



China, People's Republic of: National Strategy and Policy Framework on Adapting to the Aging Population

Project Name	National Strategy and Policy Framework on Adapting to the Aging Population	
Project Number	55025-001	
Country	China, People's Republic of	
Project Status	Approved	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 6862-PRC: National Strategy and Policy Framework on Adapting to the Aging Population	
	Technical Assistance Special Fund	US\$ 280,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions	
Sector / Subsector	Finance - Inclusive finance Health - Health system development Information and communication technology - ICT strategy and policy, and capacity development Public sector management - Social protection initiatives	
Gender Equity and Mainstreaming	Some gender elements	
Description	The knowledge and support technical assistance (TA) will help the Government of the People's Republic of China (PRC) respond to rapid population aging by undertaking research and developing national policy tools and action plans related to aging and elderly care. The proposed TA is aligned with strategic priority 3 (aging society and health security) of the Asian Development Bank (ADB) country partnership strategy for the PRC, 2021-2025, which aims to address key challenges in adapting to an aging society.	

Project Rationale and Linkage to Country/Regional Strategy

The number and proportion of older people as a share of the population in the PRC is rapidly growing. Demographic estimates indicate that the country will move from an aging to aged society by 2027, and the proportion of people aged 60 and above is expected to increase from 18.7% in 2020 to 35.0% by 2050—turning the population into one of the oldest in the world at a fast pace. A falling fertility rate, smaller families, and longer life expectancy have decreased the proportion of young people and increased the proportion of older people. These demographic changes will have major economic and social impacts on the country's labor force, health care, elderly care, and pension systems. At the same time, aging provides opportunities for economic development. Rising disposable income and assets among the older population will create demand for goods and services and will catalyze growth in pension and insurance funds. Older people have substantial potential to contribute to sustainable economic growth as part of a multigenerational workforce, which will require development of age-friendly and healthy aging policies, including more flexible work and retirement options; age-friendly workplaces; and retraining, reskilling, and upskilling. These policies will help ensure that older workers can fully participate in the PRC's economic activities.

Aging well is a lifelong process that can be supported by advancements in public health and elderly care services and systems (ECSS), better financial services, use of innovative technologies, and the development of healthy and age-friendly living conditions. Older people represent an increasingly important consumer force, but they have specific needs for financial services and face various challenges in accessing and using financial services and systems. Policymakers must consider these needs to achieve sustainable financial inclusion that is supported by financial protection and education, and responsive financial services and products. Financial inclusion will contribute to greater financial system stability, reduce pressure on public pension schemes, reduce old-age poverty, and improve intergenerational equality. There is a need to develop policies and guides for financial institutions that will help them strengthen financial and digital literacy, support lifetime financial planning, harness inclusive technologies, and encourage multisector participation to address the needs of older people.

Family support in the PRC has traditionally played a major role in providing care for the elderly, but families are increasingly unable to meet the basic needs of older people. The development of an efficient national elderly care system is a key priority. Investing in better ECSS will help the government increase the quantity and improve the quality of ECSS. To achieve these goals, there is a need to (i) assess the challenges to improving the elderly care system, including updating the national elderly care guidelines, improving system quality, and integrating elderly care services; (ii) estimate the required investments in land, labor, capital, technology, and information systems for elderly care; and (iii) develop the government investment program and recommendations for improving the quality of ECSS.

Innovative technologies have the potential to improve well-being, health care, and elderly care support. The emerging technologies range from assistive robots, artificial intelligence-enabled health monitoring smart applications, sensors and wearables, new pharmaceutical drug release mechanisms, portable diagnostics systems, voice-activated devices, intelligent homes, and many other technological solutions to provide support and services for older people. At the same time, digital inclusiveness and closing the digital divide for older people have become critical challenges to address. Developing modern and comprehensive national policy tools and strategies on aging requires in-depth analysis of the extent and impact of digital exclusion and options to improve digital inclusion.

Urbanization is a global trend that has rapidly expanded in the PRC. As the cities are growing, their share of population above 60 years is also increasing. Age-friendly urban development and age-friendly cities are important to tap the potential of older people. There is a need to (i) analyze the development trends and regional distribution of the working-age and older populations in the cities to meet the needs of the various age groups; (ii) develop guidance for and monitor the development of a conducive environment for healthy aging, and other aspects of age-friendly cities; (iii) carry out nationwide evaluation and develop a system to evaluate a city's age-friendliness; and (iv) assess the scale of investments and government fiscal expenditures required for the development of age-friendly cities.

