



**Outline of AIIB’s Health Strategy
May 2024**

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1. Introduction

- 1.1. This paper outlines the Health Strategy of the Asian Infrastructure Investment Bank (AIIB or the Bank). It sets out the proposed key architecture, rationale, context, vision statement, guiding principles, strategic priorities, and implementation approach.
- 1.2. The objectives of the Health Strategy are twofold. Firstly, it recognizes the impact of infrastructure on health outcomes and seeks to strengthen this impact where applicable. Secondly, it guides the development of AIIB's business in health-specific infrastructure.

2. Need for a Health Strategy

- 2.1. The Bank's Corporate Strategy, guided by AIIB's mandate to support sustainable economic development and regional connectivity, defines the Bank's mission as financing Infrastructure for Tomorrow with a commitment to sustainability and operational focus on four thematic priorities. AIIB recognizes that health, infrastructure and sustainable economic development are closely interconnected. Economic activity and development depend on healthy people who in turn have higher rates of labor force participation and productivity. Well-designed infrastructure, including health infrastructure, underpins development, healthy populations and wellness, and is critical to building resilience to shocks such as pandemics and climate change.
- 2.2. Since its establishment, AIIB has supported infrastructure projects with major public health benefits, such as water and sanitation systems, waste management infrastructure and clean energy. In response to the COVID-19 pandemic, AIIB established the COVID-19 Crisis Recovery Facility which included a significant focus on health, and later in 2021 created the Social Infrastructure Department. Through these initiatives, AIIB has gained practical experience and insights into how its mission and thematic priorities can add value to the health needs of its Members. At the end of 2023, health-specific projects from regular financing amounted to USD1,147 million, constituting 3% of the Bank's regular financing portfolio.
- 2.3. Recognizing the important role of infrastructure in promoting health and well-being, AIIB believes that a Health Strategy is needed to more effectively guide investments to address Members' health needs. The Health Strategy will build on practical experience gained and lessons learnt over the last years to enhance the health impacts of AIIB's financing. It will provide strategic direction and focus by identifying areas where AIIB financing can add value, reduce health disparities, and ensure equitable access to health services. As a strategy developed in the wake of COVID-19, it will also help Members to prepare for and respond to emerging health threats such as pandemics, climate change, and shifting demographic and societal trends. Experience has shown that well-designed health infrastructure projects can strongly align with the objectives and four thematic priorities of the Corporate Strategy. The Health Strategy will provide the necessary guidance to maximize this alignment.
- 2.4. The Health Strategy will focus on the need for strong partnerships and collaboration, ensuring AIIB financing supports the objectives of its Members and complements the financing of peer institutions. Guided by the Bank's mandate and the Corporate Strategy's thematic priorities, AIIB's Health Strategy thus seeks to integrate health into the Bank's infrastructure sectors and maximize value addition and benefits in its health investments.

