

HARNESSING THE POTENTIAL OF POPULATION AGING

Insights and Opportunities
for Development Finance



FP ANALYTICS

This analysis was produced by FP Analytics, the independent research division of Foreign Policy. This report is made possible in part by the financial support of AARP. The opinions expressed in this report are those of the authors and do not necessarily represent those of our funders.

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Acknowledgments

FP Analytics would like to thank experts on aging and development finance from a range of organizations, such as the World Bank, Asian Development Bank, African Development Bank, European Bank for Reconstruction and Development, HelpAge, World Health Organization, International Labour Organization, and others who participated in two roundtable discussions and research interviews to help inform this report. FP Analytics would also like to thank AARP for their support and partnership.

FP ANALYTICS

FP Analytics, the research and advisory division of Foreign Policy, produced this report:

Isabel Schmidt, Senior Policy Analyst

Miranda Wilson, Policy Analyst

Anjana Nair, Policy Fellow

Dr. Mayesha Alam, Vice President of Research

Allison Carlson, Managing Director, FP Analytics & FP Events

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By the year 2050, the global population of people aged over 65 years will grow to 1.5 billion—an increase of around half a billion people in just 28 years. While in past decades the world's older populations have been concentrated largely in high-income nations, in the decades to come, the most rapid population aging will occur in low- and middle-income countries, particularly in Latin America and the Caribbean and East and South Asia. Countries in these regions are, in fact, aging at a faster pace than previously seen, and they are likely to become aged societies before they become wealthy economies, challenging their ability to adequately prepare for and support the needs of an older population. Failing to anticipate and prepare for accelerating population aging could be costly. Economists have cautioned that, to sustain economic growth, development policy needs to be adapted to the shrinking size and productivity of labor forces.

However, an exclusive focus on the challenges associated with accelerated aging risks overlooking the many opportunities for economic growth for countries that coincide with population aging, and can in fact be supported by proactive preparation for the second demographic transition. A narrow view focused on negative outcomes also risks perpetuating ageist stereotypes that discriminate against older adults and missing out on the wider co-benefits that age-friendly development can confer not only older adults—including on their health, prosperity, and societal participation—but also on communities and society more broadly. With adequate planning and preparation, governments, development institutions, and the private sector can leverage the opportunities presented by the second demographic transition to pursue economic development and social inclusion.

Multilateral development banks can play a leading role in strategically addressing population aging and harnessing a second demographic dividend

To better understand and elevate the role that development finance can play in preparing for accelerated aging and supporting older adults, FP Analytics produced this report with support from AARP, as part of a broader partnership. Bringing together insights from targeted research interviews and expert roundtable discussions, a review of scholarly and other literature, and quantitative data analysis, this report identifies potential pathways to expand and strengthen the engagement and impact of multilateral development banks on policies and programs on population aging. While the landscape of development finance institutions is broad, this analysis focuses on five key actors: the World Bank, the Asian Development Bank (ADB), the Inter-American Development Bank (IDB), the African Development Bank (AfDB), and the European Bank of Reconstruction and Development (EBRD). As regional and global actors dedicated to poverty reduction and economic development, these five multilateral banks can each play a pivotal role to mobilize resources, connect stakeholders, build the evidence base, and innovate effective interventions.

Just as these institutions have catalyzed work advancing gender equality and mitigating climate change, especially in developing economies, in recent years, population aging represents an area that is ripe with opportunity for proactive leadership. This report is intended to serve as a resource and roadmap for mainstreaming the issue of aging within multilateral development banks, redoubling ongoing efforts, and identifying new areas for collaboration and concerted action.

Recommendations

While aging work is underway, development finance institutions have the opportunity to pursue a more strategic and integrated approach to population aging by prioritizing the issue in their work with member countries, the private sector, civil society, and other international organizations. Based on the research findings presented in the analysis, FP Analytics recommends that stakeholders work across sectors and consider the following approaches:

For individuals and teams working in development banks:

- Communicate the socio-economic opportunities presented by population aging, internally and to potential public- and private-sector partners.
- Promote a whole-of-life approach to aging and support for older adults.
- Create effective and adaptable aging-focused interventions.

For member country governments:

- Communicate to citizens and to development partners the importance of population aging to domestic policy.
- Prioritize population aging within country partnership frameworks and strategies.

For leadership of multilateral development banks:

- Apply a longevity lens to planned and ongoing development projects.
- Ensure accountability for bank goals and commitments.

For the private sector:

- Engage with older consumers in the longevity economy.
- Partner with multilateral development banks to test innovative business models, financing avenues, and consumer products tailored to older adults.
- Create safe and supportive work environments for older adults.

For civil society and NGOs:

- Socialize relevant research and replicable practices throughout development institutions.
- Facilitate the exchange of ideas and experiences, and encourage collaboration between actors.

In July 2022, new projections from the United Nations Department of Economic and Social Affairs (UNDESA) revealed that by 2050, the proportion of people over 65 years old will rise to 16 percent of the global population, compared to 10 percent in 2022. By that time, the number of people over 65 years old will be equivalent to the number of children under the age of 12, and around twice the number of children aged five years or younger, signaling a demographic transition toward an older global population. Despite these trends, few governments and development institutions are making planning decisions through a longevity lens, and investment in systems and infrastructure prepared to support a significant older population remains low.

While in past decades, the world's older populations have been concentrated largely in developed, high-income nations, in the decades to come, the most rapid population aging will occur in low- and middle-income countries, particularly in Latin America and the Caribbean (LAC) and East and South Asia. Countries in these regions are aging at a faster pace than previously seen. They will likely become aged societies before they become wealthy economies, challenging their ability to adequately prepare for and support the needs of an older population, and they may be unable to benefit from the experience, expertise, and consumer power of older adults. The economic costs of inadequate preparation for population aging could be significant: the IMF estimates that the U.S., for example, will lose 11 percent of its tax base between the years 2010 and 2050 due to aging, with Japan losing 26 percent, and European countries losing between 14 and 28 percent in the same period. These shifts are likely to bear significant and varied consequences for the economies of the respective countries. Additionally, economists predict that fiscal and monetary policy may diminish in effectiveness as the productive labor force shrinks due to growing and accelerating population aging. At the same time, focusing exclusively on the anticipated negative impacts of population aging provides a narrow view and perpetuates ageist stereotypes, missing the potential for economic growth and prosperity associated with educated, healthy, and able older populations, and the wider co-benefits that age-friendly development can confer on society.

The clear trajectory of these demographic trends provides many opportunities for governments, the private sector, civil society, and others to invest in preparation for widespread population aging, given adequate time, funding, and technical support. As Pablo Ibarraran, Senior Principal Specialist in the Social Protection and Health Division of the Inter-American Development Bank (IDB) noted in a research interview with FP Analytics, “This is one of the very few [outcomes] we know for certain. Many other things we assume, we hope, but we know that this is going to happen, and we know more or less when it’s going to happen.” As key funders and catalysts of development in low- and middle-income countries, multilateral development banks such as the World Bank—which distributed US\$157 billion in 2021 alone to various programs around the globe, including over \$26 billion in climate financing and some \$48 billion on gender and human development projects—have leading roles to play in ensuring effective preparation for population aging.

In recognition of the socio-economic and development opportunities presented by global population aging, and the pivotal role that development finance can play in preparation for the aging phenomenon, FP Analytics produced this report with support from AARP as part of a broader partnership on population aging. Bringing together insights from first-person interviews and expert roundtable discussions, desktop research, and quantitative data analysis, this report documents and analyzes the role that multilateral development banks are playing in age-ready development today and highlights potential pathways and practices to cement these institutions’ capacity to meaningfully shape the aging policy ecosystem.

While the landscape of development finance institutions is broad, this analysis focuses on five key regional and global actors: the World Bank, the Asian Development Bank (ADB), the Inter-American Development Bank (IDB), the African Development Bank (AfDB), and the European Bank

Countries in these regions are aging at a faster pace than previously seen. They will likely become aged societies before they become wealthy economies, challenging their ability to adequately prepare for and support the needs of an older population.

of Reconstruction and Development (EBRD). As regional and global actors dedicated to poverty reduction and economic development, these five banks have pivotal roles to play in overcoming the challenges and harnessing the opportunities presented by population aging, particularly by bringing the importance of this issue to the attention of other stakeholders that are committed to prosperity. Just as these institutions have driven the pursuit of gender equality, and the mitigation of climate change in recent years, population aging represents an area that is ripe with opportunity for proactive leadership. This report is intended to serve as a resource and roadmap for elevating the issue of aging within multilateral development banks, and to identify potential areas for new engagement and collaboration.

