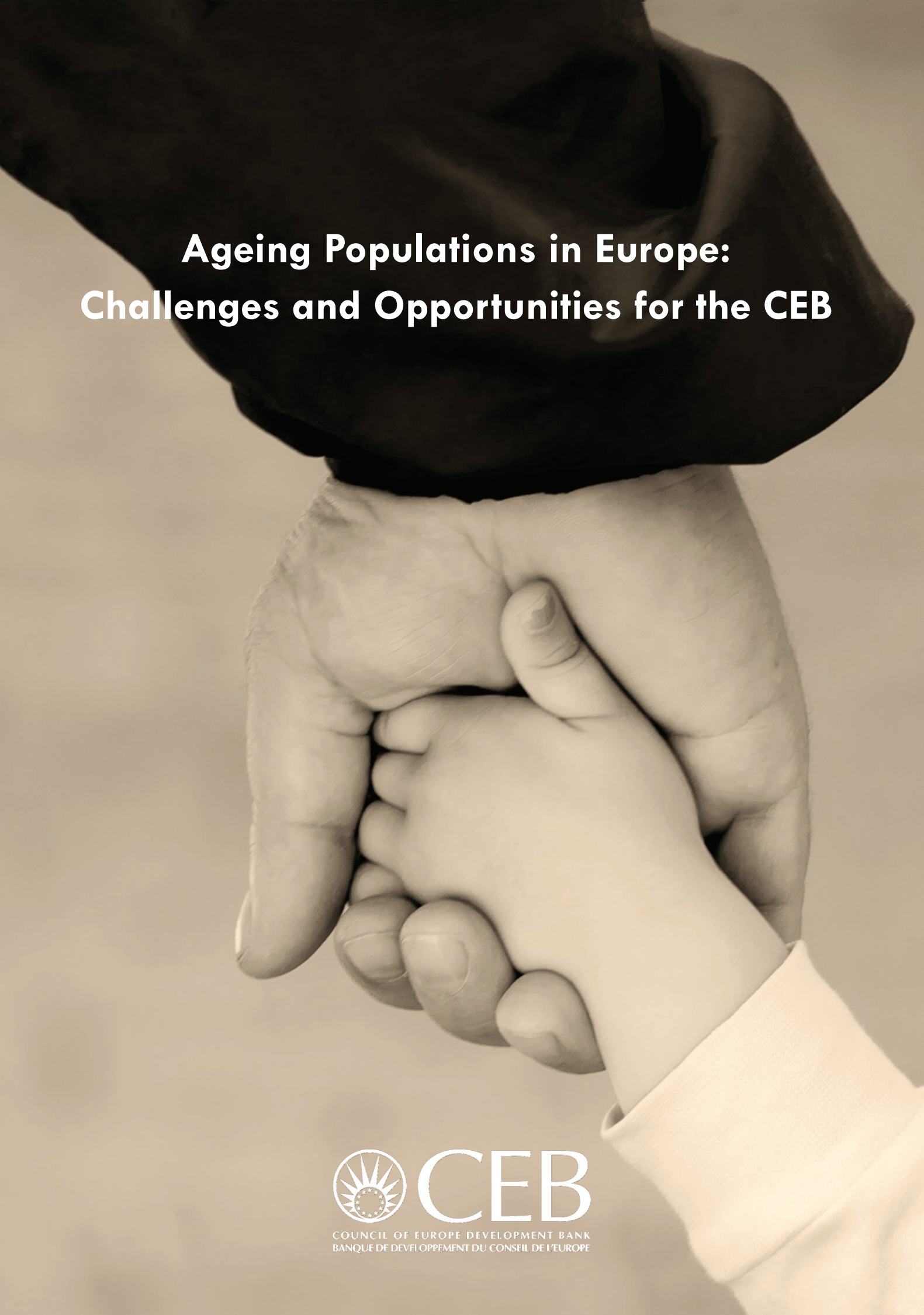


Ageing Populations in Europe: Challenges and Opportunities for the CEB

CEB

COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

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BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

AGEING POPULATIONS IN EUROPE: CHALLENGES AND OPPORTUNITIES FOR THE CEB

JANUARY 2014

DISCLAIMER

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The designations employed and the presentation of the material in this paper do not imply the expression of any opinion whatsoever on the part of the CEB concerning the legal status of any country, territory, city of area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The study is printed in this form to communicate the result of an analytical work with the objective of generating further discussions on the issue.

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FOREWORD

Population ageing is one of the most significant demographic and social trends of the 21st century, affecting nearly all the countries in the world. Increasing life expectancy is indeed a remarkable achievement of development and health care. However, it also poses obvious challenges. Older people are coming to represent a proportionately larger share of the total population, presenting social, economic and cultural challenges to individuals, families, public welfare systems and societies. This global trend is expected to be particularly pronounced in the member countries of the Council of Europe Development Bank (CEB). Between 2010 and 2060, the proportion of people aged 65 or above is projected to almost double, increasing from 16% to 29% of the total population of CEB member countries, to represent about 160 million individuals.

Since its creation, the CEB has contributed to financing social investment projects and has endeavoured to foster social convergence among its now 41 Member States. In line with this social mandate, the CEB has been committed to addressing the challenges of the ageing phenomenon in its Member States. To date, the CEB has financed loans totalling € 1.3 billion in favour of elderly populations.

The particularity of the ageing phenomenon for the CEB is that it is not defined as a specific sector of action: it is a cross-cutting issue covering several CEB sectors. The Bank's mandate includes not only the objective of improving the housing and living conditions of those whose dwellings and/or neighbourhoods are not suited to their daily needs, but also covers the construction or refurbishment of infrastructure facilities such as residential care homes and nursing homes for vulnerable elderly people in need of permanent assistance. CEB infrastructure financing may additionally involve environmental components dedicated to energy saving and efficiency measures in such eldercare facilities.

The purpose of this study, entitled **Ageing Populations in Europe: Challenges and Opportunities for the CEB,** is to assess the demographic and socio-economic trends and factors that will be shaping demand for social investments for the elderly over the coming decades, particularly in CEB sectors of action and member countries. The study is thus primarily forward-looking. While taking into account the CEB's experience and project profile to date, the main focus is on the rising and evolving demand from an ageing population and its wide-ranging implications for the development of elderly-friendly products and services, environments and activities in the coming decades.

The availability, accessibility and affordability of adequate infrastructure and services for the elderly will be crucial to ensuring them decent living conditions. The provision of such infrastructure and services should also be carefully considered in a longer-term and demand-driven perspective. Based on its mandate and experience, the CEB can contribute to addressing some of these needs. To this effect, the development of CEB investments benefitting the elderly are examined in this study from both a geographic and a sectoral stand point, in cooperation with public and private actors, and possibly with the European Union.

I believe that this study evidences the importance of continued CEB investment in favour of the elderly in the light of the social and demographic changes affecting the Bank's Member States. I am confident that this publication will raise awareness of this sector of the CEB's lending as an integral part of the Bank's contribution to fostering social cohesion in its Member States. At the same time, I welcome the following observations and conclusions for our guidance on this key issue for Europe.



Rolf Wenzel
Governor
Council of Europe Development Bank

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ABBREVIATIONS AND ACRONYMS

AC	Administrative Council
CEB	Council of Europe Development Bank
CEE	Central, Eastern and South Eastern Europe (18 countries): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Republic of Moldova, Montenegro, Poland, Romania, Serbia, Slovak Republic, Slovenia and "the former Yugoslav Republic of Macedonia"
EAFRD	European Agricultural Fund for Rural Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECB	European Central Bank
ECF	EU Co-financing Facility
EIB	European Investment Bank
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
EU-12	Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom
EU-15	EU-12 plus Austria, Finland and Sweden
EU-25	EU-15 plus Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia
EU-27	EU-25 plus Bulgaria and Romania
EU-28	EU-27 plus Croatia
EVD	Evaluation Department
GDP	Gross Domestic Product
IFC	International Finance Corporation
IFI(s)	International Financial Institution(s)
ILO	International Labour Organisation
IMF	International Monetary Fund
IOM	International Organisation for Migration
KfW	Kreditanstalt für Wiederaufbau
L&D	Loans and Social Development Directorate
LTC	Long-term care
MSMEs	Micro, small and medium-sized enterprises
NGOs	Non-Governmental Organisations
OADR	Old-age dependency ratio
OECD	Organisation for Economic Co-operation and Development
PACE	Parliamentary Assembly of the Council of Europe
TAM	Technical Assessment and Monitoring Directorate

EXECUTIVE SUMMARY

1. Population ageing is one of the most significant demographic and social trends of the 21st century, affecting nearly all the countries in the world. In the context of ageing baby-boomers, declining fertility rates and increasing life expectancies, older people are coming to represent a proportionately larger share of the total population.

2. This global trend is expected to be particularly pronounced in the EU-28 and in CEB member countries. Between 2010 and 2060, the proportion of people aged 65 or above is projected to almost double, increasing from 16% to 29% of the total population of CEB member countries, to represent about 160 million individuals in 2060. This older population is likely to remain predominantly female.

3. Another important characteristic of the ageing phenomenon is the rapid increase in the share of the "oldest old" (80 or above) and in the old-age dependency ratio (calculated as the relative size of the older population aged 65 or above compared with the working age population aged 15-64). By 2060 the proportion of people aged 80 or above is expected to almost triple from 4% to 11% of the CEB population, accounting for about 64 million individuals. The old-age dependency ratio is projected to more than double from 24% in 2010 to 52% in 2060, which would represent almost twice the global level. CEB member countries would thus have two, instead of four, persons of working age for every dependent aged over 65.

4. Across CEB Member States, the pace and magnitude of population ageing are likely to vary over the next decades. Nevertheless, when grouping CEB countries at each end-of-decade up to 2060 into the "most" to the "least" affected, a general trend may be observed. The ageing phenomenon is expected to gradually shift eastwards. CEB Member States that are relatively "young" today, mainly in Central, Eastern and South-Eastern Europe known as CEB "target countries", are likely to report a significant and rapid increase in their median age in the near- and medium-term, a trend likely to continue until 2050. Relatively "old" CEB countries, generally in Western Europe, may witness a stabilisation in the median age only after 2040. By 2060, the "oldest" CEB countries may comprise almost half of the CEB "target countries".

5. Although a positive outcome of societal development given the increase in healthy life years, population ageing has important implications for society that should be addressed in a timely manner. Among others, this phenomenon is expected to lead to a burgeoning demand for different types of elderly-friendly infrastructure and services. This demand is likely to be heterogeneous across CEB countries, shaped by adaptations to welfare states triggered by fiscal restructuring and shifting societal preferences towards "ageing in place" and home care, and by the growing diversity among older Europeans, particularly the oldest-old and women, in terms of income, health and disability status, access to informal support and (unmet) care needs. This demand may also be geographically differentiated across clusters of countries identified in this study.

6. In line with its social mandate, the CEB has been committed to addressing the challenges of the ageing phenomenon in its Member States since the late 1980s. From 1988 to date, a total of € 1.3 billion in CEB loans has been financed in favour of elderly populations. This CEB support became more significant as of the early 2000s, now totalling € 1.2 billion. From a geographic perspective, the largest CEB borrowers for projects benefiting elderly populations were concentrated in the now relatively "old" CEB countries in Western Europe (Belgium, France and Germany) and Scandinavian countries. Much smaller amounts were financed in the Mediterranean countries (Greece, Italy, Portugal and Spain) and relatively "young" CEB target countries (Hungary, Latvia, Poland, the Slovak Republic and Slovenia).

7. For the CEB, the ageing phenomenon is not defined as a specific sector of action: it is a cross-cutting issue covering three CEB sectors, namely "health", "housing for low-income persons" and "improved living conditions in urban and rural areas". The Bank's mandate includes not only the obvious objective of improving the housing and living conditions of those whose dwellings and/or neighbourhoods are not suited to their daily needs, but also covers the construction or refurbishment of infrastructure facilities such as residential care homes and nursing homes for vulnerable elderly people in need of permanent assistance. CEB infrastructure financing may additionally involve environmental components dedicated to energy saving and efficiency measures in such eldercare facilities.

8. Over the coming decades, there will be a clear need to help healthy older people remain productive and independent and to ensure that those who are frail or disabled receive care and support so that they can live in their communities for as long as possible. This has wide-ranging implications for the development of elderly-friendly products and services, environments and activities. The availability, accessibility and affordability of adequate infrastructure and services for the elderly will be crucial to ensuring them decent living conditions. It is however important that the provision of such infrastructure and services be carefully considered in a longer-term and demand-driven perspective.

9. The CEB can contribute to addressing some of these needs. Based on its mandate and experience, the CEB can develop its activities in favour of the elderly by "silvering" the existing sectors of actions. Various investments could be envisaged: adapting health infrastructure, providing housing and adapting urban and rural living spaces to suit the needs of the elderly, enhancing energy efficiency and the use of renewable energy in eldercare infrastructure, and investing in education and lifelong learning. The CEB's action could also contribute to developing eldercare jobs in the private sector via its support to micro-, small and medium-sized enterprises, especially when it comes to addressing the unmet demand for new jobs in home care services.

10. Many of the most essential services for older people are provided at local level. The way local authorities in particular adapt to demographic changes will be one of the key determinants of quality of life for older people and of the well-being of the wider community. Local actors will be at the forefront of capitalising on the opportunities for developing adequate and affordable infrastructure and services for the elderly. Given the preponderance of EU Funds in financing the social investment needs of CEB Member States, finding ways in which the CEB and the EU can support local and regional actors in this perspective will significantly contribute towards ensuring decent living conditions for older people across the European continent.

11. Given that the organisation and provision of eldercare is decentralised in many European countries, partnership between public, private and third sectors is particularly relevant in delivering (innovative) age-friendly services and infrastructure at regional and municipal levels. At the same time, this decentralisation process has led to regional variations in priorities, eligibility criteria, types of eldercare services and financing modalities. In the future, while taking into account the welfare regime, institutional capacity and regulatory framework in each country of operation and the implications for the Bank's credit risk and financing modalities, the CEB may consider participating in these emerging business models by carefully appraising the eligibility criteria and social outcomes so as to continue effectively to promote the social inclusion of vulnerable older populations. This diversification of the CEB's financial offer could allow the Bank to support population groups to which it otherwise may not have access through ordinary CEB loans.

INTRODUCTION: PURPOSE AND SCOPE OF THE STUDY

Since its establishment in 1956, the Council of Europe Development Bank (hereafter the CEB or "the Bank") has contributed to financing numerous social investment projects and has endeavoured to foster social convergence among its now 41 Member States.

One of the most important demographic changes affecting Europe since the early 1990s has been population ageing. This global trend is expected to remain particularly pronounced in the EU-28 and in many CEB member countries. The CEB has supported its Member States in dealing with the implications of population ageing, in keeping with its social mandate. One of the specific characteristics of CEB support is its cross-cutting nature. The Bank's mandate includes not only the obvious objective of improving the housing and living conditions of those whose dwellings and/or neighbourhoods are not suited to their daily needs, but also covers the construction or refurbishment of infrastructure facilities such as residential care homes and nursing homes for vulnerable elderly people in need of permanent assistance. CEB infrastructure financing may additionally involve environmental components dedicated to energy saving and efficiency measures.

In the coming decades, the proportion of older persons in CEB member countries is projected to continue to rise, mainly due to declining fertility rates, increased life expectancy and ageing baby boomers. There is a clear need to help healthy older people remain productive and independent and to ensure that those who are frail or disabled receive appropriate and affordable care and support so that they can live in their communities for as long as possible. This has wide-ranging implications for the development of elderly-friendly products and services, environments and activities. In a demand-driven context, the CEB can contribute to addressing some of these needs.

This study, **Ageing Populations in Europe: Challenges and Opportunities for the CEB**, is primarily forward-looking. While taking into account the CEB's experience and project profile to date, the main focus is on the changing needs of older populations in the coming decades. In this context, the diversity of potential future CEB investments benefitting the elderly is discussed from both a geographic and a sectoral standpoint.

The study is structured in two main parts.

In Part 1, the demographic trends and drivers projected for CEB member countries up to 2060 are explored. The future of the ageing phenomenon is analysed by decade and by country, and similarities in ageing patterns across clusters of countries are identified. Also addressed are the general implications of demographic change for welfare regimes, eldercare and social inequality. All these factors are likely to determine future needs and thus demand for CEB investments in this field.

In Part 2, the Bank's rationale for and experience in financing projects in favour of the elderly is described. The CEB's relevance in the landscape of the older people's evolving needs is explored, in particular through the identification of sector priorities and geographic distribution within each sector. In conclusion, potential avenues for the Bank's continued support for an ageing population in the years to come are discussed.

This publication thus evidences the importance of continued CEB investment in favour of the elderly in the light of the social and demographic changes affecting the Bank's Member States.

Part 1: DEMOGRAPHIC TRENDS AND THEIR IMPLICATIONS IN CEB MEMBER COUNTRIES

Among the profound social and demographic transformations facing Europe, a key dynamic is that of population ageing. All CEB member countries are increasingly having to deal with the ageing phenomenon but not at the same time and not to the same degree.

The objective of Part 1 of this study is to assess the demographic trends and drivers shaping future demand for social investments in favour of the elderly over the coming decades. This assessment constitutes the basis for understanding where, when and to what extent ageing pressures may influence the Bank's future financing (further explored in Part 2).

Chapter 1 analyses the projected population size and age structure of CEB member countries over the next five decades. Selected indicators are provided in Statistical Annex of this study. Chapter 2 attempts to identify geographical patterns in the ageing process based on clusters of CEB countries. Chapter 3 explores some of the implications of an ageing population for society by discussing various linkages between ageing on the one hand, and welfare states, eldercare and social inequalities, on the other.

In this part, data are mainly taken from statistical projections made available by the UN in June 2013 in "World Population Prospects: The 2012 Revision". At the time of writing, this UN database was the most recent update of population projections released by an international institution. The UN population projections, produced every two years, are the most widely used worldwide. Our study merely interprets these projections, which must not be treated as definite forecasts given the inherent uncertainties of population projections, particularly those made over the longer term.

Other international institutions providing such projections are EUROSTAT and the World Bank. EUROSTAT's last population projection scenario, EUROPOP2010, was released in June 2011, with a revision to be issued in March 2014[1], after the expected publication date of our study. The World Bank's population estimates and projections are mainly based on the UN Population Prospects database and are generally used for planning and managing projects.

The reader may sometimes find some differences between the data presented here and statistics from these other sources. These discrepancies may be partly explained by different methodologies, estimates of current population size and assumptions for fertility, mortality and migration. For example, EUROSTAT refers to population as at 1 January, rather than at 1 July as is the case for the UN and the World Bank. In this context, the authors of this study may not be held accountable for any data discrepancies encountered.

[1] Although it has no fixed timetable, EUROSTAT aims to produce a set of projections every three to four years. The expected release date of March 2014 was confirmed by EUROSTAT Media & Institutional Support (e-mail communication as at 25 July 2013).

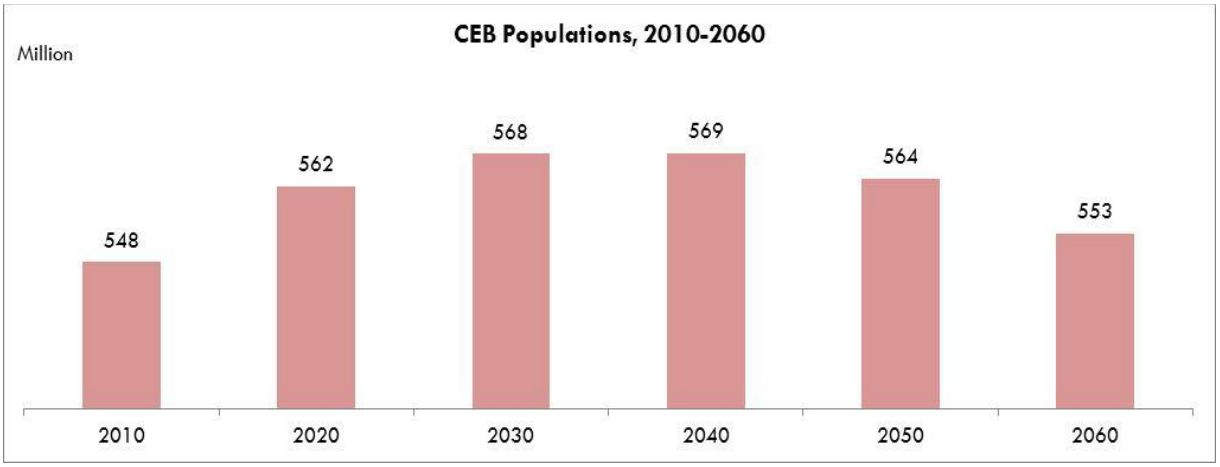
Chapter 1: Trends in population size and age structure

Although a global phenomenon, population ageing is particularly pronounced in Europe and CEB countries. In the coming decades, populations in CEB Member States will continue to witness a shift towards an increased proportion of older persons, mainly due to declining fertility rates, increased life expectancy and ageing baby boomers[2].

1. Population change and its drivers

In 2010, the total population of CEB member countries was estimated at 548 million increasing from 407 million in 1960. Over the next five decades, it is expected to grow by a further 4% by 2040, when the total population size is projected to reach 569 million, and decline thereafter to 553 million (see Graph 1.1).

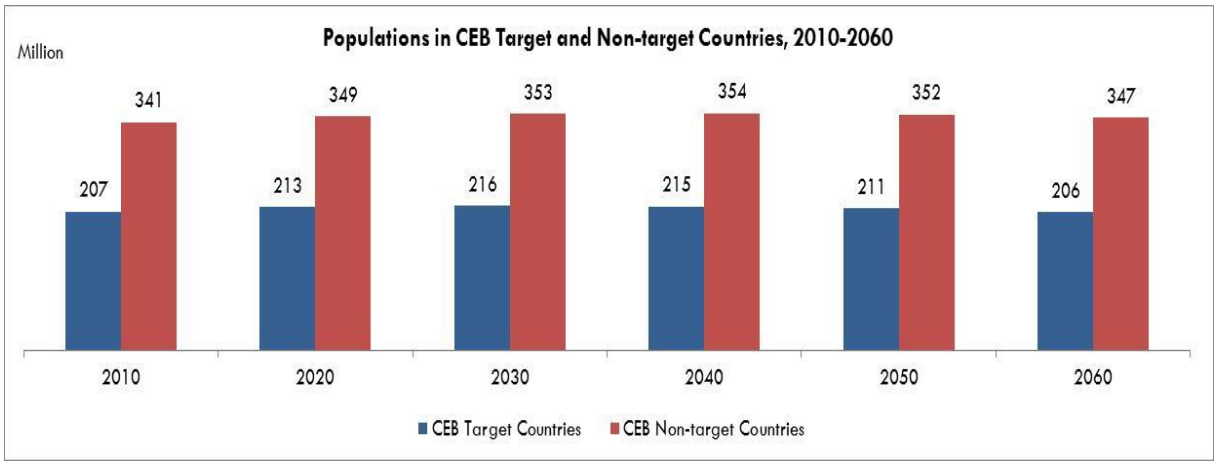
Graph 1.1 CEB Populations, 2010-2060



Source: Own graph based on the UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Data referenced to 1 July of each year.

Although the total population size of CEB member countries is expected to rise by 1% during 2010-2060, two opposing trends can be noted within the Bank's two groups of countries[3] (see Graph 1.2).

Graph 1.2 Populations in CEB Target[4] and Non-Target Countries, 2010-2060



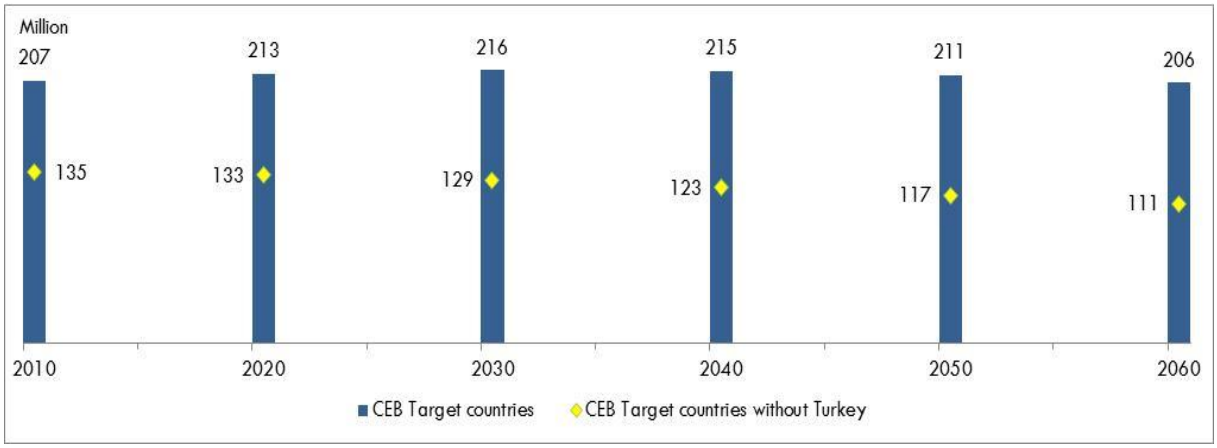
Source: Own graph based on the UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Data referenced to 1 July of each year.

[2] The "baby boom" as a demographic event illustrates the outcome of increased fertility in the post-World War II period that subsequently declined in several countries. The year 1960 is the representative year of the baby boom.
[3] For the purpose of consistency, the earliest year in the analysis throughout the study is 2010, reflecting the five-decade analytical approach.
[4] Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Malta, Moldova (Republic of), Montenegro, Poland, Romania, Serbia, Slovak Republic, Slovenia, "the former Yugoslav Republic of Macedonia" and Turkey.

➲ CEB target countries: a decrease of 0.7% from 207 million in 2010 to 206 million in 2060.

When considering the target group (see Graph 1.3), Turkey's population accounts for the largest share – more than a third of the total population in 2010 set to increase by 32% by 2060. Without Turkey, the total population size of the target group is expected to decline by almost 25 million or 18% between 2010 and 2060.

Graph 1.3 Populations in CEB Target Countries, 2010-2060

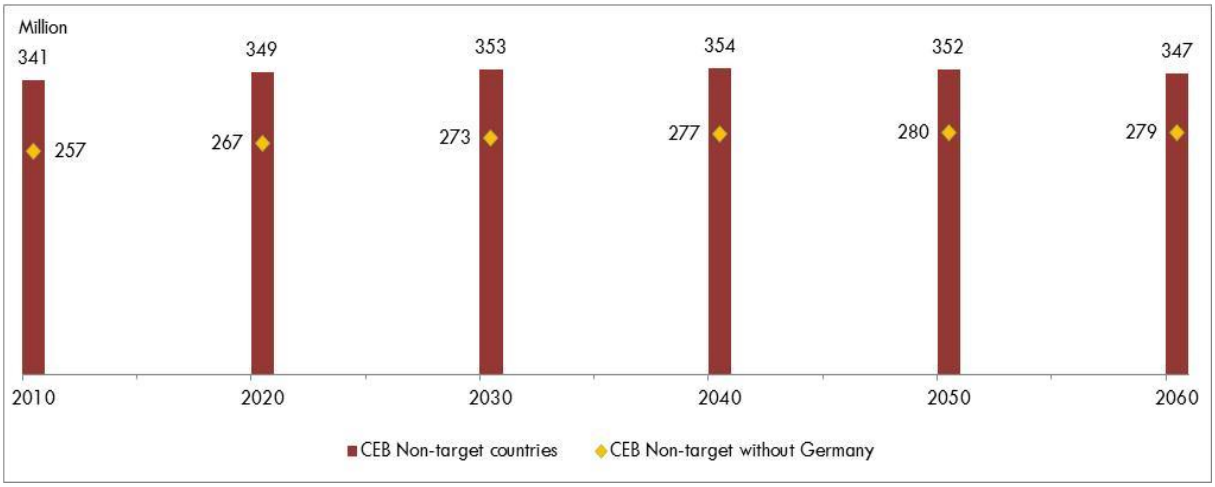


Source: Own table based on the UN's "World Population Prospects: The 2012 Revision". Data referenced to 1 July of each year.

➲ CEB non-target countries: an increase of 2% from 341 million in 2010 to 347 million in 2060.

When considering the non-target group (see Graph 1.4), Germany's population accounts for the largest share – close to 25% of the total population in 2010 set to decline by 18% by 2060. Without Germany, the total population size of the non-target group is expected to increase by 22 million or 8% between 2010 and 2060.

Graph 1.4 Populations in CEB Non-Target Countries, 2010-2060



Source: Own table based on the UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Liechtenstein and San Marino. Data referenced to 1 July of each year.

The population size and age profile (detailed in section 2 of this chapter) are mainly determined by natural changes (the difference between live births and deaths) and net migration (the difference between the total number of immigrants and annual number of emigrants, including both citizens and noncitizens).

- At the group level, in both sets of CEB countries, the population change over the period 2010-2060 is associated with net migration (and statistical adjustment)[5].

  When considering the target group without Turkey, the population decline in target countries during 2010-2060 is due to natural change, as is the population growth in Turkey.

  When considering the non-target group without Germany, the population growth in non-target countries during 2010-2060 is related only to net migration, contrary to Germany, where the decline is due to natural change.

- At the country level, in most CEB Member States where population size is expected to grow during the period 2010-2060, the increase is due to net migration (and adjustment). In contrast, in the majority of CEB countries where a decline in population size is forecast for the same period, the decrease is caused by natural change (see Table 1.1).

Table 1.1 Main drivers of population change in CEB countries, 2010-2060

Demographic drivers	2010-2060	
	CEB Target Countries	**CEB Non-Target Countries**
Growth due to:		
Only natural change	Turkey	-
Mostly natural change	-	France, Iceland, Ireland
Only net migration (and adjustment)	The Czech Republic	Finland, the Netherlands, Spain
Mostly net migration (and adjustment)	Cyprus	Belgium, Denmark, Luxembourg, Norway, Sweden, Switzerland
Decline due to:		
Only natural change	Estonia, Hungary, Malta, the Slovak Republic, Slovenia	Germany, Greece, Italy, Portugal
Mostly natural change	Bosnia and Herzegovina, Bulgaria, Croatia, Latvia, Lithuania, "the former Yugoslav Republic of Macedonia", Moldova (Republic of), Montenegro, Poland, Romania, Serbia	
Only net migration (and adjustment)	Albania	-
Mostly net migration (and adjustment)	Georgia	-

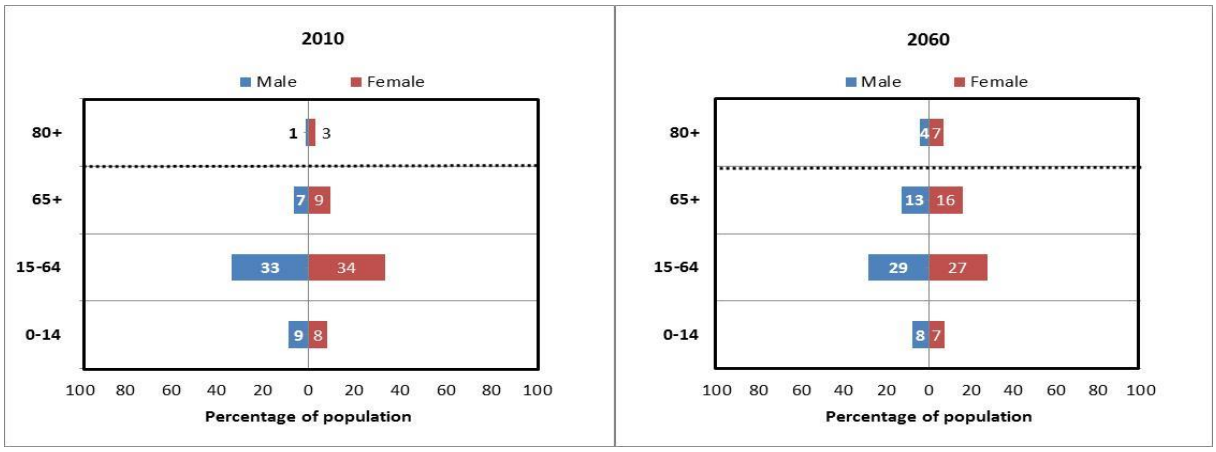
Source: Own table based on the UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the table does not include the Holy See, Kosovo, Liechtenstein and San Marino.

