D, with support of CEMs, CP, ARC Ltd	No
Service contract for the external review	Medium	March 2023	R&D	Yes
Implementation of the recommendations	Medium	September 2023	R&D	Yes (depending on the scope of changes recommended by the review)

Evaluation recommendation 4.d: For the two-year reform plan, reforms should be prioritised and agreed with key stakeholders: ARC must agree with its main stakeholders, particularly the development partners who finance it, on how product development will be improved.				
Management response: Agree				
Note These are the actions that we are committed to putting in place to strengthen the SOP.				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Review and enhance the SOP for developing new products	High	Q3 2022	R&D	No
Define a decision-making process for key decisions, approaches and investments	High	End of Q4 2022	ARC Agency and ARC Ltd. COOs	No

Evaluation recommendation 4.e: For the two-year reform plan, reforms should be prioritised and agreed with key stakeholders : The effectiveness of the working relationship between ARC Agency and ARC Ltd should be improved				
Management response: Agree				
Note Efforts are being made to streamline functions across the Group. However, we recognise that there's room for more improvement and these are the actions we actually put in place, and we are undertaking consultation with the board chairs looking at some of the areas where inefficiencies are noted.				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
ARC Agency and ARC Ltd to identify and agree what is	High	Q4 2022	ARC Group DG/ ARC Ltd. CEO/ARC Agency and ARC Ltd. COOs	No

driving the inefficiencies and difficult relationship				
Determine/define strategies for addressing structural inefficiencies and ways of working	High	Q4 2022	ARC Group DG/ ARC Ltd. CEO / ARC Agency and ARC Ltd. COOs	No
Consult SOC on the proposed strategies	High	Q4 2022	ARC Agency and ARC Ltd. COOs	No
Get Board approval on SOC recommendations	High	2023 Q1 Board Meeting	ARC Agency COO/Legal	No

Evaluation recommendation 4.f: For the two-year reform plan, reforms should be prioritised and agreed with key stakeholders: ARC must continue to grow sales.				
Management response: Agree				
Note Current efforts are looking at the sustainability of the Group, including existing and future affiliates. The financial sustainability of ARC Ltd. will be part of the discussion of the broader financial sustainability of the Group.				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Address ARC process obstacles that prevent countries from joining risk pools	High	31-Dec-22	ARC Agency ARC Ltd	No
Convene dialogue with the Class C members on the relationship between the	High	31-Dec-22	ARC Ltd	No

current capital structure and the purchase of reinsurance				
Market the ARC mechanism to countries that are not in the pool	High	Jul-23	ARC Agency ARC Ltd	Yes
Develop and implement clearer strategy on the role of ARC Replica: With below key considerations <ol style="list-style-type: none"> 1. Appoint a Head of Replica with a clear mandate to grow the Replica program with all the other departments playing a supporting role 2. Partners to provide country level support and technical assistance with progressive expansion to new country that have MoU signed. 3. To allow Partners to take up insurance policies in country in line with Governments. 4. Partners to explore risk layering to optimize insurance coverage (consider alternative financial instrument such as contingency fund and or policies with complementarity, rather 	High	By December 2022	ARC Agency ARC Ltd	yes

than identical RTP to the Government in support of the holistic risk financing and management system				
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Evaluation recommendation 4.h: For the two-year reform plan, reforms should be prioritised and agreed with key stakeholder: ARC should appoint an additional senior staff member to lead this reform process

Agree

Note
ARC is prepared to appoint additional capacity during the period of the reform process, subject to the availability of funds to procure these expert resources and the approval of our donor partners.

Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Conduct analysis of gaps in the previous reform work and consider current recommendation to facilitate defining the 2 yr reform plan	Med	Quarter 1 2023	COOs and PTS	No
Share results of analysis with donor partners for agreement on plan and expertise required to lead the reform work	Med	Quarter 1 2023	COOs and PTS	No
Develop Reform Lead TORs in alignment with agreed SOW for reform plan and share with donor partners for support	Med	Quarter 1 2023	COOs and PTS	No
Procure the required expertise as per WFP recruitment procedures	Med	Quarter 2 2023	COOs and HR	Yes

Evaluation recommendation 5: ARC should develop the ARC Group Strategy for post-2024 during the two-year period. This should provide a clear outline of how it will address both high-level strategic questions as well as other financial, organisational and operational issues which are not addressed prior to 2024. The process needs to involve a wide group of stakeholders, including the African Union and the development partners who will be asked to finance it.

Management response: Agree

Note

As part of the Governance Reform Process, changes to the ARC governance model were agreed upon in May 2019, along with changes to the ARC Strategy which necessitated some changes to the ARC Organisation Design. The initial redesign was completed in Jan 2020, however due to impending change in leadership for ARC, and operating environment, the OD project was put on hold.