The world’s population is aging more rapidly than ever, but economic development is not keeping pace

UNDESA estimates that by 2050, the population of people aged over 65 years will grow to 1.5 billion—an increase of around half a billion people in just 28 years. This growth in the older population is expected to take place primarily in developing economies, where population aging is occurring at a faster pace than it has in advanced

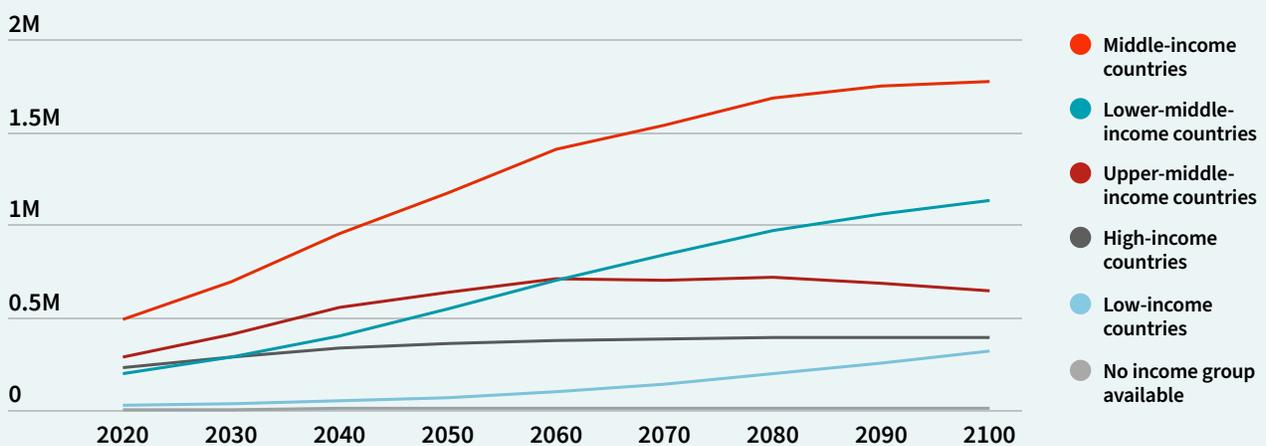
economies, and at an earlier stage of economic growth. While the causes of widespread population aging vary, this phenomenon is largely driven by improvements in life expectancy and family planning, and by the aging of large generational cohorts. The World Health Organization (WHO) projects that by 2050, 80 percent of the world’s population aged 60 or over will live in low- and middle-income countries. In Latin America and the Caribbean (LAC), the proportion of people aged over 65 years is expected to jump from just 9 percent in 2022 to 19 percent in 2050, while in Eastern and South-Eastern Asia, the population of older adults is predicted to more than double from 13 percent in 2022 to 26 percent in 2050.

Just as these institutions have driven the pursuit of gender equality, and the mitigation of climate change in recent years, population aging represents an area that is ripe with opportunity for proactive leadership.

FIGURE 1

Global Population Aged 65+ Projected to Grow From 1 Billion to 1.5 Billion by 2050

Growth in the population of older adults will be significant across all regions and income-levels



SOURCE: UNDESA; COUNTRY GROUPINGS ARE BASED ON WORLD BANK INCOME GROUP CLASSIFICATIONS

Even in sub-Saharan Africa, the region with the highest concentration of young people globally, the population aged over 65 is expected to grow from 3 to 5 percent of the overall population in the same period.

Adequate preparation for population aging, and subsequent support for older adults to live healthy, productive lives, will present different challenges to countries with lower GDP, lower incomes, and smaller savings than have been encountered in wealthier countries. The LAC region, for example, is projected to have an average GDP per capita of just US\$9,000 when the percentage of its population aged over 65 reaches 10 percent, whereas high-income countries had an average GDP per capita of US\$19,000 when they reached the same milestone, and this discrepancy does not account for inflation over time. Sustainable funding for social protection programs, health care systems, and accessible infrastructure will therefore require long-term

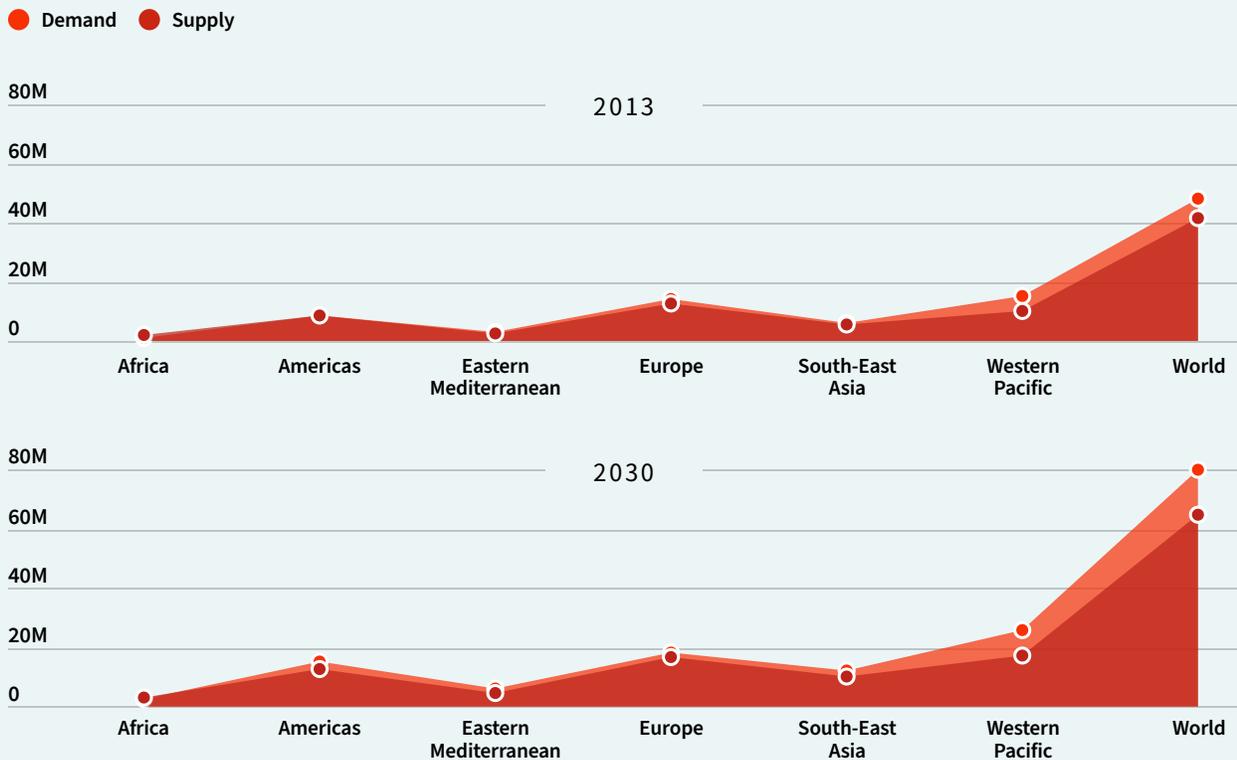
planning and significant input from the private sector and development finance institutions.

While population aging will bring challenges, it also represents development opportunities, not only for older adults but also for societies writ large. Investment in healthy longevity and in age-friendly systems—which support older adults to maintain healthy, social, and productive lives—can benefit many groups and communities, and lead to widespread poverty reduction, while reducing the long-term costs of health care and social protection. Foreknowledge creates an opening for all stakeholders in the health and well-being of the global population to incorporate and prioritize preparation for population aging in their planning and financing, and to implement efficient and cost-effective age-readiness and age-friendly policies, systems, and infrastructure from the beginning. Just as they have been recognized

FIGURE 2

Despite Projected Growth in the Health Care Workforce, Demand Will Still Outpace Supply

Demand for health care workers, including doctors, nurses, and midwives, is predicted to grow as populations age, but the existing gap between supply and demand is likely to remain without policy intervention



SOURCE: WORLD HEALTH ORGANIZATION

as trailblazers in addressing gender equity and climate change, acknowledging the importance of those issues decades prior, multilateral development banks, as major funders of development activities and poverty mitigation interventions can be leaders in this work. These institutions can participate as proactive partners to governments, civil society, and the private sector to meet the challenges and opportunities presented by long-term population aging.

Population aging can compound fiscal, health, and social challenges faced by low- and middle-income countries

Aging populations are commonly associated with economic challenges, as a result of changes in the dependency ratio: as a population ages, the proportion of working-age adults decreases, compared to children and older people, reducing household incomes and shrinking the payroll tax base. Taxes represent a significant source of the public finances spent on health care, long-term care, education, and pensions, among other public and social protection services, so population aging can have a dampening effect on long-term economic growth due to reductions in the labor force and in worker productivity, if adequate planning and preparation are not undertaken. Older adults can slip into poverty as they leave the workforce, whether by choice or due to mandatory retirement, caring responsibilities, or health concerns. Further, many individuals in developing countries work for most or all their lives in the informal economy—defined as jobs and enterprises unregulated and unprotected by the state—where contributory pensions are not available, and the combination of low, irregular wages make saving money difficult. In 2019, the OECD estimated that around two billion people, or 62 percent of the global labor force, worked in the informal economy, a number likely to have increased during the pandemic. In sub-Saharan Africa, 89.2 percent of workers are in the informal economy—primarily in agriculture—compared to 62.8 percent in Asia and the Pacific, 53 percent in LAC, and 25 percent in Europe and Central Asia. Indeed, older adults are over-represented in the informal sector. Prior to the onset of the COVID-19 pandemic, people aged over 65 represented the largest share of informal workers, at 40.8 percent globally, although this share is likely to have changed in the interim years.

While pension coverage in low- and middle-income countries is typically low, contributory and non-contributory pensions are a key tool in poverty reduction and inclusive economic development. Accordingly, many multilateral development banks, including the World Bank and the African Development Bank, have focused their

Investment in a strong health care system will not only benefit older adults who may face an increase in non-communicable diseases (NCDs) and other chronic conditions as they age, but also support people with disabilities, pregnant women, and children, as well as supporting longer and healthier working lives, thus creating a positive feedback loop.

efforts recently in expanding pension coverage, especially with an eye toward marginalized and under-represented segments of the population. Similar to expanded pension schemes and other forms of economic inclusion for older adults, there is also a need to focus on expanding health systems and health care financing, particularly in lower-income communities that are reliant on publicly funded services and unable to afford private-sector alternatives.