3. Health Context

- 3.1. The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being¹ and is a key component of socio-economic development. The World Health Organization (WHO) defines health as “a state of physical, mental, and social well-being and not merely the absence of disease or infirmity.”² Physical, mental, and social aspects of health are interconnected and influence each other, which requires a holistic approach to improving health outcomes.
- 3.2. Improved health raises the human capital of a society, which is a critical long-term driver of economic growth. Equally, the health of a population cannot be maintained in the absence of economic development, which in turn enables the building of foundational infrastructure. The United Nations General Assembly High Level Meeting on Universal Health Coverage (UHC) in 2019 reaffirmed this mutually reinforcing relationship between development and health by stating that health is a precondition for, and an outcome and indicator of, the social, economic and environmental dimensions of sustainable development.
- 3.3. The Global Burden of Disease (GBD) study³ provides a measure to compare and assess the health of populations. By estimating the number of healthy life years lost globally, it quantifies health loss from diseases, disabilities, injuries, and risk factors such as air pollution and unsafe sanitation. While GBD data indicates that the health status of populations globally, including across Asia, has been improving over the last three decades, significant regional and in-country variations persist, particularly in South Asia, Southeast Asia, and the Pacific Islands, where health outcomes are still below the world average.
- 3.4. Gender plays a significant role in determining health. Better health correlates with increased economic activity. Globally, women and girls experience 25 percent more time in poor health compared to men⁴, and women have consistently less access to healthcare. Addressing the gaps in women’s health could reduce the time women spend in poor health by almost two-thirds, adding an average of seven days of healthy living for each woman annually. On the other hand, men generally die earlier, use fewer health services and are exposed to more occupational hazards and other risk factors such as alcohol and tobacco consumption. Certain gender norms also contribute to boys and men perpetrating violence and harm against women and girls. More effective gender-sensitive investment into infrastructure that better responds to differential health needs and approaches in prevention and care management would improve health and economic outcomes for all people.
- 3.5. Recent epidemics, pandemics and the impacts of climate change have reinforced the need to strengthen health systems at the national level but to also think of health as a global public good. Resilient and sustainable economic development requires health systems that incorporate globalization, connectivity and the cross-border impact of national health investments. To limit the negative impacts of future health crises, investments into preventive measures such as border health screening, disease

¹ World Health Organization. [Constitution of the World Health Organization](#), p. 1. Geneva.

² Ibid.

³ <https://www.healthdata.org/research-analysis/gbd>.

⁴ [McKinsey 2023](#).

surveillance, response preparedness, vaccine manufacturing and storage, and better digital connectivity should all be considered as important parts of national health financing plans.

3.6. While the COVID-19 pandemic once again highlighted the impact of infectious diseases, the shift from communicable to non-communicable diseases (NCDs)⁵ and changing demographics, particularly aging populations, show that health is influenced by many factors. These include income, education, the natural environment and climate, the built environment, genetics, gender, lifestyle and behavior, and access to quality and affordable health services. These “determinants of health” are themselves influenced by megatrends including:

- *Climate change*, which is having a dramatic and increasing impact on health through changes in infectious disease patterns, water and food supply, population movements, air pollution, and mental health.
- *Pandemics, emerging diseases, and anti-microbial resistance (AMR)*, which pose threats to regional and global health security with consequent economic and social impacts. Pandemics have been occurring more frequently due to increases in global travel, higher levels of urbanization and biodiversity loss.
- *Aging populations*, which are placing increasing strain on national budgets and health systems due to the increasing demand for specialized care, and the challenges of addressing the associated rise in NCDs.
- *Urbanization and associated population density*, which increases the risk of transmission of communicable diseases, exposure to pollution and toxic substances, unhealthy lifestyles and behaviors, and injuries.
- *Continual scientific and technological advance*, which can revolutionize care and increase health system productivity through new medical technologies and digital applications. The challenge remains how to harness such benefits in a cost-effective manner and ensure equitable access to all.
- *Rising public debt and increasing costs*, which constrain the ability of governments to provide quality health care to all. About 40 percent of the world’s population or 3.3 billion people, live in economies that spend more on debt servicing than on education or health.⁶

3.7. These megatrends present both challenges and opportunities, which can be addressed by well-designed infrastructure investments, across relevant sectors, that incorporate health as a design feature. Climate transition investments can help to mitigate the worst effects of warming on human health. Decarbonization and the transition to renewable energy can improve ambient and household air quality. Transport infrastructure can save lives by improving access to care, reducing traffic accidents, and improving the health supply chain and logistics. Other foundational infrastructure, including sanitation, food security and supply, waste management, community facilities, and education, also promote health outcomes.

⁵ NCDs kill 41 million people each year, equivalent to 74% of all deaths globally. Cardiovascular diseases account for most NCD deaths, followed by cancers, chronic respiratory diseases, and diabetes. More than three quarters of global NCDs occur in low- and middle-income countries. Other NCDs, such as back and neck pain, depression, substance abuse disorders and asthma, also contribute significantly to the global NCD burden and many result in chronic disability.

