

**A Journal of Health Care Finance Commentary ...**

**China leads in infrastructure and trade:  
It now needs to become more directly involved  
in the global health dialogue**

**Richard Seifman, JD, MBA**

China's President Xi Jinping in May 2017 at the opening of its Globalization Forum, described the Chinese vision to draw on its ancient history and revive links between it, Central Asia, Europe, and the rest of the world as its "Belt and Road Initiative". He pledged additional billions for China's Silk Road Fund and billions more in new lending over the coming years for nations and international organizations that join the program. This new announcement is a piece of the China mosaic in supporting infrastructure in the Asia Pacific region. The Asia Infrastructure Investment Bank (AIIB), which China established and began operations only in December 2015, has 52 member states (and another 25 prospective members), is seen as the key public sector instrument in financing railways, roads, bridges, and industry, in the region, filling major gaps not covered by existing multilateral banks such as the Asian Development Bank, World Bank, or traditional bilateral donors, such as the United States, United Kingdom, Japan, or European Union.

The multilateral development banks as well as bilateral donors have largely transitioned to focus on addressing human development aspects, with the health sector encompassing much attention by them, along with the United Nations Sustainable Development Goals. As to health and nutrition over the last 25 years, there is widespread agreement that aid programs addressing major health concerns have saved or improved millions of lives. For example, The Global Fund to Fight AIDS, TB, and Malaria (Global Fund), the U.S President's Emergency Plan

for AIDS Relief (PEPFAR), the World Bank's Multi-Country AIDS Program for Africa (MAP), GAVI the Vaccine Alliance (GAVI), the Bill & Melinda Gates Foundation, and a host of other large undertakings, have been the reason mortality and morbidity has been significantly reduced in this century in low and middle income countries..

China itself has been a major beneficiary of these efforts; for instance, from 2003 when faced with a severe acute respiratory syndrome epidemic to 2014, it received over \$800 million from the Global Fund. In the last century and as recently as May 2017, it has been a recipient of World Bank support, including a \$600 million credit for a China Health Reform Program. At the same time, it has transitioned to also become a donor, but its contributions have been de minimus in comparison to the funding support it has received from these institutions. China reluctance to do more has been based on the sense it has been frustrated by the limited governance reforms and willingness of established institutions to allow China to assume its proper place in shaping policies, programs and projects. And there is some truth to their claims.

That said, the Chinese have been pursuing a bilateral assistance program with its "China Africa Health Initiative", estimated at between \$150-\$231 million annually. This effort has been primarily managed by the Ministry of Commerce.<sup>1</sup> While welcome, its focus on an opportunistic mercantilist and conventional infrastructure approach in low and middle income countries under its Belt and Road Initiative, needs to be balanced by it giving greater attention and financing to Low and Middle Income Country health sector strategies which shape their health strategies, health systems and hard infrastructure needs. China's experience with SARS and their current domestic outbreak of Avian Flu (H7N9) should underscore--to them--the need to have health system capacity in countries all along their Silk Road, able to detect, prepare, and respond to any potential infectious disease emergency.

How might they do so? In 2017 the eighteenth replenishment of the World Bank International Development Association resulted in \$75 billion in commitments for the three year period from 2017 to 2020. China, the second largest economy in the world, contributed only 1.94% of that total, ranking it the tenth contributor, behind Switzerland and the Netherlands. (In the previous seventeenth replenishment it ranked eighteenth, providing only 0.95% of the total.) Clearly China could-- and still can-- shoulder a larger share of IDA eighteen and in parallel pursue its other development financing programs. The Global Fund fifth replenishment cycle for the three year period from 2017-2019 is one such opportunity. In the past China contributed \$15,000,000 each of the last three years, very small amounts in comparison to what it does in infrastructure and trade. Another option is for it to add its funds the World Health Organization (WHO) contingency fund for pandemic preparedness, or that of the World Bank.

Further, there is a new donor window which is not organized by existing international governance structures and to which China could be an early major contributor. At the World Economic Forum in January 2017, where Xi discussed his Belt and Road plan, the Coalition for Epidemic Preparedness Innovations (CEPI) was launched. Its mission is to find new ways to drive vaccine innovation for priority public health threats. The three initial diseases chosen for the

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<sup>1</sup> "China's health assistance to Africa: opportunism or altruism?", Lin et. A. *Globalization and Health* (2016) 12:83

first call for proposals are Middle East Respiratory Syndrome, Lassa fever, and the Nipah virus, the latter which has had multiple outbreaks in Southeast Asia. CEPI is in its start-up phase until the end of 2017 and has already garnered approximately \$500 million in contributions. An Interim Secretariat is provided by the Government of Norway with support from other Governments, the European Commission, as well as the Wellcome Trust, the Bill & Melinda Gates Foundation, and the World Economic Forum. CEPI is actively seeking partnerships with additional governments to launch a proactive and accelerated approach to vaccine development and delivery. This would be a ready-made opportunity for China to join in an important health sector response in a new organization, demonstrate it can contribute in a mutually beneficial effort.

These are a few of the many alternatives available to China to bring its financial muscle to bear on a challenge facing everyone, namely infectious diseases which begin in an unexpected place and evolve into a global pandemic. In short, it needs to step up its investments and its contributory engagement in the global international health dialogue.

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