[5] Net migration figures are calculated by taking the difference between total population change and natural change based on the UN's "World Population Prospects: The 2012 Revision". Thus, in addition to "net migration", this difference includes a "statistical adjustment" relating to all changes that cannot be classified as births, deaths, immigration, emigration and which may sometimes be greater than the net migration.

2. Changes in age structure

The age composition of the population in CEB countries is projected to transition to an older structure. While a triangular pyramid would reflect a youthful population, the CEB population pyramid bulges at working age (15-64), projected to shift to a more rhomboid, i.e. older, shape (see Graph 1.5).[6]

Graph 1.5 Population pyramids of CEB populations in 2010 and 2060

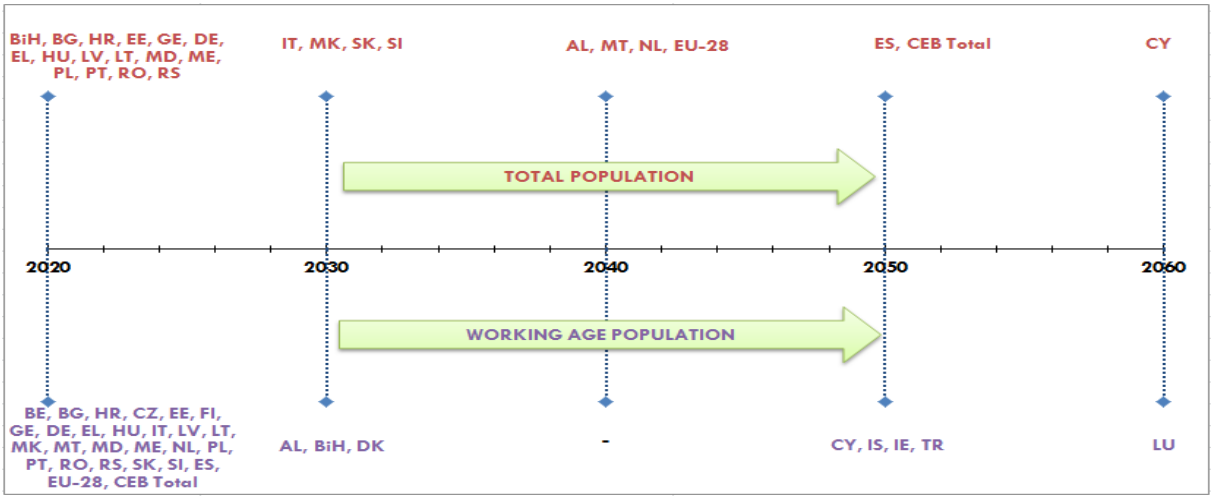


Source: Own table based on the UN's "World Population Prospects: The 2012 Revision". Data referenced to 1 July of each year. Each bar corresponds to the share of the given sex and age group in the total population (men and women combined). Due to lack of available data, the graphs do not include the Holy See, Kosovo, Liechtenstein and San Marino.

By 2060, while the proportion of younger adults and children (0-14) is projected to decrease slightly by 2 pps to 15% of the CEB population, the working age population (15-64) will likely suffer a significant drop of 9 pps to 56% of the CEB population, with the EU-28 and the majority of CEB countries starting to witness a decline by 2020 (see Graph 1.6).

At the same time, elderly people (65 or above) are projected to account for an increasing share of the population, almost doubling from 16% to 29% of the CEB population. This will represent almost twice the proportion of younger adults and children, leading to a potential "grandparent boom". Moreover, the older population itself is ageing. The proportion of persons aged 80 or above, referred to as "frail elderly" or the "oldest-old", is set to almost triple from 4% to 11% of the CEB population. The older population will remain predominantly female (see Box 5.1).

Graph 1.6 End-of-decades at which CEB populations (total and working age) are expected to start declining



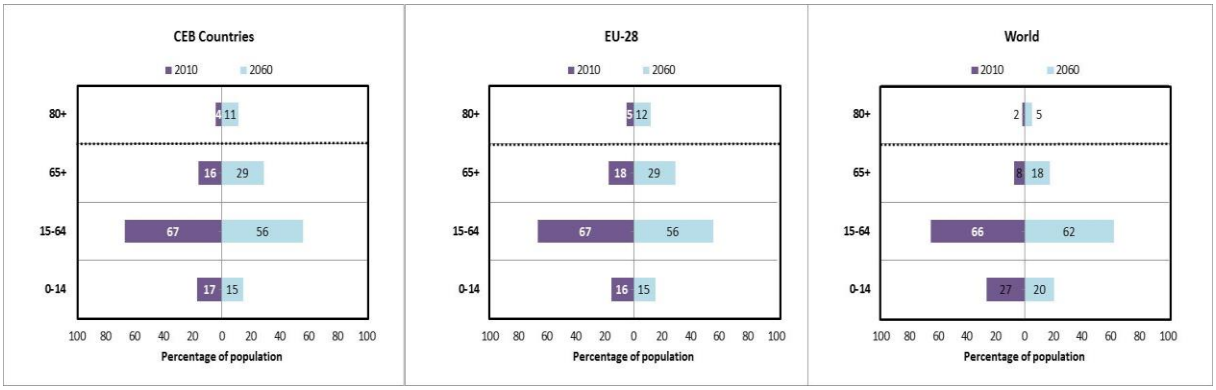
Source: Own timeline based on the UN's "World Population Prospects: The 2012 Revision". Data referenced to 1 July of each year. Each bar corresponds to the end-of-decade at which CEB countries' populations (total and working age) are expected to start declining during 2010-2060. The graph does not include the Holy See, Kosovo, Liechtenstein and San Marino.
Notes: (1) During 2010-2060, total population is not expected to start declining in Belgium, the Czech Republic, Denmark, Finland, France, Iceland, Ireland, Luxembourg, Norway, Sweden, Switzerland and Turkey. (2) During 2010-2060, the working age population is not expected to start declining in France, Norway, Sweden and Switzerland.

[6] **Population ageing** is the process whereby older individuals become a proportionately larger share of the total population. **Individual ageing** is the process of individuals growing older. Source: UNFPA, Ageing in the Twenty-First Century: a Celebration and a Challenge, 2012.

- **CEB population ageing**

Although a global phenomenon (see Graphs 1.7 and 1.8), ageing is more pronounced in CEB countries (in addition to Japan), particularly at the level of the frail elderly, following the EU-28 ageing pattern. CEB populations aged 65 or above are expected to rise from 88 million in 2010 to nearly 160 million in 2060, while the number of the oldest-old will increase from 23 million to 63 million.

Graph 1.7 Age distribution in the CEB, the world and the EU-28 in 2010 and 2060



Source: Own tables based on the UN's "World Population Prospects: The 2012 Revision". Data referenced to 1 July of each year. Each bar corresponds to the share of the given age group in the total population (on the left in 2010 and on the right in 2060).

By 2060, the median age is estimated to increase in all CEB countries. On average, it may rise from 38.9 years in 2010 to 46.7 years in 2060. In 2010, it ranged from 28.3 years in Turkey to 44.3 years in Germany, confirming the relatively young and old population structures in these countries. In 2010, the median age of the EU-27 population was 40.9 years. This means that in 2010 half of the EU-27 population was 40.9 years old or more, while half was younger. For comparison, the world median age was 28.5 years in 2010, set to increase to 37.3 years in 2060.

Several demographic factors jointly explain this ageing phenomenon in Europe and CEB countries:

- The generation of the 1960s fertility boom in many European countries is reaching its retirement age, moving up the population pyramid while leaving the base and the middle narrower.
- Among major global geographic areas, Europe has the lowest fertility rates. Total fertility, at 1.6 children per woman, was significantly below replacement between 1990 and 1995 and is projected to remain so from 2010 to 2015[7]. During 2010-2015, the world total fertility rate is projected at 2.5 children per woman.
- At the same time, people are living increasingly longer. For example, in Europe, life expectancy[8] at birth for males was 76.7 years for 2010-2015 projected to increase to 84.6 years by 2060-2065, while for females the figure was 82.5 years set to rise to 89.1 years. This is significantly higher than the world level for 2060-2065, projected at 75.8 years for males and 80.1 years for females.

As a result of these trends, age dependency ratios are set to grow across CEB countries, indicating an increase in the potential support that the social systems financed by the working age population would have to provide for the elderly.

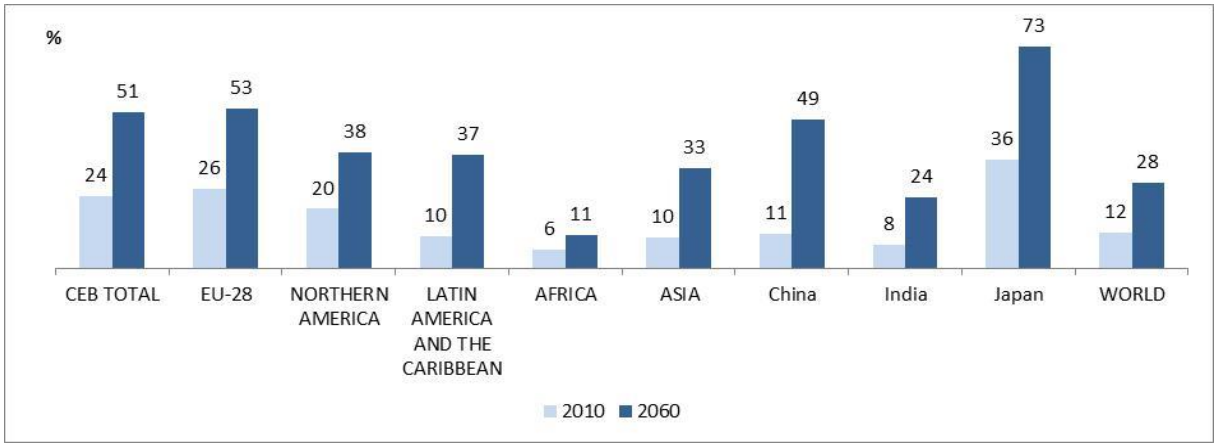
- The old-age dependency ratio (calculated as the relative size of the older population aged 65 or above compared with the working age population aged 15-64) is projected to more than double from 24% in 2010 to 52% in 2060, which would represent almost twice the global level (see Graph 1.8). CEB member countries would thus need two, instead of four, persons of working age for every dependent aged over 65. In 2010, the old-age dependency ratio ranged from 10.6% in Turkey to 31.6% in Germany. By 2060, it will vary from 31.4% in Denmark to 66.3% in Portugal.

[7] UN Population Facts, July 2013

[8] **Life expectancy** refers to the average number of years that a (sub-)population with certain characteristics is expected to live, usually under the assumption that age-specific death rates will continue the same in the future. **Longevity** usually refers to individual survival. Source: UNFPA, Ageing in the Twenty-First Century: a Celebration and a Challenge, 2012.

➲ The total age-dependency ratio (calculated as the relative number of children aged 14 and below and the older population aged 65 or above compared with the working age population aged 15-64) is even higher, projected to rise from 49% in 2010 to 78% in 2060. This means that CEB member countries would require almost one person of working age for each dependent individual. In 2010, this ratio ranged from 37.8% in the Slovak Republic to 54.2% in France. By 2060, it will vary from 31.4% in Denmark to 66.3% in Portugal.

Graph 1.8 Old Age Dependency Ratio (age group 65+ as a share of age group 15-64)



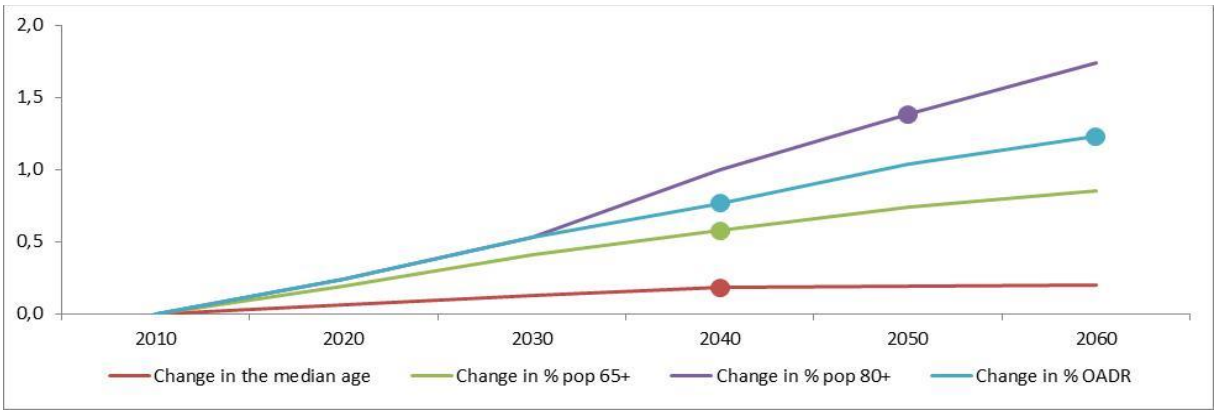
Source: Own graph based on the UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the bars corresponding to "CEB TOTAL" do not include the Holy See, Kosovo, Liechtenstein and San Marino. Data referenced to 1 July of each year.

- **CEB population ageing by decade**

The ageing phenomenon is indeed pronounced in CEB countries. However, the speed of continued ageing is likely to vary across decades at the group level and across countries (see Chapter 2 for sub-regional clustering). An analysis of this speed is necessary to further understand when CEB countries will be most affected by ageing populations in the following five decades (detailed in Chapter 2).

The pace of ageing can be analysed through the changes in major ageing indicators: median age, percentage of population aged 65 or above, percentage of population aged 80 or above and the old-age dependency ratio. As the study covers the period between 2010 and 2060, 2010 will be used as the base year. For example, in 2060, the relative increase in the median age was 0.2 (see Graph 1.9), meaning that from 2010 to 2060, CEB average median age increased by 20% from 38.9 years to 46.7 years.

Graph 1.9 Curves of relative increases in CEB averages of selected ageing indicators (base year 2010; inflection points marked by a circle)



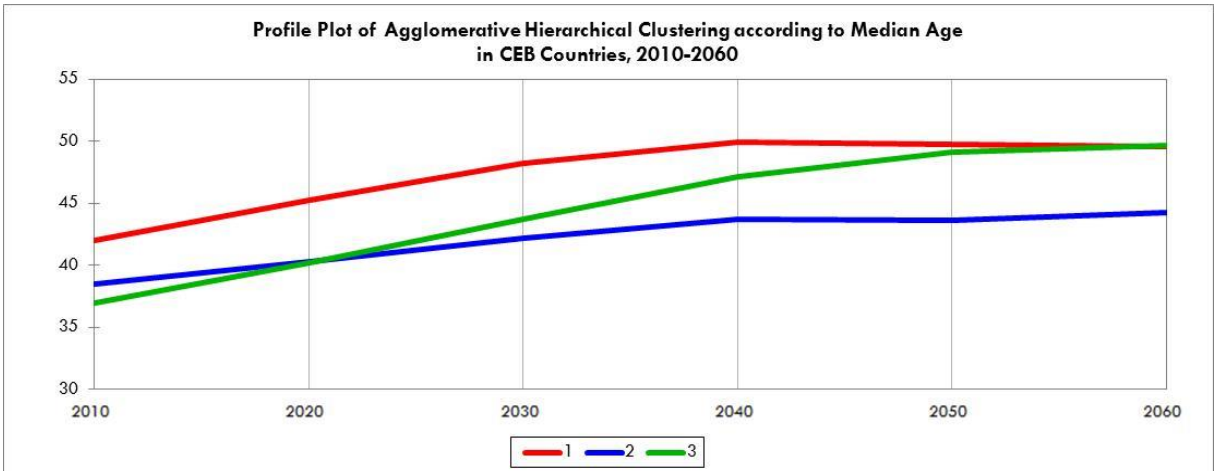
Source: Own graph based on the UN's "World Population Prospects: The 2012 Revision". The inflection point divides the period in which the curve is accelerating from the one in which it slows down (based on the second derivative of the curve). Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino.

The speed of change can be identified by analysing the curves of relative increases (their slopes and inflection points). What can be concluded from Graph 1.9 is that the rate of ageing in CEB countries (as a group) depends on the selected indicator:

- On average, growth in median age will start to decelerate by 2040 and relatively stabilise at a high value starting from 2050.
- The percentage of the population aged 65 or above may continue to grow at increasing rates until 2040, when growth is expected to slow down.
- The highest growth rates are expected in the percentage of the population aged 80 or above and in the old-age dependency ratio. The increase in the proportion of the oldest-old will slow down by 2050, with a delay following the drop in the growth of the population aged 65 or above. The old-age dependency ratio may slow down by 2060.

At country level, the timing and speed of the ageing phenomenon are likely to vary. For example, when analysing the median age at the end of each decade from 2010 to 2060, three clusters of countries can be identified (see Graph 1.10). In 2010, Clusters 1 and 2 have the highest median ages, while Cluster 3 has the lowest.

Graph 1.10 Clustering of countries according to median age during 2010-2060[9]



1	2	3
Bulgaria	Belgium	**Albania**
Croatia	**Czech Republic**	**Bosnia and Herzegovina**
Germany	Denmark	**Cyprus**
Greece	**Estonia**	**"the former Yugoslav Republic of Macedonia"**
Italy	Finland	**Malta**
Portugal	France	**Poland**
Slovenia	**Georgia**	**Romania**
Spain	**Hungary**	**Serbia**
	Iceland	**Slovak Republic**
	Ireland	
	Latvia	
	Lithuania	
	Luxembourg	
	Moldova (Republic of)	
	Montenegro	
	Netherlands	
	Norway	
	Sweden	
	Switzerland	
	Turkey	

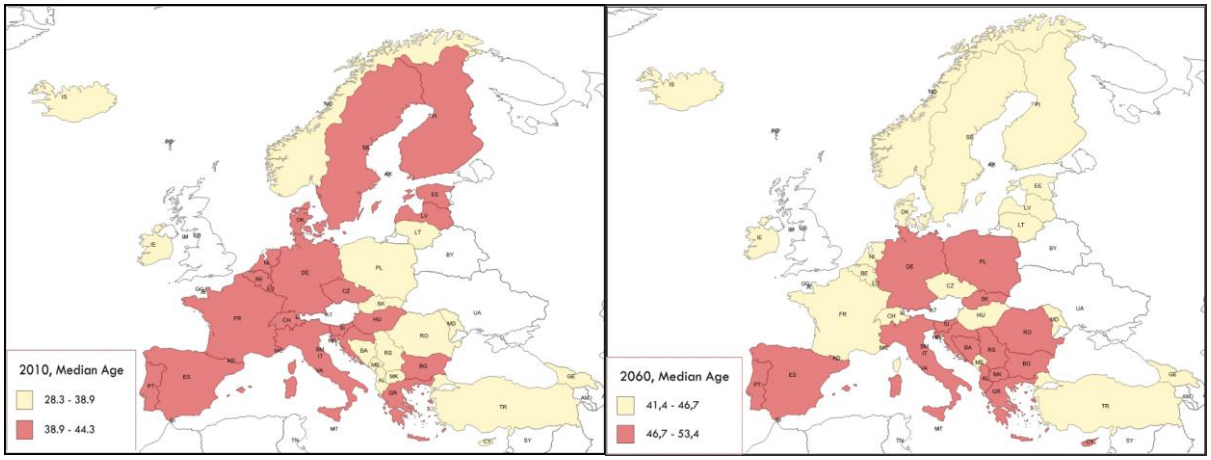
Notes: (1) Countries in bold are CEB target countries. (2) Countries are listed in alphabetical order. (3) Due to lack of available data, the clustering does not include the Holy See, Kosovo, Liechtenstein and San Marino.

[9] Agglomerative hierarchical clustering was conducted with the Excel add-in XLSTAT. Proximity type: dissimilarities calculated according to Euclidean distance. Agglomeration method: Ward's method. For more technical details, refer to Box 2.1. Due to lack of available data, the clustering does not include the Holy See, Liechtenstein and San Marino.

- Ageing in the populations that are the oldest (Cluster 1), such as Germany, Italy, and Portugal, may stabilise after 2040. A similar trend is expected for countries in Cluster 2 which includes, inter alia, the Nordic countries and the Baltic States.
- At the same time, ageing in the populations that were the youngest in 2010 (Cluster 3), mainly in Southern and Central-Eastern Europe, will rapidly advance by 2050, when they may catch up with countries from Cluster 1. By 2060, these two clusters are likely to have the oldest populations in Europe, exceeding the median age of the countries from Cluster 2.

In the following decades, the ageing phenomenon in CEB countries is thus expected to shift eastwards (see Figure 1.1) with most of the Southern and Central-Eastern European countries projected to be above the average median age in 2060.

Figure 1.1 CEB Countries above or below the average median age in 2010 and 2060



Source: Own figures based on the UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the figures do not reflect the Holy See, Kosovo, Liechtenstein and San Marino.

In terms of the other three indicators (% pop 65+, % pop 80+ and the old-age dependency ratio), countries that have high values for the median age tend to score high for the others; however their ranking, and thus clustering, may differ.

Chapter 2: CEB sub-regional ageing patterns

Although the ageing phenomenon is not expected to be homogenous among individual CEB member countries, certain similarities can be identified across several groups of countries. This second chapter will explore a geographical pattern for the ageing process in CEB Member States in each of the coming five decades based on clusters of countries ranging from the "most" to the "least" affected (relative to other CEB countries).

To this effect, the study performs an agglomerative hierarchical clustering (see Box 2.1) at each end-of-decade according to a set of standardised demographic indicators (median age, percentage of population aged 65 or above, percentage of population aged 80 or above and the old-age dependency ratio). The countries are then grouped into six classes (see Table 2.1), from groups that are likely to register the highest ageing indicators (1) to those with the lowest indicators (6).

Box 2.1 Clustering – Methodological Note

Cluster analysis identifies groups of countries according to their proximity in certain variables. The proximity between two objects is determined by measuring at what point they are similar (similarity) or dissimilar (dissimilarity). This study conducted agglomerative hierarchical clustering (AHC): 37 CEB member countries* were grouped into six classes in such a way to minimise the agglomeration criterion based on dissimilarities in median age, percentage of population aged 65 or above, percentage of population aged 80 or above and the old-age dependency ratio.

Technical details:

- The study used the Excel add-in XLSTAT.
- Before clustering, variables were standardised so that they would contribute equally to the distance or dissimilarity between cases.
- Criterion for determining dissimilarity: Euclidean distance.
- Agglomeration method: Ward's method.
- Number of clusters: six.

**Due to lack of available data, the clustering excludes the Holy See, Kosovo, Liechtenstein and San Marino.*

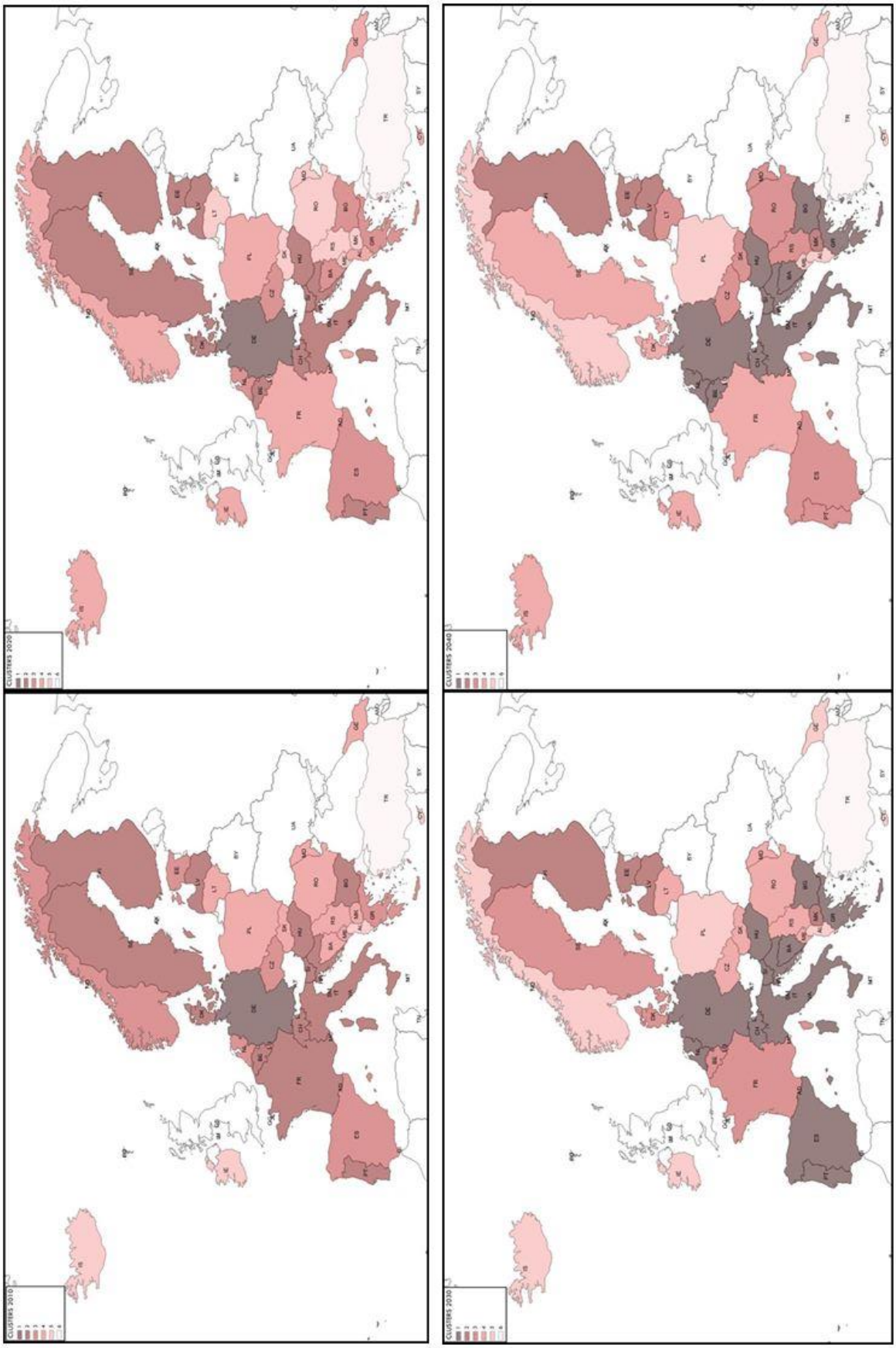
When analysing the changes in the composition of the six groups over time, a gradual shift eastwards of the ageing process can be distinguished (see Figure 2.1 and Table 2.1):

- In 2010, Germany was the oldest CEB country while Turkey was the youngest. The same extremes are expected for 2020. The Nordic countries, Estonia and Latvia are likely to remain among the older CEB countries with most of the target countries located in Central, Eastern and South-Eastern Europe being dispersed into younger groups.
- In 2030 and 2040, Turkey is still expected to be the youngest CEB country, while the oldest countries cluster may include – in addition to Germany – Greece, Italy, Switzerland and several target countries (Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Malta and Slovenia). Generally, the clustering is concentrated around the group of the oldest CEB countries. Nordic countries start to become younger relative to the remaining CEB countries.
- In 2050 and 2060, clustering is expected to be relatively more equal across groups in comparison to the other end-of-decades. By 2060, most of the Nordic countries, France, Georgia, Ireland and Lithuania may be the youngest CEB countries, while the two oldest groups may comprise almost half of the CEB target countries. Germany is likely to remain one of the oldest countries and Turkey one of the youngest, even though Turkey is expected to belong to an older cluster compared to 2010-2050.

***

Social investment needs in CEB countries and, thus, the CEB's activities in favour of the elderly may develop in accordance with this geographical pattern (see Chapter 5), given the implications of an ageing population for society, further explored in Chapter 3.

Figure 2.1 CEB Sub-regional ageing trends



Source: Own figures based on the UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, clustering does not include the Holy See, Kosovo, Liechtenstein and San Marino.

1/3 **Table 2.1 Clustering CEB member countries according to ageing indicators at end-of-decade (2010-2060)**

	Highest Ageing Indicators	.....	.....	.....	..... >	Lowest Ageing Indicators
Clusters	1	2	3	4	5	6
2010	Germany	Belgium	**Czech Republic**	**Bosnia and Herzegovina**	**Albania**	**Turkey**
		Bulgaria	**Estonia**	**Georgia**	**Cyprus**	
		Croatia	Greece	**Lithuania**	Iceland	
		Denmark	Luxembourg	**"the former Yugoslav Republic of Macedonia"**	Ireland	
		Finland	**Malta**	**Moldova** (Republic of)		
		France	Netherlands	**Montenegro**		
		Hungary	Norway	**Poland**		
		Italy	Spain	**Romania**		
		Latvia		**Serbia**		
		Portugal		**Slovak Republic**		
		Slovenia				
		Sweden				
		Switzerland				
2020	Germany	Belgium	**Bosnia and Herzegovina**	**Albania**	Luxembourg	**Turkey**
		Croatia	**Bulgaria**	**Cyprus**	**Lithuania**	
		Denmark	**Czech Republic**	France	**Romania**	
		Estonia	Greece	**Georgia**	**Serbia**	
		Finland	**Malta**	Iceland	**Slovak Republic**	
		Hungary	Netherlands	Ireland	**"the former Yugoslav Republic of Macedonia"**	
		Italy	Spain	Norway	**Moldova** (Republic of)	
		Latvia		**Poland**	**Montenegro**	
		Portugal				
		Slovenia				
		Sweden				
		Switzerland				

2/3 **Table 2.1 Clustering CEB member countries according to ageing indicators at end-of-decade (2010-2060)**

	Highest Ageing Indicators	.....	.....	.....	..... →	Lowest Ageing Indicators
Clusters	**1**	**2**	**3**	**4**	**5**	**6**
2030	**Bosnia and Herzegovina**	**Estonia**	Belgium	**Czech Republic**	**Albania**	**Turkey**
	Bulgaria	Finland	Denmark	**Lithuania**	**Cyprus**	
	Croatia	**Latvia**	France	**Moldova** (Republic of)	**Georgia**	
	Germany	Luxembourg	Sweden	**Montenegro**	Iceland	
	Greece	**"the former Yugoslav Republic of Macedonia"**		**Romania**	Ireland	
	Hungary			**Serbia**	Norway	
	Italy			**Slovak Republic**	**Poland**	
	Malta					
	Netherlands					
	Portugal					
	Slovenia					
	Spain					
	Switzerland					
2040	Belgium	**Estonia**	**Czech Republic**	Denmark	**Albania**	**Turkey**
	Bosnia and Herzegovina	Finland	**Lithuania**	France	**Cyprus**	
	Bulgaria	**Latvia**	**Moldova** (Republic of)	Iceland	**Georgia**	
	Croatia	**"the former Yugoslav Republic of Macedonia"**	Portugal	Ireland	Luxembourg	
	Germany		**Romania**	Sweden	**Montenegro**	
	Greece		**Serbia**		Norway	
	Hungary		**Slovak Republic**		**Poland**	
	Italy		Spain			
	Malta					
	Netherlands					
	Slovenia					
	Switzerland					

3/3 **Table 2.1 Clustering CEB member countries according to ageing indicators at end-of-decade (2010-2060)**

	Highest Ageing Indicators	.....	.....	.....	..... →	Lowest Ageing Indicators
Clusters	1	2	3	4	5	6
2050	**Bulgaria**	Finland	**Bosnia and Herzegovina**	Belgium	Denmark	**Albania**
	Croatia	Greece	Portugal	**Czech Republic**	France	**Cyprus**
	Germany		**Serbia**	**Estonia**	**Georgia**	**Lithuania**
	Italy		**Slovenia**	**Hungary**	Iceland	**"the former Yugoslav Republic of Macedonia"**
	Malta			**Latvia**	Ireland	**Poland**
	Netherlands			Luxembourg	Sweden	**Romania**
	Switzerland			**Moldova** (Republic of)		Spain
				Montenegro		**Turkey**
				Norway		
				Slovak Republic		
2060	**Bosnia and Herzegovina**	**Bulgaria**	Belgium	**Czech Republic**	**Albania**	Denmark
	Germany	**Croatia**	Finland	**Estonia**	**Cyprus**	France
	Italy	Iceland	Greece	**Hungary**	**Poland**	**Georgia**
	Malta	**"the former Yugoslav Republic of Macedonia"**		**Latvia**	Portugal	Ireland
	Serbia	**Moldova** (Republic of)		Luxembourg	**Romania**	**Lithuania**
	Slovenia	**Montenegro**			Spain	Norway
	Switzerland	Netherlands			**Turkey**	Sweden
		Slovak Republic				

Notes:
(1) Countries in bold are CEB target countries.
(2) Countries are listed in alphabetical order.
(3) Due to lack of available data, the clustering does not include the Holy See, Kosovo, Liechtenstein and San Marino.