In Central America, for example, economic projections show that as the population ages, average health care spending will more than triple by the year 2100, growing from 4.7 percent to 15.2 percent of GDP. Wealthy countries are not immune to this trend. In the United States of America, the world's largest economy, spending on medicine and drugs alone is likely to climb by over \$40 billion annually by the year 2060 as a result of population aging. Widespread poor health can also negatively impact the economy: in the U.S., for example, the Department of Health and Human Services (HHS) estimates that prior to the onset of COVID-19, unplanned absences linked to diabetes, which is concentrated among older adults, cost employers \$20 billion in lost productivity. Poor health more generally can lead to early retirement as well as premature death. In low- and middle-income countries, this creates a vicious cycle in which poverty leads to poor health outcomes throughout the lifecycle, and strain on publicly funded health care systems and then exacerbates economic challenges and prolongs poverty. The cost of inaction in the face of widespread aging is therefore significant.

While these challenges can be daunting, focusing purely on the anticipated negative impacts of population aging on the economy perpetuates an ageist narrative in which older

adults are seen as a drain on society. Experts participating in roundtable discussions convened by FP Analytics and AARP noted that ageism can discourage governments and development finance institutions from preparing for population aging by creating a false dichotomy between investment in youth and investment in older adults. While competing interests and needs are a reality faced by all governments when making financial decisions, portraying the needs of older adults as entirely separate from, and purely extractive of, the rest of society is inaccurate and ageist—inclusive development can benefit those who are currently aging, as well as younger populations. A narrow view risks neglecting opportunities to institute policies and investments that have demonstrated widespread co-benefits for other populations, and ignores the positive impact that older adults have on their communities, including the economic impacts of multigenerational workforces and the growing purchasing power of the so-called “longevity” or “silver” economy.

Investment in a strong health care system, for example, will not only benefit older adults who may face an increase in non-communicable diseases (NCDs) and other chronic conditions as they age, but also support people with disabilities, pregnant women, and children, as well as supporting longer and healthier working lives, thus creating a positive feedback loop. Improvements in

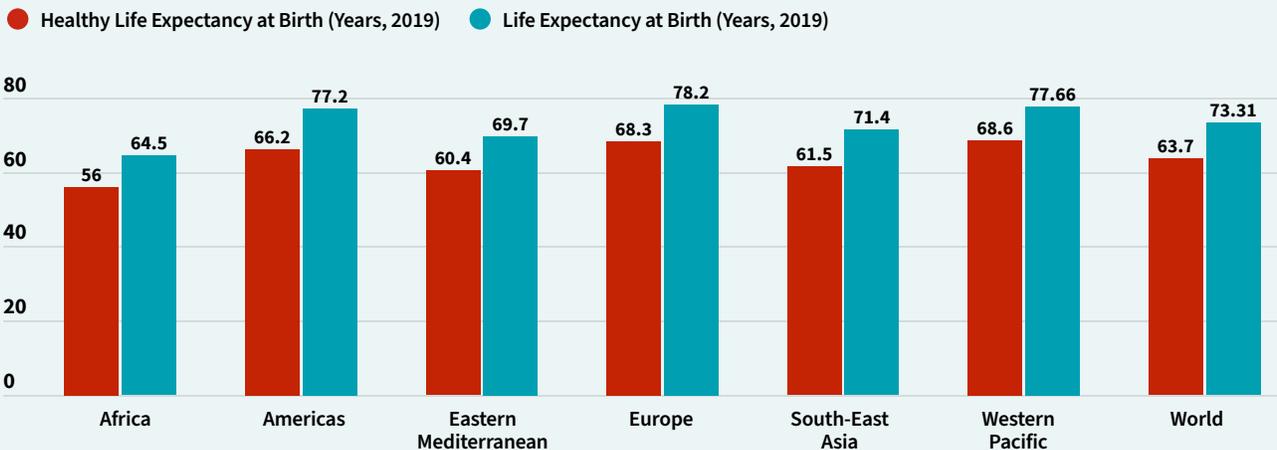
primary and preventive health care have the dual effect of improving health and well-being in early life and young adulthood while increasing healthy life expectancy—the average number of years one is expected to live in good health. The impact of such improvements has already begun to manifest: in August 2022, the WHO reported an increase in average healthy life expectancy at birth in Africa of ten years between 2000 and 2019. While this remains lower than the global average, healthy life expectancy in the Africa region has increased at a faster pace: the global average has improved by only five years within the same period. Similarly, proactively planning and investing in infrastructure development that is accessible to older populations—especially in low-income countries undergoing rapid urbanization—is to the wider benefit of people with disabilities, parents, and more, and is more sustainable in the long-term.

Rapid population aging will present both challenges to confront and opportunities to harness for emerging and developing economies alike. This report analyzes and assesses the role of five major multilateral development banks—the World Bank, the ADB, the IDB, the AfDB, and the EBRD—in supporting low- and middle-income countries to prepare for population aging and presents recommendations for further prioritization of the opportunities presented by demographic transition.

FIGURE 3

Reducing the Gap between Life Expectancy and Healthy Life Expectancy will be Key to Maintaining Wellbeing and Productivity as Populations Age

Distinct from life expectancy, healthy life expectancy refers to the number of years an individual will maintain good health and functional ability



SOURCE: WORLD HEALTH ORGANIZATION

Multilateral development banks drive global development activity, but few are addressing population aging strategically



Based on current demographic and economic trends, governments in low- and middle-income countries face the challenge of adequately preparing for the second demographic transition with limited financial resources and underdeveloped physical infrastructure. Multilateral development banks, which provide grants, loans, and technical assistance to their clients, and generate high-quality, expert research on relevant development trends and challenges, can play an important role in assisting national governments with this vital task.

As major funders and leaders of research, development projects, and technical assistance, multilateral development banks can direct action and priorities in global development

Multilateral development banks (MDBs) are key funders and drivers of development activity, in the forms of both infrastructure investment and construction, and in recent years in support for human capital, the knowledge, skills, and health that people accumulate throughout their lives, and that contribute to their ability to be productive members of society. While each bank has an independent, unique mandate, all share the goals of reducing global poverty and supporting economic and social development. Regional development banks additionally seek to promote cooperation between nations. The World Bank and regional development banks maintain offices in numerous countries, coordinating via national and regional teams with member countries, and they simultaneously maintain sectoral and thematic teams that are responsible for research and project development as well as implementation. The overlapping and intersecting nature of these teams can enable cross-sectoral and intra-regional collaboration. To investigate, FP Analytics undertook extensive analysis of publicly available data on relevant projects at the five multilateral development banks, encompassing all projects approved, implemented, and completed from 2015 to 2022. (See Methodology Appendix.) At the ADB, for example, FP Analytics found that 469 projects approved and/or implemented by the Bank since 2015—or 22 percent of the total undertaken in that period—are being implemented by two or more sectors.

As key actors in the development landscape, multilateral development banks can drive and influence the priorities of other development institutions and bring numerous stakeholders together for collaborative action. Working closely with governments of both donor and loan-receiving countries alongside NGOs, civil society groups, academic centers, the private sector, and other international institutions, multilateral development banks act as connectors and conveners to catalyze learning and socialize research and priorities throughout the development community. MDBs also spearhead collaborations between different actors within and across sectors, providing a platform for experts and affected communities from around the world to share their perspectives, findings, and proposals, and promoting supportive policy environments.

As conveners, MDBs are also able to take a leading role in defining and designing future strategy and development

approaches in different regions as well as globally. The World Bank, the ADB, the AfDB, the IDB, and the EBRD act as conduits for the development and dissemination of effective development interventions throughout the regions where they operate, including by coordinating region-wide projects. FP Analytics analysis found that out of all projects approved since 2015, 28 percent at the IDB, 24 percent at the AfDB, 22 percent at the ADB, 8 percent at the EBRD, and 1 percent at the World Bank are regional or multinational in nature. This regional work has the potential to spread and replicate effective development interventions and to communicate the opportunities presented by population aging in countries where an aging lens is yet to be mainstreamed, and development programs on aging have yet to be prioritized.

The multilateral development banks are vital to the achievement of the Sustainable Development Goals (SDGs) and previously the Millennium Development Goals (MDGs) due to their substantial budgets and financing capacities. The banks strategically leverage their deployment of capital through public-private partnerships (PPPs), risk-sharing, equity investments, and concessional and non-concessional loans, meaning that the money they raise from donor countries is then multiplied for greater impact. The banks also support Member States to raise funds from alternative sources by improving their credit through low-interest or no-interest loans. In 2020, the World Bank Group reported a total annual budget of \$65.9 billion, the ADB \$21.6 billion, the IDB Group \$16 billion, the EBRD €11.8 billion (\$11.8 billion), and the AfDB \$7.3 billion. Project data analyzed by FP Analytics' researchers showed that since 2015, and the launch of the SDGs, the ADB has committed \$162 billion, the AfDB \$37 billion, the EBRD €93 billion (\$93 billion), the IDB \$126 billion, and the World Bank \$455 billion in approved projects. The sheer size of these institutions, both financially and in terms of human capital and depth of knowledge, cannot be matched by a resource-stretched government acting alone. All five development banks analyzed in this report are beginning, in different ways, to

Ageism and negative stereotypes about older adults are a major barrier to investment in preparation for aging, particularly in countries where the demographic transition has not yet begun, and where resources are limited.

address population aging in their work. Still, as the analysis here highlights, there are ample opportunities to harness the full potential of these MDBs to prepare for population aging and support demographic transitions globally.

Competing interests, ageism, and misperceptions create barriers to the prioritization of aging within multilateral development banks

Despite progress in prioritizing population aging in development banks’ operations, research, and strategies, interviewees and roundtable participants noted that significant barriers remain to fully integrating aging into development work. Limited finances and capacity require trade-offs between different development challenges, which—combined with the prevalence of ageist narratives, a lack of buy-in from leaders and decision-makers, and gaps in data on the topic—can lead to aging being deprioritized.