In June 2021 it was agreed to resume the OD project with the objective of designing the most appropriate organisation design and operating model for ARC to implement the Governance Framework and deliver the Group Strategy. The completion of the revised OD structure was paused while a Working Group reviewed the allocation of responsibilities of product development between the ARC entities, per the SOC's request. The proposed structure by the working group was approved by the Group Board in May 2022, opening the way for completion on the revised OD structure and final Board approval.

The development of the post 2024 Strategy will be based on the Board approved OD structure and strategic functions of the organisation and respective operating model.

Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Review the ARC operational model and approaches to strategic functions of the organisation	High	October 2022 to February 2023	ARC Agency and ARC Ltd. COOs /All Heads of departments	No
Develop a strategy with input from the operational approach review, core value proposition outcomes agreed by all stakeholders	High	To be initiated by late 2022 and completed mid-2023	ARC Agency COO/All Heads of departments	Yes but minimal, and including editing and formatting.
Conduct high-level consultations to review and validate the strategy and related action plan	Low	October 2023	ARC Group DG, ARC Ltd. CEO, & ARC Agency and ARC Ltd. COOs	Yes, including key strategic meetings and wide dissemination once ready
ARC Agency to develop and present a consolidated	Low	Q3 2024 (2025-2030 Strategy)	PTS	No

implementation plan for the 2025-2030 Strategy to ARC Group Board for approval,				
ARC Agency to report to the ARC Group Board the progress on the implementation of the strategy	Low High	Continuous	PTS	No

<p>Evaluation recommendation 6: The strategy process must examine and resolve the more fundamental questions about the structure and mandate of ARC. This should include the fundamental question of ARC’s core purpose and value proposition; the question of whether ARC Agency and ARC Ltd should continue to operate under a unified strategy and Board; the treaty basis for ARC; and ARC’s relationship with the African Union and with WFP.</p>				
<p>Management response: Agree</p>				
<p>Note The previous Governance Reform process has indeed examined the question about ARC’s structure and mandate. Regarding ARC structure, the following options were considered and rejected: Single commercial entity – rejected on the outset in June 2018 as not in accordance with the intention of Member States (would not preserve the role of Member States who founded ARC, negative impact on capacity building, contingency planning, and financing, would take away the advocacy on use of insurance; will reduce incentive for Member States to join etc.; questionable if private entity would influence public policy; breaks away with African Union – Report of First Meeting of Steering Committee) Single public entity – This was also not preferred for the following reasons:</p> <ul style="list-style-type: none"> • Would require negotiation of another Treaty subject to signature and ratification. Onerous process to negotiate a new treaty and open it to signature and ratification • Required ownership changes in ARC Ltd (Capital contributors in Ltd were not willing to accept this option) • Risk of high insurance rates • Significant cost implications • WFP de-hosting (not a major challenge) <p>The current ARC Group Structure is the structure that was approved by ARC’s decision-making bodies following the Governance Reform.</p> <p>Regarding alternatives to the Treaty basis, it is necessary to note that the ARC would not exist without the Treaty and cannot operate outside the scope of the Treaty or do away with it. ARC is a specialised Agency of the AU because of the Treaty, it benefits from privileges, immunities and exemptions from Member States because of The treaty and has privileged relations with the Member States because of the Treaty.</p>				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)

Assessment of the implementation of Governance Reform and report to the Board for further guidance	High	Q1 2023 Board meeting	Legal, ARC Agency COO and ARC Ltd. COO	No
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Evaluation recommendation 7: ARC requires a coherent medium-term financing strategy based on an appropriate structure and organisational model, with costs that are reasonable and likely to be sustainable.				
Management response: Agree				
Note				
<p>The senior management under the leadership of the Group DG, with guidance and support from the Board, has already decided to establish a team to start addressing the questions around the organization’s financial sustainability. It is expected that the work of this team will be complemented by an independent review from an external consultant, incorporating the outcomes of discussions on membership fees when options will be tabled at the next conference of the parties (April 2023) for consideration.</p> <p>The ARC Conference of the Parties (CoP), during its last meeting in April 2022, had noted the urgency for African countries to take ownership of the ARC institution and pay membership fees. The CoP approved, in principle, the need for payment of membership fees by ARC Members and requested the ARC Secretariat to prepare concrete proposals.</p>				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
ARC, with the help of external consultant, to conduct an independent full study on its financial sustainability with proposal on different options	Medium	Q2 2023	PTS	Yes
ARC and its stakeholders (ARC Group Board, Donors and AU) to examine and agree on the	Medium	Q4 2023	PTS	No

option(s) for ARC financial sustainability				
ARC Group, ARC Board and AU to agree on and implement a plan for ARC financial sustainability	Medium	Q4 2023	PTS	Yes/No, depending on outcomes from the report