⁶ UN Global Crisis Response Group and the five UN Regional Commissions, ECA, ECE, ECLAC, ESCAP and ESCWA. 2003. A world of debt: A growing burden to global prosperity. United Nations. [A world of debt | UNCTAD](#).

3.8. Infrastructure for the health sector also supports healthcare operations, such as water and waste treatment, and provision of reliable energy or technology applications; and health value chains, such as logistics, manufacturing for health products and training facilities. Figure One provides a diagrammatic representation.

Figure 1: The Health Value Chain and Supporting Infrastructure

Health system Building block	Service delivery	Health workforce	Health Information Systems	Essential medical products and technologies
Supporting infrastructure	<ul style="list-style-type: none"> • Primary care units & centers • Hospitals • Polyclinics • Pharmacies • Integrated delivery networks • Water and waste management • Reliable energy 	<ul style="list-style-type: none"> • Medical education and training institutions • E-learning infrastructure 	<ul style="list-style-type: none"> • Digital networks and connectivity • Data warehouses • Integrated information systems • Surveillance systems 	<ul style="list-style-type: none"> • Manufacturing facilities for pharmaceuticals, biotechnology, medical devices, other health products • Supply chain and logistics infrastructure • Telehealth • Mobile Health • Life sciences infrastructure

3.9. Government health policies have a major bearing on the structure of health systems and value chains by establishing the frameworks and environment for healthcare financing and payment mechanisms. While healthcare services can be effectively provided through a wide range of approaches, many health ecosystems in Asia remain highly constrained, and struggle to meet people’s needs and reduce health inequities. Health infrastructure in many parts of Asia is inadequate, below global averages and WHO recommendations. This includes gaps in the supply of primary healthcare facilities, hospitals, medical and nursing colleges, digital infrastructure, diagnostic facilities, pharmaceuticals and medical equipment manufacturing. The development of adequate health infrastructure is hampered by the uneven distribution of health innovation institutions, skills and financing for research, development and commercialization of medical products and consumables. Perceived risks of certain markets by investors put further constraints on already limited financial resources.

4. Health Financing

4.1. Provision of adequate and sustained funding is critical to the development and growth of effective healthcare systems. Health sector spending in many developing economies of Asia is low, typically 3 to 5 percent of gross domestic product (GDP) compared to an average of 9 percent in Organisation for Economic Co-operation and Development (OECD) economies. In many of the latter, the health sector is considered an engine of growth, with parts of the value chain, such as pharmaceuticals and biotechnology, exhibiting high levels of economic value addition which, in part, motivates sustained high levels of public spending. Financing health infrastructure can therefore facilitate industrial upgrading and movement up the economic value chain, particularly for economies transitioning from low-skilled activities. However, increases in healthcare spending do not always translate to better health outcomes and to increased access for all population groups. Health system design, funding mechanisms and public health measures are all critical to achieving health outcomes.