Discrimination and ageism discourage adequate and proactive preparation for population aging, by perpetuating narratives that older adults are burdensome

Participants in expert roundtables and research interviews agreed that ageism and negative stereotypes about older adults are a major barrier to investment in preparation for aging, particularly in countries where the demographic transition has not yet begun, and where resources are limited. Unconscious biases can perpetuate the narrative that older adults are simply a burden on their families, communities, and wider society, and that investment in programs that support older people—such as non-contributory pensions, long-term care, or accessible infrastructure—is therefore a significant cost with no potential for return. Additionally, while the COVID-19 pandemic has in many communities led to a renewed awareness of the quality of life and challenges facing older adults, many interviewees and roundtable participants felt that it had also contributed to the existing stereotypes of older people as frail and burdensome. As Justin Derbyshire, CEO of HelpAge International, noted in a research interview with FP Analytics, “Ageism has increased in the last three years, and that’s dangerous both for older people and for society.”

In low- and middle-income countries in particular, government officials in charge of budgeting and liaising with financiers may feel that work on aging diverts policy

At five key multilateral development banks, work on population aging is underway, but opportunities to provide more robust and holistic support abound

Figures 4.1 through 4.5 explore these banks in detail



FIGURE 4.1

Asian Development Bank (ADB)

Countries in red are Member Countries

	Number of projects approved since 2015	Amount committed (USD) since 2015
Total	2,157	\$162.69B
With a significant focus on aging	43 1.99% of total	\$6.75B 4.15% of total
With a focus on vulnerable people	100 4.64% of total	\$11.53B 7.09% of total
Regional	485 22.48% of total	\$2.53B 1.56% of total
Regional, with a significant focus on aging	7 1.44% of regional	\$1.86M 0.07% of regional

(Totals as of August 2022. For all projects analyzed, to be categorized as having “a significant focus on aging” required project titles, descriptions, or summaries to contain one of seven key search terms related to aging or older adults. Classification as having “a focus on vulnerable people” required the use of one of those seven terms or an additional three broader search terms. For a full methodology, please see Appendix 1.)

The Asian Development Bank is composed of 68 regional and non-regional members, with active operations in 40 countries. Population aging is recognized as a key development challenge in the ADB’s Strategy 2030, the current institutional strategy, due to the impacts of widespread aging on government spending and the economy, and as part of a broader commitment to social protection and the elimination of poverty. Older persons are integrated across three of Strategy 2030’s Operational Priorities: addressing remaining poverty and reducing inequalities, accelerating progress in gender equality, and making cities more livable. Across these three priorities, Strategy 2030 explicitly seeks to create innovative and sustainable long-term care and health systems, address the diverse care needs of older women, ease elder care duties among women who disproportionately bear caregiving responsibilities, and improve age-friendly infrastructure.

The primary team focusing on aging at the ADB is the Social Development Thematic Group, situated within the Sustainable Development and Climate Change Department. The group appears to have had the same social protection strategy in place since 2001. The 2001 strategy addresses population aging as it relates to pension payments and fiscal pressure. Recent research on aging focuses most heavily on innovative and fiscally sustainable long-term care solutions, though the bank also produces significant research regarding age-friendly infrastructure and old-age economic security.

planning and funding, which is in short supply, from issues such as youth unemployment and education, creating a trade-off between supporting youth or older adults. Ageism may also dilute the strength of aging-related activities that are undertaken. FP Analytics’ exploration of project databases at each development bank found that while each bank was undertaking a significant number of projects implicitly linked to aging—focusing on “vulnerable people,” pensions, COVID-19 and health care, in particular—a much smaller proportion explicitly named population aging or older adults as the focus of their work. At the IDB, for example, FP Analytics identified 244 projects that could encompass aging, just 12 percent of which included a significant mention of the issue itself. At the World Bank, just 6 percent of its 224 relevant projects mentioned aging or older adults specifically. Preparation for population aging is at risk of being neglected or actively deprioritized as a result, as decision-makers focus their attentions on challenges that are perceived to have a greater return on investment. Such misperceptions have clear costs: in 2018, for example, the U.S. economy lost an estimated \$850 billion as a result of age discrimination, and by 2050 this loss could increase to \$3.9 trillion.

In complex institutions with many competing interests and priorities, population aging can be overlooked as a future problem, not a current challenge to address

The size and scope of multilateral development banks position them well as key actors in furthering human and physical capital agendas. However, the banks’ complex structures can also lead to siloing and a lack of awareness of the interests, priorities, and output of other teams. There is a risk that work will be duplicated, expending unnecessary resources, but also that interesting and impactful work—whether in the form of research and data analysis, or promising strategies and development projects—can get lost or forgotten. The World Bank’s internal evaluation of Support for Aging Countries, for example, noted that analytical reports on the state of aging and preparation for aging in specific countries are not being operationalized in the creation of new country partnership frameworks for those countries. This creates a disconnect between knowledge generation and effective action. Interviewees and roundtable participants similarly noted the difficulty in communicating effectively across large, complex institutions.

Beyond the challenge of effective communication and information-sharing, the wide mandate and scope of the work of multilateral development banks leads to



FIGURE 4.2

African Development Bank (AfDB)

Countries in red are Member Countries

	Number of projects approved since 2015	Amount committed (USD) since 2015
Total	1,191	\$37.44B
With a significant focus on aging	8 <i>0.67% of total</i>	\$480.23M <i>1.28% of total</i>
With a focus on vulnerable people	47 <i>3.95% of total</i>	\$2.32B <i>6.20% of total</i>
Multinational	290 <i>24.4% of total</i>	\$6.58B <i>17.57% of total</i>
Multinational, with a significant focus on aging	0	\$0

(Totals as of August 2022)

The African Development Bank (AfDB) consists of 54 regional and 28 non-regional member countries. The African Development Bank has produced minimal substantive work on the issue of aging, compared to other MDBs, due to the continent’s “youth bulge.” Population aging is not explicitly addressed in the AfDB Institutional Strategy for 2013–2022. However, aging is relevant to several aspects of the Bank’s approach to development, particularly as part of the “High 5’s.” Among these five priorities is “Improve the quality of life for the people of Africa,” which encompasses support for poor and vulnerable populations, including older adults, and intersects and overlaps with the Bank’s work on health and health infrastructure. Similarly, while the AfDB’s Results Measurement Framework (RMF) for project monitoring and evaluation does not explicitly include older adults, it does specify metrics for assessing economic inclusion, spatial inclusion, and social inclusion of underserved and vulnerable populations, alongside a “gender marker system” that assesses projects through a gender-lens, as part of its gender mainstreaming process.

The primary team working on issues relating to population aging and older adults is the Division for Public Health, Security, and Nutrition, which sits within the Agriculture, Human, and Social Development Practice. The Public Health, Security, and Nutrition division’s strategy—in place until the year 2030—only mentions older adults and population aging once, in the context of demonstrating that significant investments of resources today will benefit future generations through improved health in old age and better access to necessary health and care infrastructure. The division is focused on strengthening health care systems, addressing chronic diseases and non-communicable diseases (NCDs), and establishing reliable and well-funded social safety nets. These are all goals that will benefit older adults now and in the future, but they are not specifically aimed at this population, similar to much of the work that the AfDB undertakes.

competing interests and priorities that require compromise. A mandate to reduce poverty and support economic development encompasses a wide scope of operations and activities, of which support for older adults and preparation of population aging are just two of many. As Jon Blondal, Head of Budgeting and Public Management at the OECD, noted in an interview with FP Analytics, “You can’t really say the strategy on aging is more important than all other strategies . . . if you have a multitude of strategies for all areas, they have to be reconciled.” This reconciliation process can lead to preparation for population aging being deprioritized, particularly as historically both development banks and national governments have chosen to prioritize the development of physical over human capital.

Gaps and inconsistencies in data collection create barriers to effective communication internally and with member and client countries

Multilateral development banks and their client countries develop strategic work and financial plans in partnership, and these partnership strategies and frameworks can influence strategic decisions within the banks. The domestic priorities of member countries are therefore of great importance to the question of which development challenges receive precedence in resource allocation. Interviewees and roundtable participants noted that the prioritization of aging by a large or influential client country could lead to its adoption as a key priority of a partner development bank. In the case of China, for example, a domestic emphasis on preparing health and social care systems for advanced population aging has contributed to the integration of aging into the Asian Development Bank’s long-term institutional strategy, and the strategies of its sectoral teams. Ongoing projects developing integrated and long-term care systems in China bring together the ADB’s urban development, social protection, and health teams, among others, promoting a cross-sectoral approach that reflects the Bank’s prioritization of aging in its Strategy 2030.

However, the reverse is also the case: Lack of interest in population aging by member countries can result in the topic being deprioritized by development finance institutions. Teams and individuals not specifically focused on aging—both within development banks and their counterparts in national governments—may not be aware of the co-benefits of much preparation for population aging, leading them to dismiss its relevance when setting development strategies. Interviewees at the African Development Bank (AfDB) and Inter-American

FIGURE 4.3

European Reconstruction and Development Bank (EBRD)

Countries in red are Member Countries



	Number of projects approved since 2015	Amount committed (EUR) since 2015
Total	1613	€93.34B (\$93.34B)
With a significant focus on aging	5 <i>0.31% of total</i>	€178.74M (\$178.74M) <i>0.19% of total</i>
With a focus on vulnerable people	6 <i>0.37% of total</i>	€528.74M (\$528.74M) <i>0.57% of total</i>
Regional	127 <i>7.87% of total</i>	€20,182.16M (\$20,182.16M) <i>21.62% of total</i>
Regional, with a significant focus on aging	1	€15M (\$15M) <i>0.07% of regional</i>

(Totals as of August 2022; USD-Euro exchange rate of 1:1 as of August 29, 2022)

The European Reconstruction and Development Bank (EBRD) is made up of 73 shareholders, including 71 countries from five continents; the European Union; and the European Investment Bank. The EBRD currently finances projects in 37 economies across Europe, Central Asia, and the Middle East. Unlike other banks considered in this analysis, many economies included in the EBRD’s portfolio are experiencing significant population aging.