Chapter 3: Social implications of an ageing population

The ageing phenomenon, described in Chapters 1 and 2, has considerable implications for socio-economic systems. First, an ageing population implies a greater number of dependents and fewer working-age adults to support them, resulting in the economic base for financing age-related public policies on a pay-as-you go basis expanding at a slower pace than age-related expenditure. Secondly, an ageing population lays intergenerational support systems open to continuous changes, further affected by reductions in family size and changes in family structure. Thirdly, the ageing process places older people at a higher risk of social isolation and exclusion, especially through changes in their living arrangements, with a growing preponderance of single person households. Particular challenges stem from the rapid increase in the share of the oldest-old (see Graph 1.9). This group is likely to require more (institutional) care and to be at a higher risk of social exclusion than the younger old.

The needs of the elderly are also increasing and evolving. Older people not only require income security and access to affordable health care and medicines, but also expect flexible employment opportunities and age-friendly housing, transportation and public spaces. The promotion of "active ageing"[10] policies and of coordinated cooperation between public and private sectors is becoming key to ensuring adequate provision of eldercare and age-friendly infrastructure, both for the younger old and the frail oldest-old.

This chapter discusses some of the linkages between ageing, on the one hand, and pressures on public finances, changes in the nature of eldercare and risks of social exclusion, on the other. These implications are examined so as to identify the main challenges and opportunities of an ageing population for public systems and society as a whole.

1. Increasing pressure on welfare states

An ageing population increases government expenditure on age-related transfers and services (as a percentage of GDP).

The old-age dependency ratio is often used as an approximate indicator of the impact of ageing on public pension systems. This ratio also reflects the sustainability of health and long-term care (LTC)[11] policies. In CEB countries, as identified in Chapter 1, this ratio is set to register one of the highest growth rates among ageing indicators and may increase from 24% in 2010 to 52% in 2060. This jump points to greater potential pressure on public finances in support of the elderly in the coming decades.

From 2010 to 2060, for example, age-related expenditure (public pensions, healthcare, long-term care and education) are projected to increase by about 4% to almost 30% of the EU-27 GDP (see Figure 3.1). Although there is considerable uncertainty about the development of these projections, the budgetary impact of age-related expenditure is expected to become apparent after 2020, posing challenges for public finance sustainability (already affected by the most recent financial and economic crisis), with major differences across countries[12].

This challenging financial landscape has been characterised by the following trends, attempting to address the budgetary implications of ageing populations[13]:

- Changes in the statutory retirement age and/or restrictions on early retirement to increase the labour force participation of older workers.
- Pension system reforms and adaptations to the eligibility criteria for public payments and care services to target the very poor, severely disabled and/or those without any support from family members.

[10] The term "active ageing" was adopted by the World Health Organisation (WHO) in the late 1990s. The word "active" refers not only to the ability to be physically active or to participate in the labour force, but also to continued participation in social, economic, cultural, spiritual and civic affairs. Source: WHO (2002), Active Ageing: A Policy Framework.

[11] LTC refers to the organisation and delivery of a broad range of services and assistance to people who are limited in their ability to function independently on a daily basis over an extended period of time, due to mental and/or physical disability. Such services are crucial to many dependent people, most often in older age categories. LTC comprises a mix of both health and social components. Most of this care is currently provided by spouses and children and other relatives, mostly women. Source: the EU

[12] Projections following the reference scenario of the Economic Policy Committee's Working Group on Ageing Populations and Sustainability (AWG) from the European Commission's 2012 Fiscal Sustainability Report.

[13] Nevertheless, this offsetting will largely depend on national willingness and commitment to implement such policy responses in a timely manner – scenarios which are beyond the scope of this paper.

- "Cost-sharing" approach to eldercare to balance the responsibility between the individual, the family and the state ("mixed responsibilities").

  In the Netherlands, for example, informal care that can be provided by relatives is taken into account before a person is entitled to access formal care services[14]. Scandinavian countries, where welfare systems include generous public provision (see Table 3.1), have recently introduced programmes to support informal carers and care arrangements, such as care allowances and care leave.

- Private sector involvement in the provision of health, housing and other social programmes for the elderly to address the unmet demand.

  On the one hand, the private sector is increasingly interested in targeting the growing consumer group of well-educated and financially secure elderly. On the other hand, the private sector is increasingly called upon to engage in coordinated cross-sector collaboration with governments and the third sector at the regional and municipal level to provide relevant subsidised services for the elderly in need of care and financial assistance in a cost-effective manner.

Figure 3.1 Increase in age-related expenditure in the EU-27 during 2010-2060

	(1) Pension expenditure		(2) Healthcare expenditure			(3) Long-term care			(4) Education expenditure	
				Reference scenario	Risk scenario		Reference scenario	Risk scenario		
	2010	2010-2060	2010	2010-2060	2010-2060	2010	2010-2060	2010-2060	2010	2010-2060
BE	11.1	5.1	6.3	0.4	0.8	2.3	2.7	3.4	5.7	0.4
BG	9.9	1.1	4.3	0.5	1.1	0.5	0.3	0.4	3.5	0.2
CZ	9.1	2.7	6.9	1.7	2.4	0.8	0.7	1.0	3.4	0.2
DK	10.1	-1.1	7.4	0.9	1.5	4.5	3.4	3.4	7.6	-0.3
DE	10.8	2.6	8.0	1.4	2.0	1.4	1.7	1.8	3.9	-0.2
EE	8.9	-1.1	5.2	1.1	1.8	0.5	0.3	0.5	5.2	0.0
IE	7.5	4.1	7.3	1.1	1.7	1.1	1.5	2.1	6.3	0.0
EL	13.6	1.0	6.5	0.9	1.2	1.4	1.2	1.8	3.9	0.1
ES	10.1	3.6	6.5	1.3	1.9	0.8	0.7	0.8	4.2	-0.5
FR	14.6	0.5	8.0	1.4	2.1	2.2	2.1	2.2	5.0	-0.4
IT	15.3	-0.9	6.6	0.6	1.0	1.9	0.9	0.9	4.1	-0.5
CY	7.6	8.7	2.6	0.4	0.5	0.2	0.1	0.1	6.7	-0.7
LV	9.7	-3.8	3.7	0.5	1.1	0.7	0.4	0.4	4.4	-0.6
LT	8.6	3.5	4.9	0.7	1.3	1.2	1.1	3.2	4.4	-0.5
LU	9.2	9.4	3.8	0.7	1.0	1.0	2.1	2.1	3.2	-0.1
HU	11.9	0.5	4.9	1.1	1.7	0.8	0.6	0.9	4.3	-0.5
MT	10.4	5.5	5.4	2.9	3.6	0.7	0.9	3.2	5.1	-1.1
NL	6.8	1.7	7.0	1.1	1.6	3.8	3.7	3.7	5.3	-0.5
AT	14.1	2.0	7.4	1.6	2.2	1.6	1.2	2.3	4.9	-0.4
PL	11.8	-2.2	4.9	1.9	2.6	0.7	1.0	1.9	3.9	-0.5
PT	12.5	0.2	7.2	1.1	1.6	0.3	0.3	1.0	4.7	-1.1
RO	9.8	3.7	3.7	1.0	1.4	0.6	1.1	1.5	3.5	-0.1
SI	11.2	7.1	6.1	1.1	1.7	1.4	1.6	1.6	4.7	0.5
SK	8.0	5.2	6.2	2.1	3.0	0.3	0.4	1.9	3.1	-0.1
FI	12.0	3.2	6.0	1.0	1.5	2.5	2.6	2.9	5.9	0.2
SE	9.6	0.6	7.5	0.7	1.2	3.9	2.5	2.5	6.3	0.0
UK	7.7	1.5	7.2	1.1	1.8	2.0	0.7	0.7	5.0	0.0
EU	11.3	1.4	7.1	1.1	1.7	1.8	1.5	1.7	4.6	-0.2
EA	12.2	1.8	7.3	1.1	1.7	1.8	1.7	1.9	4.5	-0.2

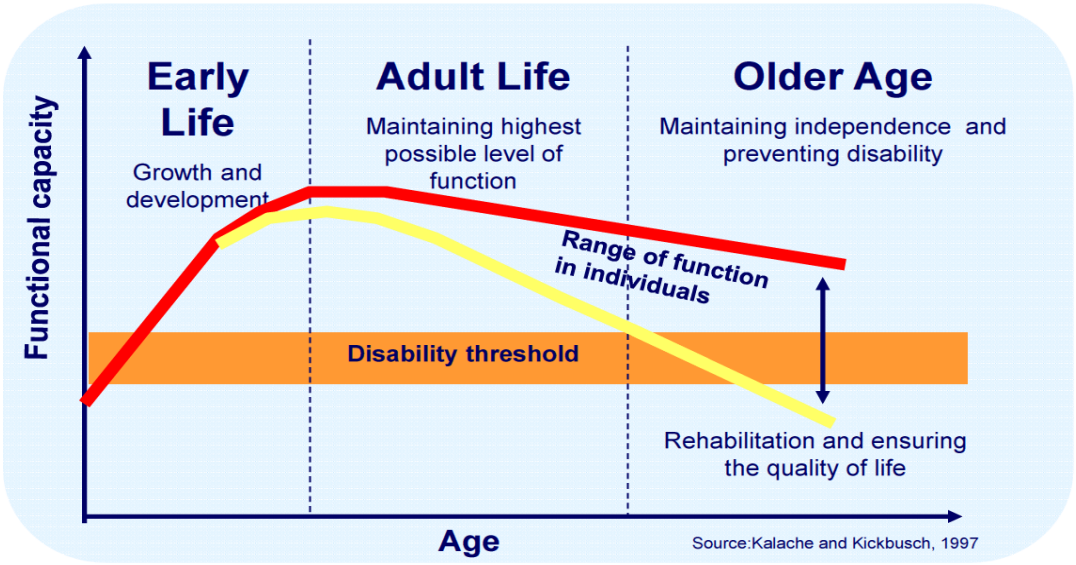
Source: The European Commission (2012), Fiscal Sustainability Report 2012, European Economy 8/2012

[14] European Centre for Social Welfare Policy and Research (2009), *Facts and Figures on Long-term Care: Europe and North America*, by Hubert M. et al., 2009.

2. An evolving society and eldercare

Fiscal pressures along with the increase in life expectancy, which contributes to living longer in good health, have resulted in public efforts to extend or restore older people's autonomy and capacity to live independently, particularly for the younger old (65-75 years). The elderly are also expressing a growing preference for "ageing in place"[15]. Policy objectives have thus increasingly shifted to enabling the able elderly to contribute to the family, economy and society, while targeting public support to those most in need ("active ageing"). The challenge is to strike the right balance between self-care (people looking after themselves), informal support (care from family members, friends or migrant workers) and formal care (health and social services).

Figure 3.2 A life course approach to active ageing



Note: Changes in the environment can lower the disability threshold, thus decreasing the number of disabled people in a given community.
Sources: (1) WHO (2002), Active Ageing: A Policy Framework and (2) WHO (2012), WHO Initiatives in Relation to Aging and Immunity: Aging and Immunity II, Sienna 22-24 April 2012

Promoting active "ageing in place" implies, among others, adaptations not only of the physical environment for the elderly, but also of eldercare provision:

- First, active "ageing in place" requires obvious tangible adaptations of the built environment and transport infrastructure so as to maintain the elderly's independence in their everyday lives: changes in urban planning, provision of adequate housing and local infrastructure, home modifications and technology adaptations. The issue of adequate infrastructure investment for the elderly is of particular importance in Central and Eastern European countries, where, older people are much more likely to report poorer housing conditions than their Western European counterparts.
- Secondly, active "ageing in place" entails changes in the nature of eldercare. An important development across most European countries is the shift in care provision from the institutional setting to home care services, with greater variations of service providers. Institutional care is being postponed to a later age and is thus remaining stable despite population ageing. The extent to which this shift is occurring depends on the generosity of welfare states (see Table 3.1), the culture of care, the tradition of family responsibility in care giving, and the tradition and extent of institutional care[16]. An essential element of home care, also part of active "ageing in place", is informal care. Although informal care exists in all CEB countries, it is significantly higher and more widely accepted in countries where it developed through normative beliefs (e.g. Central and Eastern European countries) and in less generous welfare states where there is incomplete coverage of the population (e.g. Spain). In contrast to these countries, Western European countries, especially in Scandinavia, the culture of home care is less widespread. In these countries, governments are having to resort to a range of public services to encourage informal care (e.g. cash-for-care programmes).

[15] "Ageing in place" is the ability to live in one's own home and community safely, independently and comfortably, regardless of age, income or ability level.
[16] HELPS (2013), *Housing and Social Care for the Elderly in Central Europe. WP3: Main Findings Report*

Eldercare in Central and Eastern European and Mediterranean countries may be analysed separately as there are certain issues yet to be addressed, particularly regarding the quality of care and LTC:

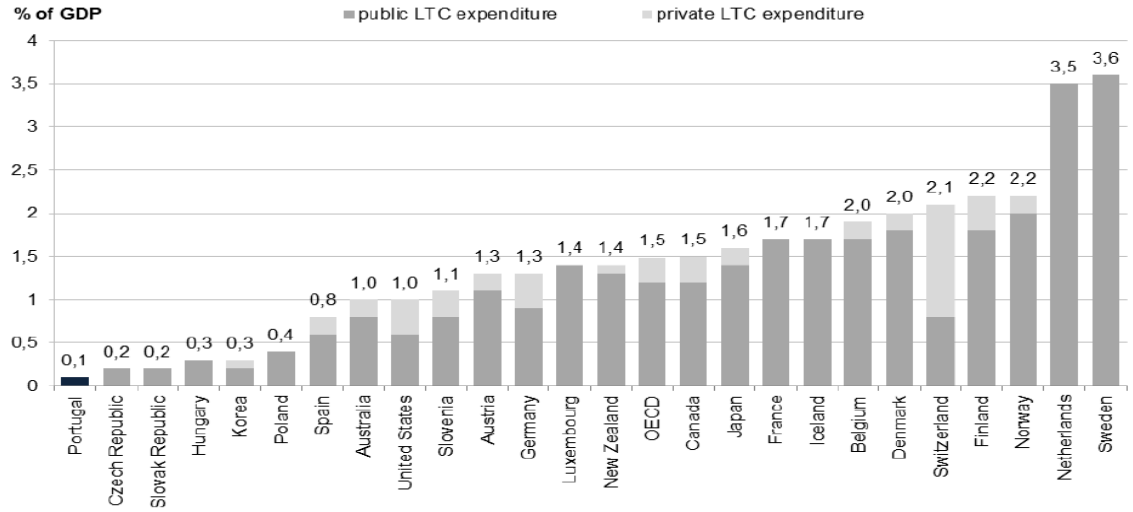
- In Central and Eastern European countries where the welfare states regimes are in transition or only developing (e.g. Bulgaria, Georgia, Republic of Moldova and Romania), the prevailing culture is one of explicit inter-generational solidarity, co-habitation and co-residential care in multigenerational households. In these countries with a cultural norm of respect and care for one's parents and elderly family members, it is assumed that family members will provide unpaid care for as long as possible. However, this informal care tends to be unpaid. Additionally, in these countries, eldercare suffers from lack of not only infrastructure investment, but also innovative practices in health and social care.
- Co-residential care is also characteristic of Southern European States (Cyprus, Greece, Portugal and Spain). In these countries, informal home care duties are often outsourced by families to migrant carers, especially through the grey market. However, this informal care is also generally unpaid and of lower quality. According to the OECD, in these low-service countries, the expansion of public care services appears inevitable so as to increase the quality of care, relieve the burden on family carers and help reconcile family and work[17].
- Another important element of eldercare is becoming LTC, given the rapid increase in the share of the oldest-old – the average LTC user. Population aged 80 or above is projected to almost triple to 11% of the CEB population by 2060. However, LTC systems tend to be less developed in countries with a family-oriented culture and in rural regions. In this context, the need to reform LTC provision and to further "formalise" it is becoming more acute in Central and Eastern European and Mediterranean countries.

Table 3.1 Long-term care regimes

Examples of CEB Countries	Public Expenditure	Private Expenditure	Use of Informal Care	Support of Informal Care
Germany, Belgium	Low	Low	Strong	Strong
The Netherlands, Denmark, Sweden	High	Low	Weak	Strong
Spain, France	Median	High	Strong	Strong
Poland, Italy	Low	High	Strong	Weak

Source: Observatory for Socio-political Developments in Europe (2012), *Eldercare Services – Lessons from a European Comparison*, June 2012

Figure 3.3 Long-term care expenditure in selected countries in 2008 or the latest available year



Source: Observatory for Socio-political Developments in Europe (2012), *Eldercare Services – Lessons from a European Comparison*, June 2012

[17] OECD (2012), *The Future of Families to 2030*, 2012

3. Social cohesion at risk

As a result of changes in the welfare state and public support, fewer elderly dependents are expected to benefit from state care. While the neediest would be eligible for state services and the wealthier could afford private professional care, poor people with less severe health problems would be at a disadvantage. The "mixed responsibility" structure may also lead to unequal quality of care. These factors could contribute to increasing social inequalities, already aggravated by the impact of the financial and economic crisis of 2007.

In this context, the following three sub-groups of older populations would be exposed to a higher risk of social isolation and exclusion:

- The oldest-old – given their poorer health and low income, they are more at risk of poverty and social exclusion. The material deprivation of the oldest-old is more pronounced in Eastern than in Western CEB countries.
- Older women – in addition to being at greater risk of social isolation and poverty because of their less generous retirement pensions than those for men, older women are also less likely to receive less informal care than elderly men as women tend to live longer than men and thus live alone (see Box 5.2).
- Older people in rural regions – the exodus of the young to cities results in the remaining older people facing a significant loss in care. The proportion of older people reporting problems of access to healthcare is larger in rural than in urban areas in almost all EU countries[18]. The situation of older people in rural areas is further aggravated by limited investment in these regions.

***

The nature of eldercare is evolving in the light of fiscal constraints and changing societal norms and preferences for "ageing in place". In CEB countries, as in the EU-28, the objective has shifted to promoting the able elderly's autonomy and independence and providing support to those most in need. These trends affect all stakeholders in the "silver economy" which is adapting to the growing number of elderly people and their changing needs.

In the coming decades, the key determinants of CEB financing in favour of the elderly, in addition to the geographical patterns explored in Chapters 1 and 2, may thus be changes in welfare states, the increasing roles of (informal) home care and of the private sector in providing eldercare, the need for technological adaptations, and the availability, accessibility, adaptability and affordability of appropriate infrastructure and services for the elderly.

[18] European Centre for Social Welfare Policy and Research (2009), *Facts and Figures on Long-term Care: Europe and North America*, by Hubert M. et al., 2009

Part 2: CEB FINANCING IN FAVOUR OF THE ELDERLY

Chapter 4 describes the Bank's rationale for and experience in financing projects dedicated to elderly persons. Analysis of the project portfolio, both from a sectoral and geographic perspective, is illustrated by examples of financed projects so as to capture the diversity of the Bank's investments in this field. Furthermore, building upon the findings from Chapters 1-3, this part focuses on the implications of the ageing challenges for the CEB in its various sectors of action (vertical approach) and explores how the Bank may help its member countries deal with the ageing issue (Chapter 5). In conclusion, Chapter 6 discusses potential avenues for the Bank's continued support for ageing populations in the years to come.

Chapter 4: CEB experience to date

1. Rationale

The *Council of Europe Development Bank* (the CEB or "the Bank") is a multilateral bank with a social mandate. The Bank was set up on 16 April 1956 by eight member countries of the Council of Europe – Belgium, France, Greece, Germany, Iceland, Italy, Luxembourg and Turkey – as the *Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe*. The primary purpose of the Fund/CEB was initially to provide assistance to populations forced to flee from regions affected by political or economic upheavals, and to help those driven from their homes by natural or ecological disasters. Aid to refugees, migrants and displaced persons, and victims of disasters are the CEB's statutory priorities.

The Bank's scope of action has progressively widened to include other sectors (see Box 4.1 for CEB sectoral lines of action) directly contributing to strengthening social cohesion in Europe. Today, while remaining faithful to its priority missions, the CEB contributes to financing social investment projects and strives more generally to foster social convergence among its 41 Member States and, more particularly, in the countries of Central, Eastern and South Eastern Europe, the so-called "target countries"[19].

Within its exclusively social mandate, the CEB takes action in favour of populations regarded as vulnerable such as ethnic minorities, persons with disabilities, children in vulnerable situations or abandoned children and persons living below the poverty threshold (less than 60% of the national average income). Elderly populations as such are not explicitly considered vulnerable in the CEB's *Policy for Loan and Project Financing*. However, the CEB's mission to assist vulnerable social groups also includes more fragile segments of the elderly populations, namely the elderly living on low-incomes and dependent elderly in need of permanent assistance. By providing long-term funds on favourable conditions, the CEB thus contributes to implementing high value added social investments and to responding to the challenge of ageing populations in European societies.

One of the specific characteristics of the ageing phenomenon is that it covers several of the Bank's activities.

- Beyond the objective of improving the housing and living conditions of those who live in dwellings and/or neighbourhoods not adapted to their daily needs, the construction or refurbishment of infrastructure facilities such as residential care homes and nursing homes for elderly people in need of permanent assistance is also part of the Bank's mandate to provide assistance to this vulnerable section of the population.
- CEB financing may additionally involve environmental components dedicated to energy saving and efficiency measures in the above mentioned infrastructure facilities.

[19] **Albania, Bosnia and Herzegovina**, Belgium, **Bulgaria, Croatia, Cyprus, the Czech Republic**, Denmark, **Estonia**, Finland, France, **Georgia**, Germany, Greece, Holy See, **Hungary**, Iceland, Ireland, Italy, **Kosovo, Latvia, Lithuania**, Liechtenstein, Luxembourg, **the former Yugoslav Republic of Macedonia, Malta, Republic of Moldova, Montenegro**, the Netherlands, Norway, **Poland**, Portugal, **Romania**, San Marino, **Serbia, the Slovak Republic, Slovenia**, Spain, Sweden, Switzerland, **Turkey**. Note: Countries in bold are the CEB's target countries in Central, Eastern and South-Eastern Europe. As of 4 November 2013, Kosovo became a CEB member.

- The CEB thus strives to address some of "supply-side" challenges of the ageing phenomenon through the construction, rehabilitation and equipment of appropriate and affordable eldercare infrastructure facilities (the so-called "hard" component).
- However, the "soft" component, i.e. persons who operate such facilities, is not covered by CEB financing within the current operating model. It should also be noted that the Bank does not have a specific sector policy in this field of action since CEB financing in favour of the elderly is a cross-cutting issue involving several of the Bank's sectors of action. The CEB operates within the existing national policies and welfare systems and does not have any mandate to interfere in the formulation of such policies and systems.

All CEB projects are meant to create direct and indirect benefits for local populations. In addition to physical achievements via the construction or refurbishment of infrastructure, further **economic impact** can be generated in terms of employment and growth at local level thanks to: i) local businesses throughout the implementation of the works (direct job creation) and ii) home service providers or those who operate care facilities (indirect job creation). At the same time, investments ultimately have a **social impact** materialised in improved quality of life for the targeted beneficiaries but also for their families and local populations. "Greener" infrastructure also makes an important contribution to addressing **environmental** challenges at local, national and global levels.

Box 4.1 CEB Financing and Monitoring

The CEB takes action in the form of loans and/or guarantees or through the use of trust accounts. The Bank offers **flexible long-term loans at favourable interest rates**, in specific cases accompanied by interest rate subsidies, to its Member States, their regional or local authorities, and public or private financial institutions (€ 2.3 billion in approved projects in 2013). For its borrowing activity, the Bank has been rated by Moody's since 1988, by Standard & Poor's since 1989 and by Fitch Ratings since 1996. It enjoys the maximum Aaa rating with Moody's on its principal long-term debt with a negative outlook, AA+ with a stable outlook with Standard & Poor's and AA+ with a stable outlook with Fitch Ratings.

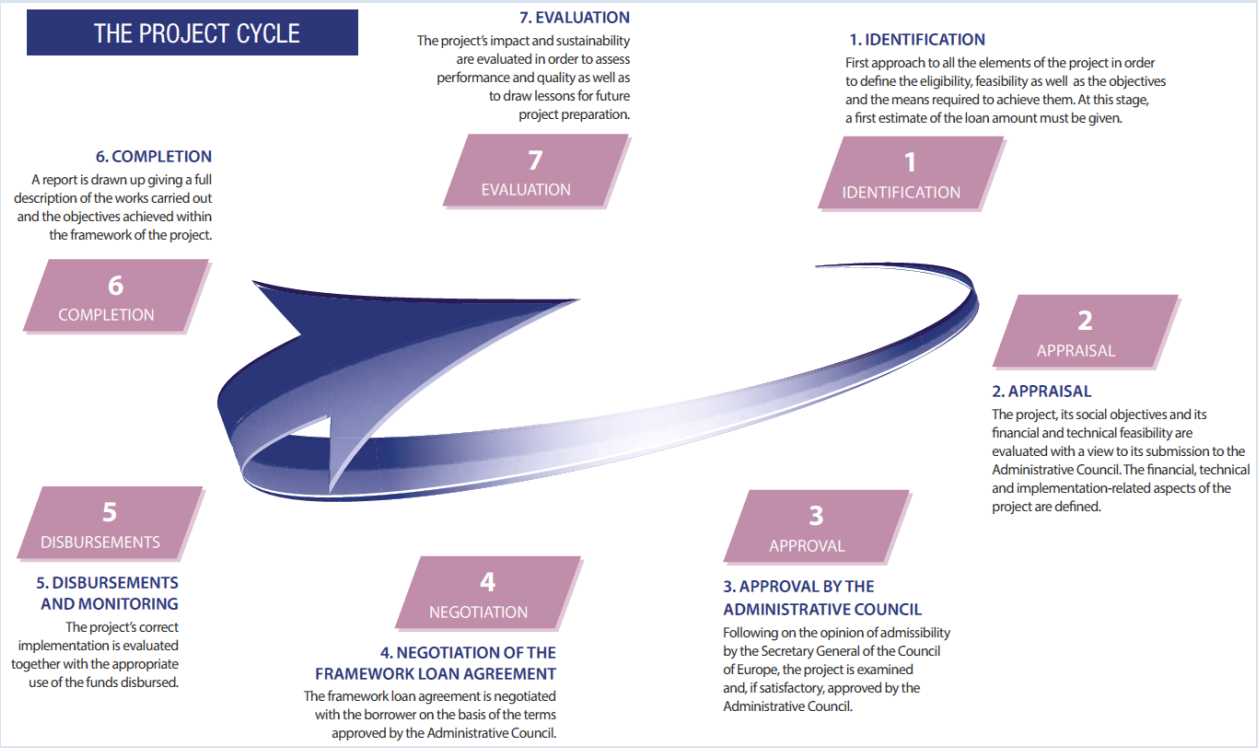
Along with loans, some very limited grant resources can be made available through the CEB's **trust accounts** in order to subsidise interest rates and/or to finance technical assistance. On a much smaller scale, the Bank also provides separate grants, especially in the case of emergency aid.

CEB projects are financed through long-term loans, disbursed in several tranches, generally with a grace period. The Bank's activity thus makes it possible to alleviate the constraints weighing upon access to long-term credit for projects generating positive social impact.

All CEB operations are granted in accordance with specific technical and social criteria and in strict compliance with public procurement rules. The eligibility criteria and general procedures for projects financed by the CEB are presented in the **Policy for Loan and Project Financing** - a reference document setting out provisions for the appraisal, approval, financing and monitoring of the Bank's projects (the document is available on the CEB's website).

The CEB pays particular attention to the quality of its projects in order to optimise their social impact. Assistance and monitoring throughout the whole **project cycle** therefore constitute key factors in the effective implementation of the projects.

The different stages in the project cycle



Project identification encompasses a number of actions to define the eligibility, feasibility and objectives of a proposed project, including a description of the means required to achieve the set objectives. The process of project identification and appraisal thus involves a thorough evaluation of the financial and technical sustainability of both the project and the borrower.

On the basis of the loan request formulated by the borrower, the Bank evaluates the project's objectives and financing plan by carefully analysing its socio-economic impact, technical aspects and costs, the institutional capacity to manage the project as well as the project's impact on the environment.

As soon as a project is approved by the Bank's **Administrative Council**, a framework loan agreement is negotiated and signed by the Bank with the borrower to provide a contractual basis for the project's implementation.

After the first disbursement, the Bank's services carry out regular monitoring and on-site missions in order to check on the physical progress of the works, compliance with costs and procurement procedures, and the achievement of the project's approved objectives and anticipated social effects. On completion of the project, a final report drawn up by the borrower details the use of funds and compliance with the objectives and projections approved by the Administrative Council. At the same time, it provides information on the material and social results obtained. The Bank also plays a role in respect of any eventual difficulties that could jeopardise the success of the project as well as an advisory role in solving any such difficulties.

The CEB continually strives to enhance the quality of the projects it finances. Within this policy, the aim of [**ex post**] **evaluation** is primarily to improve understanding of the social impact of the Bank's actions, contribute to increasing the quality of projects and programmes financed by the Bank and help strengthen the transparency of CEB operations. The Bank's Evaluation Department works on the basis of evaluation programmes, consisting of a series of evaluations of projects/programmes in one of the Bank's sectors of activity. Individual evaluations investigate the performance and quality of projects and programmes financed by the CEB and assess their impact and sustainability. Dissemination of the good practices and lessons learned stemming from the results of the ex post evaluations contributes to organisational learning within the CEB with a view to improving the planning, selection and design of future projects and programmes, thus increasing the impact of Bank's assistance and service to clients.

CEB Sectoral Lines of Action

The CEB's original mandate was to respond to emergency situations, but its scope of action has gradually widened to include other sectors of activity that directly contribute to strengthening social cohesion in Europe. Today, CEB lending is structured around the following sectoral lines of action:

Sectoral lines of action	Sectors of action
Strengthening social integration	• Aid to refugees, migrants and displaced persons • Housing for low-income persons • Improvement of living conditions in urban and rural areas
Managing the environment	• Natural or ecological disasters • Protection of the environment • Protection and rehabilitation of historic and cultural heritage
Supporting public infrastructure with a social vocation	• Health • Education and vocational training • Infrastructure of administrative and judicial public services
Supporting micro-, small and medium-sized enterprises (MSMEs)	• Creation and preservation of viable jobs

2. Methodology

This chapter provides an overview of the CEB's experience in financing projects in favour of elderly populations in several CEB member countries since 1988 when the first projects in this field were initiated. **For the CEB, the ageing phenomenon is not defined as a specific sector of action: it is a cross-cutting issue** covering three CEB sectors, namely "health", "housing for low-income persons" and "improved living conditions in urban and rural areas". Data on CEB projects presented in this report are therefore based on actual disbursements where it was possible to identify CEB investments effectively made in favour of elderly populations. These data include either projects/programmes explicitly targeted to elderly beneficiaries from the initial stages of the project/programme or various sub-projects, within larger multi-project programmes, with investments for the benefit of the elderly identified only after disbursements.