<p>Evaluation recommendation 8: ARC should more clearly delineate the expected market for its products, and develop a realistic path to growth, including a clearer and more structured strategy for engaging new countries.</p>				
<p>Management response: Agree</p>				
<p>Note (Same as recommendation 4.f)</p>				
<p>Key action(s) planned Further (Same as recommendation 4.f)</p>	<p>Priority: Low, Medium, High</p>	<p>Expected completion date</p>	<p>Responsible unit(s)</p>	<p>funding required (Yes/No)</p>

<p>Evaluation recommendation 9: ARC Agency needs to define a clearer and more detailed medium-term financing. It must manage the tension between depending on donor funding and being an AU Specialised Agency. It should consider how member countries may contribute, and explore options for funding from the AU.</p>

Management response: Agree				
Note (Same as recommendation 7)				
Key action(s) planned Further (Same as recommendation 7)	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)

Evaluation recommendation 10: ARC Ltd should also develop a clearer long-term diversification and business plan and long-term financial strategy, which should include a clear rationale for entry into new market areas; a reduction of the level of reinsurance; and more effective growth in sales through work with ARC Agency.				
Management response: Agree				
Note (Same as recommendation 4.b)				
Key action(s) planned Further (Same as recommendation 4.b)	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)

Evaluation recommendation 11: ARC Agency should also explore opportunities to draw on larger amounts of money coming through some other channels, including the World Bank and other climate-related finance mechanisms.				
Management response: Agree				
Note				

The ARC Group Fundraising strategy identified other potential sources of funding from our traditional bilateral donors. The work towards engaging these new sources has started and it is ongoing including exploration of memberships fees which was tabled at the previous CoP. However, further to this, the outcomes from the financial sustainability study could provide information on additional funding channels which will also be explored.

Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Continue exploring new funding opportunities as described in the fundraising strategy	High	Immediate and ongoing	PTS/ ARC Group DG	Yes
Informed by the study on ARC financial sustainability study and ARC Fundraising Strategy, ARC Agency to develop a plan to diversify its funding source	Medium	Q4 2023	PTS/ ARC Group DG	No
ARC Agency to implement and report progress on the plan to diversify its funding sources	Medium	Continuous after Q4 2023	PTS/ ARC Group DG	Yes
ARC Group Board, AU and ARC donor partners to support the implementation of the ARC Agency plan	Medium	Continuous after Q4 2023	PTS/ ARC Group DG	Yes

Evaluation recommendation 12: ARC Agency should develop a more strategic and systematic approach to capacity building. This should address how countries will graduate out of support; how country-level capacity can be retained; how it will measure progress towards stated objectives; and how unit costs can be minimised and brought within a realistic operating budget, potentially through making more use of in country partners. It should make use of more tailored approaches to capacity building in each country and should strengthen monitoring, evaluation, and learning (MEL).

Management response: Agree

Note

We acknowledge the need to improve our capacity building approach. As such, some initiatives such as Training of Trainers (ToT) in countries are already being tested in an effort to develop a more sustainable approach to the capacity building. Further work needs to be done as this was disrupted by the COVID-19 pandemic. We also welcome the suggestion from this review for further exploration towards making the capacity building more sustainable.

Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Expand the piloting of ToT initiative to two more countries	Medium	Q3 2023	ARC Agency COO/CEMs	Yes
Evaluate the ToT model as an approach for capacity building and based on outcomes, develop a plan for implementation as part of strategy implementation	Medium	Q4 2023	ARC Agency COO/CEMs/PTS	Yes
Explore country level partnerships for capacity building, including use of the ARCAcademy platform and the associated cost implications and develop an implementation plan	Medium	Q3 2023	ARC Agency COO/CEMs	No
Conduct a client satisfaction survey on the ARCAcademy platform	Low	Q4 2024	M&E	No
Pilot the approach and evaluate its effectiveness	Medium	Q4 2023	ARC Agency COO/CEMs/PTS	Yes
Develop a strategy for capacity building with structured milestones for graduation and	Low	2024	ARC Agency COO/CEMs/PTS	No

associated level of support from ARC Agency				
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Evaluation recommendation 13 a: ARC should use the development of the post-2024 strategy to identify how it will strengthen a number of core functions, including strengthening learning and knowledge management functions

Management response: Agree

Note

It is acknowledged that over the ten years that ARC has been in existence, a wealth of knowledge has been accumulated through various platforms, including engagements with Member States, partners, our model developments and improvements, and areas ARC has pioneered such as gender in DRM. We also recognise the deficiencies in consolidating our learnings and the need for a more systematic approach to enhance the learning and knowledge functions of the organisation

Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Develop a plan for learning and knowledge management guided by the key areas identified in the refreshed ARC Group Strategy	High	Q1 2023	PTS	No
Implement the knowledge management plan and report progress on implementation to the ARC Group Board	Medium	From Q2 2023, continuous	PTS	Yes

Evaluation recommendation 13 b: ARC should use the development of the post-2024 strategy to identify how it will strengthen a number of core functions including making country engagement more systematic				
Management response: Agree				
Note As a Specialised Agency of the African Union, the starting point is the eligibility for engagement of all AU Member States, compelling us to carry out scoping missions to any country that expresses interest in ARC to determine how we can work with the country. However, further to the scoping missions and guided by the value proposition, more work can be done in defining how to proceed with the engagement of new countries. Furthermore, ARC has currently 35 signatories and since the Treaty definitively entered into force (11 countries have since ratified the Treaty), it means all the 35 countries need to ratify the Treaty to remain ARC Members. Efforts are being made to ensure that all the current signatories have ratified the Treaty while also targeting new countries to come on board through the ratification strategy that we are rolling out as the ratification of the Treaty has an impact on potential membership fees, and ultimately on growing the pool.				
Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Review the current strategy for engaging new countries and align it with outcomes of the core value proposition of ARC as agreed by ARC and its stakeholders	Medium	After completion of work on core value proposition	CEM	No
Sensitise internal stakeholders to duly adopt and implement the Group Country Engagement Framework.	Medium	Q2 2023	CEM/PTS	No

Inclusion of ratification talking points on all engagements by the DG with Member States	Medium	2023	ARC Group DG/CEM/Legal	No
Leverage on the appointment of the AU Champion on disaster risk management (President of Mozambique) and ensure that ARC Treaty ratification is included in the TORs	Medium	Q2 2023	CEM/PTS/Legal	Yes
Monthly reminders to countries on the need to ratify the ARC Treaty	Medium	Continuous	Legal/CEM	No
Engagement with stakeholders (Heads of State/Ministers/AU Commission, Group Board, Pan African Parliament, Economic, Social and Cultural Council of the AU, partners) to support the advocacy efforts on the ratification of the ARC Treaty	Medium	2023	ARC Group DG/Legal/CEM	Yes

Evaluation recommendation 13 c: ARC should use the development of the post-2024 strategy to identify how it will strengthen a number of core functions including institutionalising gender issues.

Management response: Agree

Note

As rightly noted in the draft report, ARC has a robust Gender Strategy whose effective implementation was largely hampered by the COVID 19 pandemic; nevertheless, as the detailed Gender Action Plan has a 5-year life span, the objectives stated in the Gender strategy can still be attained within the stipulated timeframe. An important milestone in this direction is the mid-term evaluation which will take place this year, its outcome will further set the tempo for the remaining 2 years of the implementation of the strategy.

Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
Accelerate the implementation of the Gender Strategy in both regions	High	2024	CEMS	No
Intensify gender integration in Country Operational processes	High	2024	CP	No
Conduct a mid-term evaluation of the Gender Plan of Action	High	December 2022	Gender, M&E	No
Update the Gender Strategy with findings/recommendations of the mid-term evaluation	High	December 2022	Gender	No

Evaluation recommendation 13 d: ARC should use the development of the post-2024 strategy to identify how it will strengthen a number of core functions including reviewing partnerships, in particular with the World Bank.

Management response: Agree

Note

Efforts are being made to review our partnerships strategy towards furthering those where ARC can derive more value. A process was put in place to review potential partnerships before advancing towards a structure collaboration. We acknowledge that there is room for improvement, especially considering the increasing number of players in the DRF space and their interest to partner with ARC.

With regards to the World Bank, some collaboration is ongoing at the technical level in countries where both institutions are collaborating with governments in the area of DRF. However, more can be done, and we believe the donor partners that are supporting the two organisations can have much more influence towards ensuring there is an alignment in the work of ARC and the World Bank in DRF in Africa.

Key action(s) planned Further	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)
ARC Agency to consult with donor partners funding similar initiatives for WB on how their support to the two organisations can be aligned.	High	Q4 2022	PTS	No

Evaluation recommendation 14: Should make use of more tailored approaches to capacity building in each country and should strengthen monitoring, evaluation, and learning (MEL).				
Management response: Agree				
Note (Same as recommendation 12)				
Key action(s) planned Further (Same as recommendation 12)	Priority: Low, Medium, High	Expected completion date	Responsible unit(s)	funding required (Yes/No)