Water availability and quality are crucial for economic growth, food security and trade. The sector is characterized by its complexity. It must be managed as an integrated resource. Asia’s water challenges are compounded by factors like economic growth, urbanization and climate change. AIIB’s mandate aligns with the needs and opportunities in the water sector. Working with experts, practitioners and stakeholders, AIIB has undertaken a sector analysis to develop a strategy to guide investment in the sector.

**Water Sector Strategy**

AIIB is committed to helping its members ensure the availability and sustainable management of water and sanitation for all, in line with the Sustainable Development Goals (SDGs).

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**Maximizing Environmental and Social Outcomes**

Social
- Will focus on social and human health risks and impacts resulting from water infrastructure investments and ensuring equitable access to water and sanitation.

Environmental
- Will focus on the risks and impacts on quality and quantity of surface and groundwater resources and aquatic ecosystems.

Climate Change
- Will assess how resilience measures can be integrated to reduce vulnerability and support adaptation to climate change.

**Investment Areas**

- Water Services
- Resource Management
- Resilience

**Interaction Between Other AIIB Strategies**

The strategy recognizes the close interaction of water with other sectors.

- Energy Strategy
- Sustainable Cities Strategy
- Transport Strategy

**AIIB’s Water Infrastructure Investment Principles**

- **PROMOTING sustainable infrastructure.** AIIB will finance projects with positive impacts on sustainability and maximize environmental and social outcomes.

- **MOBILIZING private capital and efficiencies.** The large investment gap requires the mobilization of additional finance, including private capital.

- **INTEGRATED resource management.** This recognizes that water is a finite resource that is renewable only if properly managed.

- **ADOPTING innovative technology.** Technology is a major contributor to increasing efficiency of water use, allocation, delivery and treatment.