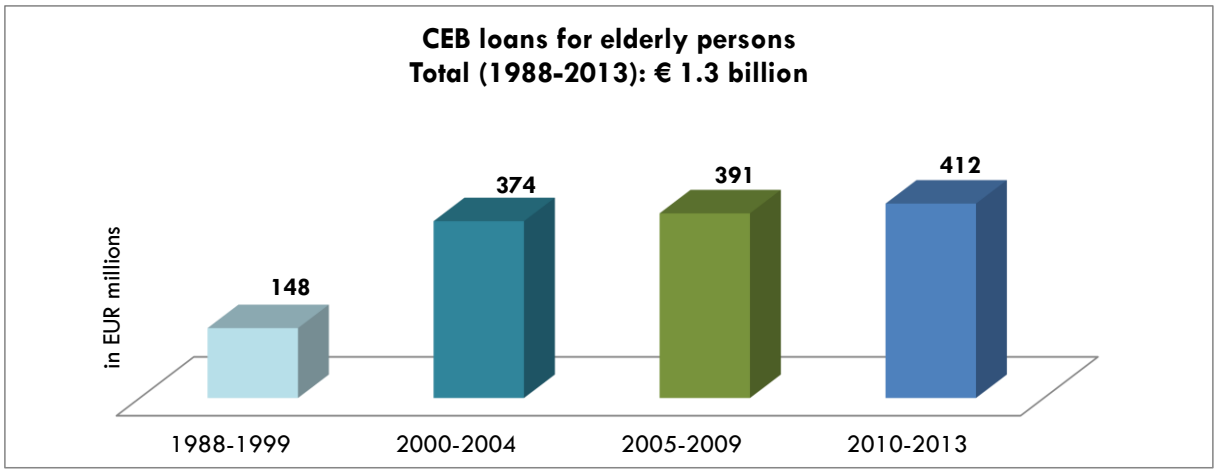
The data are provided by the borrower within the framework of regular monitoring performed after disbursements for each project financed by the CEB. Upon completion of each project, the borrower details the use of the CEB funds and compliance with the objectives initially approved by the CEB's Administrative Council and provides information on the physical and social results achieved (see Box 4.1 for further information on CEB financing and monitoring).

However, in exceptional cases, data also includes several significant projects for the elderly, already approved but not yet (fully) disbursed. The figures are based on estimated amounts to be devoted to the elderly beneficiaries. These projects were approved in 2010-2012 and are expected to be completed by 2015.

3. CEB Portfolio Profile in Financing Projects Dedicated to Elderly Populations

Since 1988, a total of € 1.3 billion in CEB loans has been financed in favour of elderly populations. Even though the financing of first projects dates back to the late 1980s and the 1990s and totalled close to € 150 million over this period, the Bank's action in favour of the elderly became more significant as of the early 2000s and now totalling € 1.2 billion (see Figure 4.1).

Figure 4.1 CEB loans for elderly persons (1988-2013)



The very first CEB project in favour of elderly populations was financed in Greece in 1988 as part of a wider government social programme directed at vulnerable populations, including the disabled, the elderly, the chronically sick and very young children. Out of a CEB loan totalling € 9 million, 22% or € 1.9 million was allocated to the renovation of a medical and social protection centre for the elderly.

Over the first period under consideration (1988-1999), 80% of CEB loans, representing € 120 million, were concentrated on large-scale public investment programmes in Germany. These investments involved the construction and rehabilitation of elderly care facilities, in particular in the new Federal States. 20% of the CEB loans financed over this period were geographically spread over Belgium, Finland, Italy, Lithuania, Portugal, Slovenia and Spain, and involved small amounts ranging from less than € 1 million to € 7 million.

Over the period from 2000, aggregate amounts covering shorter sub-periods show that the CEB's commitment to financing infrastructure dedicated to the elderly was relatively stable. However, major shares of CEB financing for the elderly, totalling € 1 billion, can be observed in municipal programmes in Denmark, Finland, France and Norway. The remaining share of CEB loans, totalling around € 200 million from 2000, was located in various countries, namely Germany, Iceland, Italy, Poland, Portugal, Slovenia and Spain. When considering CEB financing just from 2010 alone, the largest amounts are concentrated on public programmes for social infrastructure in France, still being financed and to be completed in the next two years.

- **Geographic Portfolio Profile**

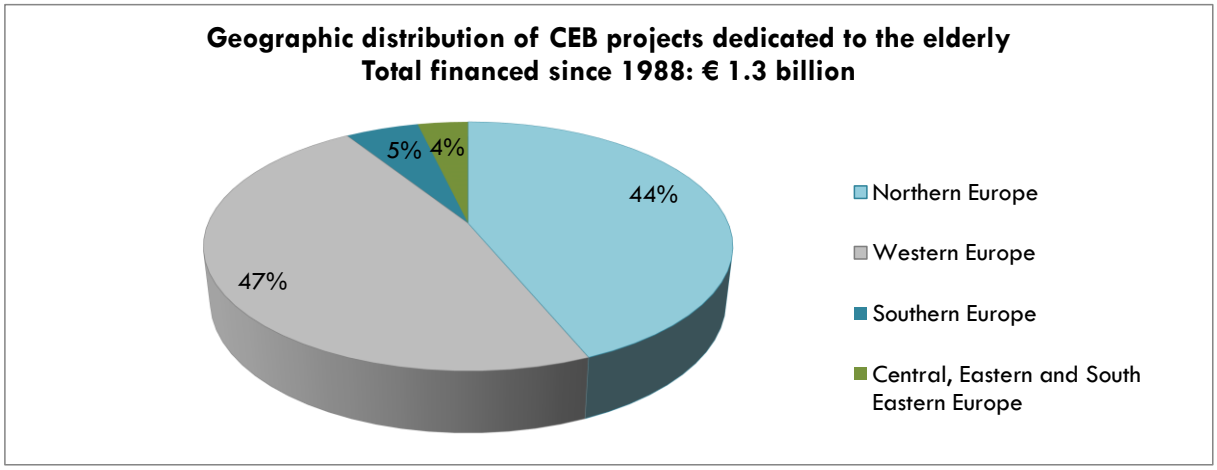
From a geographic perspective, the largest CEB borrowers for projects benefiting elderly populations were concentrated in Western and Northern Europe (see Figure 4.2). The project portfolio of € 1.3 billion since 1988 includes projects located in:

- **Western Europe** (€ 625 million or 47% of total) covering CEB financing in Belgium (€ 3 million), France (€ 457 million) and Germany (€ 165 million).
- **Northern Europe** (€ 579 million or 44% of total) including projects located in Denmark (€ 400 million), Finland (€ 94 million), Iceland (€ 2 million), Norway (€ 54 million) and Sweden (€ 29 million).

Much smaller amounts were financed in **Southern Europe** (€ 72 million or 5% of total) through projects in Greece (€ 2 million), Italy (€ 7 million), Portugal (€ 29 million) and Spain (€ 34 million).

More recently, the CEB initiated projects for the benefit of elderly persons in its **countries of operation in Central, Eastern and South-Eastern Europe** known as **"target countries"** (€ 49 million or 4% of total) with investments located in Hungary (€ 7 million), Latvia (less than € 100,000), Lithuania (€ 1 million), Poland (€ 15 million), the Slovak Republic (€ 4 million) and Slovenia (€ 22 million).

Figure 4.2 Geographic distribution of CEB financing to the elderly



Several trends and structural factors can explain this geographic concentration of CEB financing to the elderly.

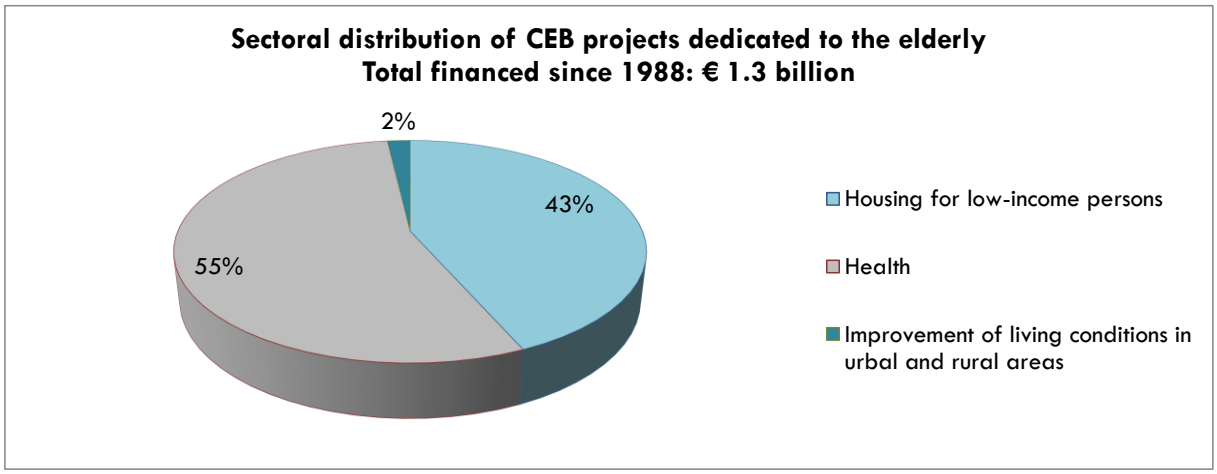
➲ Different patterns in the ageing of populations observed in Europe show that Western and Northern European countries have been struggling with this demographic challenge for longer than the other countries in Europe. Population ageing is a long-term trend which began several decades ago in Europe. In 1990, the proportion of people aged 65 and over already represented 18% of total population in Sweden, 16% in Denmark or 15% in Germany, while this share was only 5% in Albania and Turkey and 10% in Poland and Romania. In 2010, Germany had the highest share of older people in Europe, with 21% of its total population, compared to the EU-27 average of 17.4% and to the lowest shares in Europe of 6% in Turkey and 10% in Albania. Over the period 1990-2010, Germany and Slovenia recorded the strongest increases of over 6% in the proportion of older people in the EU.

- The Scandinavian countries, with their generous social-democratic welfare regimes (see Table 3.1), can be considered pioneers in developing care infrastructure and services for the elderly in Europe and enjoy highly sophisticated systems of social protection.
- When the Central, Eastern and South-Eastern European countries joined the CEB after 1995, their sectoral challenges and investment priorities were mostly linked to the transition process towards market economies and therefore focused on job creation and preservation through MSME financing and major infrastructure programmes involving mainly housing, urban infrastructure and environment. Their emerging welfare systems have generally provided relatively poor coverage of services for old people (see Table 3.1).
- Finally, cultural differences between Western and Eastern parts of Europe when dealing with care for the elderly can also contribute to explaining smaller amounts financed in just a small number of CEE countries. In effect, strong intergenerational solidarity, the generally accepted norm of "filial piety" and the prevalence of informal family-based care in most target countries, combined with the limited use of institutional long-term care services for the elderly, explain the more limited investments in eldercare infrastructure and services. This explanation also holds for CEB countries in Southern Europe, where co-residential care is also a social norm (see Chapter 3).

- **Sectoral Portfolio Profile**

In a cross-sector approach, the loan portfolio includes various categories of projects in several CEB sectors of action dealing with the ageing issue (see Figure 4.3).

Figure 4.3 Sectoral distribution of CEB financing to the elderly



From 1988 to 2013, the Bank provided € 726 million or 55% of total financed for the elderly within the **health** sector. CEB financing can involve the building, extension and/or rehabilitation of "nursing homes"[20], i.e. care homes for dependent elderly persons in need of permanent daily assistance, which offer a full range of services: accommodation, meals, specific services such as laundry, personal and medical care (depending on the condition of the individual). Within the health sector, the CEB can also finance the infrastructure and facilities required for the development of home services of the kind provided by medical welfare centres, home care and medical, psychological and educational centres. The CEB generally provides financing to public and not-for-profit service providers.

During the same period, the CEB financed projects specifically considered as **housing for low-income persons** with € 574 million or 43% of the total. Within this sector, the CEB can provide financing for the construction and renovation of housing for the elderly, notably for those living on low incomes. Investments benefit the so-called "social housing" stock, public (state-subsidised) residential facilities and retirement homes designed for the specific needs of the elderly in terms of accessibility, design, infrastructure, technologies, etc.

[20] A retirement home differs from a nursing home primarily in the level of medical care given.

varying from "sheltered housing"[21] to "assisted" living residences with access to extra services for those who suffer from dependency and require daily assistance at home.

An additional modest amount of € 25 million or 2% of the total was financed within the sector "**improvement of living conditions in urban and rural areas**". These investments concerned municipal infrastructure such as local transport, day care centres, community centres, medical, social welfare and cultural facilities intended for the elderly, etc.

Lastly, many projects involved energy efficiency investments, although these were not explicitly labelled as such within the CEB's **protection of the environment** sector. In effect, individual amounts financed by the CEB for environmental purposes in eldercare infrastructure cannot be identified since these amounts are included in the statistics covering the housing and health sectors. It is therefore not possible to accurately reflect the CEB's past financing for environmental measures in this kind of infrastructure. Nevertheless, it can safely be assumed that, in the future, the CEB may expect the borrowers to invest considerable amounts in energy efficiency measures in the housing and health infrastructure for the elderly. Any construction or refurbishment of infrastructure will naturally involve energy efficiency measures such as external thermo-insulation, replacement of doors and windows, retrofitting of heating, hot water supply and electrical/lighting systems, installation of solar, photovoltaic, biomass, geothermic or wind devices for heating and electricity generation purposes.

When comparing with amounts financed in other CEB sectors of action (see Table 4.1), the project portfolio for the benefit of the elderly may seem relatively modest in amounts financed (representing only 6% of total loans disbursed over the period 2000-2013) but can nevertheless be considered significant in terms of its social impact on these vulnerable populations.

Table 4.1 Sectoral distribution of total CEB loans (2000-2013). Situation as at 31 December 2013

Sectoral distribution of total CEB loans (2000-2013)	LOANS DISBURSED	
	M€	%
Strengthening social integration	**7,377**	**31**
Aid to refugees, migrants and displaced persons	681	3
Housing for low-income persons	3,882	16
Improvement of living conditions in urban and rural areas	2,814	12
Managing the environment	**5,588**	**24**
Natural or ecological disasters	2,335	10
Protection of the environment	2,973	13
Historic and cultural heritage	280	1
Supporting public infrastructure with a social vocation	**5,129**	**22**
Health	2,179	9
Education and vocational training	2,873	12
Infrastructure of administrative and judicial public services	77	<1
Supporting micro-, small and medium-sized enterprises	**5,332**	**23**
Creation and preservation of viable jobs	5,332	23
Total	**23,426**	100

[21] "Sheltered" housing is a term covering a wide range of rented housing for the elderly and/or disabled or other vulnerable people. Most commonly it refers to grouped housing such as a block or "scheme" of flats or bungalows with a scheme manager. "Sheltered" housing accommodation is self-contained, ranging from a simple bedsit to a large flat or small house. Such schemes are distinct from a nursing home or care home in that the tenants are usually able to look after themselves, are active and are afforded a degree of independence; equally, sheltered housing differs from retirement housing which is generally leasehold.

- **Distribution Channels for CEB Projects for the Elderly**

The instrument used by the CEB to finance projects benefiting the elderly is the loan channelled through intermediaries: during the period 1988-2013, 98% of CEB lending was done through **programme loans** and only 2% via **project loans** (see Box 4.2). CEB lending is characterised by its favourable terms regarding interest rates, tenors and grace periods. This reflects the CEB's capacity to pass on its favourable refinancing terms with less administrative costs to borrowers. In effect, thanks to its excellent rating, the Bank raises its funds in the international capital markets on the best possible terms, thus enabling its borrowers to significantly reduce the cost of their resources for financing social projects.

Box 4.2 CEB Lending Instruments: Programme Loans and Project Loans

The traditional lending instruments, which are also the CEB's main tools for its activities in its Member States, are project loans and programme loans:

- **Project loans** refer to individual projects directly financed by the CEB, which usually involve financing capital goods representing the "hardware" foundation of a community, such as rural and urban infrastructure, housing for low-income people or administrative and judicial infrastructure. Project loans are disbursed based on the progress of the works.
- **Programme loans** refer to loans financed by the CEB through intermediaries, disbursed according to the absorption capacity of the borrower.

The typical CEB lending instrument for financing investments for the benefit of elderly populations is a programme loan and is referred to as such throughout this study.

The CEB operates via intermediaries – sovereigns, local governments, public or private financial institutions – to reach the intended final beneficiaries. Table 4.2 and Figures 4.4, 4.5 and 4.6 show various public and private distribution channels for CEB financing for projects benefiting elderly populations over the period 1988-2013 in the three sectors of health, housing for low-income persons and improvement of living conditions in urban and rural areas. During this period, 54% of CEB borrowers were public, i.e. central, regional or local public administrations, public financial institutions operating exclusively/mainly for local governments and public development banks, while the remaining 46% of CEB borrowers were private financial institutions, i.e. commercial banks.

Table 4.2 Public and private borrowers in CEB loans (1988-2013)

Situation as at 31 December 2013	LOANS DISBURSED	
	M€	%
Private borrowers	**615**	**46**
Commercial banks	**615**	46
Public borrowers	**710**	**54**
National authorities/Ministries	**4**	<1
Local authorities (local public administrations)	**15**	1
Public financial institutions for local/regional governments	**626**	47
Public development banks	**65**	5
Total	**1,325**	100

The largest individual borrowers from the public sector were specialised financial institutions such as KommuneKredit in Denmark (€ 400 million), Investitionsbank des Landes Brandenburg in Germany (€ 90 million), Kommunalbanken in Norway (€ 54 million), KfW Bankengruppe in Germany (€ 39 million), Kommuninvest i Sverige in Sweden (€ 29 million) and GICAMAN in Spain (€ 22 million). These counterparties represented 90% of total public borrowers. In particular, KommuneKredit accounted for close to 60% of public borrowers and almost one third of total CEB lending to projects benefiting the elderly.

In the private sector, the most significant amounts went to Crédit Agricole (€ 192 million), Banque Populaire Caisse d'Epargne (€ 150 million) and Pohjola Bank (ex-OKO Bank) in Finland (€ 76 million).

The public/private distribution nevertheless varied depending on the sector concerned. In the health sector, 60% of CEB borrowers were private financial institutions (see Figure 4.4) whereas in the housing sector the CEB mainly partnered with public financial institutions (see Figure 4.5). In the case of municipal infrastructure programmes, CEB lending showed a relatively balanced distribution between public and private borrowers (see Figure 4.6).

Figure 4.4 Public and private borrowers in health projects for the elderly (1988-2013)

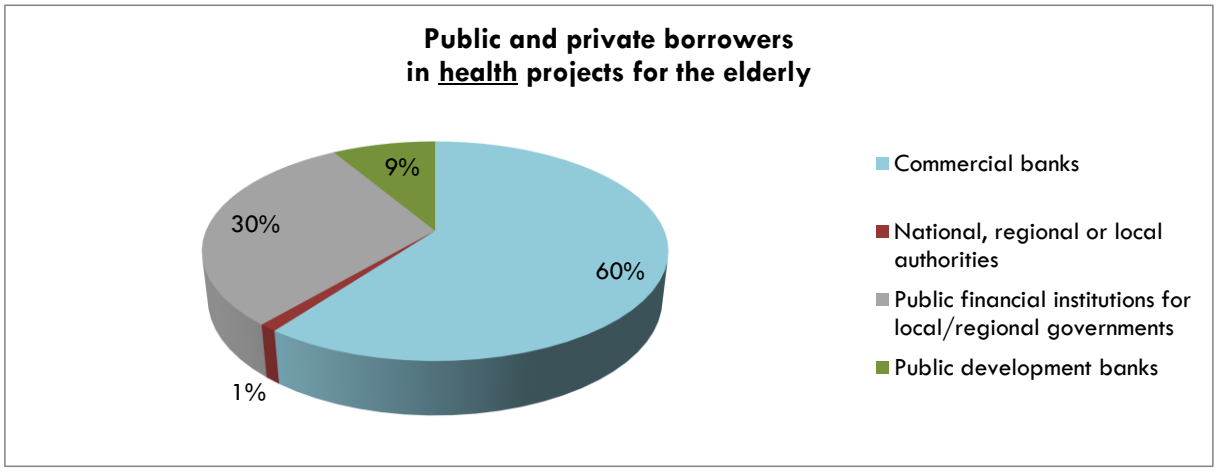


Figure 4.5 Public and private borrowers in housing projects for the elderly (1988-2013)

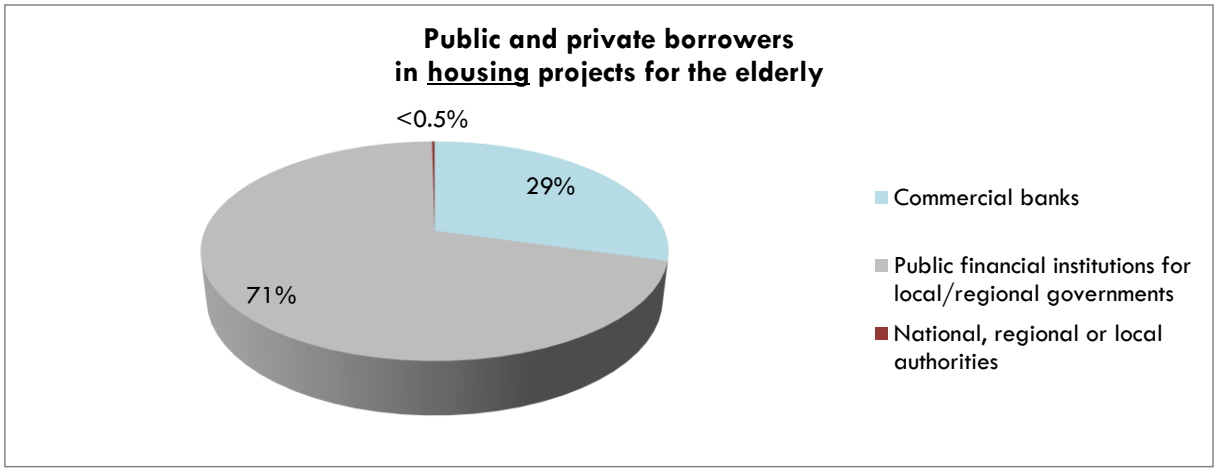
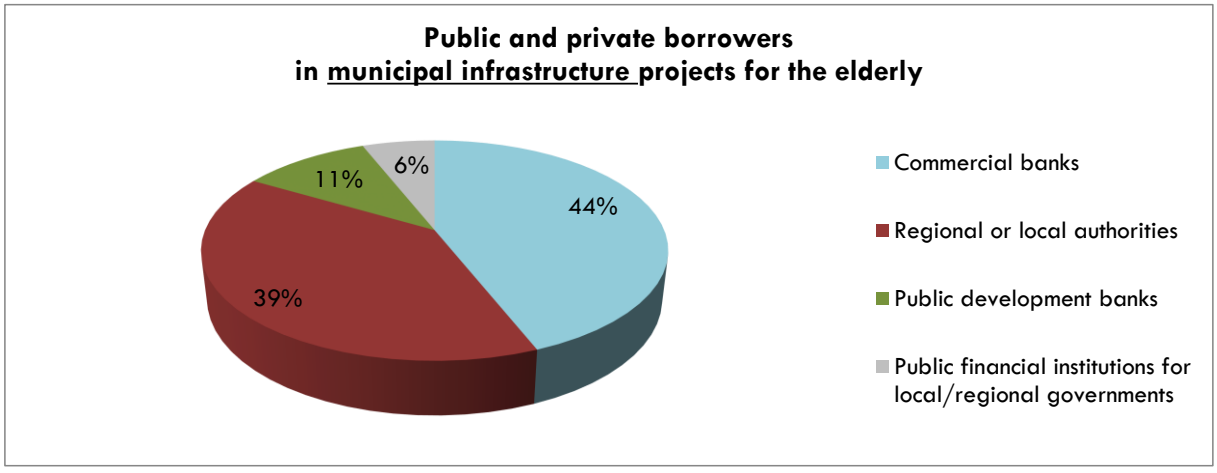


Figure 4.6 Public and private borrowers in municipal infrastructure projects for the elderly (1988-2013)



Example of partnership with a credit institution for local and regional authorities

Case study 1: CEB financing of public housing for the elderly in Denmark

Over the period 2002-2009, the CEB financed four projects totalling € 400 million (up to 50% of the total cost), through *KommuneKredit*, to build and/or rehabilitate public state-subsidised rental housing for the elderly in municipalities throughout the country. Within the framework of the national social welfare policy, the programme helped build or rehabilitate approximately 6,500 housing units, benefiting some 10,000 persons, in the form of sheltered housing, residences providing services and care and, in particular, nursing facilities for the most dependent elderly.

Borrower

KommuneKredit (AAA/Aaa) is a credit institution for local and regional authorities in Denmark, established in 1898 by a Special Act. KommuneKredit operates as a non-profit organisation whose objective is to secure cost-efficient financing for its clients, i.e. Danish local governments and other entities benefiting from a 100% local government guarantee. Cross-border lending is not allowed. Local government borrowing is highly regulated in Denmark and the total local government debt amounts to only 5.5% of GDP. The products offered include loans, financial leasing, derivatives and advisory services.

National legislation

Housing for the elderly is governed by a comprehensive legal framework, comprising *i.a.* laws on public housing and on social services, on support to and rents in public housing. The legislation stipulates technicalities such as maximum size, compulsory equipment and rent levels as well as the institutional, administrative and managerial arrangements, including financial modalities and state subsidies.

Local governments are a cornerstone of the extensive Danish welfare system and the level of spending by local governments amounts to 26% of GDP. The sector provides a wide range of services such as social security, health care, education and care for children, and eldercare. The most important sources of financing are income taxes and user fees. Danish municipalities are responsible for investments (financing, procurement and implementation) in such infrastructure and services.

All retired persons who are no longer able to live in their usual dwelling or on their own because of limitations in the basic activities of daily living (ADL) are entitled to adequate public rental accommodation. Within the limits of the overall legislation, Danish local authorities can determine the content and extent of the assistance provided to the elderly on the basis of local conditions and may also decide on the allocation of funds, resulting in variations in municipal services. Some municipalities prioritise extensive home care whereas others encourage the provision of places in residential facilities.

CEB programme

Under the CEB programme, legislation provided for the projects to be financed by an up-front payment from the tenants of 2%, a payment from the owner of the building of 14% and the remaining 84% to be financed by KommuneKredit. In accordance with Danish legislation, the maximum size of social housing units was 110 sq. m for couples. However, most housing units had a surface area of 65 sq. m or less as this was the maximum size that entitled the tenant to obtain an individual housing benefit. Covering a part of the rent and heating, the housing subsidy is granted by the municipality and ensures that households on low incomes are able to live in decent dwellings.

Final beneficiaries were selected by the municipalities, responsible for carrying out a selection on the basis of the individuals' needs, including their health situation and special care needs, in accordance with the general criteria applicable concerning their ability to live alone in a flat or a house.

Danish law allowed for KommuniKredit to disburse a loan only when the housing was ready for occupation. However, when the construction was divided into several stages, KommuneKredit was able to finance the completion stage, when ready for occupation, and the municipality was able to obtain a favourable overdraft facility from KommuneKredit to bridge the financing of the project during the period of construction. The CEB considered as eligible sub-projects to which KommuneKredit had granted a loan less than 12 months before the disbursement of the CEB's loan.

The average cost per dwelling provided, irrespective of its typology, varied slightly, from €144,000 to €160,000, mainly reflecting the difference between construction and renovation investments. The investment cost could not exceed the maximum value set by the Law on Public Housing updated on 1 January every year in line with the increase in net price index over 12 months ending in September the preceding year. At the time of the CEB programme, central government support could only be given to projects with a maximum total cost of €2,840 per sq. m within Greater Copenhagen and €2,490 in the rest of the country.

Example of partnership with a commercial bank

Case study 2: CEB financing of nursing homes for seniors in Slovenia

Over the period 2009-2010, the CEB financed municipal infrastructure investments for a total loan amount of € 30 million, including € 11.4 million to build public retirement and nursing facilities for the elderly in Maribor and Idrija. The investments allowed for the construction of two residences providing services and nursing care, with 150 beds each, in the two municipalities The CEB's investments represented € 6.4 million (equivalent to 50% of the total cost) in Maribor and € 5 million (46% of the total cost) in Idrija.

The programme was implemented through *Nova Kreditna Banka Maribor d.d.* (NKBM d.d.) which is a universal commercial bank. NKBM d.d. is a direct descendant of the Maribor City Savings Bank (Mestna Hranilnica Maribor) established in 1862 as the very first municipal savings bank on Slovene territory. NKBM d.d. is a traditional provider of infrastructure financing to local authorities. NKBM d.d. ranked second in terms of assets in the country in 2012.

The sub-projects for the elderly were undertaken by local authorities with private companies performing public services. The beneficiaries included the most dependent seniors, especially those suffering from dementia and needing permanent assistance. One of the most important results has been the improvement of living conditions for the targeted population and the possibility of developing therapeutic and social activities in addition to daily services and care.

Example of partnership with a commercial bank and non-profit organisations

Case study 3: CEB financing of housing for the elderly in Finland

Between 2000 and 2004, the CEB financed € 8.4 million for the construction and modernisation of housing and care centres for the elderly living on low incomes throughout Finland, implemented within a € 30 million housing programme loan with *Pohjola Bank plc* (until March 2008 known as OKO Bank). The construction of homes involved 335 housing units, either in the form of low-cost rental units for seniors on low incomes and/or with special needs, or housing units for sale to seniors able to afford the purchase of these units. The projects also included the provision of social and medical facilities for seniors to help improve their quality of life.

Founded in 1902, Pohjola Bank plc is a Finnish financial services group which provides its customers with banking, non-life insurance and asset management services. It acts as the central bank of the OP-Pohjola Group and operates as a commercial bank. With regard to the CEB loan, Pohjola Bank plc was responsible for the borrowing arrangements with the CEB and coordinated with the member cooperative banks for the identification, appraisal and follow-up of sub-projects.

Pohjola Bank plc used the CEB loan to fund sound sub-projects with a high social content. Most sub-projects were undertaken by local authorities and/or rental housing companies owned by local authorities or non-profit organisations (charitable organisations such as Helsinki City Mission and S-Asunnot Oy) that provide housing and related infrastructure to people on low incomes and/or in disadvantaged social situations. All conformed to the Finnish Social Housing criteria with respect to unit size, design, building standards, technical and safety norms (all as established by ARA – the Finnish Housing Fund - a Government agency under the aegis of the Ministry of the Environment that manages a direct loan and subsidy scheme for the sector). All sub-projects were partly financed by ARA (up to 80% of the individual loan).

1. Examples of projects

CEB SECTOR: "HEALTH" (1/3)

Country	Borrower	Amounts financed[22] (in MEUR)	Periods of financing	Project achievements
Belgium	Fortis Bank	3.2	1997-2000	Rehabilitation of rest homes in municipalities eligible for EU Structural Funds, implemented within two multi-project programmes totalling € 85 million in CEB loans in the "job creation and preservation", "health" and "education" sectors
Finland	Municipality Finance Helsinki	18.8	1998-2001 2003-2008	Construction, renovation and equipment of retirement homes and care centres for the elderly with CEB financing amounting to € 18.8 million, implemented within five multi-project programmes totalling € 400 million in CEB loans
	Pohjola Bank	7.6	2005-2006	Construction, renovation and equipment of retirement homes, care centres and "assisted" housing for the elderly with CEB financing amounting to € 7.6 million, implemented within a € 100 million multi-project programme loan in the CEB's "housing" and "health" sectors
France	Crédit Coopératif	13.8	2007-2010	Construction, renovation and equipment of retirement homes and care centres for the elderly with CEB financing amounting to € 13.8 million, implemented within two multi-project programme loans totalling € 150 million in CEB loans in the "health" and "education" sectors
	Crédit Agricole	192.4	2007-2008 2011-	Construction and rehabilitation of retirements homes for dependent elderly with CEB financing amounting to € 192.4 million, implemented within three multi-project programme loans for social infrastructure investments totalling € 350 million in CEB loans
	Banque Populaire Caisse d'Epargne	150.0	2013-	Rehabilitation, extension and upgrade to current standards of community services for some 15,000 reliant/dependent persons placed in Residential Care Homes for Reliant Persons and in home-based care services. 10% of the CEB's loan is projected for energy efficient rehabilitation measures in the above mentioned units.
Greece	Government	1.9	1988	Renovation of a medical and social protection centre for the elderly (22% of the CEB's loan totalling € 9 million) within a government social programme targeted to vulnerable populations, including the disabled, the elderly, the chronically sick and very young children

[22] These amounts represent the actual investments financed through CEB loans in favour of elderly populations. They are implemented within projects/programmes explicitly targeted to the elderly at the approval stage or through various sub-projects with investments for the benefit of the elderly identified only after disbursements within multi-project programme loans. In the case of several projects implemented with the same borrower, aggregate amounts are provided and more details can be found under project achievements. Moreover, data also includes projects for the elderly, already approved but not yet (fully) disbursed. The amounts financed are based on estimated amounts to be devoted to the elderly beneficiaries. These projects were approved in 2010-2012 and are expected to be completed by 2015.

