

TC ABSTRACT

I. Basic project data

▪ Country/Region:	Regional
▪ TC Name:	Ageing Trends and the Urban Agenda for Cities in LAC
▪ TC Number:	RG-T2654
▪ Team Leader/Members:	Ophélie Chevalier; Laura Aguilera and Dianela Avila (IFD/FMM); Leslie Stone (OVE/OVE); José Antonio Mejía (IFD/ICS); Marcos Robles (SCL/SCL); Adela Barrio (IFD/IFD); and Bettina Hennig (LEG/SGO).
▪ Taxonomy:	Research and Dissemination (R&D)
▪ Date of TC Abstract:	August, 2015
▪ Beneficiary:	Regional
▪ Executing Agency:	Inter-American Development Bank through the Fiscal and Municipal Management Division (IFD/FMM)
▪ IDB Funding Requested:	US\$350,000
▪ Local counterpart funding:	n/a
▪ Disbursement period:	36 months
▪ Required start date:	October, 2015
▪ Types of consultants:	Individual consultants
▪ Prepared by Unit:	IFD/FMM
▪ Unit of Disbursement Responsibility:	Institutions for Development Sector (IFD/IFD)
▪ Included in Country Strategy:	No
▪ TC included in CPD:	No
▪ GCI-9 Sector Priority:	Social policy for equity and productivity

II. Objective and Justification

- 2.1 Two global phenomena – aging and urbanization – are happening at record rates in Latin America, with important implications for urban development policy formulation. With falling fertility rates and increasing life expectancies in Latin America and the Caribbean (LAC), the age group of 65+ is expected to triple by 2050, and most of those persons will reside in metropolitan areas. Given the speed, scale and structural change of aging populations in LAC cities, there is currently an opportunity to influence and inform urban agendas, seeking ways to maintain people's ability to function, remain integrated in society, and stay mobile and autonomous later into life. There is an urgency to respond to the challenges and changing needs of cities in this regard.
- 2.2 LAC is one of the fastest aging geographic regions in the developing world (Palloni& Wong, 2009). The growth in the percentage of elderly (the number of those aged 65 and older divided by the total population) between 2000 and 2025 is projected to be 17% for Sub-Saharan Africa, 47% for the Near East, 79% for Asia (excluding Near East) and 82% for LAC (US Bureau of the Census 2000). Rapid mortality and fertility decline in the last half of the twentieth century started the process of [aging in the LAC region, a process that should accelerate starting around 2030](#). Now is the time for investment in infrastructure and resources to assist LAC societies with their growing aging populations. Frameworks and systems required for aging populations such as financial markets, human resources to provide services to elderly, as well as infrastructure needs for the built environment can take decades to develop, but are vital for the wellbeing and autonomy of the elderly.

- 2.3 Simultaneously, LAC is the most urbanized region in the world (with 80% of the region's population living in urban areas), which makes cities and metropolitan areas key actors when designing and implementing policies to address ageing issues.¹ Changing needs from an urban development perspective include understanding the optimum urban structure, adjustments to the supply of public infrastructure, housing access and affordability, access to public space, services, and social networks among the elderly.
- 2.4 In an effort to better understand how cities address ageing issues, the Organisation for Economic Co-operation and Development (OECD) launched a project on "Sustainable Urban Development Policies in Ageing Societies 2013/14."² The results of the project (dated April 2015) underscore the need to redesign infrastructure and urban development patterns, address social isolation, lack of accessibility and housing affordability as challenges that city governments must address within the constraints of local revenues, the ageing of the labor force and increases in public spending for health and social care.³
- 2.5 The objective of this proposed technical cooperation is to improve our understanding of how aging in cities will impact urban development agendas in LAC. In particular, the TC will generate spatial analyses on a sample of specific cities including a diagnostic of supply and demand for services in the built environment.
- 2.6 This proposed technical cooperation is the Bank's Urban Development and Housing Cluster's first attempt to deepen knowledge of the implications of fast-ageing populations for cities in LAC and investigate possible policy solutions to the challenges.
- 2.7 The elderly in LAC are more vulnerable than non-elderly adults to fluctuate in and out of poverty due to their age and health status. Thus studies and policies that contribute to the wellbeing and autonomy of the elderly also contribute to the Bank's social inclusion agenda – to achieve equality of access to services and to take part in society. In order to address aging-related challenges from the urban development perspective, there is a need to assess and adjust the supply of public infrastructure, the desirable urban structure and planning, housing access and affordability, the access to public space, services, and social networks. These outstanding issues are reflected in the strategic policy objectives of the IDB's Institutional Strategy Update 2016-2019 (GN-2788-2): "social inclusion and equality."

III. Description of activities and outputs

- 3.1 **Component 1. Measuring ageing societies and suggesting policy actions: Lessons learned from the OECD countries.** The objective of this component is to transfer knowledge of how OECD cities are handling their ageing societies with respect to urban planning. The expected product is a publication. The publication will summarize main results (aging trends, challenges and policies) of the 2015 OECD Aging publication as well as present original analyses of cities in OECD LAC countries (Mexico and Chile).

¹ The issue is not addressed in a systematic way in any city of the region.

² The project investigates the following issues: (i) What does ageing mean today for people and for cities? What impact do ageing societies have on sustainable urban development? What are the visions of cities in ageing societies?; (ii) What are the roles of cities to achieve those visions, and how could cities mitigate ageing challenges? How could national governments support cities' efforts?; and (iii) Who are the key stakeholders to achieve visions and implement policy tools effectively?

³ [OECD. Ageing in Cities. April 2015.](#)

- 3.2 **Component 2. Ageing trends in LAC and service/access gaps: a demand and supply analysis.** The objective of this component is to understand the potential impact of the ageing population on urban planning and social housing in LAC. The expected product is a publication. The component will cover the costs of hiring individual consultants and consulting firms to carry out: (i) a descriptive analysis of demographic characteristics of the ageing population in LAC as a whole as well as in selected cities in LAC. Census data and household surveys will be used to describe the household structure, the income levels, disabilities, health-status, living arrangements and housing solution, and the location of the 60+ population in each selected city; (ii) a spatial analysis of the identified ageing groups; and (iii) an analysis of the supply (such as public transportation, physical access to services, social connections) in each pocket of ageing population.
- 3.3 **Component 3. Dissemination.** The objective of this component is to foster opportunities for future pipeline. The product is a dissemination event with policy makers (and the private sector) in the region. The component will cover the costs of the event. Representatives of Japan and Korea will be invited to share their experience and visit one selected city in LAC to encourage cooperation and best practices between cities.

IV. Budget

- 4.1 The total cost of this operation has been estimated at US\$350,000, and will be financed by the Bank on a non-reimbursable basis.

Table 1. Indicative Budget (US\$)

Activity/Component	Description	IDB/Fund Funding	Total Funding
Component 1	Lessons learned	50,000	
Component 2	Demand and supply analysis	220,000	
Component 3	Dissemination	80,000	
TOTAL		350,000	350,000

V. Executing agency and execution structure

- 5.1 The IDB through IFD/FMM will be responsible for the execution of this Technical Cooperation. The IDB will be responsible for the contracting of consultancies and will carry out the selection and hiring of the consulting services in accordance with IDB's procedures.

VI. Project Risks and issues

- 6.1 The unwillingness of governments to participate in the data collection and validation process is the main risk. To mitigate this risk, the project team will leverage existing IDB networks with cities in the region.

VII. Environmental and Social Classification

- 7.1 No adverse environmental impact is expected from this TC. This operation is proposed to be classified as Category **C** according to the Environment and Safeguards Compliance Policy (OP-703).