

ADB HEALTH

MEETING REGIONAL DEMAND
WITH STRATEGIC PROJECT FINANCING



IN THIS BRIEF: CHALLENGES ■ THE SOLUTION ■ PROJECTS IN INDIA AND PHILIPPINES



Asia and the Pacific has experienced significant economic growth in the last decades, and continues to rapidly evolve.

CHALLENGES

However, there are still persistent pockets of poverty, high out-of-pocket expenditures for basic services such as health care, and weak social infrastructure systems. These factors limit the future of inclusive and sustainable regional growth. In particular, demand for health care is growing with an urgent need for greater investment in health infrastructure and systems. Demand for quality and accessible health care is exacerbated by factors such as urbanization, ageing, infectious disease outbreaks, and rising noncommunicable diseases such as cancer and diabetes. Compounding these challenges are health risks associated with mobile populations, climate change and natural disasters, antimicrobial resistance and chronic underinvestment in health systems.

Addressing health sector challenges is costly. It requires significant social and health infrastructure, a highly skilled and available workforce, accessible diagnostic technology, and integrated care. Regional demand for health care now needs more than traditional donor funding. It requires scalable and groundbreaking investments, to promote quality and cost-effective health care. Health investment should also serve to strengthen sustainability in order to achieve universal health coverage, which means that quality health services are available to all those in need without undue financial hardship.

REGIONAL HEALTH CHALLENGES



POVERTY



URBANIZATION
AND SLUMS



OUT OF POCKET
EXPENDITURE



SOCIAL AND HEALTH
PROTECTION SYSTEM



AGEING



INFECTIOUS
DISEASES



THE SOLUTION

To tackle regional health challenges, the midterm review of ADB Strategy 2020 committed to scale health sector investments from a current 1%–2%, to 3%–5% of ADB's total portfolio.

HEALTH CARE REQUIRES INVESTMENT IN



INFRASTRUCTURE

hospitals and clinics, technology, human resources



GOVERNANCE AND REGIONAL PUBLIC GOODS

systems, regulatory framework, regional coordination



FINANCING

health financing reforms, risk-pooling, information technology

To meet investment targets, ADB has developed an Operational Plan for Health (OPH) which will focus on three priority areas: (1) Health infrastructure (2) Health Governance & Regional Public Goods (3) Health Financing. By focusing on these priority areas to double its health portfolio, ADB also facilitates dialog and support from cofinanciers, development and technical partners both in the region and globally.

The OPH priority areas guide project pipeline, and support engagement with Governments and Private Sector to meet the demand for health infrastructure. Projects include integrated service delivery in urban and rural areas, elderly care, health digital solutions and information technology, and equitable health access through financing and insurance. The OPH also facilitates cross-sectoral cooperation with traditional infrastructure projects such as Water and Green Energy, to leverage health impacts of other sectors' investment portfolios.

India: Supporting National Urban Health Mission

ADB Loan Package: \$300 million
Outcome: Increased access to equitable and quality urban health systems.

Tenor of Project: 15 years

The health development need:

India has made significant progress toward improving health services. Yet, 77 million poor and vulnerable people in cities still have very limited access to basic health services such as child immunization. India's economic growth has led to rapid urbanization and a massive growth in the number of urban poor. Levels of health disparities are widening, with many studies demonstrating that poor city children under the age of 5 are almost twice as likely to die as children in more prosperous situations. This is due to adverse living conditions and limited access to health services, despite

PROJECTS

these children often living close to hospitals. This segment of the population cannot afford private health providers that dominate urban areas, and often incur out-of-pocket health expenses that drive them deeper into a cycle of financial hardship.

Project Summary:

ADB is reinforcing the efforts of Government of India to improve the health of people who live in cities, especially the poor. The project is strengthening urban health systems across cities and towns to deliver quality essential health services, with a particular focus on the poor and vulnerable. The project will facilitate networks of urban primary health facilities; improve planning, management, and innovation; and bring best practices to city clinics and health centers. Project financing is based on the achievement of results such as higher levels of births in accredited and safe health facilities, and increased childhood immunization rates.

PROJECTS

Philippines: Social Protection Support Project

ADB Loan Package: \$400 million
Outcome: Increased consumption and utilization of education and health services among poor households and women beneficiaries.

Tenor of Project: 20 years

The health development need:

Poverty incidence in the Philippines has remained stubbornly high, despite economic growth. A key contributor to poverty has been chronic underinvestment in human capital, especially health and education. To respond to these challenges, the government aims to strengthen social protection systems with a reform agenda championed by the Department of Social Welfare and Development.

Reference:

<https://www.adb.org/projects/43407-013/main>

<https://www.adb.org/publications/social-protection-support-project-philippines>

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About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to a large share of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

Note: In this publication, "\$" refers to US dollars.
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