CEB SECTOR: "HEALTH" (2/3)

Country	Borrower	Amounts financed (in MEUR)	Periods of financing	Project achievements
Germany	Investitionsbank des Landes Brandenburg (ILB)	89.0	1997-2000 2005	Construction, renovation and equipment of retirement homes and day care centres for the elderly with CEB financing amounting to € 89 million, implemented within two programmes totalling € 200 million in CEB loans for projects in the fields of housing, health and geriatric care for the benefit of targeted populations in the Federal State of Brandenburg
	KfW Bankengruppe	39.4	1999-2000	Construction, renovation and equipment of retirement and nursing homes, implemented within a large social infrastructure programme for vulnerable populations involving investments carried out in the new Federal States through a CEB loan of € 75 million
	IKB Deutsche Industriebank	19.0	1997-1998	Construction, renovation and equipment of retirement homes and day care centres for the elderly with CEB financing amounting to € 19 million, implemented in regions eligible for EU Structural Funds within a € 256 million multi-project programme loan in the "job creation and preservation", "health", "education" and "protection of the environment" sectors
	Deutsche KreditBank	13.4	2001-2002 2004-2006	Construction, renovation and equipment of retirement and nursing homes with CEB financing amounting to € 13.4 million, implemented within two multi-project programmes totalling € 35 million in CEB loans in the fields of health and education for the benefit of targeted populations in the New Federal States
Iceland	Municipality Credit Iceland	1.7	2008-2010	Construction, renovation and equipment of elderly care facilities throughout the country, excluding Reykjavik City, with CEB financing amounting to € 1.7 million, implemented within a € 30 million social infrastructure programme loan
Italy	San Paolo IMI	3.9	1997-2001	Construction and renovation of rest homes and nursing homes for the elderly with CEB financing amounting to € 3.9 million, implemented in regions eligible for EU Structural Funds within a € 83 million multi-project programme loan in the "job creation and preservation", "health" and "protection of the environment" sectors
	Banca Popolare di Bergamo	3.0	1998-2003	Construction and renovation of nursing homes for the elderly with CEB financing amounting to € 3 million, implemented within a € 51.3 million multi-project programme loan in the "job creation and preservation", "health", "education" and "protection of the environment" sectors

CEB SECTOR: "HEALTH" (3/3)

Country	Borrower	Amounts financed (in MEUR)	Periods of financing	Project achievements
Lithuania	Government	0.8	1999-2001	Rehabilitation and equipment of 14 municipal centres and development of community-based services for some 1,000 highly vulnerable and dependent persons such as the elderly, the disabled and children at risk, with CEB financing totalling € 2.3 million, including € 0.8 million specifically allocated to meet the needs of the elderly
Norway	Kommunalbanken Oslo	54.1	2002-2003	Construction, rehabilitation, extension and equipment of nursing homes and care centres for the elderly (€ 54.1 million) undertaken by municipalities and municipally-controlled companies within a € 122.6 million multi-project programme loan in the health, housing, education and rural modernisation sectors
Portugal	Caixa Geral de Depósitos	22.0	2009	Construction, rehabilitation, extension and equipment of retirement homes, "assisted" living units, nursing homes, long-term and day care centres and home support services for the elderly (€ 22 million), implemented within a € 50 million programme loan for social infrastructure investments for the benefit of the elderly and children throughout Portugal
Slovenia	Nova Ljubljanska Banka	2.6	2002	Construction of a retirement home for some 150 elderly persons in Ormoz, also providing institutionalised services and health care, as well as activities that help develop socialisation among the residents
	Nova Ljubljanska Banka	4.3	2008-2009	Construction, rehabilitation and equipment of retirement and nursing homes and social welfare institutions for the elderly (€ 4.3 million), implemented by municipalities and co-financed with the EIB, through a € 20 million multi-project programme in the fields of "housing for low-income persons", "health", "improved living conditions in urban and rural areas", "protection of the environment" and "protection and rehabilitation of historic heritage"
	Nova Kreditna Banka Maribor	11.4	2009-2010	Construction of retirement homes in the municipalities of Maribor (€ 6.4 million) and Idrija (€ 5 million), implemented by local authorities through a € 30 million multi-project programme in the "health" and "improved living conditions in urban and rural areas" sectors
Spain	GICAMAN, Toledo	22.0	2003-2005	Construction of neighbourhood social-service centres, retirement homes, day-care centres as well as serviced apartments for the elderly in the autonomous community of Castilla La Mancha
Sweden	Kommuninvest i Sverige, Orebro	29.3	2001-2005 2007-2011	Construction of retirement homes (€ 29.3 million), implemented within three multi-project programmes totalling € 275 million in CEB loans involving various infrastructure investments made by Swedish municipalities, county councils and municipally owned companies

CEB SECTOR: "HOUSING FOR LOW-INCOME PERSONS"

Country	Borrower	Amounts financed (in MEUR)	Periods of financing	Project achievements
Denmark	KommuneKredit Copenhagen	400.0	2002-2007	Construction and rehabilitation of approximately 6,500 public state-subsidised rental housing units for the elderly (some 10,000 beneficiaries) within the framework of the national social welfare policy, in the form of sheltered housing, residences providing services and care, and nursing facilities for the most dependent elderly. The most recently financed programme in 2007 (out of a series of four for € 100 million of a CEB loan each) was financed in conjunction with the EIB.
Finland	Pohjola Bank	68.0	2001-2010	Construction and renovation of housing units for the elderly, implemented within five multi-project programmes totalling CEB loans worth € 380 million in the housing, health and education sectors
France	Crédit Mutuel ARKEA	100.0	2013-	Adaptation of some 12,000 social housing units to the needs of elderly persons on low-incomes, in terms of accessibility, design, infrastructure, technologies, etc. including energy efficiency investments. The CEB funds are provided through ARKEA to social housing providers in France, i.e. social housing organisations (HLM) and local semi-public companies (SEM).
Slovenia	Government	1.2	2002	Post-earthquake rehabilitation of "assisted" housing facilities for the elderly (56 flats for 75 persons) in Posocje area, implemented through the Republic of Slovenia's Housing Fund

CEB SECTOR: "IMPROVEMENT OF LIVING CONDITIONS IN URBAN AND RURAL AREAS"

Country	Borrower	Amounts financed (in MEUR)	Periods of financing	Project achievements
Germany	Investitionsbank des Landes Brandenburg	1.5	2007-2011	Construction of 25 retirement housing units in the city of Jütebog with CEB financing amounting to € 1.5 million, within a € 100 million multi-project programme loan for municipal infrastructure investments in the CEB's "improved living conditions in urban and rural areas", "job creation and preservation" and "education" sectors
Hungary	Intesa Sanpaolo	1.0	2005	Reconstruction of a retirement home in the city of Dorog (Hungary) for € 1 million, within a large social infrastructure programme (CEB loan of € 70 million) implemented by local authorities in Croatia, the Czech Republic, Hungary and the Slovak Republic by on-lending CEB resources through the Intesa Group network
Poland	City if Warsaw	15.0	2009	Modernisation and extension of the existing network of Social Aid Centres, including care centres for the elderly, with CEB financing totalling € 15 million within a € 49 million multi-project programme loan for municipal infrastructure investments in the CEB's "improved living conditions in urban and rural areas", "health" and "education" sectors
Portugal	Banco Espririto Santo	4.1	2012-	Construction, rehabilitation and modernisation of local infrastructure, including retirement and nursing homes for the elderly with CEB financing totalling € 4.1 million within a € 100 million programme loan for municipal infrastructure investments in the CEB's "improved living conditions in urban and rural areas" and "protection of the environment" sectors
Slovak Republic	Intesa Sanpaolo	4.3	2006-2009	Rehabilitation of retirement homes in the city of Banska Bystrica (Slovak Republic), for € 4.3 million, within a 70 million multi-project programme loan for municipal infrastructure investments undertaken by local authorities in the Czech Republic, Hungary and the Slovak Republic by on-lending CEB resources through the Intesa Group network
Slovenia	SID Banka	2.6	2012-	Construction and rehabilitation of local infrastructure, mainly in rural areas, including investments in favour of nursing homes for the elderly, totalling € 2.6 million, within a € 40 million multi-project programme loan for municipal infrastructure investments in the CEB's "improved living conditions in urban and rural areas" and "protection of the environment" sectors
Spain	Caixa Cataluña	1.5	2003-2005	Rehabilitation of social infrastructure in disadvantaged urban areas in municipalities throughout Spain with populations bellow 500,000 inhabitants through a CEB loan of € 45 million, including € 1.5 million for the extension of residences for the elderly in the municipality of Igualada, Province of Barcelona

Chapter 5: Investments needs ahead

The phenomenon of "greying" populations will have significant impact on economic growth and public expenditure, social and health policies, labour and housing markets, social cohesion and inter-generational solidarity. The aim of this study is not to examine all the macroeconomic issues related to demographic dynamics such as impact on growth and public spending (pensions and expenditure on health care) or policy recommendations to meet the challenge of ageing. This chapter focuses more on the implications of the demographic change for the provision of social infrastructure in general and for the CEB in its sectors of action and member countries in particular.

Population ageing is expected to lead to a burgeoning demand for different types of eldercare infrastructure and services over the next fifty years. As explored in Chapters 2 and 3, this demand is likely to be heterogeneous across CEB countries, shaped by imminent adaptations to welfare states triggered by fiscal restructuring and shifting societal preferences towards "ageing in place" and home care, and by the growing diversity among older Europeans, particularly the oldest-old and women, in terms of income, health and disability status, access to informal support and (unmet) care needs. This demand may also be geographically differentiated as shown in clusters of countries identified in Chapter 2.

The ageing of the population presents significant challenges to ensure that infrastructure and services can meet the needs of older people, enabling them to live healthy, independent and productive lives and to receive appropriate and affordable care and support. The likelihood of a person developing a disability or chronic illness increases with age. Many older adults are disabled in one or more aspects of self-care and, in general, the elderly require more health care services and incur higher health care costs than younger people. As the elderly population increases and people live longer, more people will require help with aspects of daily living and disease management.

The cohort of older adults today is very different from previous cohorts of older people, and the next cohort of the elderly is also likely to be different from today's elderly. Overall, it is expected that older people will be healthier, more diverse, better educated and pursuing more active lives than previous generations. Besides, today's older adults, either out of need or by choice, remain employed in a full- or part-time capacity; some are even now pursuing new careers and many are engaged in volunteer work. Developments in technology are reshaping work processes, jobs, workplaces and the delivery of job education and training. These changes in work structures and processes will have a pronounced effect on the nature of work and on the required capabilities of workers. The increase in the number of older workers will, in particular, require adaptations in educational and training systems. To ensure that older adults can adapt to new workplace technologies, employers must provide them with access to retraining programs and incentives to invest in learning new skills and abilities. In addition, training and instructional materials should be designed for older learners and technologies themselves should be designed to be usable and useful for older adults, especially people with some type of impairment.

There is a clear need to help healthy older people remain productive and independent and to ensure that those who are frail or disabled receive care and support so that they can live in their communities for as long as possible. This has wide-ranging implications for the development of elderly-friendly products and services, environments and activities. In a demand-driven context, the CEB can contribute to addressing some of these needs.

In view of this ageing challenge and based on its mandate, the CEB can develop its activities along the following sectoral priorities:

1. Adapting health infrastructure
2. Reconsidering the provision of housing
3. Adapting urban and rural living spaces
4. Enhancing energy efficiency and the use of renewable energy in eldercare infrastructure
5. Investing in education and lifelong learning.

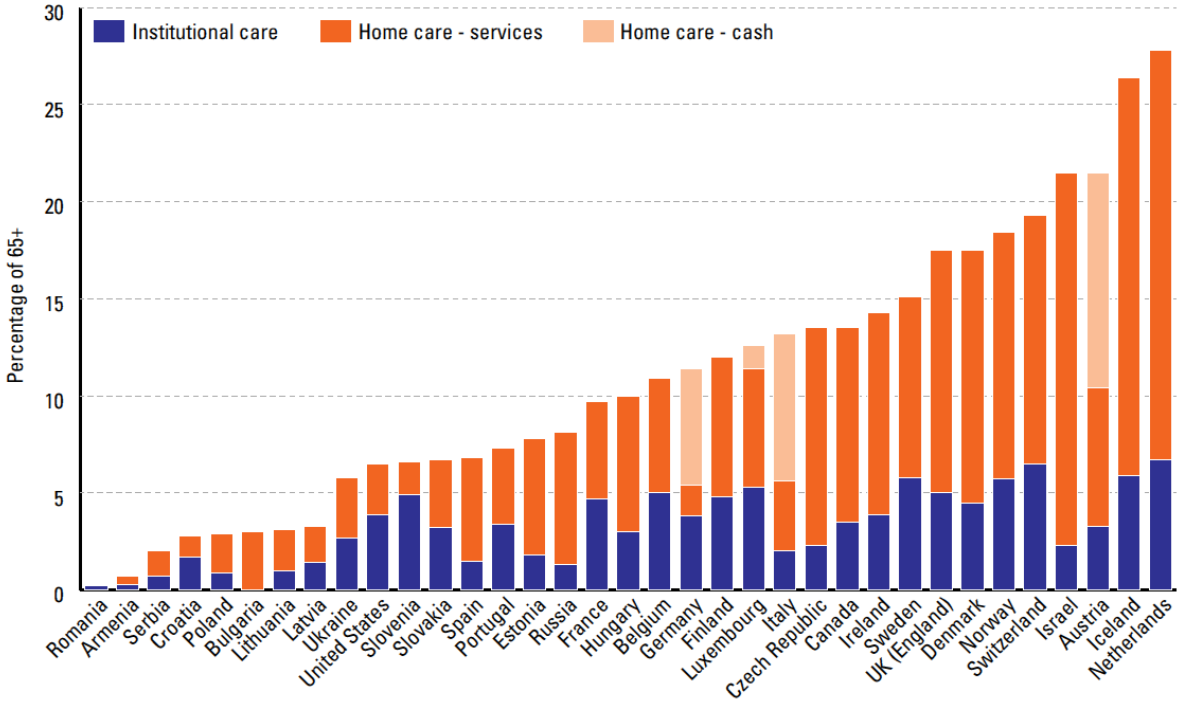
1. Adapting health infrastructure

Demography, health and social conditions all play a role in shaping demand for care in older age. The magnitude of future health and disability needs (and costs[23]) depends crucially on whether the longevity revolution adds healthy years - or years of illness and dependency - to the life span. Ageing populations are likely to have significantly higher health needs, since the greatest demand for medical care mostly occurs in the latest years of life. What is more, as their proportion among the total population increases, this is likely to translate into greater demand for care. As a result, the use of health services is expected to increase, and medical and health care costs to rise as populations age.

A critical issue will be the provision of long-term care (LTC) for the very old. Over the next five decades, the number of Europeans aged 80+, the average users of LTC services (see Chapter 3), is set to almost triple (see Chapter 1 and Graph 1.4). It is estimated that one in two women and one in three men will come to need intensive long-term care as they age[24]. Long-term care is a highly gendered issue. Older women have a higher life expectancy (see Chapter 1), are more likely to have poorer health and live alone (see Chapter 3), and follow a different pattern of morbidity in old age, so most care recipients are women, both in home and institutional care services. Moreover, the vast majority of both informal and formal carers are women[25].

Across CEB Member States, LTC is *organised* (e.g. by public, for-profit or NGO providers), *financed* (e.g. via general taxation, obligatory social security, voluntary private insurance or out-of-pocket payments) and *delivered* (e.g. as home care or institutional care[26] – see Graph 5.1) differently from acute health problems treated as clinical health care. Whereas clinical health care is almost exclusively dispensed by health care professionals, a substantial part of LTC services is provided by informal family carers. LTC provision can therefore be viewed as a combination of informal and formal care.

Graph 5.1 People aged 65 and older receiving care benefits (cash or in-kind) in different care settings, 2009 or most recent year, in selected CEB member and non-member countries



Source: European Centre for Social Welfare Policy and Research (2012), Facts and Figures on Healthy Ageing and Long-term Care, Rodrigues R. et al.

[23] Costs and expenditure on health and long-term care for the elderly fall outside the scope of this study.
[24] Source: European Centre for Social Welfare Policy and Research (2009), *Facts and Figures on Long-term Care: Europe and North America*, by Hubert M. et al.
[25] Source: European Centre for Social Welfare Policy and Research (2009), *Facts and Figures on Long-term Care: Europe and North America*, by Hubert M. et al.
[26] "Institutional care" refers to care services and accommodation provided to users residing in nursing homes, retirement homes and service housing. "Home care – services" is defined as benefits provided to dependent older people by care providers or bought by users with cash benefits. "Home care – cash" is defined as cash benefits provided to dependent older people that may be used to pay for informal carers or to hire personal assistants.

LTC is a complex subject that incorporates a broad mix of medical, social and residential (housing) dimensions. Across CEB member countries, long-term care for the elderly refers to a range of services and assistance for persons, who, over an extended period of time, are dependent on help with basic activities of daily living[27] and/or instrumental activities of daily living[28].

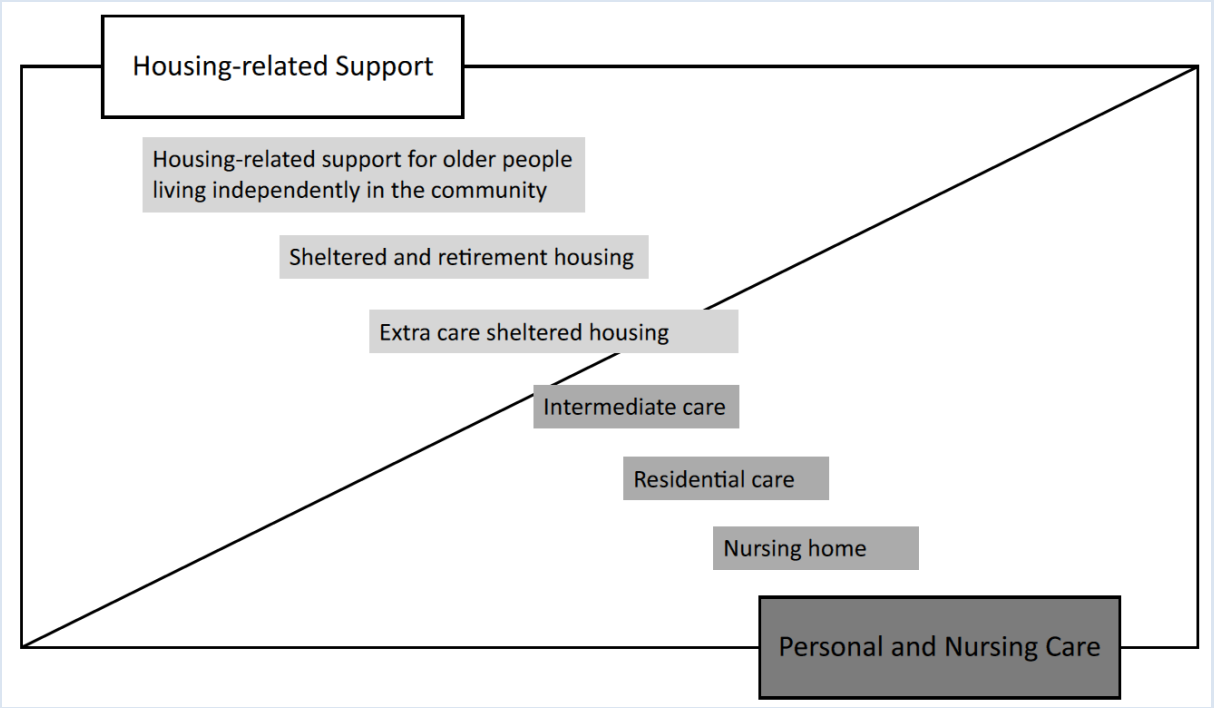
Box 5.1 Types of eldercare services in Europe

The three most common types of service groups are: home care, sheltered housing and old-age houses, and nursing homes.

"Sheltered housing" is a term covering a wide range of rented housing for the elderly and/or disabled. Most commonly it refers to grouped housing such as a "scheme" of flats or bungalows with a scheme manager. Sheltered accommodation is self-contained, ranging from a simple bedsit to a large flat or small house. Such schemes are distinct from a nursing home or care home in that the tenants are usually able to look after themselves, are active and are afforded a degree of independence. Sheltered housing also differs from retirement housing which is generally leasehold. Sheltered housing schemes are generally owned, run and maintained by a local authority or housing association.

A broader spectrum of elderly care and support is provided in Graph 5.2. In addition, there is a wide variety of day programmes outside the home but in support of home care such as elder day care centres, respite care centres, and education and support for informal caregivers.

Graph 5.2 Spectrum of housing-related support and personal and nursing care



Source: Parry, I., Thompson, L. (2005). Sheltered and Retirement Housing. A Good Practice Guide. Coventry: Chartered Institute of Housing

Investing in LTC infrastructure is to be addressed cautiously, based on a demand-driven approach. In addition to informal care provided by relatives in all CEB member countries, there is enormous variation in the degree to which affordable formal services have been developed and are made available, greatly depending on the type of the welfare system in a particular country (see Table 3.1). As shown in Graph 5.1, while 5 out of 20 older people in Iceland and the Netherlands have access to formal care services or cash benefits, this percentage proportion is less than 1 in 20 in a number of Eastern and South-Eastern European countries. Additionally, population projections (see Statistical Annex, Table 6) show the strongest increase by 2060 in the share of the frail elderly (80+) at particular risk of developing a need for LTC in Turkey (+842%),

[27] Activities of Daily Living (ADLs) are self-care activities that a person must perform every day such as bathing, dressing, eating, getting in and out of bed or a chair, moving around, using the toilet, and controlling bladder and bowel functions.
[28] Instrumental Activities of Daily Living (IADLs) are activities related to independent living and include preparing meals, managing money, shopping for groceries or personal items, performing light or heavy housework, and using a telephone.

Ireland (+392%), Cyprus (+364%), Malta (+357%), the Balkan countries (ca. +300%), the Czech and Slovak Republics (ca. +200%), Spain (+231%), Portugal (+199%), Greece (+159%) and Italy (+154%).

Based on its mandate and experience, the CEB can finance investments in old-age-specific health infrastructure so as to increase its availability and to improve delivery of standard and long-term care and wellbeing of the elderly and their families in general. The CEB is well positioned to provide financing for infrastructure meeting the specific requirements of the elderly, i.e. retirement homes and residences providing services and care, and in particular nursing homes for the most dependent elderly.

For countries with well-developed formal provision (e.g. Nordic countries), focusing on active and healthy ageing and independent living will seem a logical extension of present efforts. Others will have to make substantial changes with formal LTC to be developed. LTC in Central, Eastern, South Eastern and Mediterranean countries have primarily relied on informal care and home care rather than on institutionalised provision of services (see Chapter 3). In the upcoming decades, these countries are expected to gradually develop and shift to formal LTC provision involving substantial investments in LTC infrastructure to be carried out. A particular focus may be the development of LTC systems in rural areas, where these services have generally been scarce.

Concepts such as "ageing in place", "continuity in care" or "smart homes" could be just some of the approaches that can successfully begin to tackle future challenges in LTC. "Ageing in place" and "independent living" can be achieved through elderly-friendly environments, assistive technology and appropriate provision of home help and home care.

2. Reconsidering the provision of housing

In addition to health issues, living longer will also present individual and societal challenges related to quality of life in old age, including independence, social interaction and community involvement. In this respect, the challenge of housing adaptation and preventive measures to allow elderly people to keep living a healthy life in their homes should be addressed in a broader urban/rural context via "elderly-friendly settings", paying specific attention to the availability, accessibility, adaptability and affordability of appropriate infrastructure and services for the elderly.

Translated into housing needs, the ageing process will increase demand for a new segment, characterised by specific needs in terms of accessibility, design, infrastructure, technologies and services but also with regard to health conditions, family structures, culture and income level. There are numerous housing concepts, ranging from independent living without assistance in own homes, co-housing, shared housing and multi-generational housing with some care support, to retirement communities/villages.

On the one hand, there is a trend towards greater residential independence amongst the elderly, particularly for those between 65 and 80 years of age. In Southern and Eastern European countries where the tradition was for elderly people to go back to live with their children, this is now less and less the case. Due to longer life expectancy and better health conditions, elderly people prefer to "age in place", i.e. live on their own until a much later stage. There is an increase in urban behaviour patterns, as elderly people who live on their own tend to stay in urban areas where services, transport links and facilities are more available. This situation poses a number of challenges for housing provision at large. First, the global ageing phenomenon highlights the disparity between traditional housing and the current standard of housing required to enable people to live in their homes as their needs change. It is thus essential to adapt their homes and provide services at home. The large-scale response to the challenge of adapting housing to the needs of ageing populations will mostly involve existing housing stock, since newly built housing represents on average around 1% of the renewal of the housing stock per year[29]. Second, it is necessary to rethink neighbourhoods where seniors live isolated from their relatives.

On the other hand, the needs in the future will also have to increasingly focus on the most vulnerable groups, which consist of elderly people aged over 80 who may be considered as a new category of vulnerable groups of populations. Referred to as "frail elderly" or the oldest-old (see Chapter 1), they will require new

[29] Source: CECODHAS HOUSING EUROPE (2010), *Housing and Ageing in the European Union*, December 2009

and adjusted housing solutions for their specific needs. Therefore, widening the range of dwellings specifically designed to suit their needs will become increasingly important. Elderly people, and particularly the "frail elderly", represent vulnerable populations with regard to the housing issue for two main reasons. First, they represent an economically fragile and socially disadvantaged group on the housing market (see Box 5.1) which is likely to be subject to discrimination. Second, it is probable that there will be a shortage in the number of adapted dwellings.

The housing stock in Europe comprises on average not more than 1% of dwellings adapted to the needs of elderly people. This proportion largely varies across countries. In the Netherlands, for instance, 5% of the housing stock is adapted and 50% of new dwellings are designed and constructed with the aim of allowing for further adaptation, at reasonable cost, to the needs of dependent or impaired people. In addition to the Netherlands, Belgium with 2% of its stock being adaptable is particularly progressive in such housing models[30]. Overall in Europe recent years have seen a drive to promote barrier-free environments and accessible buildings for people with functional limitations. While Western and Northern European countries are better advanced in this regard, Central, Eastern and South European countries still lag behind.

Within the housing sector, the CEB should take into careful consideration the phenomenon of ageing populations which will affect all its member countries more or less quickly. Improving the age-friendliness of the homes of older people can therefore play a significant part in their ability to continue living independently. In this regard, the CEB could provide financing for:

- the rehabilitation of existing housing stock to be designed to suit the needs of the elderly by removing obstacles and hazards and installing facilitating devices and appliances,
- the construction of new dwellings adapted to the needs of all ages, involving adaptations that may be made in different situations in order to suit the needs of people growing old at home,
- the construction of so-called "sheltered" housing for the elderly who wish to remain independent.

The housing provision for the elderly could also be accompanied by measures related to other CEB sectors of action. The CEB could develop cross-sector operations for the most vulnerable populations through the financing of projects combining housing with a health component. For instance, projects could involve the provision of "extra care sheltered" housing (also known as "very sheltered" or "assisted living") classified between "sheltered housing" and a nursing home. A large proportion of occupants require medium to intense nursing, additional facilities and full meal services.

These projects could mainly be located in the CEB's target countries in Central, Eastern and South Europe where the housing market for seniors is under-developed and requires significant investments. Older people in these countries are indeed much more likely to report poorer housing conditions than their Western European counterparts (see Chapter 3). Nevertheless, the CEB could also be present in Western European countries (e.g. Germany[31] and Italy with highest ageing indicators as shown in Chapter 2) where the supply of different housing and care forms is below continuing growing demand despite the substantial investments made in the past decade.

[30] Source: BFW and UEPC (2007), *Housing for Senior Citizens. A Future Task for the European Developers*, 2007

[31] According to current assumptions, at least 800,000 homes in Germany must be modernised or newly built to meet the needs of the elderly by 2020 to cope with growing demand. Source: BFW and UEPC (2007), ibid.

Box 5.2 Poverty in old age

A. Empirical Evidence from the European ENABLE-AGE Project[32]

The ENABLE-AGE Project looked at the relationship between the home environment and healthy ageing in very old age in five European countries (Hungary, Germany, Latvia, Sweden and UK).

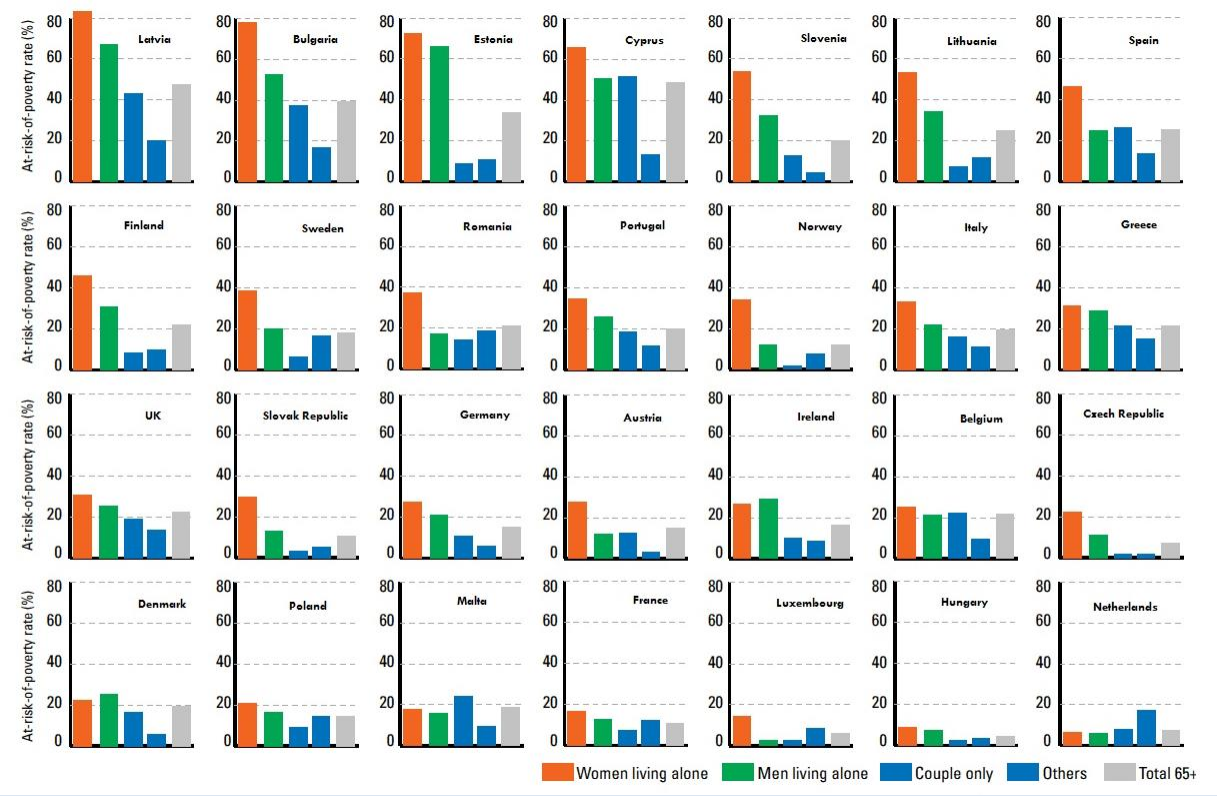
Results show that:

- The economic situation of older people has generally deteriorated over recent years. However, the scale is much higher in the surveyed new EU Member States (i.e. Hungary and Latvia) and in the UK.
- Even in a country with a high level of social welfare, such as Sweden, poverty is a problem. 10% of pensioners live on the financial margin.
- Overall, older women tend to have lower incomes than older men.
- Poverty amongst older people has important implications for their housing choices, e.g. inability to relocate to alternative housing or to carry out adaptations to their houses. With inappropriate/poorer housing the need for support services is likely to be higher.
- Housing and support for elderly people requires good interagency cooperation, i.e. between housing, health and social care, transport, etc. which stretches across NGOs, private sector and public agencies providing this variety of services.