Older adults are incorporated in the EBRD’s economic inclusion activities, guided by the 2021 Equality of Opportunity Strategy (EOS) and the 2017 Economic Inclusion Strategy (EIS). Although the majority of the EBRD’s work on population aging centers on supporting labor force participation among older adults, the EBRD’s Strategic and Capital Framework of 2021–2025 and the EOS also seek to address inequities in eldercare responsibilities, particularly among women. Most work that is relevant to population aging and older adults takes place within the Gender and Economic Inclusion team, for which the EOS acts as a departmental strategy, alongside the Gender Equality Strategy 2021–2025.

Recent EBRD research on population aging falls under the “Economic inclusion of people with disabilities and older workers” project, which draws upon the three pillars of the EIS (access to employment and skills, finance and entrepreneurship) and serves to evaluate challenges and responses to economic inclusion. The project included a report titled Economic Inclusion of Older Workers, the compilation of statistical indicators and data on the economic inclusion of older workers and people with disabilities, ten country profiles, and a report on international best practices to support the inclusion of these groups.

Development Bank (IDB) noted this phenomenon within their own institutions, despite the fact that teams and member countries at both Banks are working on aging-related challenges. Additionally, member countries may not be aware of aging work already underway—the [World Bank’s independent evaluation](#) identifies this as a major barrier to effective support for aging countries.

Clear, traceable data and easily replicable evidence could support the prioritization of population aging, but [widespread gaps in data collection](#), particularly in low-income countries, often prevent even the establishment of a baseline understanding of the conditions and needs of older adults today and in the future. Where data can be, and is, collected, it often obscures the specific realities of older adults, as a result of data practices such as the use of household data—which can [flatten the inequalities that exist within households](#)—or a perception that older adults are not affected by, or relevant to, certain phenomena such as [gender-based violence](#). As a senior World Bank expert reflected in an interview with FP Analytics, “Your data is your speaker. It speaks on your behalf, but sometimes we really don’t have the level of robustness we would like to see. Sometimes the data is so limited that you can do very little with it. Data is a challenge, it’s a hurdle, but it’s also an opportunity.” Without closing basic data gaps and identifying compelling evidence and stories that will capture the imagination of key decision-makers, stakeholders in effective preparation for population aging are unable to communicate the urgency and impact of their agenda.

FIGURE 4.4

Inter-American Development Bank (IDB)

Countries in red are Member Countries



	Number of projects approved since 2015	Amount committed (USD) since 2015
Total	4,799	\$126.14B
With a significant focus on aging	31 <i>0.65% of total</i>	\$1.01B <i>0.80% of total</i>
With a focus on vulnerable people	244 <i>5.08% of total</i>	\$12.16B <i>9.64% of total</i>
Regional	1,337 <i>27.86% of total</i>	\$5.43B <i>4.31% of total</i>
Regional, with a significant focus on aging	4	\$4.07M <i>0.07% of regional</i>

(Totals as of August 2022)

The Inter-American Development Bank (IDB) consists of 26 borrowing and 22 non-borrowing member countries located in Latin America and the Caribbean (LAC). By the year 2090, the LAC region is [expected to have the highest percentage of people aged over 60](#), at around 36 percent of the total regional population. While the IDB recognizes the importance of demographic changes in its [Second Update to the Institutional Strategy](#) in 2020, neither the Second Update to the Institutional Strategy nor the [Vision 2025](#) strategy explicitly names older adults and population aging as development priorities. The institution’s monitoring and evaluation framework, the [Corporate Results Framework \(CRF\)](#), assesses project success on criteria that include impacts on vulnerable populations, but older adults are not one of the named groups in that category. Relevant research has focused primarily on readying the region’s economies and long-term care systems for an aging population.

Work on population aging at the IDB is cross-sectoral, with knowledge operations around aging housed within both the Labor team and the Social Protection and Health team. In their respective sector-framework documents, both the [Health and Labor](#) teams emphasize the development of human capital as a priority for responding to population aging, particularly through working toward universal health coverage, strengthening access to long-term care (LTC), and strengthening the funding and access for pension schemes and other social services. Another key group that undertakes aging work at the IDB is the [Panorama of Aging and Long-Term Care](#), a cross-thematic research group that studies and promotes the implementation of long-term care systems throughout the region.

FIGURE 4.5

World Bank

Countries in red are Member Countries



	Number of projects approved since 2015	Amount committed (USD) since 2015
Total	4,622	\$455.83B
With a significant focus on aging	15 <i>0.32% of total</i>	\$3.75B <i>0.83% of total</i>
With a focus on vulnerable people	224 <i>4.85% of total</i>	\$37.58B <i>8.26% of total</i>
Regional ("World" and "Multi-national")	59 <i>1.28% of total</i>	\$49.64M <i>0.01% of total</i>
Regional, with a significant focus on aging	0	0

(Totals as of August 2022)

The World Bank Group (WBG) has 189 members and is active in over 170 countries worldwide, working primarily with the poorest and least-developed countries, most of which are not yet experiencing active or acute population aging. The current WBG institutional strategy does not explicitly mention older adults or population aging. The two main goals of the institution's work are to end extreme poverty (defined as living on less than \$1.25 per day) and to promote shared prosperity.

In 2021, the WBG produced a report evaluating its support for aging countries. It found that the Bank's current country engagement model fails to adequately diagnose challenges related to population aging and the consequences of aged populations on economic growth and well-being, despite significant WBG research on the topic. WBG research on population aging explores

the implications of aging on pensions, the macro-economy, long-term care systems, and infrastructure, and includes regional and country-specific assessments of the state of aging.

While the WBG has increased its engagement with aging-related issues over the last decade, there is no singular owner of the aging agenda housed in the Bank. Rather, the Bank's work on population aging is housed across three thematic groups or programs that address aging within their respective areas of expertise. The Social Protection and Labor practice (SPL) addresses pension funding and reform, working with client countries to reduce poverty via access to contributory and non-contributory social services. As a result, the current SPL sectoral strategy identifies population aging as a near-future development challenge. The Health, Nutrition, and Population practice (HNP), which broadly focuses on strengthening health systems, also works on population aging in terms of health and long-term care. However, according to the current HNP strategy, older adults are not acknowledged as a vulnerable population. Finally, the Human Capital Project, which seeks to reduce poverty through investments in human capital, utilizes a life course approach to aging, but the HCP's aging work remains in a nascent stage, as it is a relatively new initiative for the Bank.



A multi-pronged approach can bring together a variety of stakeholders to mainstream an aging lens in research, project operations, and strategy



Population aging is a demographic inevitability. Even extremely young countries, such as Chad and Niger, where the median ages are 16 and 15 years, respectively, are aging while they experience a significant youth population bulge. Multilateral development banks therefore have a key role to play in financing and supporting preparation for population aging in countries and regions where income and GDP remain low. Mainstreaming the importance of this issue—a key pillar of the 2002 Madrid International Plan of Action on Ageing (MIPAA), the first global action plan for building an age-friendly society—and pressing for greater prioritization of preparation for population aging are processes that will be most effective when all stakeholders in healthy and sustainable aging work collaboratively. Not only do individuals and teams working within multilateral development banks on aging issues have a key role to play, but their allies in institutional leadership, member countries, the private sector, and other development-focused organizations can also assist in the process.

Individuals and teams working on aging within multilateral development banks need to socialize the impacts and urgency of population aging and identify areas for fruitful collaboration

Researchers, practitioners, and champions of support for older adults within multilateral development banks are central to the prioritization and integration of preparation for population aging into the operations and strategies of their institutions. Identifying intersections and shared interests with other development priorities, encouraging collaboration with stakeholders external to their institutions, and engaging in clear and compelling communication regarding the urgency and necessity of aging work can help to mainstream awareness of the issue throughout development banks, and foster enabling conditions for a strategic approach.

Those working on aging are well-positioned to identify intersections and overlaps with other pressing development priorities, which could lead to cross-sectoral collaboration

While older adults and aging populations have certain unique characteristics and specific needs that are best addressed through targeted interventions, systems and infrastructure that are age-friendly or age-ready have universal benefits. Within health care, social care, education, gender equality, and infrastructure research and work, there are numerous overlaps with aging work that provide clear opportunities for cross-sectoral collaboration. Teams and individuals working on aging within development banks are well-placed to identify and capitalize on those intersections, as they are often most aware that aging work confers co-benefits on the wider society. Interviewees and roundtable participants repeatedly identified overlaps with the work being undertaken by their colleagues and expressed a desire to integrate aging work more closely with work on other development challenges. Gustavo DeMarco, Lead Economist and Global Lead for Pensions, Social Insurance, Disability, and Aging at the World Bank, highlighted the potential benefits of working in a large, multisectoral institution: “One of the advantages of the World Bank is that we’re big. The size matters—sometimes it’s a burden because we’re more bureaucratic than smaller organizations. But we have the capacity to bring together people working on the aging agenda from different angles.”

Teams and individuals addressing labor, health, and aging,

among others, can collaborate on research and projects to take a whole-of-life and whole-of-society approach to well-being that inherently supports healthier, more prosperous older populations. Focusing on human capital development acknowledges that interventions taken throughout the lifecycle can have a long-lasting impact, including by creating systems capable of supporting aging populations. Addressing early childhood health and education, creating robust social and health care systems, and providing opportunities for development throughout the lifecycle therefore not only encourage greater economic growth but also create new generations of older adults who are healthier, more educated, and better cared-for than their predecessors. An approach such as this—that emphasizes healthy longevity or human capital development—can therefore provide new opportunities for collaboration between sectoral teams, and can build age-friendly and age-ready policies and systems as standard, by adopting universal design principles. These principles emphasize broad accessibility and usability of systems, services, and infrastructure, reflecting the shared needs of many distinct groups. Accessible, sustainably funded, well-maintained systems and infrastructure can therefore be age-ready, benefiting communities and societies that have not yet begun to age significantly, while being in place to support future aged societies.