- 4.2. As Asian economies continue to grow, consumer demand for better health care will increase costs of maintaining and developing healthcare systems in absolute and relative terms. In an environment of fiscal constraints and multiple demands on public funds, funding gaps to achieve UHC are likely to increase. Maintaining sustainable funding can be facilitated by attention to efficiency improvements, including through the introduction of technology and financing innovations. A recent study concluded that significant efficiency improvements are still possible in developing Asia health systems.⁷ The global healthcare market is significant and growing, with spending estimated at USD10 trillion in 2021 and forecast to rise to USD21 trillion by 2030.⁸ The Asian healthcare market has seen rapid growth, rising from USD1.0 trillion in 2010 to 3.2 trillion in 2020, and is forecast to reach USD4.2 trillion in 2024.⁹ On this trajectory, the Asian healthcare market would reach USD5.7 trillion dollars in 2030. Hospitals are the largest subsector, expected to total almost USD1.9 trillion in Asia by 2030, while digital health is the fastest growing area with anticipated annual growth of up to 21.8%. At least a third of this spending is transacted by the private sector—either as suppliers of goods and services to governments, or as sales to private healthcare providers and individuals.
- 4.3. Governments are the primary financiers of healthcare, accounting for 63 percent of health expenditures (as calculated in GDP) in 2020 globally. The government share tends to increase as incomes rise: for low-income economies, it is 24 percent; lower-middle-income, 41 percent; middle income, 54 percent; and high income, 66 percent.¹⁰ Demographic shifts and associated increases in NCDs, rising consumer expectations, higher levels of access to care, and government-sponsored insurance schemes are key drivers behind this trend. Many economies in Asia also experience high out-of-pocket expenses, exposing citizens to lumpy and unpredictable health expenditures, which can exacerbate financial distress and inequalities, hampering progress towards UHC commitments.¹¹
- 4.4. Most multilateral development banks (MDBs) have significant health programs and project portfolios, with a major focus on health system governance, regulation and institution building. MDB activities include (1) policy advice on health system governance and health system strengthening, (2) technical assistance on health policies, regulations and institutions; (3) financing health infrastructure; (4) supporting provision of global and regional public goods to improve global health; and (5) catalyzing market development in health care. MDB health sector portfolios have been growing over recent years – even before the pandemic. For example, the health sector accounted for 7.3 percent of the portfolio of the Asian Development Bank in 2022 up from 1.5 percent in 2016, and 10 percent of lending by the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) to the East Asia and Pacific region in 2023, up from 8 percent in 2018.¹²

⁷ ADB. 2023. [Health Spending Efficiency in Developing Asia](#). Manila.

⁸ Verified Market Research. 2021. [Healthcare Services Market Size, Share, Opportunities & Forecast](#).

⁹ Quadria Capital. 2020. [Asian Healthcare Opportunity for Social & Financial Returns](#).

¹⁰ Data sourced from World Health Organization Global Health Expenditure database. Available at: [Domestic general government health expenditure \(% of current health expenditure\) | Data \(worldbank.org\)](#).

¹¹ Improvements to health services coverage have stagnated since 2015, and the proportion of the population that faces catastrophic levels of out-of-pocket health spending has been increasing continuously since 2000. This global pattern is consistent across all regions and most countries.

¹² The World Bank had a USD34 billion global health portfolio of 240 projects in 2022. The IBRD's health commitments increased from 7.2% in 2019 to 18.9% in 2022, before falling back to 8.1% in 2023. Data from World Bank annual reports.

5. AIIB's Vision for Health

To support Members to improve their human capital, health and well-being by mobilizing finance and promoting connected, technology-enabled and green infrastructure.

6. Guiding Principles

- 6.1. Five core principles will guide the design and implementation of AIIB's health investments to assist Members in achieving their health objectives through value-added financings that reflect the principles and objectives of AIIB's mandate and Corporate Strategy.
- 6.2. **Synergistic.** Infrastructure in all sectors has health impacts to varying degrees, either directly or indirectly. Investments in clean energy, green transport, water supply and sanitation, urban, digital and other infrastructure projects can significantly improve health outcomes by reducing negative environmental impacts, improving health and safety,¹³ enhancing the access to healthcare facilities, preventing disease, and promoting healthy lifestyles. AIIB can add value to its infrastructure investments by identifying and maximizing co-benefits and their contribution to health in relevant infrastructure sectors/subsectors, such as water treatment plants, sanitation facilities, renewable energy, housing and transportation systems.
- 6.3. **Equitable and people-centered.** Equitable access to healthcare services, particularly for women, girls, persons with disabilities and other vulnerable groups or individuals, should be prioritized to support Members in progressing toward their UHC commitments whereby all people have access to the full range of quality health services they need, when and where they need them, without financial hardship.¹⁴ Additionally, AIIB can support its Members in shifting to a health approach based on well-being, which prioritizes preventative and health promotion measures. This approach places people at the center and supports the move toward distributed integrated health systems and integrative medicine which combines conventional medicine with evidence-based complementary therapies.
- 6.4. **Innovative.** AIIB will seek to promote the adoption of innovative technology, processes and financing to enhance infrastructure solutions in response to emerging health needs due to climate change, demographic changes and shifting disease patterns. As an MDB, AIIB also plays an important role in supporting innovation and disseminating information on their benefits. AIIB is cognizant of the risks of digitalization and data privacy with respect to public health and safety. In line with national legislation and specific country contexts, AIIB will consider risks and impacts associated with

