



Since March 25, 2020

### Confederation of International Contractors' Associations (CICA)

#### Strategic Watch: COVID-19 Overview by country and region (situation at February 1st, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

## International Financing Institutions: Asian Infrastructure Investment Bank (AIIB)

Country/Region	General measures
<b>ASIAN INFRASTRUCTURE INVESTMENT BANK</b>	
<b>Financing</b>	<p>AIIB's current total investment is over US\$22 billion for 108 approved projects across 28 member countries, ranging from economic resiliency infrastructure to Covid-19 health infrastructure projects. The bank is also aiming to expand its business after pivoting to address Covid-19 (cf. DEVEX) (27 January 2021).</p> <p>AIIB was aiming <a href="#">to bolster infrastructure investment in countries less able to cope with the Covid-19 outbreak</a>, with funds targeted at areas that improve public health, healthcare and information and communications technology. Of the AIIB's 78 members, <a href="#">20 have requested the bank's assistance to fight the virus, with India expected to be among the hardest hit by the pandemic</a>. It is expected that the AIIB board will extend US\$355m to China in what would be the institution's first loan in the healthcare sector (03 April).</p> <p>The <a href="#">AIIB doubled available funds under its Covid-19 Crisis Recovery Facility to provide US\$5-10 billion due to high client demand</a>. This followed AIIB's announcement to make US\$5 billion available to help public and private sector clients manage through the Covid-19 pandemic (17 April).</p>
<b>Recovery</b>	<p>The <a href="#">Asian Infrastructure Investment Bank (AIIB) is identifying five emerging infrastructure trends that will shape Asia's post-Covid-19 recovery</a>:</p> <ul style="list-style-type: none"> <li>• <b>Trend #1: Green Infrastructure—Coordinated, Cost-effective Multisector Resilience Planning:</b> post-crisis recovery programs should not be carbon-dependent, which presents policymakers with an opportunity to align public policies more closely with climate objectives, thereby limiting the risk of locking-in carbon-intensive infrastructure.</li> <li>• <b>Trend #2: Social Infrastructure Shown to be a Weak Link:</b> One of the weak links on the global production chain that Covid-19 exposed is social infrastructure, which has suffered from chronic underinvestment in many countries at various income levels. The 2020 Global Infrastructure Index shows that 48% of countries surveyed globally tend to favor greater investment in social infrastructure investment, compared with 32% that favor traditional economic infrastructure. The investment gap in health and education infrastructure has widened substantially during the last decade.</li> <li>• <b>Trend #3: Asset Recycling or Privatization as a Path Forward:</b> Governments under fiscal constraints would regard asset recycling or privatization as a path forward, which will be an opportunity for private investors. On the other hand, private companies may choose to exit some projects</li> </ul>

and shift to new investments promising better asset performance. The low-interest-rate environment will be supportive for companies to take advantage of such opportunities. In this sense, Multilateral Development Banks (MDBs) should consider high-return and high-quality investments even outside their traditional scope and comfort zone. It is imperative that MDBs continue to work with the private sector to mobilize much needed investments to boost recovery and help reduce public debt.

- **Trend #4: Technology-Enabled Infrastructure—Shy of Illiquid and Underperforming Assets:** The biggest damper on infrastructure investors' interest in infratech solutions is the fear of an illiquid asset that is likely underperforming. Infrastructure investors will necessarily decide whether to choose an investment project with promising technology or leave it to others, but this exposes them to the risk of being disrupted. Those that have adopted a proactive approach are taking different routes to capitalizing on infratech. Many have set up funds, corporate ventures, internal technology consulting arms or partnerships with technology companies to ensure better understanding and applications of technology.
- **Trend #5: Connectivity and Regional Cooperation—Mixed Years Ahead:** Even with the uncertain trade backdrop, there will be “no-regret” investments. For example, improving existing port efficiency through automation and green upgrades will be more resilient to any future macroeconomic shocks. Investing in smarter road infrastructure, with greater digitalization and in preparation for an all-electric future, are also likely to pay off in the long run. There will also be a focus to make supply chains more resilient, which imply investments into warehouses or storage infrastructure. Finally, investing in digital connectivity will be important for economies to prepare for the post-pandemic future.

AiIB's recently released its [10-year Corporate Strategy](#). It sets out AiIB's priorities. AiIB's overall share of financing will be: for climate action (50% by 2025), cross border connectivity (25-30% by 2030) and private sector operations (50% by 2030) (13 January 2021).