Planned and ongoing work at all the multilateral development banks analyzed in this report could lend itself to a similar approach and strategic framing, at the encouragement of bank leadership and internal and external stakeholders in aging. The African Development Bank (AfDB), for example, is primarily focused on building sustainable systems and infrastructure in under-resourced countries and regions. The Bank’s work developing robust and accessible health care systems can include preparation for population aging by strengthening non-communicable disease (NCD) prevention, increasing access to primary care, and improving maternal and infant care. Improving health and well-being throughout the lifecycle will then lead

Focusing on human capital development acknowledges that interventions taken throughout the life-cycle can have a long-lasting impact, including by creating systems capable of supporting aging populations.

to healthier older adults, with greater functional ability and less reliance on health and social care systems, but it is vital that already-aging populations not be neglected as a result. Individuals and teams at multilateral development banks, along with their allies and partners, can promote a whole-of-life, healthy longevity approach that prepare societies for population aging as part of a broader development agenda. Similarly, researchers at the World Bank have identified clear areas for age-friendly work in urban design and infrastructure development, which would make transport and other systems more accessible not only to older adults but also to people with disabilities, parents with young children, and even tourists.

Pursuing partnerships with Member States that are planning for population aging can help to establish practical knowledge, compelling evidence and data, and replicable projects and interventions

As noted above, member countries can influence the level of interest in a particular development challenge. A government's prioritization of aging in domestic policy and in work with development partners can send a message to the leadership of financial institutions that the issue warrants attention. Masato Okumura, a Development, Innovation, and Strategy Specialist at the IDB Lab, focusing on the silver economy, for instance, highlighted the example of Uruguay, one of the most rapidly aging countries in Latin America and the Caribbean, and in recent years a key driver and partner in the IDB's aging work. The country recently jointly hosted a workshop with the IDB Group, bringing together various stakeholders and actors working on population aging in the region to discuss concerns, priorities, and approaches to preparing for demographic transition. Uruguay's interest in this topic is reflected in the number of projects it has undertaken with the IDB relating to aging—four since 2015. This interest is now being reflected in the IDB's updates to its institutional strategy, which have increasingly emphasized the urgency of addressing aging. Other countries proactively addressing aging in partnership with multilateral development banks through multiple projects include: Argentina, Chile, and Brazil with the IDB; China and India with the ADB; Georgia with the EBRD; Kenya with the AfDB; and Ukraine with the World Bank.

Increased collaboration with Member States can also be a conduit for creating robust and useful data on the cost-effectiveness of advanced preparation for aging, a gap that many interviewees and roundtable experts noted often created challenges in effective communication with client governments. In particular, they called for the creation



Building the case for human capital development

Working closely with client countries on aging-related projects also creates a repository of relevant data, frameworks, and projects that can potentially be replicated in different countries. The World Bank's Human Capital Initiative, for example, is currently trialing operations and data collection and analytics methods in three archetypical countries in Africa, Asia and Latin America—Sierra Leone, India, and Colombia—to create replicable approaches that can be easily adopted elsewhere. Demonstrating the effectiveness of certain approaches to population aging—in this case, promoting whole-of-society health and well-being from early childhood to old age—and creating proven practices that can be adapted by country context will help to socialize this work across the banks, and to other member countries. Mainstreaming this work internally may involve active communication through institutional channels. Interviewees from the World Bank, for example, described their use of the Bank's regular training and education seminars, aimed at internal staff, to communicate the findings and successes of their work. As more teams begin to discuss and implement successful approaches, they can then be brought to the attention of decision-makers and integrated into future institutional strategy.

of metrics demonstrating the return on investment of preparation for population aging or, alternatively, the costs of inaction, to be socialized throughout client governments and within development institutions, which may be wary of investments that have the potential for short-term fiscal tension, despite their medium- and long-term payoff. Interviewees working at the World Bank, for example, described their use of the Bank’s regular training and education seminars, aimed at internal staff, to communicate the findings and successes of their work focused on healthy longevity. As Gisela Garcia, Evaluation Officer in the Human Development and Economic Management Unit, Internal Evaluation Group, World Bank, and co-author of the World Bank’s recent evaluation of Support to Aging Countries, noted in an interview, “Let’s show why [aging work] is important, not just because it’s the right thing to do, but because it makes sense to do so.”

Conducting regular research and data analysis on target countries can ensure that operations and strategies to prepare for aging are sensitive to country-specific demographic and economic contexts and needs

Building a body of quantitative and qualitative data and evidence, and keeping a record of successful projects, can assist aging-focused teams to mainstream and prioritize preparation for population aging strategically throughout the multilateral development banks where they work. However, development banks’ member countries all vary, and there is no one-size-fits-all approach to preparation for population aging that can simply be applied to all low- and middle-income countries. Understanding the unique demographic, socio-economic, and cultural contexts in which aging takes place across countries and regions will be key to creating effective strategies and projects for implementation. This includes an awareness of the differing pace and timelines of aging. Collaboration among aging experts, research teams, and country teams to produce regular, in-depth reports analyzing the state of aging and the impact of ongoing preparation efforts, will assist in the creation of context-specific projects and technical assistance.

Member States guide development priorities through their domestic agendas, driving budgetary and operational decisions at development banks

Member and client countries of multilateral development banks are among the most influential actors in the

“Let’s show why [aging work] is important, not just because it’s the right thing to do, but because it makes sense to do so.”

—Gisela Garcia, Evaluation Officer in the Human Development and Economic Management Unit, Internal Evaluation Group, World Bank



development eco-system. Member States decide on development priorities based on domestic policy and strategy, and take the lead in crafting Country Partnership Strategies with development finance partners, usually on a three- to five-year timeline. As a result, member countries play a major role in influencing the strategies and development priorities of multilateral development banks. At the IDB, for example, where the institutional strategy and vision is reviewed and updated every five years, internal country teams and representatives from member country governments are consulted and heavily involved in the review process. At other banks, interviewees described a gradual mainstreaming process, whereby increased interest in a particular topic by member countries often leads to greater discussion and prioritization of the topic within the bank, whether or not this is then reflected in official strategic documents. At the World Bank, for example, a senior specialist and human capital expert, described his team’s approach to socializing their work. “It’s a very decentralized organization, where decisions are mostly taken at country level, then regional, and then elevated and global. So, you need to build this bottom-up interest in the topic . . . for the long-term stuff, you need to build coalitions from within to push the agenda forward.” Donor member countries—which provide funds for development projects but do not usually receive them—can also influence the issues on which money is spent, as has been the case at the ADB, which receives funds from countries like Japan and Korea, where population aging is among the most advanced in the world.

As a result of this prominent position, stakeholders focused on aging within member country governments can play an important role in prioritizing the issue and encouraging its consideration by multilateral development banks and other development partners. By identifying counterparts and allies within the development banks, these individuals can communicate the importance of preparation for population aging, and the social and fiscal benefits of a proactive approach, both to their own ministry of finance—usually the direct liaison with

development banks—and to relevant decision-makers within the banks themselves. As part of this, stakeholders in member country governments—which may include ministries of health, social protection, or specific teams working on aging—can undertake and engage with research on the impacts of aging within their country and disseminate that research and evidence among their colleagues to encourage integration into plans, policies, and programs. They can also work to build public support for preparation for population aging by socializing research and evidence in the media and working closely with NGOs and civil society organizations with an aging focus. In Japan, for example, the Ministry of Finance has highlighted the risk that population aging poses to economic prosperity due to dropping labor force participation, a concern it raised when hosting the 2018 G20 meetings, in order to increase the attention paid to this issue.

Leadership of multilateral development banks set goals and strategic direction and can encourage consideration of aging in cross-sectoral work

Effective prioritization of population aging as an urgent development challenge, one that is addressed strategically throughout each development bank, will require the support and buy-in of the top leadership as well as strategic decision-makers within various divisions and units. While interviewees and roundtable participants noted the difficulty—indeed, the undesirability—of compelling entire organizations to take an identical approach to development work, bank leadership can encourage sectoral and country teams to consider certain issues and integrate specific development goals into their work. The leadership and strategic decision-makers of multilateral development banks can therefore play a significant role in the prioritization of population aging across the development ecosystem.

Leaders at multilateral development banks ultimately set strategy, direction, and agendas, thereby playing a key role to encourage collaboration across teams for greater impact

There are several approaches that bank leadership could take to encourage the application of a longevity lens by teams and sectors within their institutions, which are currently being used in relation to other development challenges, such as gender equality and climate change.

While far from a panacea, there are important examples and lessons to draw on and apply in order to improve a sustained focus on, and prioritization of, population aging.

All five banks included in this analysis have integrated a gender-lens into their operations, including by creating gender-focused impact assessments to be deployed during project design, and highlighting gender as a cross-cutting issue to encourage cross-sectoral and intersectional collaboration. Similarly, the banks have all highlighted climate change as a key challenge to be addressed as part of achieving the SDGs. The World Bank, for example, has worked with other development institutions to create a framework for greenhouse gas emission accounting in infrastructure projects, with the intention of curtailing development-related climate impacts. The framework acknowledges that development interventions with positive intentions can, and often do, have negative impacts on local or global society, as do gender equality frameworks such as the ADB's gender mainstreaming guidelines. An integrated approach to aging work by leadership of development banks could also acknowledge the potential negative impact of development interventions—or lack of intervention—on current and future older populations and encourage the creation of projects that minimize or reverse these impacts. Frameworks and guidelines of this kind may be available soon: at the IDB, for example, Masato Okumura, a specialist with the IDB Lab, shared that older adults have been explicitly identified as a vulnerable group in need of consideration as part of project design impact assessments.