¹³ The Health Strategy is distinct from AIIB's Environmental and Social Framework on health and safety which aims to reduce the negative health and safety impacts induced by projects (refer to Paras 51-57 of Environmental and Social Standard 1 in AIIB's Environmental and Social Framework). The health strategy is concerned with the health outcomes of infrastructure that arise from the nature and design of the infrastructure, which is distinct from managing health and safety issues during the process of building and operating the infrastructure.

¹⁴ Target 3.8 of Sustainable Development Goal 3 is to "achieve universal health coverage including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all."

cybersecurity, data protection and privacy for health projects involving the management of digital personal data or reliance on digital services and technologies.

- 6.5. **Sustainable.** AIIB aims to increase the sustainability and resilience of health systems and associated supply chains so they can effectively respond to emergencies and shocks, such as pandemics, while maintaining core functions. Resilience can also help them adapt to longer-term impacts such as shifting disease patterns and risks arising from climate change or environmental degradation. A resilient health system must also be financially and economically sustainable such that healthcare costs for households remain affordable, government spending is controlled, and private sector financing is sustained. AIIB can also assist Members to reduce the ecological footprint of their health systems in efforts to increase sustainability.
- 6.6. **Collaborative.** As a young and lean institution with a mandate focused on infrastructure, it is critically important for AIIB to build strong partnerships in achieving its investment objectives in health. Achieving health outcomes implies addressing highly inter-dependent components such as policy and regulatory development or health workforce quality. AIIB's investments thus cannot be undertaken in isolation. To achieve desired health outcomes, AIIB must partner and collaborate with those MDBs and reputable international and regional health organizations which have expertise and rich experience in the health sector and related financings to leverage a range of different competencies, knowledge and resources, complementary to AIIB's expertise and scope of operations. Given the private sector's importance in the overall health ecosystem and AIIB's private sector focus, AIIB will actively develop connections with the private sector to understand the needs and more effectively mobilize both local and global private capital.

7. Strategic Priorities

- 7.1. All health investments will be guided by the Corporate Strategy and align with the thematic priorities. Five strategic priorities are proposed for the Bank's health-related investments which direct resources toward Members' priorities and maximize AIIB's value-add. The strategic priorities respond to the challenges and opportunities presented by the megatrends and their impact on health and wellbeing. They target investments specifically related to the health value chain and will be supplemented with operational guidance on how health impacts can be maximized across AIIB's other infrastructure sectors. The strategic priorities do not take a disease-based approach, but are instead flexible to enable AIIB to respond to the varying health priorities and changing disease patterns of Members.
- 7.2. The strategic priorities keep AIIB's infrastructure mandate at the forefront while also recognizing the Bank's limited experience and resources. They highlight the Bank's comparative advantage in infrastructure financing and focus on aligning with the four thematic priorities of the Corporate Strategy. It is through financing infrastructure which incorporates greening, technology, connectivity and private sector mobilization that AIIB can best generate value-add and support efforts of its Members as well as peer MDBs, particularly by complementing the latter's upstream activities in policy and institutional development.
- 7.3. While these priorities do not exclude specific activities, they do recognize that health

financing is complex and carries risks that AIIB may not be able to mitigate completely. AIIB will, however, grow its knowledge and capacities, and engage in partnerships to manage such risks in the future. Implementation of each strategic priority will be progressive, in the first instance building on existing experience of financing similar infrastructure and progressively developing complexity, where possible through cooperation with peers, but in full recognition of the need to develop the necessary capacities to appropriately mitigate risks and ensure AIIB financing adds value.