B. Statistical Evidence from a Gender Perspective

Elderly people living alone are amongst the most vulnerable groups in society. Elderly women living alone are particularly at risk of poverty (see Figure 5.1), due to the fact that retirement pensions for women are significantly less generous than for men (since women have shorter careers and earn less during their working lives).

Figure 5.1 At-risk-of poverty rates of persons aged 65+, by household type and gender, 2009



Source: European Centre for Social Welfare Policy and Research (2012), Facts and Figures on Healthy Ageing and Long-term Care, Rodrigues R. et al.

[32] Within a three-year project funded by the European Commission (2002-2004), the main aim of the ENABLE-AGE Project was to explore the home environment as a determinant for autonomy, participation and well-being in very old age within a follow-up perspective. More specifically, the project aimed to explore country specific housing-related societal support as represented in personal situations; to provide an update of housing policies and legislation; to provide methodological guidelines for home assessments and to provide policy recommendations in housing issues across Europe. Source: http://www.enableage.arb.lu.se/pub.html

3. Adapting urban and rural living spaces

Addressing the provision of housing in a broader context also means adapting the environment in which seniors live. Adaptation of the areas in which seniors live is as essential as the adaptation of their homes. Indeed, the availability of local infrastructure and services to the elderly is central to giving them the option of remaining in their homes as long as possible. In the case of both new construction and making changes to existing housing stock, the approach to the challenge of the ageing process has therefore to take place through the provision of services that are necessary to support the process of growing old comfortably at home (see also Box 5.1).

Overall, people aged 65 and over are spread across the rural/urban divide like the rest of the population of their countries.

According to the United Nations population statistics[33], 28% of the population in CEB member countries lived in rural areas in 2010. The largest shares of the population living in rural areas were recorded in the Republic of Moldova (53%), Slovenia (49%), the Western Balkan countries (close to 50%), Romania (46%), the Slovak Republic (45%), Greece and Portugal (40%). The overall rural population size in CEB countries is expected to decline by 57 million (from 153 million to 96 million) or by 37% between 2010 and 2050. By 2050, only 17% of the population in CEB member countries will live in rural areas and it can be expected that the rate of elderly individuals living in rural areas will be similar. Of course, the fate of the 17% elderly who live in rural areas cannot be dismissed, but they will represent a very small and diminishing part of the elderly population. Only few CEB member countries are projected to record more than 30% of their population living rural areas in 2050: Moldova (Republic of), Poland, Romania, the Slovak Republic and Slovenia. The Western Balkan and Baltic countries are likely to see close to 30% of their populations located in rural areas in 2050.

As a result, ageing societies in CEB member countries will largely be faced with seniors in urban environments. Urban planning in different areas will have to focus on the specific stages of the lifecycle, regarding housing, local (mainly including transport) infrastructure and the provision of social services, taking into account their availability, accessibility, affordability and adaptability.

Rural areas often suffer from a shortage of formal services and a less diverse age distribution, due to the "emigration" of young generations to tertiary jobs in urban centres. Providing services in rural areas is considered to cost more than in urban areas. Access to and availability of essential services, such as healthcare and public transport are important for well-being and social inclusion. Rural and low-density areas generally provide fewer services, not always accessible by car or public transport, the latter often fragmented and not fully adapted to the needs of elderly people. Improving the living environment of seniors in those areas in selected CEB member countries and thus facilitating their every-day life may be one of the possible lines for CEB action.

The CEB could participate in developing local infrastructure in urban and rural areas, including configuration of services and their accessibility to elderly clients. These investments could involve various infrastructure in seniors' living spaces, such as public transport, cultural infrastructure, social service centres, community care centres, etc.

These investments could take place in urban areas in any CEB country based on the elderly's needs to be properly assessed by local authorities (e.g. through awareness raising actions and appropriate urban planning and programming).

Such investments could also be carried out in rural areas, particularly in the CEB's target countries, since these countries are expected to record the highest share of their population living in these areas.

[33] Source: http://esa.un.org/unup/CD-ROM/Urban-Rural-Population.htm

4. Enhancing energy efficiency and the use of renewable energy in eldercare infrastructure

Improvement of the living conditions of beneficiaries has always been at the core of the CEB's operations. Whether projects are implemented in urban or rural settings, fostering a durable relationship between people and the environment forms the basis of the CEB's approach to sustainable development. The CEB's contribution towards building sustainable communities involves integrating environmental considerations in all its lending operations.

Energy efficiency is an issue that affects all countries, but there are large differences across CEB member countries with respect to the levels of economic development, legislative and organisational structures, history of the residential sector and climate conditions. Investments must therefore be sensitive to this diversity and be sufficiently embedded in the local socio-economic, institutional and geographic context.

In Europe, buildings are on average responsible for over a third of total final energy consumption. The residential sector represents on average 20% to 40% of total final energy consumption and 40% of CO_2 emissions[34]. Up to 90% of total energy used during the life of a building is consumed during its operation, while the rest concerns the construction and demolition phases. On the one hand, demographic, economic and social changes are expected to further increase the pressure of buildings on energy consumption and to generate even higher levels of greenhouse gas emissions. On the other hand, it is in the building sector, and particularly in the residential sector, where some of the greatest energy savings can be provided.

For development banks such as the CEB, it is vital to interlink energy efficiency and social objectives. Projects should ensure affordable access to energy efficiency measures, mitigation of social inequality and energy poverty (see Box 5.3) and improved social wellbeing. In this regard, the CEB is well positioned to finance such projects since it has expertise in the field of housing for lower income persons, "green housing" and renewable energy. The CEB is also well placed to finance energy efficiency investments benefiting the most needy or vulnerable persons, including elderly persons, who are often more economically fragile than active populations and may be faced with energy poverty.

In this perspective, the CEB can contribute to enhancing energy efficiency and the use of renewable energy in eldercare infrastructure. CEB financing can cover energy-saving and efficiency investments in both the rehabilitation of existing buildings and the construction of new buildings[35].

The eco-efficient refurbishment of the building sector (housing for the elderly, retirement and nursing homes, care centres, etc.) can involve a large spectrum of energy saving and efficiency investments, including thermal rehabilitation, heating systems, water supply and electrical/lighting systems, installation of solar, photovoltaic, biomass, geothermic or wind devices for heating and electricity generation purposes. The new green building construction can mainly involve high levels of thermal insulation of walls, roofs and windows, efficient heating and cooling systems, the use of passive lighting and active shading, solar water heating, energy efficient appliances and lighting, use of recycled, reused, or low-energy building materials.

Although some progress has been made recently, the existing situation in CEB member countries leaves much room for improvement. Even those countries in Western and Northern Europe considered to have advanced building standards in place are far from fully realising the potential for the sector. Central, Eastern and South Eastern European countries in particular lag behind and have the greatest untapped potential for energy efficient buildings. Moreover, CEB financings in the housing sector could especially target the most vulnerable elderly households too often hit by energy poverty, in particular in Central, Eastern and South Eastern Europe.

[34] UNECE, Committee on Housing and Land Management, *Green Homes: Towards energy-efficient housing in the UNECE region*, March 2009.
[35] Throughout Europe, the general challenge to be addressed is the energy efficient refurbishment and retrofitting, the so-called "greening" of existing buildings. The emphasis on the existing stock is essential since new buildings account for a very limited share of the total housing stock (e.g. on average 1% of EU housing stock).

Box 5.3 Combating energy poverty in Europe

Between 50 million and 125 million people (or one household in seven) in Europe are estimated[36] to be "energy poor". The term "energy poverty" or "fuel poverty" is used for households that have difficulties to pay heating and electricity bills. Although not clearly defined in every European country, **energy poverty results from a combination of three key factors: low household income, poor heating and insulation standards, and high energy prices**. In the United Kingdom - with the greatest experience and understanding of energy poverty issues in Europe - energy poverty is said to occur when in order to heat a home to an adequate standard of thermal comfort a household needs to spend more than 10% of its income on total fuel costs (heating fuel plus electricity). In many EU countries, not least in Central and Eastern Europe (CEE), it is common for poor people to spend well over 10% of their income on household energy costs. It is also common for poor people to disconnect from heat and gas supplies to save money. This problem has become known as the "choice between heating and eating".

In the CEE region, the poorer sections of the population suffer from high household energy bills with low energy efficiency in existing houses and high energy costs. Yet some of these same countries are among the coldest in the CEE region, with the heating season lasting up to seven months. Those who cannot afford adequate levels of energy consumption either go into energy indebtedness and face the threat of disconnection by the utility provider or the prospect of reducing their consumption. Either choice entails hardship, exposure to health risks and feelings of social alienation - which only deepen the **vicious circle of social exclusion**. The scale of the problem is being further exacerbated, as in many CEE countries residents have increased the levels of use of "dirty" fuels and resorted to cheap stoves, which may have high levels of CO_2 emissions and pollution, with the attendant detrimental effects on indoor air quality and health. Households are trapped in energy poverty and society ultimately bears the cost of inequality and underdevelopment.

Energy poverty is a multi-dimensional issue covering housing, energy, health and social services. When tackling energy poverty, it is vital to interlink policies seeking to improve energy efficiency and social policies. The context of "social housing" may provide one of the most productive approaches here, since "social housing" is able to integrate both social welfare policies and energy efficiency measures. The issue of affordability of energy efficiency measures also needs to be addressed. Programmes for energy-poor households should therefore tackle various factors at the roots of poverty and combine several measures such as:

- financial and technical assistance to improve the energy efficiency of the dwelling;
- discounted energy costs may be provided through social tariffs for vulnerable consumers;
- social security benefits can be used to assist with energy expenditure and bill payment.

In this regard, **the CEB, as a social development bank, is well positioned to finance projects that combine energy efficiency measures targeted to the most needy or vulnerable persons**. On the one hand, the Bank already possesses expertise in the field of housing for lower income persons, "green buildings" and renewable energy. On the other, it has a long-standing experience in financing projects dedicated to vulnerable groups of population such as refugees, migrants and displaced persons, minorities, victims of natural and ecological disaster, children, and the elderly and handicapped persons. Last but not least, the CEB is also well placed to cooperate with its European partners so as to mobilise the resources needed to fight against energy poverty that hits too many households in Europe. And the number of fuel poor is projected to increase in the foreseeable future, in line with rising energy prices and increased fuel bills.

[36] Source: European Fuel Poverty and Energy Efficiency Project, co-funded by the European Union

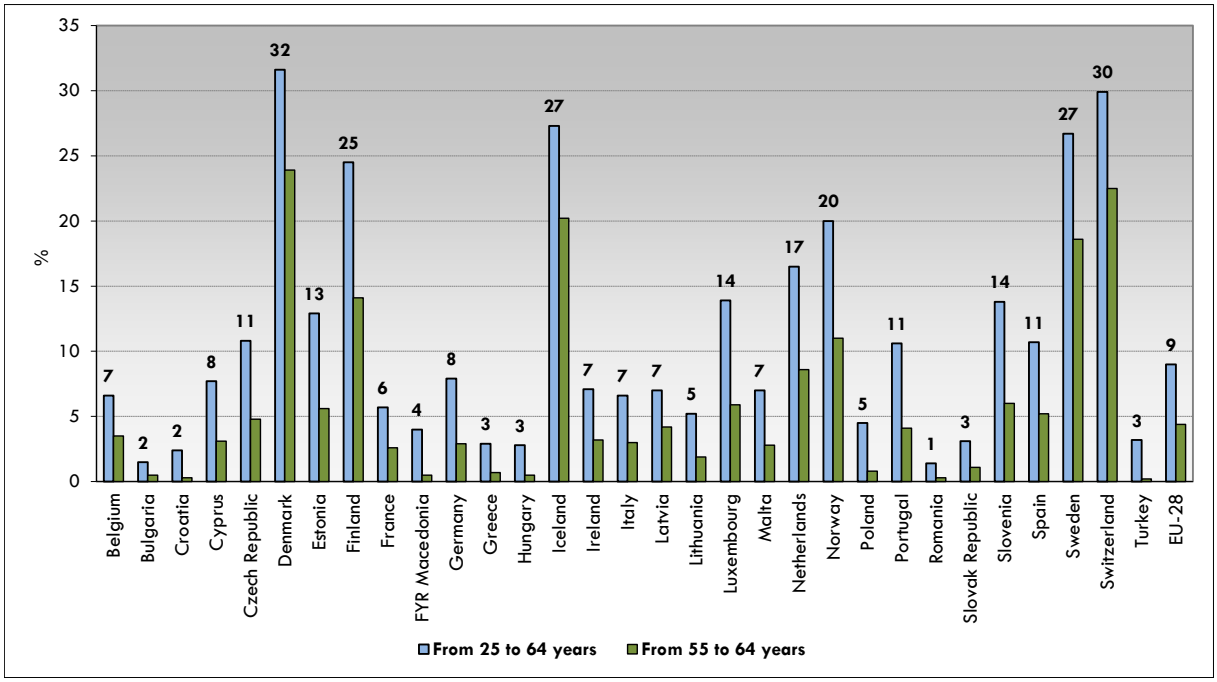
5. Investing in education and lifelong learning

The demographic transition in CEB member countries is leading to changes in the size of school-age cohorts and to shifts in the demand for education at various levels. The magnitude of the decline in school-age populations implies that there are major opportunities for savings, which could be used to improve the quality, relevance and coverage of education. Additionally, the ageing of populations is calling on education systems to meet the challenge of preparing a higher-productivity population.

Education systems could play an important role in offsetting the possible negative effects of demographic change on economic growth and productivity, while contributing to the productivity gains that will be needed in the global economic context. First, ageing labour forces will require improvements in education and new forms of education throughout workers' active lives so as to maintain productivity and to increase the employability of older workers, which is essential to counteract the falling number of total workers. Second, training the professionals dedicated to elderly care or facilitating skills reconversion of those who will be needed to address the shortage of staff in personal care show one of the fastest employment growth potentials in Europe[37].

Lifelong learning is limited at present in many CEB member countries, especially in those located in Central, Eastern and South-Eastern Europe (see Graph 5.3). By contrast, some EU Member States such as Northern European countries, Switzerland and the Netherlands, have well-established policies and institutions to encourage employers to provide training for their employees and fairly high rates of adult participation in training and education. For the CEB's target group countries, promoting the development of lifelong learning may consist in promoting policies to strengthen the competitiveness of the business environment - and, hence, the incentives for individuals to seek training and for firms to provide it. Nevertheless, increasing investment from both public and private resources and delivery of lifelong learning remain a challenge, particularly during an economic crisis.

Graph 5.3 Participation of adults (aged 25-64 and 55-64) in lifelong learning in selected CEB member countries, 2012



Source: Eurostat database, based on Labour Force Survey (LFS), defined as "the percentage of population aged 25-64 participating in education and training during the four weeks prior to the survey LFS". **The benchmark objective by 2020 is to have 15% of European adults participating in lifelong learning activities.**

[37] Source: European Foundation for the Improvement of Living and Working Conditions (2013), *More and better jobs in home-care services*

Continuing to update skills during working life to respond to the changing needs of the labour market is critical if older workers are to remain at work longer. In this respect, access to training and lifelong learning can be considered key factors for extending working life. Adult learning and training can also play a role in overcoming the lack of formal education or in the acquisition of basic skills, and are important, not least to re-engage the low-skilled in learning and help them become better adapted to the changing labour market.

The ability to learn and retrain in new skills as the economy evolves is likely to become more important as the world becomes more economically complex and dynamic in the decades ahead. High-quality basic education is the foundation for workers to build this new learning on. The development of continuous on-the-job training in an ageing society means there is a longer period of human capital accumulation, resulting in higher returns from the experience gained throughout the working life, and thus an increase in productivity. For the education sector, the long-term shrinkage of school-age cohorts may be seen as a major opportunity to liberate budget resources from redundant staff and facilities to improve the quality and relevance of education programmes. To a large extent, the effectiveness with which countries exploit this potential demographic dividend will determine their future growth performance. What is more, increased investment in education and training at both national and European levels is crucial as a way out of the economic crisis, not only to lessen its immediate social impact but also as part of long-term structural reforms.

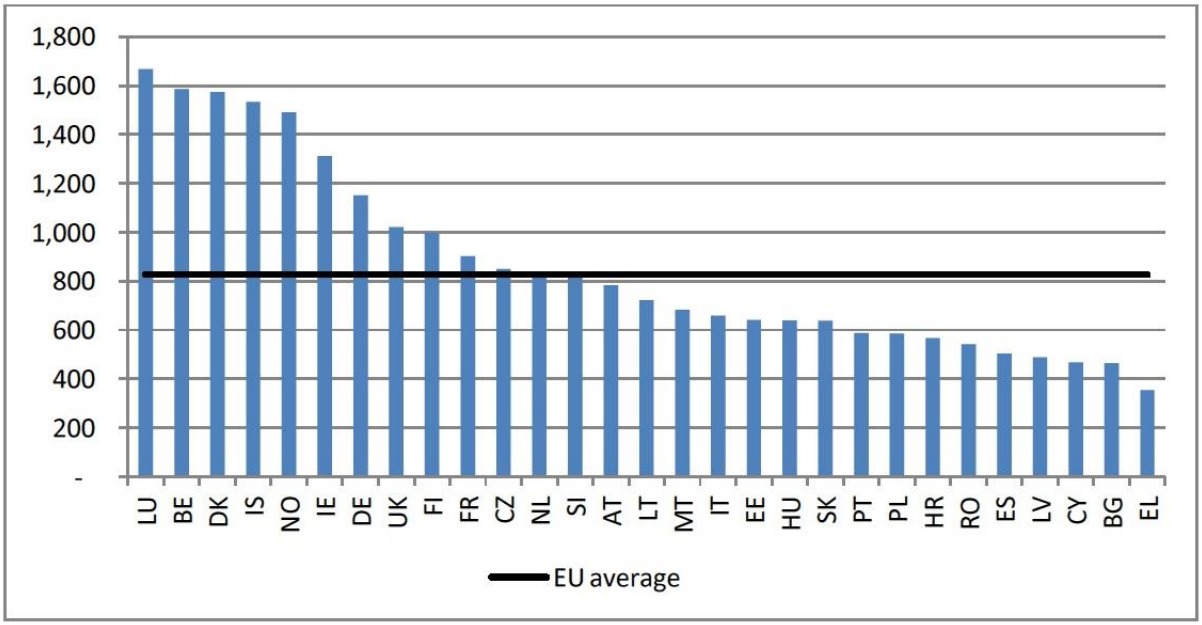
Population ageing will generate the need and demand for more and better **jobs in care and support services for the elderly**. The health and social care sectors are projected to provide significant job opportunities with increasing demand for high-quality and specific skills to support people with multiple chronic conditions. The new care will have to cope with chronic and long-term conditions of ageing populations and the rise in care technologies will put emphasis on continuous acquisition of new skills and competences in the nursing profession. In the EU-27, almost 1.6 million health professionals will be required by 2020, mostly to replace existing workers who will be leaving or retiring from the workforce[38].

Generally, the labour market in the care and support sector offering services for adults with disabilities is characterised by staff shortages, especially at higher qualification levels. Nursing is amongst the top bottleneck occupations in Europe: the 2012 European Commission Action Plan for the EU Health Workforce estimates a shortfall of 590,000 nurses in the EU by 2020, with 14% of care needs unmet. A combination of factors contributes to this mismatch: insufficient numbers of trained nurses, competition for nurses across the world, significant replacement demand with an increasing number of nurses and midwives approaching retirement age[39], high attrition rates, pay and working conditions as well as lack of willingness to undertake the hard physical work. The average number of practicing professional nurses in the EU is 826 per 100,000 inhabitants (2010) and varies greatly between countries: from 354 nurses in Greece to over 1,500 nurses per 100,000 inhabitants in Luxembourg, Denmark and Belgium (see Graph 5.4).

[38] In the 2000-2010 period, the employment of health professionals including nurses and midwives grew by 10%. Source: EU Skills Panorama Analytical Highlight, Nursing and midwifery professionals, November 2012

[39] For example, more than 40% of the healthcare workforce in Bulgaria and the Baltic states is between 50 and 64, which is significantly higher than the EU average.

Graph 5.4 Practising professional nurses, per 100,000 inhabitants, 2010



Source: WHO (http://data.euro.who.int/hfadb)

In the longer term, with a continuing rise in the demand for long-term care and a fall in the overall supply of labour in this sector - increasing shortages may be expected. Innovative technological developments could lead to higher labour productivity in home-based care, but it is likely that this will remain a labour-intensive sector. To combat the labour market discrepancies, promoting and facilitating education, training and retraining programmes could be one of the possible options to attract new recruits and retain existing staff in the health and social are sector.

Education has proven to be an important sector for CEB activities and one with considerable opportunities for further development. In this perspective, the CEB could support countries in implementing their education programmes in line with national and European priorities defined in "Europe 2020 strategy" and "Education and Training 2020".

While the CEB's support has traditionally focused on investments in infrastructure and equipment at all education levels, the scope of future activities can also be enlarged to specific investments such as the provision of lifelong learning to ageing workers and training programmes for specialised staff dealing with the elderly. The CEB's action could also contribute to the development of eldercare jobs in the private sector via its support to micro-, small and medium-sized enterprises (MSMEs), especially when it comes to addressing the unmet demand for new jobs related to independent living operating through home care services.

The provision of lifelong learning to older workers could be geographically widespread in CEB member countries, focusing less on the countries with already well-developed lifelong learning systems (e.g. Nordic countries). Other investments could be made in countries hardest hit by labour shortages in the care sector, particularly in Central, Eastern and South Eastern Europe and Mediterranean countries (Greece, Italy, Portugal and Spain).

6. Can migration help meet the challenge of ageing?

Migration is a complex phenomenon that is shaped by population dynamics, regional development, economic, social, political and ecological push and pull factors, and also factors such as history and culture. It is an integral aspect of globalisation and the global development process. Given its dynamics, the challenge before the international community is to shape the potential of migration in such a way as to minimise the social costs and maximise the benefits for both sending and receiving areas.

Aid to refugees, migrants and displaced persons is one of the CEB's statutory priorities[40]. Founded in 1956 in the post-war context of increased migratory flows to Western Europe, the Bank has seen subsequent enlargements in its membership, particularly after the fall of the Berlin wall, which have turned its attention to migratory flows in South-Eastern Europe. Over almost sixty years of the Bank's existence, projects have been financed specifically to assist refugees and displaced persons in the aftermath of crisis situations, for the (re)construction of housing, urban and social infrastructure for migrants, both at international and country level, for education and professional training for young migrants, for the stabilisation of population flows in rural areas and for social integration programmes in host countries.

The issue of "ageing and migration" is new on the political agenda of most European countries and is likely to shape national policies in the future. It should be noted that the CEB does not take part in the formulation of national policies. The Bank's projects are implemented in a given context to assist the countries faced with migration issues at their request.

Despite the difficulty in forecasting migratory flows in/to CEB member countries in the future, the CEB intends to continue its action in the field of migration in the coming years at the request of the countries concerned. The Bank's action will generally be focused on projects that contribute to containing migratory pressures, facilitating return whenever it is desired and/or promoting the integration of populations in host countries.

Migration is not expected to decrease in the future: economic, demographic and ecological factors will contribute to maintaining important migratory flows in and to Europe. As identified in Chapter 1, at the group level, in both sets of CEB countries (target and non-target), the population changes over the period 2010-2060 are associated with net migration (and statistical adjustment) (see Table 1.1).

In the coming decades, population decline and the ageing process are projected to dominate motivations for **labour migration**. The decline in the working-age population will create a demand for workers that may be sourced from abroad. Considering labour migration as an option for softening the ageing process is a political issue which has recently received increased attention across Europe[41]. Migration could play a role in countries where there is only limited scope for increasing the rates of labour force participation. The uneven ageing patterns across CEB member countries (see Table 2.1) mean that there is scope for intraregional migration to play an important role in helping the region adjust to the predicted demographic trends. The flow of migrants - primarily from younger countries in Central and Eastern Europe, where the population change during 2010 and 2060 is likely to be driven mainly by natural change (see Table 1.1) - could be an important supply of labour in the receiving countries, as well as a key income source for the sending countries. The more prosperous CEB member countries may be able to obtain some of these workers from the rest of the region. Given its size and young demographic profile, Turkey is a potential source of labour for the EU. However, for the region as a whole, this demand will have to be met from elsewhere, probably from Africa and Asia.

In the specific sector of care and support services for the elderly, the growing migration of care workers is already contributing to softening the labour shortage[42] in the context of population ageing and a varying mix

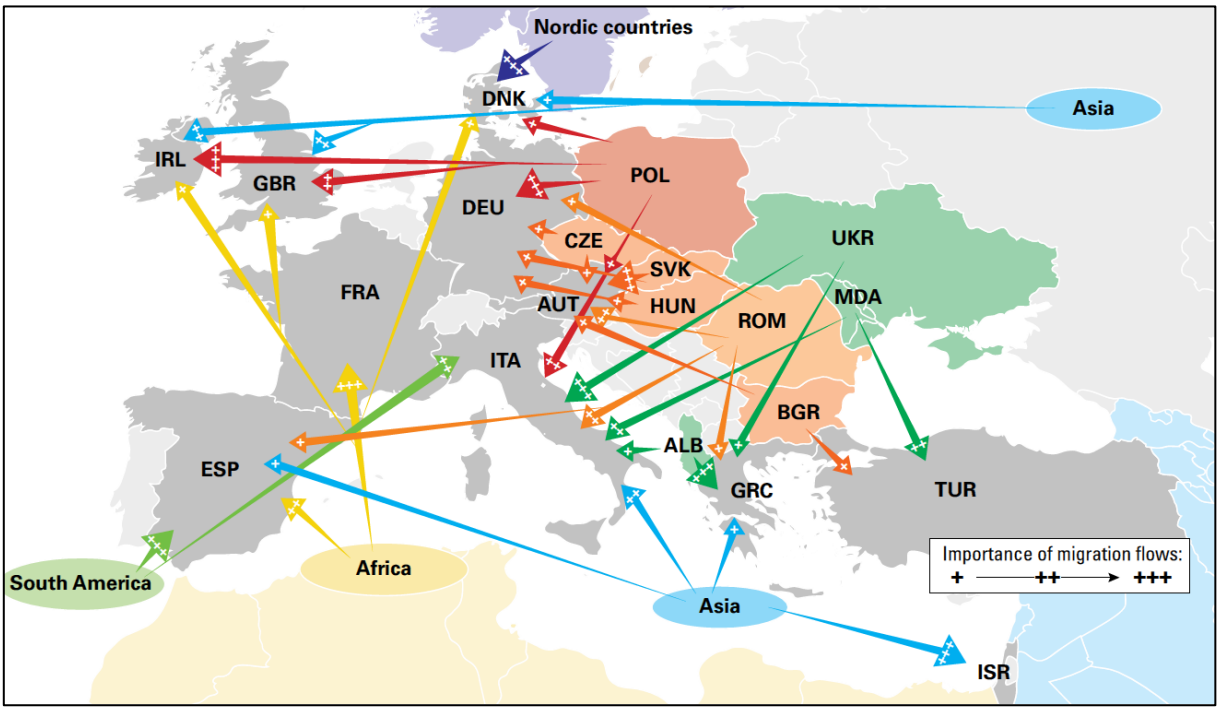
[40] Article 2 of the Articles of Agreement states: "The primary purpose of the [Fund]/Bank is to help in solving the social problems with which European countries are or may be faced as a result of the presence of refugees, displaced persons or migrants consequent upon movements of refugees or other forced movements of populations and as a result of the presence of victims of natural or ecological disasters. The investment projects to which the [Fund]/Bank contributes may be intended either to help such people in the country in which they find themselves or to enable them to return to their countries of origin when the conditions for return are met or, where applicable, to settle in another host country."

[41] Examples: Eurostat (2011), *The greying of baby boomers. A century-long view of ageing in European populations*, Statistics in Focus, 23/2011; Leeson, G.W. (2012), *Migration as a policy response to population ageing*, 2012; European Commission/OECD (2003), *Demographic Ageing, Migration and the Challenge for Labour market and Pensions*, January 2003

[42] Disclaimer: This example is given for illustration purposes only, not as a potential line of action for the CEB.

of societal care determined by different cultural and historical-political traditions. Figure 5.2 visualises the main flows of **care migration** taking place on the European continent. Most of these migratory movements are the result of geographical proximity between countries of destination and of origin and/or historical and cultural bonds between them. This is clearly the case for the Czech, Slovakian or Hungarian care migrants in Austria, the North Africans in France, the Polish and Czech nurses in Germany and the South Americans in Spain. In Italy, 70% of home care jobs were taken by immigrants in 2008. Similarly a large part of home care in Spain, Greece and Portugal is performed by immigrants.

Figure 5.2 Main countries of origin and destination of migrant care workers in Europe



Source: Rodrigues, R., Huber, M. & Lamura, G. (eds.) (2012), Facts and Figures on Healthy Ageing and Long-term Care, European Centre for Social Welfare Policy and Research Vienna, 2012

In the context of population ageing and the impending retirement of the baby boomer generation as described in Chapter 1, the migration phenomenon can also take form of so-called '**elderly migration**', although it is difficult to accurately predict future changes in the migration behaviour of Europe's elderly. In the absence of a universally agreed-upon definition of migration of elderly populations, the terms 'elderly migration', 'later-life migration' and 'retirement migration' are often used almost interchangeably in the literature[43]. Some of the factors that may impact on the intensity and spatial structure of elderly migration in the future are the size of the baby boomer generation and their distinctive sets of beliefs and values, the decline in average household size, the increasingly later age at onset of disability, and the drop in age-specific mortality rates.

Elderly migrants are a heterogeneous group in social, economic and cultural terms. Furthermore, **international retirement migration** is strongly influenced by policy changes, fluctuations in economic growth and the age of retirement. Several migration patterns have generally been observed in CEB member countries. Retirement migrants tend to move: (a) to warmer climates from North to South (e.g. from Nordic and Western European countries to smaller (coastal) municipalities in France, Italy, Spain, Portugal and Turkey), (b) down the urban hierarchy to smaller towns (e.g. Western Europe), and (c) more generally from areas with higher to areas with lower living costs. In the countries of Central and Eastern Europe, mobility rates among the elderly are much lower and flows are much more diverse in direction and distance compared to Western and Northern European countries. Once again, these migratory flows have considerable socioeconomic and political implications, not least in terms of the provision of and access to support services and care for the elderly[44].

[43] Source: Ruspini Paolo, Ph.D. (2010), *Elderly Migrants in Europe: An Overview of Trends, Policies and Practices*, University of Lugano, 2010

[44] There is a scarcity of research on what happens to retired migrants when they reach the fourth age, which is often a time of frailty and dependence. Little is known about how elderly migrants negotiate ageing when physical, financial and social resources for independent living decline.

Chapter 6: Potential avenues for action for the CEB

The rising and evolving demand of ageing populations for eldercare infrastructure and services over the next fifty years provides impetus for the CEB to reflect, in this final chapter, on how best to address the investment needs across its member countries described in Chapter 5. Potential avenues for action for the CEB in its sectors of action and especially in cooperation with the European Union are therefore explored. In this perspective, new means and partners of action are outlined for further consideration.