On average, women have lower lifetime earnings, are less digitally and financially literate, use fewer formal financial services including bank accounts, and live longer than men. They often receive smaller pension payments than men, partly because women get paid less during their working years and lose compensation when they leave the labor force for caring duties such as raising children. Therefore, when women reach old age, they are poorer, less educated, more financially and digitally excluded, and are more likely to have unmet care needs than men. The TA will focus on the needs of older women, who have lower lifetime earnings, have higher levels of digital and financial exclusion, yet are also more likely to have unmet care needs, while simultaneously acting as the primary caregivers in the family.

The Government of the PRC has been responding to these challenges by developing national policies and programs to address aging. The PRC's Fourteenth Five-Year Plan, 2021-2025 aims to address population aging and promote long-term balanced population development. The plan calls for implementation of the national strategy to improve welfare policies, develop elderly care services, and raise the statutory retirement age. The General Office of the State Council issued guidelines on elderly care services that call for strengthening elderly care policies, developing urban and rural elderly care systems, improving elderly care services, and integrating health care and elderly care services. The government developed the Healthy China 2030 Action Plan and the National Plan for Actively Responding to Population Aging in the Medium and Long Term. The plans lay out five areas of action: (i) improving the national income distribution system, steadily increasing pension reserves, and increasing the sustainability of the social security system; (ii) improving effective labor supply by developing a lifelong learning system for senior citizens and striving to achieve fuller employment while creating better quality jobs; (iii) improving the quality of the health care system, including health education, disease prevention, nursing, and hospice care; (iv) refocusing scientific and technological development to address population aging issues; and (v) improving legal frameworks to protect the rights and interests of older people.

The TA will build on ADB's aging-related projects, experiences, lessons learned, and ongoing cooperation with various agencies in the PRC. The lessons from the aging-related projects financed by ADB and other international organizations highlight the importance of focusing on community and home-based elderly care services; improving coordination and cooperation of government agencies in charge of the elderly care policies, systems and services; promoting close cooperation between the social and healthcare institutions; and investing in developing human resources capacity and knowledge. The TA will add value by helping the government develop and implement a national policy framework for aging-related sectors that will enhance the support from ADB and other donors to the development of the PRC's ECSS. The TA will support Strategy 2030's operational priority 1 (addressing remaining poverty and reducing inequalities), operational priority 2 (accelerating progress in gender equality), and operational priority 6 (strengthening governance and institutional capacity).

Impact	National services and systems for the aging population improved
Project Outcome	
Description of Outcome	Policies and road map to strengthen the aging policy framework improved
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Policy advice on strengthening aging-related services and systems developed Policymakers' knowledge and capacity on aging-related policies and issues enhanced
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	The TA will hold a series of workshops, trainings, and seminars, including presentations on knowledge products to relevant government staff, policymakers, civil society organizations, and other stakeholders based on the research and cost analysis carried out under the TA's output 1. The TA will develop the capacity of policymakers by training stakeholders from the agencies involved in adapting to aging population.
Business Opportunities	

Consulting Services ADB will engage a consulting firm in consultation with the executing agency following the ADB Procurement Policy (2017, as amended from time to time) and its associated procurement staff instructions. The national consulting firm will have 45 person-months of total inputs and will be recruited using consultants' qualifications selection method.

Procurement None.

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Responsible ADB Department	East Asia Department
Responsible ADB Division	Urban and Social Sectors Division, EARD
Executing Agencies	National Development and Reform Commission No. 38 South Yuetan St. Beijing 100824 China

Timetable

Concept Clearance	28 Oct 2021
Fact Finding	02 Nov 2021 to 03 Nov 2021
MRM	-
Approval	09 Dec 2021
Last Review Mission	-
Last PDS Update	09 Dec 2021

TA 6862-PRC

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
280,000.00	0.00	0.00	0.00	0.00	0.00	280,000.00	-	0.00

Project Page	https://www.adb.org/projects/55025-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=55025-001
Date Generated	10 December 2021

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