- 7.4. **Strategic Priority One: Enhancing infrastructure across the health value chain.** In many parts of Asia, infrastructure across the health value chain generally and healthcare delivery infrastructure specifically is insufficient and/or of low quality. The health value chain includes many infrastructure categories where AIIB has gained experience such as water and waste treatment facilities, stable power supplies, cold chain storage, manufacturing plants, workforce development and training facilities that support developing a fit-for-purpose workforce inclusive of community health workers and traditional healers. This strategic priority also aims to reduce the healthcare delivery infrastructure gap, with a particular focus on populations with low levels of access and underdeveloped health ecosystems. Investments could include enhancing service delivery infrastructure, reducing gender disparities in access to care, and advancing UHC. Additional areas of focus may include infrastructure to support ageing populations and prevent and treat NCDs. While increasing financing for infrastructure, AIIB will rigorously apply sustainability considerations to ensure infrastructure is affordable, adds value and has sustained funding.

**Strategic Priority One:
Enhancing Infrastructure across the Health Value Chain
Project Examples**

- Primary care clinics in a rural setting
- Hospital in an area with lower levels of UHC
- Community facilities for population-based screening (e.g., focused on mammography and cervical cancer screening for women) and administering of vaccines
- Provision of water, sanitation and hygiene (WASH) infrastructure to healthcare delivery facilities, which includes disease surveillance for AMR
- Training facility infrastructure and digital tools to support workforce development
- Regional logistics centers for hospital and clinic consumables, drugs and equipment

7.5. **Strategic Priority Two: Bolstering regional and global health security.** Health security refers to safeguarding population health from infectious diseases, pandemics, and other health emergencies. COVID-19 showed that, in an increasingly connected world, health issues in one location can quickly affect health in other locations and become a global concern. The pandemic demonstrated how public health emergencies can lead to massive economic, social and health costs. Climate change will increase threats to health security including through changes in infectious disease patterns, water and food supply, and population movements. Addressing cross border health security is strongly aligned with the Bank’s thematic priority on connectivity and cross border cooperation. Regional cooperation is also critical to implementing a One Health¹⁵ approach to controlling public health risks arising from humans interacting with animals and the environment. One Health requires multi-sectoral approaches from the public health, veterinary, and environmental sectors to reduce health threats at the human-animal-ecosystem interface. AIIB can play a role in bolstering regional and global health security through supporting regional and global public goods, which may include financing essential public health warning and surveillance functions, primary care infrastructure, human and animal vaccine manufacturing and storage and border infrastructure. Resilient national and regional supply chains for medical equipment, products, and vaccines are also critical for health security.

**Strategic Priority Two:
Bolstering Regional and Global Health Security
Project Examples**

- Public health lab in a rural setting
- Health screening infrastructure at border entry and exit locations
- Quarantine and isolation facilities
- Infrastructure to strengthen primary care, including clinics in high-risk areas for emerging pathogens
- Manufacturing facilities for human and animal vaccines
- Region training hub for lab and hospital equipment technicians, or drug and device manufacturing workforce

¹⁵ 'One Health' is an integrated, unifying approach to balance and optimize the health of people, animals and the environment. It is particularly important to prevent, predict, detect, and respond to global health threats such as pandemics.