Mainstreaming aging throughout development banks could also result from leadership's encouragement of a whole-of-society and whole-of-life approach to health,

“It’s a very decentralized organization, where decisions are mostly taken at country level, then regional, and then elevated and global. So you need to build this bottom-up interest in the topic... for the long-term stuff, you need to build coalitions from within to push the agenda forward.”

—Senior specialist and human capital expert at the World Bank

well-being, education, and work. Bank leadership can play a key role in socializing the impacts of this approach and encouraging cross-sectoral collaboration among teams working on different aspects of human capital development. This could facilitate a holistic approach and institution-wide prioritization of population aging throughout the development banks.

Multilateral development banks can lead by example, by prioritizing public and easily accessible data on their operations

Bank leadership can also play an active role in facilitating the collection, analysis, and dissemination of clear and accessible data, particularly data on Bank-supported projects. During data collection and analysis for this report, for example, FP Analytics' researchers encountered numerous challenges in attempting to gain a clear and full picture of the extent of recent and ongoing projects relating to aging and older adults. Development bank project databases available online were frequently unavailable due to maintenance, and search and filter processes lacked certain functionality, such as the ability to filter projects by year of approval. (For more information on barriers to data collection, please see Appendix 1.) Standardizing and increasing the functionality of Bank project databases would enable researchers and media to more easily understand and follow the work that is ongoing on various topics. This would enable easier identification of gaps in Bank activities, which external stakeholders and partners could then target for future work.

External stakeholders socialize research and evidence for proactive preparation for aging, and demonstrate the issue's economic and social relevance

Beyond the primary relationship between multilateral development banks and their loan-receiving member countries, an ecosystem of different actors focused on aging have a role to play in mainstreaming the importance of preparation for population aging and in encouraging its prioritization by those two key actors. Civil society, non-governmental organizations (NGOs), the private sector, and other development institutions can work in partnership with, and independently of, aging-focused teams in multilateral development banks and governments with developing economies to promote the prioritization of aging.



Collaborating with local entrepreneurs to grow the silver economy

In light of the opportunities presented, the [IDB Lab](#), which works with the private sector to identify innovative solutions to development challenges, has recently increased its work on the silver economy—economic activities that serve the needs and meet the demands of older adults. Working in partnership with colleagues on the IDB's Social Protection and Health team, the IDB Lab has created a popular "silver economy challenge"—in which small enterprises responded to a request for proposals, and nine winning projects were chosen to receive seed funding—and has begun working with local and international businesses on new projects. Similar opportunities for regional development banks to work closely with the private sector—both small, local enterprises, and large multinationals—could generate innovative policies and interventions to prepare for population aging and support today's older populations.

The private sector prioritizes older adults as consumers and can support them to access productive, reliable work

The private sector interacts with older adults in two major ways, which make it an important partner in preparation for population aging. Globally, older adults represent a key consumer group for goods and services, particularly as life expectancies increase and more individuals seek long-term care and adaptive and accessible retrofitting services. The so-called “silver” or “longevity” economy represents an opportunity for businesses and entrepreneurs in emerging markets and developing economies to expand their consumer base and profits, contributing to GDP growth and encouraging foreign direct investment. Research by the IDB, for example, projects that between the years of 2015 and 2030, people over the age of 60 will be the source of around 30 percent of all growth in consumption in cities in the LAC region, and it predicts that this share will continue to grow. The IDB identifies opportunities in the region for the housing sector, care economy, health industry, and transport sector, among others, and has found that the silver economy in LAC is dominated by private-sector enterprises specifically, representing nearly 75 percent of entities offering services to older adults. As the majority of silver economy enterprises in the region operate solely within their country of origin, collaboration between the private sector and multilateral development banks represents a major opportunity for both economic growth and sustainable preparation for population aging.

In addition to serving aging populations as a consumer group, the private sector employs increasing numbers of older adults. Growth in the labor force participation of older adults is due to both choice and necessity, as improvements in life expectancy have extended individuals’ post-work lifetimes. In low- and middle-income countries, low pension coverage and a lack of savings can require people to work well into their old age, particularly in mixed-generation households, where older adults remain the breadwinners, while others may choose to work as a means of remaining productive, independent, and engaged in community life. The International Labour Organization (ILO) estimates that in 2019, 28 percent of men and 13 percent of women aged over 65 participated in the labor force, and in low-income countries specifically, 56 percent of men and 33 percent of women did so. Improving older adults’ access to well-paid, fulfilling work has also been linked to economic progress and prosperity: In 2018, workers aged over 50 years contributed \$8.3 trillion to the U.S. economy, equivalent to 40 percent of GDP, and it has been projected by UNDESA that in OECD

A recent study by the ILO has found that investing in longer parental leave, universal health care, and universal long-term care could generate 280 million jobs worldwide by the year 2030, and 299 million jobs by 2035, of which 233 million would likely be held by women.

countries, older adults who work could raise GDP per capita by 19 percent over the next thirty years.

Development banks can therefore work closely with the private sector to improve workplace conditions for all segments of the labor force, including older adults, through technical assistance and capacity-building aimed at creating safe workplaces that are free from discrimination, and offering opportunities for skills development and re-skilling. The European Bank of Reconstruction and Development (EBRD), for example, partners with corporations across Eastern Europe and Central Asia to implement skills training designed specifically for older adults and other marginalized groups, as part of its Economic Inclusion practice, and in line with its goal of supporting economic and digital transitions in middle-income countries. A project in partnership with grocery store chain Spar, in Poland, for example, provides its employees aged 50 and older—who represent one-third of its total workforce—with digital skills training and other age-sensitive accommodations such as flexibility in shift allocation. According to interviewees from the EBRD, this program has recently been expanded to include Ukrainian refugees, over one million of whom have crossed into Poland since the Russian invasion in February 2022, demonstrating the clear co-benefits of such an approach.

Civil society and NGOs amplify the needs and views of older adults, identifying areas for new work

Civil society organizations and NGOs play several key roles in mainstreaming and encouraging preparation for population aging in development banks. NGOs often act as implementing partners for development bank

projects, and their localized expertise can be key to the creation of context-specific, relevant projects relating to aging. HelpAge, for example, has worked closely with development banks, including with the ADB in Vietnam, where it implements a long-term project creating inter-generational self-help clubs, to identify areas for project growth across the region. As NGO staff interact regularly with older adults in development bank member countries, they are well-placed to ascertain the needs of older and aging communities, and to amplify their voices and ensure their inclusion in project-planning processes.

Civil society organizations similarly play a role in amplifying the voice of older adults and their advocates, to encourage the creation of impactful projects and policies, and they can equally assist in data collection from among their memberships. Interviewees working in development banks noted that civil society organizations, especially those that are local and community-led, often play a helpful role in publicizing relevant and useful research. Interviewees who are working in multilateral development banks have occasionally found that their own research gets increased attention within their institutions once it has been championed by a respected civil society organization. As advocates for specific groups and issues, including older adults and population aging, civil society organizations can also cultivate close relationships with, and facilitate exchange between, researchers, decision-makers, and donors at multilateral development banks to encourage greater consideration of, and interest in, their chosen causes. As respected third-party actors, civil society groups are well-placed to bring together aging experts and colleagues from the development community for convenings and collaboration.

Non-financing development institutions fill data gaps and produce necessary research on population aging and its impacts

The landscape of international organizations, including those focused on economic development, poverty reduction, and quality of life, extends beyond the multilateral development banks analyzed in this report. Institutions such as the United Nations (UN) and its related bodies, the International Monetary Fund (IMF), and other regional and global multilateral banks, such as the Islamic Development Bank and Council of Europe Bank, all have a role to play in preparing for and addressing population aging. Work on aging at these organizations can demonstrate the urgency of the issue and provide a model for mainstreaming aging work throughout multifaceted institutions.

In 2018, workers aged over 50 years contributed \$8.3 trillion to the US economy, equivalent to 40 percent of GDP, and it has been projected that in OECD countries, older adults in work could raise GDP per capita by 19 percent over the next thirty years.

Development finance institutions can—similarly to the World Bank, ADB, IDB, AfDB, and EBRD—prioritize preparation for population aging in their conversations and project planning with loan-receiving countries and entities, creating momentum for the mainstreaming of aging work in other institutions. Non-financing organizations, such as UN agencies and the ILO, have equally important, complementary roles to play. Research and policy-focused institutions can help to close key gaps in understanding by undertaking and supporting data collection and analysis in countries with low data coverage, and generate innovative, impactful policy recommendations and infrastructure interventions to support older populations. A recent study by the ILO, for example, has found that investing in longer parental leave, universal health care, and universal long-term care could generate 280 million jobs worldwide by the year 2030, and 299 million jobs by 2035, of which 233 million would likely be held by women. Research of this kind demonstrates the clear co-benefits of investing in systems and interventions that protect and support older adults, and it can be a persuasive tool in encouraging greater spending on long-term care and health care, two areas often misperceived as delivering a poor return on investment.