1. "Silvering" the CEB's sectors of action

The ageing of the population presents significant challenges to ensure that infrastructure and services meet the needs of older people, enabling them to live healthy, independent and productive lives and to receive appropriate and affordable care and support when needed at a later stage in their lives. In a demand-driven context, the CEB can contribute to addressing some of these needs based on its mandate and experience. As shown in this study, the particularity of the ageing phenomenon for the CEB is that it is not defined as a specific sector of action: it is a cross-cutting issue covering several CEB sectors. Given the investment needs across its member countries described in Chapter 5, the CEB can develop its activities in favour of the elderly by "silvering" the existing sectors of action:

- In the **health** sector, the CEB could finance investments in old-age-specific health infrastructure so as to increase its availability and to improve delivery of standard and long-term care and wellbeing of the elderly and their families in general. The CEB is well positioned to provide financing for infrastructure meeting the specific requirements of the elderly, i.e. retirement homes and residences providing services and care, and in particular nursing homes for the most dependent elderly.
- Within the **housing** sector, the CEB should take into careful consideration the phenomenon of ageing populations which will affect all its member countries more or less quickly. Improving the age-friendliness of the homes of older people can therefore play a significant part in their ability to continue living independently. In this regard, the CEB could provide financing for the rehabilitation of existing housing stock to suit the needs of the elderly by removing obstacles and hazards and installing facilitating devices and appliances, the construction of new dwellings adapted to the needs of all ages, involving adaptations that may be made in different situations in order to meet the needs of people growing old at home, and the construction of so-called "sheltered" housing for the elderly who wish to remain independent. The housing provision for the elderly could also be accompanied by measures related to other CEB sectors of action. The CEB could develop *cross-sector operations* for the most vulnerable populations through the financing of projects combining housing with a health component. For instance, projects could involve the provision of "extra care sheltered" housing (also known as "very sheltered" or "assisted living") classified between "sheltered housing" and a nursing home.
- The CEB could participate in developing **local infrastructure in urban and rural areas**, including configuration of services and their accessibility to elderly clients. These investments could involve various infrastructures in seniors' living spaces, such as public transport, cultural infrastructure, social service centres, community care centres, etc.
- The CEB is also well placed to finance energy efficiency investments benefiting the most needy or vulnerable persons, including elderly persons, who are often more economically fragile than active populations and may be faced with energy poverty. In this regard, the CEB could contribute to **enhancing energy efficiency and the use of renewable energy in eldercare infrastructure**. CEB financing could cover energy-saving and efficiency investments in both the rehabilitation of existing buildings and the construction of new buildings.
- In the **education** sector, the scope of future activities could also include specific investments such as the provision of lifelong learning to ageing workers and training programmes for specialised staff dealing with the elderly.

- The CEB's action could also contribute to the development of eldercare jobs in the private sector via its support to **micro-, small and medium-sized enterprises (MSMEs)**, especially when it comes to addressing the unmet demand for new jobs related to independent living operating through home care services.

Many of the most essential services that enable older people to remain active in their communities are provided at local level. The way local authorities in particular adapt to demographic changes will be one of the key determinants of quality of life for older people and of the well-being of the wider community. A crucial issue is therefore enabling local actors to play their part in delivering on challenges and objectives that are shared across Europe. Local actors will be at the forefront of capitalising on the opportunities for developing adequate and affordable infrastructure and services for the elderly. Given the preponderance of EU Funds in financing the social investment needs of CEB Member States, finding ways in which the CEB and the EU can support local and regional actors in this perspective will make a significant contribution towards ensuring decent living conditions for older people across the European continent.

2. Exploring new opportunities for CEB-EU co-operation

The EU's Europe 2020 strategy aims to deliver smart, sustainable and inclusive growth with high levels of employment, productivity and social cohesion[45]. Achieving these objectives will require inter alia active ageing and intergenerational solidarity. **Smart growth** must involve new and flexible ways of helping people work longer and exploit the developing markets in services and products for older people. **Sustainable growth** requires helping people age healthily and actively to prevent overburdening of public services. **Inclusive growth** has to include guaranteeing opportunities and quality of life for the increasing numbers of (vulnerable) older people. Active ageing is thus an essential part of the Europe 2020 strategy, the success of which depends to a large extent on enabling older people to contribute fully within and outside the labour market. It is thus important that older people be empowered to remain active as workers, consumers, carers, volunteers and citizens.

Promoting active and healthy ageing is one of the investment priorities to be financed through EU Structural Funds over the next programming period from 2014 to 2020. EU funds can also cover actions to support vulnerable older people when it comes to **reducing social exclusion and combating poverty**. It is in this context that new possibilities may arise for the CEB when partnering with the EU in various financial instruments over the next programming period.

Co-operation between the CEB and the EU has grown substantially over the past years, due to increasing geographic and operational synergies between the two institutions. CEB loans can complement EU Structural Funds in the social sectors by ensuring ordinary co-financing or ex-ante/bridge-financing either directly via national/regional/local authorities, or indirectly via national development banks or other commercial partners. The newly created CEB financing instrument, called **EU Co-Financing Facility** (ECF), is intended to facilitate better absorption of EU funds in CEB sectors of action. It will thus enable the CEB to play a catalytic role in social investments at local level.

- Through the European Regional Development Fund (ERDF), the CEB could participate in the provision of targeted infrastructure investments to support the shift from institutional to community-based care, which facilitates access to independent living within the community through the provision of high-quality services. This could involve adapting the built environment, including housing, health and social infrastructure, public spaces, and installing new services in urban areas to meet the requirements of elderly persons. In some cases, energy efficiency investments in residential buildings could be financed through the ERDF, possibly with technical assistance provided from the CEB-ELENA Facility.
- The European Agricultural Fund for Rural Development (EAFRD) is also able to fund projects that support the development of social infrastructure and social services for the benefit of ageing communities in rural areas.

[45] The EU's Europe 2020 strategy aims to develop: i) an economy based on knowledge and innovation (smart growth); ii) a more competitive, resource-efficient and green economy (sustainable growth); and iii) a high-employment economy delivering social and territorial cohesion (inclusive growth). It targets an employment rate of 75% for 20-64 year-olds and at least 20 million fewer people in or at risk of poverty and social exclusion by 2020.

- Moreover, the CEB could explore cooperation possibilities within the European Social Fund (ESF) which can fund local and regional projects to promote active ageing in employment through training programmes for older workers and to train care workers in order to ensure that a high quality of care is guaranteed and that new jobs are created, notably through retraining programmes for the unemployed.

3. Diversifying the CEB's financial offer

As stated in Chapter 3, an ageing population is likely to put increasing pressure on public finances over the next few decades, given the rising needs for pensions, health and social care services. In parallel, fiscal retrenchment by governments in CEB countries has been accompanied by a much more acute recognition of the current and potential role of the private sector in supporting social infrastructure projects, easing fiscal constraints and improving the efficiency and delivery of basic services to local populations in sectors such as health and education. For this reason, the CEB needs and intends to explore ways of increasing its role in supporting such investment activity in cooperation with both public and private actors taking into account the welfare regime, institutional capacity and regulatory framework in each country of operation (see Table 3.1 for types of long-term care regimes).

Given the rising demand for care services from an ageing population, governments are increasingly keen to share their responsibility for meeting this need. While also searching for other forms of revenues in addition to taxes, governments have begun to recognise the importance of coordinated dialogue and collaboration with the following actors:

- (non-profit and profit) private sector;
- NGOs.

This trend paves the way for **emerging business models**, such as (semi)private long-term financing (combined with budgetary support), intended to bridge the gap of unmet needs for eldercare services, particularly in the case of vulnerable older people.

Given that the organisation and provision of eldercare is decentralised in many European countries, this partnership between public, private and third sectors is particularly relevant in delivering (innovative) age-friendly services and infrastructure **at the regional and municipal level**. At the same time, this decentralisation process has led to regional variations in priorities, eligibility criteria, types of eldercare services and financing modalities.

Historically, the CEB has partnered with both public and private intermediaries at local level (see Chapter 4) to effectively reach its intended beneficiaries. In the future, while taking into account the institutional framework of a country and the implications for the Bank's credit risk and financing modalities, **the CEB may consider participating in these emerging business models** by carefully appraising the eligibility criteria and social outcomes so as to continue effectively promoting social inclusion of vulnerable older populations. This diversification of the CEB's financial offer could allow the Bank to support population groups to which it otherwise may not have access through ordinary CEB loans.

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In this complex and increasingly challenging environment, the CEB will strive to show flexibility and pragmatism in order to further strengthen its action that is today more than ever necessary for sustainable social development across Europe.

CONCLUDING REMARKS

Ageing is a slow, inexorable process that affects all people's lives. Although a positive outcome of societal development given the increase in healthy life years, population ageing has important implications for society that should be addressed in a timely manner. Among the greatest effects of this demographic process will be to the way in which eldercare is delivered. In the coming decades, there will be a clear need to help healthy older people remain productive and independent and to ensure that those who are frail or disabled receive care and support so that they can live in their communities for as long as possible. This has wide-ranging implications for the development of elderly-friendly products and services, environments and activities. As argued in this study, the availability, accessibility and affordability of adequate infrastructure and services for the elderly will be crucial to ensuring them decent living conditions. It is however important that the provision of such infrastructure and services be carefully considered in a longer-term and demand-driven perspective.

The CEB can contribute to addressing some of these needs. Based on its mandate and experience, the CEB can develop its activities in favour of the elderly along several sectoral priorities: adapting health infrastructure, providing housing and adapting urban and rural living spaces to suit the needs of the elderly, enhancing energy efficiency and the use of renewable energy in eldercare infrastructure, and investing in education and lifelong learning. The CEB's action could also contribute to developing eldercare jobs in the private sector via its support to micro-, small and medium-sized enterprises, especially when it comes to addressing the unmet demand for new jobs in home care services.

Many of the most essential services that enable older people to remain active in their communities are provided at local level. The way local authorities in particular adapt to demographic changes will be one of the key determinants of quality of life for older people and of the well-being of the wider community. Local actors will be at the forefront of capitalising on the opportunities for developing adequate and affordable infrastructure and services for the elderly. Given the preponderance of EU Funds in financing the social investment needs of CEB Member States, finding ways in which the CEB and the EU can support local and regional actors in this perspective will make a significant contribution towards ensuring decent living conditions for older people across the European continent.

Rising dependency ratios and a smaller productive population threaten the affordability and sustainability of public budgets for social policies. Given the rising need for care services from an ageing population, governments are increasingly keen to share their responsibility for meeting this need. The private sector is increasingly called upon to engage in coordinated cross-sector collaboration with governments and the third sector at the regional and municipal level to provide relevant subsidised services for the elderly in need of care and financial assistance in a cost-effective manner. In the future, while taking into account the welfare regime, institutional capacity and regulatory framework in each country of operation and the implications for the Bank's credit risk and financing modalities, the CEB may consider participating in these emerging business models by carefully appraising the eligibility criteria and social outcomes so as to continue effectively to promote the social inclusion of vulnerable older populations.

Looking ahead, societies will need to adjust to the new realities and consider how older citizens can obtain appropriate care and services, while also keeping costs under control and catering to the widespread desire for independence over institutionalisation. Most importantly, healthcare systems, like society in general, need to address ageism. Rather than viewing elderly as a burden, they should be viewed as a resource. Healthy years – defined not as years without any illness, but as years in which people are able to take care of themselves – seem to be increasing along with longevity, and the overall costs of ageing are far from overwhelming. The elderly are not suffering from some unknown, terminal disease called old age that will inevitably take their lives very soon. They are consumers with specific desires and often the assets to match, and they are also patients for whom proper treatment may well increase the length and quality of life for several decades.

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Table 3 Population aged between 0 and 14 years at end-of-decade, 2010-2060

Table 4 Population aged between 15 and 64 years at end-of-decade, 2010-2060

Table 5 Population aged 65 years or above at end-of-decade, 2010-2060

Table 6 Population aged 80 years or above at end-of-decade, 2010-2060

Table 7 Age dependency ratios and median age at end-of decade, 2010-2060

Table 8 Life expectancy and total fertility rate, 2010-2060

Table 1. Demographic balance at end-of-decade, 2010-2060

	Projection of the total population (in million) Reference date (as of 1 July)							**Population size change** (in %) Reference date (as of 1 July)					
	2010	2020	2030	2040	2050	2060	2010-2060	2010-2020	2020-2030	2030-2040	2040-2050	2050-2060	2010-2060
Albania	3,15	3,24	3,31	3,25	3,09	2,93	-0,22	2,94	2,09	-1,69	-4,94	-5,26	-6,94
Belgium	10,94	11,36	11,66	11,89	12,06	12,16	1,21	3,86	2,64	1,93	1,39	0,84	11,10
Bosnia and Herzegovina	3,85	3,79	3,70	3,54	3,33	3,13	-0,72	-1,48	-2,34	-4,42	-5,79	-6,08	-18,63
Bulgaria	7,39	6,83	6,21	5,61	5,08	4,57	-2,82	-7,61	-8,99	-9,69	-9,52	-9,93	-38,11
Croatia	4,34	4,18	4,02	3,82	3,61	3,39	-0,94	-3,58	-4,00	-4,84	-5,62	-5,87	-21,75
Cyprus	1,10	1,22	1,31	1,35	1,36	1,34	0,23	10,46	7,15	3,45	0,35	-1,53	21,00
Czech Republic	10,55	10,92	11,05	11,10	11,22	11,22	0,67	3,51	1,18	0,43	1,06	0,04	6,34
Denmark	5,55	5,78	6,01	6,20	6,36	6,53	0,98	4,04	4,06	3,11	2,66	2,71	17,70
Estonia	1,30	1,26	1,21	1,16	1,12	1,08	-0,22	-2,92	-3,84	-4,06	-3,61	-3,96	-17,10
Finland	5,37	5,54	5,65	5,67	5,69	5,73	0,37	3,24	1,95	0,42	0,35	0,70	6,81
France	63,23	66,57	69,29	71,52	73,21	74,64	11,40	5,28	4,08	3,23	2,36	1,94	18,04
Georgia	4,39	4,20	3,95	3,74	3,56	3,42	-0,97	-4,26	-5,92	-5,44	-4,68	-4,10	-22,14
Germany	83,02	81,88	79,55	76,35	72,57	68,42	-14,60	-1,37	-2,85	-4,02	-4,96	-5,72	-17,59
Greece	11,11	11,08	10,98	10,86	10,67	10,33	-0,78	-0,28	-0,93	-1,07	-1,75	-3,15	-7,01
Hungary	10,01	9,80	9,53	9,21	8,95	8,68	-1,34	-2,15	-2,80	-3,28	-2,80	-3,09	-13,35
Iceland	0,32	0,35	0,38	0,40	0,42	0,42	0,10	11,38	8,28	5,21	2,88	1,31	32,25
Ireland	4,47	4,96	5,35	5,69	5,99	6,19	1,73	11,10	7,72	6,38	5,38	3,33	38,64
Italy	60,51	61,39	61,21	60,81	60,01	58,50	-2,01	1,45	-0,28	-0,65	-1,31	-2,53	-3,32
Latvia	2,09	1,97	1,86	1,75	1,67	1,61	-0,48	-5,61	-5,95	-5,73	-4,31	-3,99	-23,12
Lithuania	3,07	2,94	2,82	2,68	2,56	2,44	-0,63	-4,18	-4,20	-4,98	-4,47	-4,50	-20,42
Luxembourg	0,51	0,58	0,64	0,68	0,71	0,72	0,21	13,51	10,46	7,10	3,57	1,79	41,58
Malta	0,42	0,44	0,44	0,43	0,42	0,40	-0,02	2,59	0,25	-1,98	-2,72	-3,05	-4,93
Moldova (Republic of)	3,57	3,32	3,07	2,77	2,48	2,26	-1,31	-6,99	-7,73	-9,56	-10,44	-8,81	-36,62
Montenegro	0,62	0,62	0,61	0,59	0,56	0,53	-0,09	-0,09	-1,90	-3,64	-4,92	-5,34	-15,00
Netherlands	16,62	17,03	17,27	17,22	16,92	16,60	-0,01	2,52	1,38	-0,31	-1,72	-1,87	-0,07
Norway	4,89	5,41	5,84	6,21	6,56	6,87	1,97	10,54	7,98	6,37	5,57	4,73	40,36
Poland	38,20	38,16	37,45	35,84	34,08	32,31	-5,89	-0,11	-1,86	-4,29	-4,91	-5,20	-15,43
Portugal	10,59	10,58	10,43	10,21	9,84	9,33	-1,26	-0,11	-1,38	-2,10	-3,62	-5,20	-11,88
Romania	21,86	21,23	20,23	19,06	17,81	16,43	-5,43	-2,91	-4,68	-5,81	-6,55	-7,76	-24,86
Serbia	9,65	9,17	8,58	7,86	7,07	6,30	-3,35	-4,96	-6,40	-8,39	-10,03	-10,98	-34,72
Slovak Republic	5,43	5,47	5,40	5,20	4,99	4,74	-0,69	0,65	-1,34	-3,55	-4,12	-4,94	-12,71
Slovenia	2,05	2,09	2,09	2,06	2,02	1,97	-0,09	1,88	-0,32	-1,27	-1,79	-2,73	-4,23
Spain	46,18	47,79	48,24	48,50	48,22	46,76	0,58	3,48	0,93	0,56	-0,58	-3,04	1,25
Sweden	9,38	10,03	10,69	11,27	11,93	12,59	3,21	6,94	6,55	5,39	5,92	5,49	34,19
Switzerland	7,83	8,65	9,48	10,23	10,98	11,65	3,82	10,43	9,60	7,99	7,25	6,11	48,75
"the former Yugoslav Republic of Macedonia"	2,10	2,11	2,07	1,99	1,88	1,76	-0,34	0,22	-1,81	-3,98	-5,32	-6,39	-16,26
Turkey	72,14	80,31	86,83	91,78	94,61	95,33	23,19	11,33	8,11	5,70	3,08	0,77	32,15
TOTAL CEB	**547,81**	**562,25**	**568,37**	**568,51**	**563,61**	**553,27**	**5,46**	**2,64**	**1,09**	**0,03**	**-0,86**	**-1,83**	**1,00**
EU-28	505,77	515,40	518,19	516,35	511,56	502,81	-2,96	1,90	0,54	-0,35	-0,93	-1,71	-0,59
CEB Target countries	**207,29**	**213,27**	**215,71**	**214,79**	**211,47**	**205,83**	**-1,46**	**2,88**	**1,14**	**-0,43**	**-1,55**	**-2,66**	**-0,70**
CEB Target countries without Turkey	135,16	132,96	128,88	123,01	116,86	110,50	-24,65	-1,62	-3,07	-4,56	-5,00	-5,44	-18,24
CEB Non-target countries	**340,51**	**348,98**	**352,66**	**353,72**	**352,14**	**347,43**	**6,92**	**2,49**	**1,05**	**0,30**	**-0,45**	**-1,34**	**2,03**
CEB Non-target without Germany	257,49	267,10	273,11	277,37	279,57	279,02	21,52	3,73	2,25	1,56	0,79	-0,20	8,36
WORLD	**6 916,18**	**7 716,75**	**8 424,94**	**9 038,69**	**9 550,94**	**9 957,40**	**3 041,22**	**11,58**	**9,18**	**7,28**	**5,67**	**4,26**	**43,97**

Source: The UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Countries highlighted in blue are CEB target countries.

Decomposition of population change (in million) Reference date (1 January - 31 December)			**Decomposition of population by age groups** (% of total population) Reference date (as of 1 July)							
Total change	**Natural change**	**Net migration (& stat. adjustment)**	**0-14**		**15-64**		**65+**		**80+**	
2010-2060	2010-2060	2010-2060	2010	2060	2010	2060	2010	2060	2010	2060
-0,21	0,28	-0,49	23%	14%	67%	56%	10%	30%	2%	9%
1,25	0,21	1,04	17%	17%	66%	57%	17%	26%	5%	10%
-0,71	-0,66	-0,05	17%	13%	68%	56%	15%	31%	2%	10%
-2,82	-2,33	-0,49	13%	15%	68%	55%	18%	30%	4%	10%
-0,94	-0,92	-0,02	15%	14%	67%	56%	18%	30%	4%	11%
0,24	0,06	0,18	18%	14%	71%	56%	12%	30%	3%	10%
0,71	-0,81	1,52	14%	16%	70%	57%	15%	28%	4%	10%
0,99	0,26	0,73	18%	17%	65%	63%	17%	20%	4%	5%
-0,22	-0,22	0,00	15%	16%	67%	57%	17%	27%	4%	9%
0,38	-0,11	0,49	17%	16%	66%	57%	17%	27%	5%	10%
11,51	6,41	5,10	18%	17%	65%	57%	17%	26%	5%	11%
-0,97	-0,39	-0,58	17%	16%	68%	57%	14%	27%	3%	8%
-14,48	-18,97	4,48	13%	13%	66%	54%	21%	33%	5%	14%
-0,75	-1,62	0,87	15%	14%	66%	55%	19%	31%	5%	14%
-1,33	-2,06	0,73	15%	15%	69%	58%	17%	27%	4%	9%
0,10	0,08	0,03	21%	16%	67%	58%	12%	26%	3%	10%
1,75	1,26	0,49	21%	17%	67%	58%	11%	25%	3%	10%
-1,78	-8,15	6,37	14%	14%	66%	54%	20%	32%	6%	16%
-0,49	-0,45	-0,04	14%	17%	67%	58%	18%	25%	4%	7%
-0,64	-0,56	-0,08	15%	17%	69%	57%	16%	26%	3%	7%
0,22	0,08	0,13	18%	16%	68%	59%	14%	25%	4%	10%
-0,02	-0,06	0,04	16%	13%	70%	55%	14%	33%	2%	12%
-1,31	-0,90	-0,42	17%	14%	72%	59%	11%	27%	2%	5%
-0,09	-0,07	-0,02	19%	15%	68%	60%	12%	25%	2%	7%
0,03	-0,45	0,48	18%	16%	67%	57%	15%	27%	4%	11%
1,99	0,91	1,08	19%	18%	66%	59%	15%	24%	5%	9%
-5,80	-5,43	-0,37	15%	15%	71%	54%	14%	32%	3%	11%
-1,23	-2,20	0,97	15%	12%	67%	53%	18%	35%	5%	16%
-5,39	-4,95	-0,44	15%	14%	70%	55%	15%	31%	3%	10%
-3,34	-2,36	-0,98	17%	13%	69%	55%	14%	32%	3%	10%
-0,67	-0,82	0,15	15%	14%	73%	55%	12%	30%	3%	10%
-0,08	-0,29	0,22	14%	14%	69%	55%	17%	30%	4%	12%
0,88	-4,18	5,06	15%	13%	68%	53%	17%	34%	5%	16%
3,21	1,26	1,95	17%	18%	65%	58%	18%	24%	5%	9%
3,83	0,89	2,94	15%	16%	68%	58%	17%	26%	5%	10%
-0,33	-0,29	-0,05	17%	13%	71%	56%	12%	31%	2%	9%
23,65	23,96	-0,31	27%	15%	66%	60%	7%	25%	1%	8%
7,12	**-23,59**	**30,71**	**17%**	**15%**	**67%**	**56%**	**16%**	**29%**	**4%**	**11%**
-1,69	-41,05	39,36	16%	15%	67%	56%	18%	29%	5%	12%
-0,77	**0,73**	**-1,50**	**19%**	**15%**	**69%**	**58%**	**12%**	**28%**	**3%**	**9%**
-24,42	-23,23	-1,19	15%	15%	70%	55%	15%	30%	3%	10%
7,89	**-24,32**	**32,21**	**15%**	**15%**	**66%**	**55%**	**18%**	**30%**	**5%**	**13%**
22,37	-5,35	27,72	16%	15%	66%	56%	18%	29%	5%	13%
3 063,86	**3 063,18**	**0,67**	**27%**	**20%**	**66%**	**62%**	**8%**	**18%**	**2%**	**5%**

Table 2. Population age structure in 2010 and 2060

	Projection of school-age population aged 0-14 Reference date (as of 1 July)				Projection of working-age population aged 15-64 Reference date (as of 1 July)				Projection of persons aged 65+ Reference date (as of 1 July)				Projection of persons aged 80+ Reference date (as of 1 July)			
	FEMALES		MALES		FEMALES		MALES		FEMALES		MALES		FEMALES		MALES	
	2010	2060	2010	2060	2010	2060	2010	2060	2010	2060	2010	2060	2010	2060	2010	2060
Albania	11%	7%	12%	7%	34%	27%	34%	29%	5%	16%	5%	13%	1%	6%	1%	3%
Belgium	8%	8%	9%	9%	33%	28%	33%	29%	10%	14%	7%	12%	3%	6%	2%	4%
Bosnia and Herzegovina	8%	7%	9%	7%	34%	27%	33%	28%	9%	17%	6%	14%	1%	6%	1%	4%
Bulgaria	6%	7%	7%	8%	34%	27%	34%	28%	11%	17%	7%	13%	3%	6%	1%	4%
Croatia	7%	7%	8%	7%	34%	27%	34%	29%	11%	17%	7%	13%	3%	7%	1%	4%
Cyprus	9%	7%	9%	7%	34%	27%	37%	29%	6%	15%	5%	15%	2%	5%	1%	4%
Czech Republic	7%	8%	7%	8%	35%	27%	36%	29%	9%	15%	6%	13%	2%	6%	1%	4%
Denmark	9%	8%	9%	9%	32%	29%	33%	30%	9%	13%	7%	11%	3%	5%	1%	4%
Estonia	7%	8%	8%	8%	34%	28%	33%	29%	12%	16%	6%	11%	3%	6%	1%	3%
Finland	8%	8%	8%	8%	33%	28%	34%	29%	10%	15%	7%	12%	3%	6%	1%	4%
France	9%	8%	9%	9%	33%	28%	32%	29%	10%	15%	7%	11%	4%	7%	2%	4%
Georgia	8%	8%	9%	8%	36%	28%	33%	30%	9%	16%	5%	11%	2%	5%	1%	3%
Germany	7%	6%	7%	7%	33%	26%	33%	27%	12%	18%	9%	15%	3%	8%	2%	6%
Greece	7%	7%	7%	7%	33%	27%	34%	28%	11%	17%	8%	14%	3%	8%	2%	6%
Hungary	7%	7%	8%	8%	35%	28%	34%	29%	11%	16%	6%	12%	3%	6%	1%	3%
Iceland	10%	8%	11%	8%	33%	28%	34%	29%	7%	14%	6%	13%	2%	6%	1%	4%
Ireland	10%	8%	11%	9%	34%	29%	34%	30%	6%	13%	5%	11%	2%	6%	1%	4%
Italy	7%	7%	7%	7%	33%	26%	33%	27%	12%	18%	9%	14%	4%	9%	2%	6%
Latvia	7%	8%	7%	9%	35%	29%	33%	29%	12%	15%	6%	9%	3%	5%	1%	2%
Lithuania	7%	8%	8%	8%	36%	29%	33%	29%	11%	16%	5%	10%	3%	5%	1%	2%
Luxembourg	9%	8%	9%	8%	34%	29%	35%	30%	8%	14%	6%	12%	3%	6%	1%	4%
Malta	8%	6%	8%	7%	34%	27%	35%	28%	8%	17%	6%	15%	2%	6%	1%	5%
Moldova	8%	7%	8%	7%	37%	29%	35%	29%	7%	17%	4%	10%	2%	4%	1%	1%
Montenegro	9%	7%	10%	8%	34%	29%	34%	31%	7%	14%	5%	11%	1%	4%	1%	3%
Netherlands	9%	8%	9%	8%	33%	28%	34%	29%	9%	15%	7%	13%	3%	6%	1%	5%
Norway	9%	9%	10%	9%	32%	29%	34%	30%	8%	13%	7%	11%	3%	5%	2%	4%
Poland	7%	7%	8%	7%	36%	26%	35%	27%	8%	18%	5%	14%	2%	7%	1%	4%
Portugal	7%	6%	8%	6%	34%	26%	33%	27%	10%	19%	8%	16%	3%	9%	2%	6%
Romania	7%	7%	8%	7%	35%	27%	35%	28%	9%	17%	6%	13%	2%	6%	1%	4%
Serbia	8%	6%	9%	6%	35%	27%	35%	28%	8%	18%	6%	14%	2%	6%	1%	4%
Slovak Republic	7%	7%	8%	7%	36%	27%	36%	28%	8%	17%	5%	13%	2%	6%	1%	4%
Slovenia	7%	7%	7%	7%	34%	27%	36%	28%	10%	17%	7%	14%	3%	7%	1%	5%
Spain	7%	7%	8%	7%	34%	26%	34%	27%	10%	19%	7%	15%	3%	10%	2%	7%
Sweden	8%	9%	8%	9%	32%	29%	33%	29%	10%	13%	8%	11%	3%	5%	2%	4%
Switzerland	7%	8%	8%	8%	34%	29%	34%	30%	10%	14%	7%	12%	3%	6%	2%	4%
"the former Yugoslav Republic of Macedonia"	8%	6%	9%	7%	35%	27%	36%	29%	6%	16%	5%	15%	1%	5%	1%	4%
Turkey	13%	7%	14%	8%	34%	30%	32%	30%	4%	14%	3%	11%	1%	5%	0%	3%
TOTAL CEB	**8%**	**7%**	**9%**	**8%**	**34%**	**27%**	**33%**	**29%**	**9%**	**16%**	**7%**	**13%**	**3%**	**7%**	**1%**	**4%**
EU-28	8%	7%	8%	8%	33%	27%	34%	28%	10%	16%	7%	13%	3%	7%	2%	5%
CEB Target countries	**9%**	**7%**	**10%**	**8%**	**35%**	**28%**	**34%**	**29%**	**7%**	**15%**	**5%**	**12%**	**2%**	**6%**	**1%**	**3%**
CEB Target countries without Turkey	7%	7%	8%	7%	35%	27%	35%	28%	9%	17%	6%	13%	2%	6%	1%	4%
CEB Non-target countries	**8%**	**7%**	**8%**	**8%**	**33%**	**27%**	**33%**	**28%**	**11%**	**16%**	**8%**	**13%**	**3%**	**8%**	**2%**	**5%**
CEB Non-target without Germany	8%	8%	8%	8%	33%	27%	33%	28%	10%	16%	7%	13%	3%	8%	2%	5%
WORLD	**13%**	**10%**	**14%**	**10%**	**32%**	**30%**	**33%**	**32%**	**4%**	**9%**	**3%**	**8%**	**1%**	**3%**	**1%**	**2%**

Source: The UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Countries highlighted in blue are CEB target countries.