7.6. Strategic Priority Three: Greening health systems and associated supply chains.

With mounting evidence of the impacts of climate change, addressing the health – climate nexus is increasingly important. Health systems need to be resilient to climate change but also need to adapt to it, including being prepared and responsive to changing health impacts. Financing climate mitigation and adaptation infrastructure has direct health impacts. For example, reducing emissions in transportation, buildings or energy production through renewable energy has a direct impact on air quality which in turn impacts the incidence of respiratory infections, heart disease and lung cancer.¹⁶ Investments in water infrastructure address climate adaptation by improving water use efficiency and impacting access to clean drinking water and sanitation, reducing the spread of waterborne diseases. Health systems and associated supply chains also have a significant environmental impact, generating approximately 5 percent of global greenhouse gas emissions and other air pollutants. They generate waste, including hazardous waste, and account for about 8 percent of global energy consumption. This strategic priority aims to reduce such environmental impacts, while increasing climate resilience, for example, through energy and water efficiency, green buildings and material waste reduction. AIIB's Environmental and Social Framework and its green infrastructure thematic priority ensure that all projects incorporate environmental safeguards and add value by maximizing climate components while also aligning with the Paris Agreement.

**Strategic Priority Three:
Greening Health Systems and Associated Supply Chains
Project Examples**

- Energy efficient heating, ventilation and air conditioning (HVAC) systems in existing hospital facilities
- Green operating theatres in hospitals
- New waste management facilities in a set of hospitals with inadequate waste management systems
- Water saving tools for healthcare delivery facilities

¹⁶ The combined effects of ambient air pollution and household air pollution is associated with 7 million premature deaths annually (see WHO. <https://www.who.int/health-topics/air-pollution>). The World Bank estimated that air pollution led to productivity and health care cost of USD8.1 trillion in 2019 (see World Health Organization. 2023. [Clean air and energy access for healthier populations and universal health coverage](#)).

7.7. **Strategic Priority Four: Improving health through technology-based solutions.**

Application of technology and digital solutions can enhance service delivery, improve efficiencies, reduce environmental impact, and expand access to good quality health services for all population groups. This strategic priority focuses on leveraging technology and digital solutions to improve health operations. For example, digital infrastructure can facilitate the integration of healthcare delivery systems in ways that assure patient-centered care. Digital infrastructure also supports innovation and growth of industries along the whole health value chain. Artificial Intelligence (AI) also holds substantial promise as a tool for medical professionals to provide better diagnostics, drugs, personalized medicine, and treatments, while ensuring personal data is protected.¹⁷ However, the uptake of these technologies in health sectors across Asia has been variable for several reasons, including regulatory issues, costs, limited capacities for operating and maintaining technologies, as well as challenges in obtaining private sector financing. Technology-based solutions can also be used to better meet differential health needs. For example, a wide range of technology-enabled, consumer-centric products can be adopted and scaled to address female-specific conditions such as maternal and menstrual health, as well as certain general health conditions that affect women disproportionately or differently such as cancer or osteoporosis. AIIB's thematic priority on technology-enabled infrastructure will guide the Bank in financing both the adoption of technologies and their development and commercialization. As in other sectors, AIIB financing can mobilize private sector partners to spur the development of innovative technologies, speed up commercialization and fund adoption at scale.

**Strategic Priority Four:
Improving Health through Technology-based Solutions
Project Examples**

- Telemedicine infrastructure
- Infrastructure to support mobile health, such as mobile applications and networks, data management systems
- Digital infrastructure to support integration of health information systems and electronic medical records
- Platforms to support the adoption of innovative technological tools for healthcare, such as robotics, AI Internet of Things (e.g., wearables), precision medicine and big data analytics)
- AI innovation hub for local disease needs
- Venture to improve the generation and use of disaggregated data (e.g., sex and gender-specific data) in health promotion and delivery of care

¹⁷ As AI legislation and common practices develop, AIIB will continue engaging with other MDBs through the Digital Infrastructure Regulatory Risk (DIRR) forum, currently chaired by AIIB, to understand good practices and regulatory challenges associated with AI. AIIB will apply the latest practices as they emerge.