Looking ahead to 2030 and beyond



The second demographic transition, from youth bulge to increased aging, will create new challenges for low- and middle-income countries that could threaten progress made toward the SDGs and other development goals thus far. However, proactive preparation for this eventuality may be the key to overcoming these challenges and harnessing the opportunities which can similarly arise. While aging work is underway, the World Bank, the AfDB, the ADB, the IDB, and the EBRD have the opportunity to pursue a more strategic and integrated approach to population aging by prioritizing the issue in their work with member countries, the private sector, NGOs, and other development institutions. Based on extensive interviews, roundtable convenings, and analysis of projects and strategy documents from all five banks, FP Analytics recommends that stakeholders that are engaged in proactive preparation for population aging consider the following approaches:

For leadership of multilateral development banks:

- **Apply a longevity lens to planned and ongoing development projects** by encouraging teams and staff to consider the impacts of operations on current and future older populations, and to mitigate negative impacts where possible. One successful example of this is the [ADB's Strategy 2030](#), which highlights aging as a cross-cutting emerging challenge.
- **Cement population aging as a long-term strategic priority** by demonstrating its interaction with poverty and economic development, and by integrating age-inclusive practices into institutional strategic documents and project design guidance.
- **Encourage a whole-of-society, whole-of-life approach to aging** by facilitating cross-sectoral collaboration, identifying intersections between development challenges and interventions, and considering the most effective way to mainstream aging institutionally, similarly to gender and climate change.
- **Ensure accountability for Bank goals and commitments** by maintaining public, easily accessible databases of projects, operations, strategies, and budgets, and supporting regular assessments and evaluations of progress toward those goals.

For individuals and teams working in development banks:

- **Communicate the opportunities presented by population aging**, to mainstream the issue within MDBs and other relevant development finance institutions, and encourage proactive preparation.
- **Promote a whole-of-life approach to aging and support for older adults** by supporting human capital development and working with colleagues to holistically and strategically address all aspects of well-being.
- **Pursue a cross-sectoral approach to preparation for population aging** by identifying intersections and overlaps with other development challenges and highlighting areas for collaboration with colleagues. Topics that are ripe for potential collaboration include health care, labor rights and participation, gender and equity, and urban planning and design, and leveraging these intersections could yield multiple dividends across issue areas.
- **Create effective and adaptable aging-focused interventions**, by analyzing the specific contexts and

impacts of population aging in different countries and regions. The [World Bank Independent Evaluation Group](#) recommends that such analysis take place as part of regular country and region diagnostic reports.

- **Partner with interested Member States** to design and implement ambitious and effective projects and interventions to support sustainable population aging, and to build a repository of efficient, scalable, and replicable approaches to preparation for demographic change to be socialized more broadly. One example to explore may be the [World Bank's Human Capital Initiative](#), which is working with three initial countries to create a data dashboard and a menu of interventions.

For development institutions:

- **Mainstream the importance of preparation for population aging within multilateral development banks** by prioritizing aging within non-financing development institutions, and during conversations and collaboration with member countries and banks.
- **Demonstrate the co-benefits of investing in preparation for population aging** by undertaking innovative research, closing key data gaps, and strategically amplifying evidence of successful interventions. [UNDESA's work on older women](#), for example, highlights age-related gaps in gender-disaggregated data, and the importance of support for older women.

For member country governments:

- **Communicate the importance of population aging to domestic policy audiences**, within both government and the public, and integrate the focus into economic development priorities with the support and collaboration of development funders and partners such as multilateral development banks.
- **Prioritize population aging within country partnership frameworks and strategies** developed in cooperation with multilateral development banks, to encourage the mainstreaming of aging throughout these institutions. Countries that are eager to expand their aging work can look to [China's country partnership framework](#) with the ADB as an example.
- **Identify champions, allies, and partners within the development and policy ecosystem** to further mainstream awareness of population aging and address the challenges and opportunities it brings.

For civil society and NGOs:

- **Support the creation of relevant and effective development projects**, by identifying areas for project innovation and growth, and amplifying the voices of older adults in project-planning processes during meetings and collaboration with development practitioners.
- **Socialize relevant research and replicable practices throughout development institutions**, by publicizing and sharing new reports, innovative projects, and successful practices in conversations with multilateral development bank leadership and member countries' governments. The World Bank, for example, hosts weekly seminars on new policy research findings aimed at both internal staff and any interested outsiders.
- **Facilitate the exchange of ideas and experiences, and encourage collaboration** by hosting consultations, convenings, seminars, and discussions between stakeholders in the prioritization of population aging across the development landscape. Convenings such as AARP and FP Analytics' 2021 and 2022 closed-door roundtable discussions are one example of how civil society can bring together a wide range of stakeholders focused on population aging.

For the private sector:

- **Engage with older consumers in the “silver economy” (also referred to as the “longevity economy”)** by developing and offering goods and services designed to facilitate functional ability and well-being in later life, while increasing engagement with a key consumer segment.
- **Partner with multilateral development banks to test innovative business models, financing avenues, and consumer products**, and take a whole-of-society approach to healthy aging and preparation for demographic change.
- **Create safe and supportive work environments for older adults** by providing training and reskilling opportunities, encouraging inter-generational mentorship and support, and institutionalizing policies to eliminate ageism and benefit from the skills and experience of older workers.

Going forward, strategically aligning work on population aging across the development ecosystem, and sharing successful practices, could enable individuals, teams, and organizations impacted by, and responsible for, population aging to address this challenge more effectively and holistically. Through collaborative and strategic action, these stakeholders can encourage the prioritization of preparation for population aging within multilateral development banks, and mainstream conversations and actions addressing demographic change in the wider development community.

Quantitative analysis methodology

Descriptive data regarding the status of projects relating to population aging and/or older adults was compiled through a review of the project databases of each of the five multilateral development banks (MDBs) of interest: the Inter-American Development Bank (IDB), the Asian Development Bank (ADB), the African Development Bank (AfDB), the World Bank (WB), and the European Bank for Reconstruction and Development (EBRD). The project data was downloaded in bulk and filtered to display only projects approved, ongoing, or in the pipeline,¹ since 2015, the start of the United Nations Sustainable Development Goals (SDGs).

Based on an extensive review of literature, including publications by the MDBs, civil society organizations, and scholars, FP Analytics compiled a list of ten key search terms to identify relevant aging-related projects: “older”, “elder”, “senior”, “aging”/“ageing”, “silver”, “aged care”, “caregiver”, “retire”, “pension”, and “vulnerable”. The word “vulnerable” is often used as an umbrella term in projects that seem to affect older adults but do not explicitly specify the impact on them. For this reason, projects were categorized in a two-tiered system in which the first tier includes projects explicitly related to aging and older adults. Projects included in the first tier have descriptions or summaries containing one of the search terms from the following subset: “older”, “elder”, “senior”, “aging”/“ageing”, “silver”, “aged care”, or “retire”. If the words “caregiver”, “pension”, or “vulnerable” were used without one of the explicit aging key words alongside it, the project was classified as second tier.

Keyword search is a common methodology for meta-analyses, and this report takes a cue from the World Bank Internal Evaluation on Support for Aging Countries, which acknowledges the significant overlap between work on population aging/older adults and work on vulnerable populations more broadly, by denoting a specific set of search terms related to aging. Projects were excluded from tier one or two if it was clear that the use of these three terms was in reference to broader regions or geographies generally, or specifically focused on a demographic group other than older adults. For example, projects that specified their target beneficiaries as exclusively youth and women were not included in tier one or tier two. Based on these strict criteria, fewer than 10 projects were identified for exclusion by the research team. In total, 14,969 projects were reviewed across the five banks, and 621 projects included in either the first- or second-tier sets analyzed as part of the research for this project. Keyword searches and data downloads were conducted between the beginning of July and the end of August 2022.

Barriers to data collection included incomplete project descriptions, interrupted access to projects due to database maintenance and construction, and the absence of a universal tool for bulk download. While some banks had the option for bulk data download, often the resulting spreadsheets were missing crucial information, such as funding amounts, or excluded functional project hyperlinks, which hindered FP Analytics’ ability to confirm data reliability. For example, one bank had compiled all projects since 2005 into a publicly accessible spreadsheet, but it was incomplete for the years 2021 and 2022. Additionally, project descriptions were often outdated, incomplete, or mismatched. The FP Analytics research team manually reviewed project databases to supplement the spreadsheets with missing data.

Qualitative analysis methodology

This report draws on information and insights shared by experts and practitioners working at each of the five development banks included in the scope of the project as well as other relevant individuals working within the wider aging ecosystem, such as civil society organizations. FP Analytics’ researchers conducted 25 one-on-one, in-depth, semi-structured interviews to better understand the perceptions, strategies, processes, and programs relevant to aging populations within the five banks. In addition, FP Analytics convened two carefully curated roundtable discussions held under Chatham House rules, with 16 participants from banks and other relevant organizations in academia, civil society, and international development. Interviewees and roundtable participants were identified through a combination of mapping relevant stakeholders based on desktop research and snowball sampling through peer-to-peer recommendations. Interviews were conducted between March and August 2022, over Zoom, due to the ongoing COVID-19 pandemic. In total, accounting for overlap between interviews and roundtables, 32 individuals from development institutions, civil service and non-governmental organizations, academia, and international institutions contributed their insights to this report.

FP Analytics would like to acknowledge and thank all those who participated in roundtables and interviews for their time, their contributions, and their candor. In accordance with the informed consent protocol for this project, participants’ personal information (such as names and institutional affiliations) have been anonymized except in instances where written permission was granted for attribution of responses.

¹ The terminology used by each of the MDBs to designate the status of projects in the database is as follows. IDB: preparation, implementation, closed, cancelled; ADB: proposed, approved, active, closed, archived, dropped/terminated; AfDB: approved, implementation, completion, cancelled; WB: pipeline, active, closed, dropped. The EBRD database does not enable searches to be filtered by project status and does not appear to use standardized status terminology—each project was therefore analyzed, and an “approved,” “ongoing,” or “closed” status was assigned to each, based on project documentation by FP Analytics’ researchers.