

**PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.:PID0034415

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Program Name	<i>CHINA: Health Reform Program</i>
Region	<i>East Asia and Pacific</i>
Country	<i>China</i>
Sector	<i>Health, Nutrition and Population Global Practice</i>
Lending Instrument	<i>PforR</i>
Program ID	<i>P154984</i>
<i>{If Add. Fin.}</i> Parent Program ID	<i>N.A.</i>
Borrower(s)	People's Republic of China
Implementing Agency	National Health and Family Planning Commission
Date PID Prepared	<i>April 28, 2016</i>
Estimated Date of Appraisal Completion	October 17, 2016
Estimated Date of Board Approval	<i>March 15, 2017</i>
Concept Review Decision	Following the review of the concept, the decision was taken to proceed with the preparation of the operation.
Other Decision <i>{Optional}</i>	

I. Introduction and Context

A. Country Context

1. **China's social development in the last three decades, which has been remarkable, is being sustained despite an economic slowdown.** After three decades of double-digit economic growth, China has successfully lifted over 700 million¹ people out of poverty, an unparalleled achievement in human history. Along with the well-documented economic and social sector achievements, however, inequality across dimensions of income, well-being, and social services have been widened. As the GDP growth rate slowed down to seven percent or even below from 2012, the economy has shifted gear from the previous high speed to a medium-to-high speed growth. The tasks of strengthening human capital and ensuring the people to stay healthy and productive with the satisfaction to the health services has been prioritized in the Government of China's (GOC's) political agenda. The 12th Five Year Plan urges inclusive and equitable development as core elements for promoting a "well-off society."

2. **While China has made impressive gains on improving overall health outcomes, issues persist in the health sector, while new challenges are emerging.** The population of China is aging at an unprecedented rate. Improvements in life expectancy and the consequences of the One Child policy led to a rapid increase in the proportion of the elderly in the population. The population over 65 years old was 138 million in 2014, which is over 10% of total population². According to the World Population Prospects, by 2030, the proportion of senior citizens above 65 will increase by about one fourth, and by 2050, the aged will account for about a quarter of the overall population. At the same time, the increasing burden of non-communicable diseases (NCDs) also imposes great challenges on the Chinese health system. NCDs are already China's number one health threat, accounting for over 80 percent of the 10.3 million premature deaths annually. More than 50 percent of NCD burden falls on the economically active population (ages 15-64), which may adversely affect the labor supply and compromise the quality of human capital. China's health delivery system.

² http://www.ce.cn/xwzx/gnsz/gdxw/201502/26/t20150226_4653796.shtml