7.8. **Strategic Priority Five: Mobilizing finance for health.** This strategic priority recognizes the rising cost of health care provision and the limited ability of governments to address it, given their fiscal constraints and competing budget priorities. AIIB aims to mobilize private sector financing, address barriers to the flow of private sector capital and ensure private health financing is not only focused on highly profitable segments of the health value chain. Emerging markets face particular issues in attracting investment both at the asset level and into health sectors generally due to perceived risks, uncertain revenue streams and low expected returns. Guided by its private capital mobilization thematic priority, AIIB will seek to invest with the private sector and address barriers impeding greater private financing, through, for example, risk sharing/reduction instruments. By creating greater financing certainty, the objective will be to deepen and broaden private provision of infrastructure and services to a wider spectrum of income and population groups. For example, through better risk sharing, AIIB financing can spur greater private participation in the construction and operations of a wider range of medical facilities beyond private hospitals and diagnostic facilities for high income groups. Additionally, recognizing the value of capital markets in raising funding, AIIB will explore innovative structures to raise investor appetite while also developing more robust markets for financial products in emerging market health. Mirroring initiatives across emerging market infrastructure, this could include supporting health related social bonds, securitization or monetization of health infrastructure through infrastructure asset-backed securitization or asset trusts.

**Strategic Priority Five:
Mobilizing Finance for
Health Project Examples**

- Health related bonds, for example supporting issuances that align with the ICMA social bond principles or that benefit women under specified criteria, or supporting health infrastructure specific bonds
- Asset recycling or monetization structures such as health asset trusts

7.9. Together, these five strategic priorities contribute to AIIB’s four thematic priorities to varying extents. The following heatmap illustrates the strength of the relationships. It is based on the expected alignment for the priority as a whole, noting that individual projects may show different alignment features.

Figure 2: Heat Map of Strategic Priorities and Thematic Priorities

Strategic Priority	Green infrastructure	Connectivity and regional cooperation	Technology-enabled infrastructure	Private capital mobilization
1. Enhancing infrastructure across health value chain	HIGH	LOW	HIGH	HIGH
2. Bolstering regional and global health security	MED	V HIGH	HIGH	LOW
3. Greening health systems and supply chains	V HIGH	LOW	V HIGH	HIGH
4. Improving health through technology-based solutions	V HIGH	MED	V HIGH	V HIGH
5. Mobilizing finance for health	HIGH	MED	V HIGH	V HIGH

Scale	LOW: few projects expected to align to the TP	MED: some projects expected to align to the TP	HIGH: many projects likely to align to the TP	V HIGH: almost all projects likely to strongly align
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8. Implementation Approach

- 8.1. AIIB health financing will focus on meeting the needs of Members as guided by these principles and strategic priorities. While the strategy focuses specifically on health financing, it also appreciates the positive health impacts generated by other infrastructure sectors in which the Bank operates and the opportunities to consider health components in infrastructure projects. The strategy also seeks to highlight the importance of considering health as a global public good and global interconnectedness as both a challenge and an opportunity.
- 8.2. AIIB's health investments will follow AIIB's sound banking principles and contribute to growing the Bank's balanced and diversified portfolio. All health projects will be designed and implemented in accordance with the Bank's policies and procedures. Projects will be considered for financing based on their strategic fit and alignment with AIIB thematic priorities, value-addition, and operational considerations related to the project's readiness and risk profile.
- 8.3. Implementation of the strategy will evolve as capacities grow and partnerships mature. Increasing capacities and understanding of the complex financing environment will enable the Bank to undertake more standalone financing, where institutional and implementation capacity has been well demonstrated. This progressive approach will allow AIIB to identify specific areas where it can add unique value and, over time, assume more of a lead financing role. Strategic partnerships with key development and knowledge players will always be essential to ensuring maximum impact of AIIB's financing.