Table 3. Population aged between 0 and 14 years at end-of-decade, 2010-2060

	Projection of school-age population aged 0-14 (in million) Reference date (as of 1 July)						% change						Projection of school-age population aged 0-14 (% of total population)					
	2010	2020	2030	2040	2050	2060	2010-2020	2020-2030	2030-2040	2040-2050	2050-2060	2010-2060	2010	2020	2030	2040	2050	2060
Albania	0,72	0,60	0,62	0,54	0,43	0,41	-16,8	3,0	-13,1	-20,4	-2,9	-42,5	23%	18%	19%	16%	14%	14%
Belgium	1,84	1,98	1,95	1,94	2,03	2,04	7,7	-1,4	-0,3	4,2	0,4	10,9	17%	17%	17%	16%	17%	17%
Bosnia and Herzegovina	0,67	0,51	0,54	0,48	0,42	0,42	-23,2	5,0	-11,7	-12,3	0,4	-37,3	17%	14%	15%	13%	13%	13%
Bulgaria	0,98	0,99	0,87	0,77	0,75	0,68	1,1	-12,7	-11,1	-2,5	-9,4	-30,7	13%	15%	14%	14%	15%	15%
Croatia	0,66	0,61	0,56	0,52	0,50	0,47	-7,5	-8,0	-7,3	-4,8	-5,1	-28,8	15%	15%	14%	14%	14%	14%
Cyprus	0,20	0,20	0,20	0,19	0,19	0,18	0,9	2,3	-4,4	-2,8	-2,6	-6,7	18%	16%	15%	14%	14%	14%
Czech Republic	1,50	1,77	1,67	1,63	1,79	1,78	18,5	-6,0	-2,0	9,8	-0,6	19,1	14%	16%	15%	15%	16%	16%
Denmark	1,00	0,98	1,04	0,98	0,98	0,98	-1,3	6,2	-5,8	0,0	0,0	-1,3	18%	17%	17%	17%	17%	17%
Estonia	0,20	0,21	0,19	0,18	0,18	0,17	5,2	-8,5	-8,1	2,4	-4,0	-13,0	15%	17%	16%	15%	16%	16%
Finland	0,89	0,93	0,93	0,91	0,92	0,93	4,6	0,3	-2,4	1,9	1,0	5,4	17%	17%	16%	16%	16%	16%
France	11,60	11,91	12,08	12,21	12,43	12,58	2,6	1,5	1,0	1,8	1,2	8,4	18%	18%	17%	17%	17%	17%
Georgia	0,76	0,81	0,65	0,58	0,58	0,53	7,1	-19,8	-10,7	-0,1	-8,2	-29,7	17%	19%	16%	16%	16%	16%
Germany	11,13	10,58	10,37	9,51	9,16	9,08	-4,9	-2,1	-8,3	-3,7	-0,9	-18,5	13%	13%	13%	12%	13%	13%
Greece	1,61	1,62	1,46	1,46	1,51	1,46	0,5	-9,7	-0,2	3,5	-3,5	-9,5	15%	15%	13%	13%	14%	14%
Hungary	1,47	1,47	1,40	1,32	1,32	1,31	0,3	-4,9	-5,9	0,6	-1,0	-10,7	15%	15%	15%	14%	15%	15%
Iceland	0,07	0,07	0,07	0,07	0,07	0,07	8,9	-0,2	-3,0	-0,2	-2,6	2,5	21%	20%	19%	17%	17%	16%
Ireland	0,95	1,06	0,99	0,99	1,07	1,06	10,8	-6,5	0,6	7,5	-0,6	11,3	21%	21%	18%	17%	18%	17%
Italy	8,50	8,50	8,16	8,20	8,35	8,30	0,1	-4,0	0,4	1,9	-0,6	-2,3	14%	14%	13%	13%	14%	14%
Latvia	0,30	0,33	0,31	0,27	0,28	0,28	11,2	-6,7	-11,9	4,6	-1,6	-5,9	14%	17%	17%	15%	17%	17%
Lithuania	0,47	0,49	0,47	0,40	0,40	0,40	4,7	-4,2	-15,0	0,9	0,5	-13,6	15%	17%	17%	15%	16%	17%
Luxembourg	0,09	0,10	0,11	0,12	0,12	0,11	10,7	11,7	4,9	-0,9	-0,4	27,9	18%	17%	17%	17%	16%	16%
Malta	0,07	0,06	0,06	0,05	0,05	0,05	-9,4	-3,9	-7,1	-2,7	-1,2	-22,3	16%	14%	13%	13%	13%	13%
Moldova	0,60	0,59	0,47	0,39	0,36	0,32	-1,5	-19,6	-18,1	-6,0	-11,0	-45,8	17%	18%	15%	14%	15%	14%
Montenegro	0,12	0,11	0,10	0,09	0,08	0,08	-9,1	-10,3	-7,6	-7,7	-6,8	-35,2	19%	18%	16%	16%	15%	15%
Netherlands	2,91	2,73	2,74	2,73	2,64	2,61	-6,0	0,4	-0,4	-3,5	-1,1	-10,4	18%	16%	16%	16%	16%	16%
Norway	0,92	1,01	1,08	1,11	1,16	1,21	10,2	6,5	3,1	4,5	4,3	31,9	19%	19%	18%	18%	18%	18%
Poland	5,73	6,03	5,63	4,80	4,73	4,69	5,2	-6,7	-14,7	-1,4	-0,9	-18,2	15%	16%	15%	13%	14%	15%
Portugal	1,60	1,41	1,25	1,23	1,18	1,11	-12,3	-11,3	-1,2	-4,0	-5,9	-30,5	15%	13%	12%	12%	12%	12%
Romania	3,28	3,24	2,86	2,53	2,47	2,28	-1,2	-11,9	-11,5	-2,6	-7,4	-30,4	15%	15%	14%	13%	14%	14%
Serbia	1,63	1,37	1,19	1,03	0,89	0,79	-15,6	-13,7	-13,2	-13,1	-11,9	-51,6	17%	15%	14%	13%	13%	13%
Slovak Republic	0,82	0,86	0,80	0,70	0,70	0,69	4,2	-7,1	-11,9	-0,4	-1,6	-16,4	15%	16%	15%	13%	14%	14%
Slovenia	0,29	0,31	0,28	0,28	0,29	0,28	7,8	-8,5	-3,0	5,8	-2,4	-1,1	14%	15%	14%	13%	14%	14%
Spain	6,89	7,29	6,32	6,31	6,69	6,31	5,7	-13,3	-0,1	5,9	-5,6	-8,4	15%	15%	13%	13%	14%	13%
Sweden	1,55	1,80	1,94	1,98	2,15	2,28	16,5	7,2	2,3	8,5	6,1	47,1	17%	18%	18%	18%	18%	18%
Switzerland	1,18	1,30	1,49	1,58	1,69	1,85	10,1	15,1	5,6	7,0	9,6	56,9	15%	15%	16%	15%	15%	16%
"the former Yugoslav Republic of Macedonia"	0,37	0,33	0,30	0,27	0,25	0,23	-9,2	-8,8	-11,8	-6,7	-6,1	-36,1	17%	16%	15%	13%	13%	13%
Turkey	19,26	18,59	17,46	16,48	15,54	14,64	-3,5	-6,1	-5,6	-5,7	-5,8	-24,0	27%	23%	20%	18%	16%	15%
TOTAL CEB	**92,81**	**92,78**	**88,62**	**84,83**	**84,36**	**82,71**	**0,0**	**-4,5**	**-4,3**	**-0,5**	**-2,0**	**-10,9**	**17%**	**17%**	**16%**	**15%**	**15%**	**15%**
EU-28	78,66	80,50	77,77	75,41	76,55	76,16	2,3	-3,4	-3,0	1,5	-0,5	-3,2	16%	16%	15%	15%	15%	15%
CEB Target countries	**40,08**	**39,51**	**36,62**	**33,49**	**32,22**	**30,71**	**-1,4**	**-7,3**	**-8,6**	**-3,8**	**-4,7**	**-23,4**	**19%**	**19%**	**17%**	**16%**	**15%**	**15%**
CEB Target countries without Turkey	20,82	20,91	19,16	17,01	16,67	16,07	0,4	-8,4	-11,2	-2,0	-3,6	-22,8	15%	16%	15%	14%	14%	15%
CEB Non-target countries	**52,73**	**53,28**	**52,00**	**51,34**	**52,15**	**51,99**	**1,0**	**-2,4**	**-1,3**	**1,6**	**-0,3**	**-1,4**	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**
CEB Non-target without Germany	41,59	42,69	41,63	41,83	42,99	42,92	2,6	-2,5	0,5	2,8	-0,2	3,2	16%	16%	15%	15%	15%	15%
WORLD	**1 842,24**	**1 957,73**	**1 981,04**	**1 998,40**	**2 034,45**	**2 039,91**	**6,3**	**1,2**	**0,9**	**1,8**	**0,3**	**10,7**	**27%**	**25%**	**24%**	**22%**	**21%**	**20%**

Source: The UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Countries highlighted in blue are CEB target countries.

Table 4. Population aged between 15 and 64 years at end-of-decade, 2010-2060

	Projection of working-age population aged 15-64 (in million) Reference date (as of 1 July)						% change						Projection of working-age population aged 15-64 (% of total population)					
	2010	2020	2030	2040	2050	2060	2010-2020	2020-2030	2030-2040	2040-2050	2050-2060	2010-2060	2010	2020	2030	2040	2050	2060
Albania	2,11	2,22	2,10	2,02	1,93	1,65	5,1	-5,5	-3,9	-4,3	-14,4	-21,9	67%	68%	63%	62%	62%	56%
Belgium	7,23	7,13	6,97	6,89	6,88	6,92	-1,3	-2,3	-1,1	-0,1	0,6	-4,2	66%	63%	60%	58%	57%	57%
Bosnia and Herzegovina	2,60	2,62	2,36	2,19	2,01	1,74	0,8	-9,9	-7,3	-8,0	-13,5	-33,1	68%	69%	64%	62%	60%	56%
Bulgaria	5,05	4,39	3,92	3,41	2,87	2,54	-13,0	-10,7	-13,2	-15,6	-11,7	-49,8	68%	64%	63%	61%	57%	55%
Croatia	2,91	2,70	2,46	2,28	2,05	1,90	-7,5	-8,6	-7,6	-9,8	-7,8	-34,9	67%	64%	61%	60%	57%	56%
Cyprus	0,78	0,85	0,87	0,87	0,82	0,75	8,6	3,0	0,3	-6,8	-8,2	-4,1	71%	69%	67%	65%	60%	56%
Czech Republic	7,43	7,02	7,05	6,85	6,43	6,35	-5,5	0,3	-2,8	-6,1	-1,3	-14,6	70%	64%	64%	62%	57%	57%
Denmark	3,63	3,65	3,64	3,65	3,65	3,65	0,4	-0,3	0,3	0,0	0,0	0,4	65%	63%	61%	63%	63%	63%
Estonia	0,87	0,81	0,76	0,72	0,66	0,62	-7,6	-5,6	-5,8	-8,2	-6,1	-29,2	67%	64%	63%	62%	59%	57%
Finland	3,56	3,37	3,30	3,33	3,30	3,28	-5,4	-2,2	0,9	-0,7	-0,7	-7,9	66%	61%	58%	59%	58%	57%
France	41,00	41,12	41,12	41,12	42,15	42,69	0,3	0,0	0,0	2,5	1,3	4,1	65%	62%	59%	57%	58%	57%
Georgia	3,01	2,72	2,47	2,30	2,11	1,96	-9,6	-9,2	-6,8	-8,1	-7,1	-34,6	68%	65%	62%	61%	59%	57%
Germany	54,61	52,40	46,73	42,55	39,66	36,64	-4,1	-10,8	-9,0	-6,8	-7,6	-32,9	66%	64%	59%	56%	55%	54%
Greece	7,39	7,07	6,79	6,22	5,73	5,65	-4,3	-4,1	-8,3	-7,9	-1,4	-23,5	66%	64%	62%	57%	54%	55%
Hungary	6,87	6,42	6,17	5,81	5,31	5,00	-6,6	-3,8	-5,8	-8,7	-5,7	-27,2	69%	65%	65%	63%	59%	58%
Iceland	0,21	0,23	0,24	0,25	0,25	0,24	7,3	4,3	3,4	-0,3	-1,5	13,7	67%	65%	62%	61%	59%	58%
Ireland	3,01	3,21	3,42	3,50	3,44	3,60	6,6	6,7	2,3	-1,8	4,7	19,7	67%	65%	64%	62%	57%	58%
Italy	39,73	38,87	36,67	33,35	31,84	31,34	-2,2	-5,7	-9,0	-4,5	-1,6	-21,1	66%	63%	60%	55%	53%	54%
Latvia	1,41	1,27	1,16	1,10	1,01	0,93	-9,9	-8,4	-5,6	-8,1	-7,4	-33,7	67%	64%	63%	63%	60%	58%
Lithuania	2,13	1,97	1,80	1,70	1,55	1,40	-7,2	-8,7	-5,7	-8,6	-9,7	-34,0	69%	67%	64%	63%	61%	57%
Luxembourg	0,35	0,39	0,41	0,42	0,43	0,42	12,1	5,1	2,7	1,2	-0,7	21,6	68%	68%	64%	62%	60%	59%
Malta	0,30	0,29	0,27	0,26	0,24	0,22	-3,7	-5,9	-2,4	-7,7	-8,9	-25,6	70%	66%	62%	61%	58%	55%
Moldova	2,58	2,28	2,07	1,90	1,60	1,33	-11,4	-9,5	-8,0	-15,8	-16,7	-48,3	72%	69%	67%	69%	64%	59%
Montenegro	0,42	0,41	0,39	0,37	0,34	0,32	-2,0	-4,6	-4,9	-8,1	-8,3	-25,2	68%	67%	65%	64%	62%	60%
Netherlands	11,14	10,88	10,28	9,74	9,69	9,48	-2,4	-5,5	-5,2	-0,6	-2,2	-15,0	67%	64%	60%	57%	57%	57%
Norway	3,24	3,45	3,59	3,71	3,91	4,04	6,6	4,1	3,4	5,2	3,3	24,7	66%	64%	62%	60%	60%	59%
Poland	27,30	25,20	23,54	22,37	19,44	17,35	-7,7	-6,6	-5,0	-13,1	-10,7	-36,4	71%	66%	63%	62%	57%	54%
Portugal	7,08	6,95	6,54	5,89	5,27	4,94	-1,9	-5,9	-9,9	-10,6	-6,3	-30,2	67%	66%	63%	58%	54%	53%
Romania	15,34	14,37	13,50	12,00	10,31	9,12	-6,3	-6,0	-11,1	-14,1	-11,6	-40,6	70%	68%	67%	63%	58%	55%
Serbia	6,69	6,20	5,64	5,00	4,17	3,47	-7,4	-9,1	-11,3	-16,5	-17,0	-48,2	69%	68%	66%	64%	59%	55%
Slovak Republic	3,94	3,73	3,52	3,32	2,91	2,62	-5,4	-5,6	-5,7	-12,3	-9,9	-33,5	73%	68%	65%	64%	58%	55%
Slovenia	1,42	1,35	1,28	1,21	1,12	1,08	-4,9	-5,1	-5,7	-8,0	-2,8	-23,9	69%	65%	62%	59%	55%	55%
Spain	31,39	31,19	30,30	27,59	24,89	24,71	-0,6	-2,9	-8,9	-9,8	-0,7	-21,3	68%	65%	63%	57%	52%	53%
Sweden	6,13	6,15	6,41	6,69	7,06	7,29	0,4	4,1	4,4	5,6	3,2	19,0	65%	61%	60%	59%	59%	58%
Switzerland	5,33	5,70	5,91	6,22	6,61	6,81	7,0	3,7	5,3	6,2	3,0	27,8	68%	66%	62%	61%	60%	58%
"the former Yugoslav Republic of Macedonia"	1,49	1,46	1,38	1,27	1,13	0,98	-2,0	-5,9	-7,5	-11,3	-13,1	-34,1	71%	69%	66%	64%	60%	56%
Turkey	47,79	54,48	58,60	60,13	59,02	57,14	14,0	7,6	2,6	-1,8	-3,2	19,6	66%	68%	67%	66%	62%	60%
TOTAL CEB	**367,47**	**364,49**	**353,61**	**338,21**	**321,79**	**310,18**	**-0,8**	**-3,0**	**-4,4**	**-4,9**	**-3,6**	**-15,6**	**67%**	**65%**	**62%**	**60%**	**57%**	**56%**
EU-28	338,53	329,91	316,32	300,43	287,15	279,18	-2,5	-4,1	-5,0	-4,4	-2,8	-17,5	67%	64%	61%	58%	56%	56%
CEB Target countries	**142,45**	**142,75**	**141,31**	**137,07**	**127,03**	**118,47**	**0,2**	**-1,0**	**-3,0**	**-7,3**	**-6,7**	**-16,8**	**69%**	**67%**	**66%**	**64%**	**60%**	**58%**
CEB Target countries without Turkey	94,66	88,27	82,72	76,94	68,02	61,33	-6,7	-6,3	-7,0	-11,6	-9,8	-35,2	70%	66%	64%	63%	58%	55%
CEB Non-target countries	**225,02**	**221,74**	**212,30**	**201,14**	**194,76**	**191,71**	**-1,5**	**-4,3**	**-5,3**	**-3,2**	**-1,6**	**-14,8**	**66%**	**64%**	**60%**	**57%**	**55%**	**55%**
CEB Non-target without Germany	170,41	169,35	165,57	158,59	155,09	155,07	-0,6	-2,2	-4,2	-2,2	0,0	-9,0	66%	63%	61%	57%	56%	56%
WORLD	**4 543,44**	**5 042,96**	**5 470,81**	**5 787,74**	**6 026,93**	**6 169,32**	**11,0**	**8,5**	**5,8**	**4,1**	**2,4**	**35,8**	**66%**	**65%**	**65%**	**64%**	**63%**	**62%**

Source: The UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Countries highlighted in blue are CEB target countries.

Table 5. Population aged 65 and older at end-of-decade, 2010-2060

	Projection of persons aged 65+ (in million) Reference date (as of 1 July)						% change						Projection of persons aged 65+ (% of total population)					
	2010	2020	2030	2040	2050	2060	2010-2020	2020-2030	2030-2040	2040-2050	2050-2060	2010-2060	2010	2020	2030	2040	2050	2060
Albania	0,32	0,42	0,60	0,70	0,74	0,87	33,3	40,6	17,9	5,1	17,2	172,3	10%	13%	18%	22%	24%	30%
Belgium	1,88	2,26	2,74	3,05	3,14	3,20	20,1	21,7	11,2	3,0	1,6	70,2	17%	20%	24%	26%	26%	26%
Bosnia and Herzegovina	0,58	0,66	0,80	0,87	0,90	0,97	13,4	22,1	8,8	3,4	7,5	67,6	15%	17%	22%	25%	27%	31%
Bulgaria	1,35	1,44	1,42	1,43	1,45	1,35	6,3	-1,4	0,9	1,2	-6,7	0,0	18%	21%	23%	26%	29%	30%
Croatia	0,76	0,87	0,99	1,02	1,05	1,03	14,9	12,9	3,4	3,3	-2,6	34,9	18%	21%	25%	27%	29%	30%
Cyprus	0,13	0,17	0,23	0,28	0,35	0,40	36,8	33,0	22,1	24,4	14,6	216,8	12%	14%	18%	21%	26%	30%
Czech Republic	1,62	2,13	2,34	2,62	2,99	3,09	31,2	9,9	11,8	14,4	3,3	90,6	15%	19%	21%	24%	27%	28%
Denmark	0,92	1,15	1,33	1,15	1,15	1,15	23,9	15,9	-13,8	0,0	0,0	23,9	17%	20%	22%	20%	20%	20%
Estonia	0,23	0,24	0,26	0,27	0,28	0,29	7,7	5,9	4,2	4,7	1,1	25,8	17%	19%	21%	23%	25%	27%
Finland	0,92	1,25	1,42	1,44	1,46	1,52	35,4	14,3	1,1	1,8	3,7	65,2	17%	22%	25%	25%	26%	27%
France	10,63	13,54	16,08	18,19	18,64	19,36	27,5	18,7	13,1	2,4	3,9	82,2	17%	20%	23%	25%	25%	26%
Georgia	0,62	0,67	0,84	0,86	0,87	0,92	7,8	24,3	2,6	1,3	5,8	47,3	14%	16%	21%	23%	24%	27%
Germany	17,27	18,90	22,45	24,30	23,74	22,69	9,4	18,8	8,2	-2,3	-4,4	31,4	21%	23%	28%	32%	33%	33%
Greece	2,11	2,39	2,73	3,17	3,42	3,22	13,1	14,3	16,3	7,8	-5,9	52,6	19%	22%	25%	29%	32%	31%
Hungary	1,67	1,91	1,96	2,09	2,33	2,36	14,1	2,3	6,7	11,5	1,6	41,1	17%	20%	21%	23%	26%	27%
Iceland	0,04	0,05	0,07	0,09	0,10	0,11	37,9	36,7	19,4	14,3	11,1	185,9	12%	15%	19%	22%	24%	26%
Ireland	0,51	0,70	0,94	1,19	1,48	1,53	38,2	33,8	27,4	24,6	3,1	202,6	11%	14%	17%	21%	25%	25%
Italy	12,28	14,02	16,38	19,26	19,82	18,85	14,2	16,9	17,6	2,9	-4,9	53,5	20%	23%	27%	32%	33%	32%
Latvia	0,38	0,37	0,39	0,38	0,38	0,39	-2,8	3,2	-1,3	0,3	3,3	2,6	18%	19%	21%	22%	23%	25%
Lithuania	0,48	0,48	0,55	0,58	0,60	0,63	0,4	14,5	5,8	3,8	5,5	33,3	16%	16%	19%	22%	24%	26%
Luxembourg	0,07	0,09	0,12	0,15	0,17	0,18	23,8	32,6	24,6	14,1	9,8	156,3	14%	15%	18%	21%	23%	25%
Malta	0,06	0,09	0,11	0,11	0,12	0,13	45,8	22,8	1,6	9,0	7,7	113,5	14%	21%	25%	26%	29%	33%
Moldova	0,40	0,45	0,53	0,49	0,52	0,61	13,5	16,7	-7,8	6,9	17,0	52,8	11%	14%	17%	18%	21%	27%
Montenegro	0,08	0,10	0,11	0,12	0,13	0,13	24,6	19,3	4,2	7,3	3,6	72,0	12%	16%	19%	20%	23%	25%
Netherlands	2,57	3,42	4,25	4,74	4,60	4,52	33,4	24,1	11,6	-3,1	-1,6	76,2	15%	20%	25%	28%	27%	27%
Norway	0,73	0,94	1,17	1,38	1,48	1,62	28,3	23,8	18,5	7,4	8,8	120,0	15%	17%	20%	22%	23%	24%
Poland	5,17	6,92	8,28	8,67	9,91	10,27	34,0	19,6	4,8	14,3	3,6	98,7	14%	18%	22%	24%	29%	32%
Portugal	1,91	2,22	2,64	3,09	3,39	3,28	16,6	18,9	16,7	9,8	-3,3	71,7	18%	21%	25%	30%	34%	35%
Romania	3,24	3,62	3,87	4,53	5,03	5,03	11,5	7,0	16,9	11,2	0,0	55,0	15%	17%	19%	24%	28%	31%
Serbia	1,33	1,59	1,76	1,83	2,01	2,04	20,3	10,3	4,3	9,4	1,9	54,2	14%	17%	20%	23%	28%	32%
Slovak Republic	0,67	0,88	1,08	1,18	1,38	1,43	32,1	22,1	9,8	16,7	3,8	114,4	12%	16%	20%	23%	28%	30%
Slovenia	0,34	0,43	0,52	0,57	0,62	0,60	25,2	20,7	10,6	7,6	-2,7	75,1	17%	20%	25%	28%	30%	30%
Spain	7,90	9,31	11,61	14,60	16,65	15,74	17,9	24,7	25,7	14,1	-5,5	99,3	17%	19%	24%	30%	35%	34%
Sweden	1,71	2,08	2,35	2,60	2,72	3,02	21,5	13,2	10,6	4,7	11,0	76,9	18%	21%	22%	23%	23%	24%
Switzerland	1,32	1,65	2,07	2,44	2,68	2,99	24,6	25,7	17,4	10,1	11,5	125,7	17%	19%	22%	24%	24%	26%
"the former Yugoslav Republic of Macedonia"	0,24	0,31	0,39	0,45	0,50	0,54	27,7	24,7	14,3	12,5	8,5	122,1	12%	15%	19%	22%	27%	31%
Turkey	5,09	7,24	10,77	15,17	20,05	23,55	42,3	48,8	40,9	32,1	17,4	363,0	7%	9%	12%	17%	21%	25%
TOTAL CEB	**87,53**	**104,97**	**126,14**	**145,06**	**156,87**	**159,62**	**19,9**	**20,2**	**15,0**	**8,1**	**1,8**	**82,4**	**16%**	**19%**	**22%**	**26%**	**28%**	**29%**
EU-28	88,57	104,98	124,10	140,51	147,85	147,47	18,5	18,2	13,2	5,2	-0,3	66,5	18%	20%	24%	27%	29%	29%
CEB Target countries	**24,76**	**31,01**	**37,78**	**44,23**	**52,22**	**56,65**	**25,2**	**21,8**	**17,1**	**18,1**	**8,5**	**128,7**	**12%**	**15%**	**18%**	**21%**	**25%**	**28%**
CEB Target countries without Turkey	19,68	23,77	27,01	29,06	32,17	33,10	20,8	13,6	7,6	10,7	2,9	68,2	15%	18%	21%	24%	28%	30%
CEB Non-target countries	**62,76**	**73,96**	**88,36**	**100,83**	**104,65**	**102,97**	**17,8**	**19,5**	**14,1**	**3,8**	**-1,6**	**64,1**	**18%**	**21%**	**25%**	**29%**	**30%**	**30%**
CEB Non-target without Germany	45,49	55,06	65,91	76,53	80,91	80,28	21,0	19,7	16,1	5,7	-0,8	76,5	18%	21%	24%	28%	29%	29%
WORLD	**530,51**	**716,06**	**973,09**	**1 252,55**	**1 489,57**	**1 748,17**	**35,0**	**35,9**	**28,7**	**18,9**	**17,4**	**229,5**	**8%**	**9%**	**12%**	**14%**	**16%**	**18%**

Source: The UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Countries highlighted in blue are CEB target countries.

Table 6. Population aged 80 years or above at end-of-decade, 2010-2060

	Projection of persons aged 80+ (in million) Reference date (as of 1 July)						% change						Projection of persons aged 80+ (% of total population)					
	2010	2020	2030	2040	2050	2060	2010-2020	2020-2030	2030-2040	2040-2050	2050-2060	2010-2060	2010	2020	2030	2040	2050	2060
Albania	0,06	0,09	0,12	0,20	0,26	0,27	58,5	33,3	68,8	25,8	6,4	377,4	2%	3%	4%	6%	8%	9%
Belgium	0,56	0,64	0,79	1,04	1,24	1,27	15,5	23,3	31,4	19,4	2,6	129,4	5%	6%	7%	9%	10%	10%
Bosnia and Herzegovina	0,07	0,16	0,18	0,24	0,31	0,31	119,5	12,9	31,0	28,8	-1,5	312,0	2%	4%	5%	7%	9%	10%
Bulgaria	0,29	0,31	0,36	0,38	0,38	0,44	6,1	15,3	6,0	1,8	13,6	50,0	4%	5%	6%	7%	8%	10%
Croatia	0,17	0,23	0,25	0,33	0,35	0,38	40,6	8,0	31,7	7,5	6,4	128,5	4%	6%	6%	9%	10%	11%
Cyprus	0,03	0,04	0,06	0,08	0,10	0,13	35,9	46,2	44,9	26,1	27,8	364,1	3%	3%	4%	6%	8%	10%
Czech Republic	0,38	0,42	0,67	0,79	0,84	1,16	10,4	58,0	18,6	6,2	38,6	204,4	4%	4%	6%	7%	7%	10%
Denmark	0,23	0,27	0,40	0,27	0,27	0,27	15,8	49,7	-33,2	0,0	0,0	15,8	4%	5%	7%	5%	5%	5%
Estonia	0,05	0,07	0,07	0,08	0,09	0,09	25,0	3,8	17,4	6,1	7,6	73,8	4%	5%	6%	7%	8%	9%
Finland	0,25	0,31	0,46	0,56	0,58	0,58	24,2	47,9	20,1	4,6	0,1	131,1	5%	6%	8%	10%	10%	10%
France	3,41	4,03	5,19	6,71	7,80	8,10	18,1	28,9	29,2	16,3	3,8	137,5	5%	6%	7%	9%	11%	11%
Georgia	0,14	0,18	0,17	0,24	0,27	0,28	29,6	-8,5	44,6	13,4	1,5	97,5	3%	4%	4%	6%	8%	8%
Germany	4,25	6,00	6,41	8,01	10,43	9,36	41,2	6,8	25,0	30,2	-10,3	120,3	5%	7%	8%	10%	14%	14%
Greece	0,56	0,74	0,81	1,01	1,25	1,44	34,0	9,2	24,7	23,1	15,3	159,1	5%	7%	7%	9%	12%	14%
Hungary	0,40	0,44	0,52	0,63	0,62	0,82	9,8	17,7	22,2	-1,3	31,4	104,8	4%	4%	5%	7%	7%	9%
Iceland	0,01	0,01	0,02	0,03	0,04	0,04	18,1	47,1	53,7	24,2	15,7	283,7	3%	4%	5%	7%	9%	10%
Ireland	0,12	0,16	0,24	0,35	0,46	0,61	28,7	52,2	43,3	33,4	31,3	391,8	3%	3%	5%	6%	8%	10%
Italy	3,57	4,52	5,33	6,36	8,28	9,07	26,6	17,9	19,2	30,3	9,6	154,0	6%	7%	9%	10%	14%	16%
Latvia	0,09	0,10	0,10	0,11	0,11	0,11	14,8	-5,5	10,5	3,2	1,3	25,3	4%	5%	5%	6%	7%	7%
Lithuania	0,11	0,12	0,12	0,15	0,17	0,18	14,3	0,1	22,2	16,6	1,8	66,1	3%	4%	4%	6%	7%	7%
Luxembourg	0,02	0,02	0,03	0,04	0,06	0,07	26,1	24,4	42,9	39,6	14,9	259,6	4%	4%	5%	6%	8%	10%
Malta	0,01	0,02	0,03	0,04	0,04	0,05	100,6	43,9	36,2	5,5	10,2	357,1	2%	5%	7%	9%	10%	12%
Moldova	0,08	0,08	0,08	0,12	0,11	0,12	3,6	-3,1	47,4	-4,8	4,4	46,9	2%	2%	3%	4%	4%	5%
Montenegro	0,01	0,02	0,02	0,03	0,03	0,04	61,5	3,4	38,6	7,2	10,4	173,8	2%	3%	4%	5%	6%	7%
Netherlands	0,66	0,82	1,23	1,56	1,90	1,83	24,5	50,0	27,5	21,4	-3,5	178,9	4%	5%	7%	9%	11%	11%
Norway	0,22	0,23	0,34	0,44	0,55	0,61	2,9	49,6	29,7	24,0	11,4	175,8	5%	4%	6%	7%	8%	9%
Poland	1,29	1,60	1,99	3,04	2,91	3,51	24,7	24,3	52,6	-4,2	20,3	172,7	3%	4%	5%	8%	9%	11%
Portugal	0,48	0,64	0,77	0,98	1,22	1,45	31,2	20,6	27,7	24,1	19,0	198,5	5%	6%	7%	10%	12%	16%
Romania	0,68	0,87	0,88	1,19	1,37	1,66	27,1	1,8	35,0	15,2	21,3	144,0	3%	4%	4%	6%	8%	10%
Serbia	0,27	0,32	0,36	0,49	0,50	0,62	18,8	9,5	37,6	3,2	22,2	125,6	3%	4%	4%	6%	7%	10%
Slovak Republic	0,15	0,17	0,22	0,34	0,36	0,46	9,9	35,1	49,3	5,9	30,3	206,0	3%	3%	4%	6%	7%	10%
Slovenia	0,08	0,11	0,14	0,19	0,22	0,24	35,8	20,2	41,6	15,3	10,3	194,1	4%	5%	6%	9%	11%	12%
Spain	2,33	2,89	3,52	4,57	6,20	7,70	24,2	21,5	30,1	35,5	24,3	230,6	5%	6%	7%	9%	13%	16%
Sweden	0,50	0,54	0,80	0,90	1,05	1,14	8,7	48,4	12,1	17,2	8,5	129,8	5%	5%	7%	8%	9%	9%
Switzerland	0,38	0,47	0,65	0,82	1,08	1,16	25,0	38,5	26,1	31,6	7,8	209,9	5%	5%	7%	8%	10%	10%
"the former Yugoslav Republic of Macedonia"	0,04	0,06	0,08	0,11	0,14	0,16	46,0	30,1	47,2	23,9	18,7	311,1	2%	3%	4%	6%	7%	9%
Turkey	0,81	1,37	2,03	3,59	5,36	7,62	69,1	48,3	77,0	49,2	42,2	842,2	1%	2%	2%	4%	6%	8%
TOTAL CEB	**22,76**	**29,09**	**35,43**	**46,02**	**56,97**	**63,36**	**27,8**	**21,8**	**29,9**	**23,8**	**11,2**	**178,4**	**4%**	**5%**	**6%**	**8%**	**10%**	**11%**
EU-28	23,96	29,94	36,55	46,16	56,60	60,74	25,0	22,1	26,3	22,6	7,3	153,5	5%	6%	7%	9%	11%	12%
CEB Target countries	**5,21**	**6,79**	**8,43**	**12,37**	**14,56**	**18,64**	**30,2**	**24,2**	**46,7**	**17,7**	**28,0**	**257,6**	**3%**	**3%**	**4%**	**6%**	**7%**	**9%**
CEB Target countries without Turkey	4,40	5,42	6,40	8,78	9,20	11,02	23,1	18,1	37,2	4,8	19,7	150,2	3%	4%	5%	7%	8%	10%
CEB Non-target countries	**17,55**	**22,30**	**27,00**	**33,65**	**42,40**	**44,72**	**27,1**	**21,1**	**24,6**	**26,0**	**5,5**	**154,9**	**5%**	**6%**	**8%**	**10%**	**12%**	**13%**
CEB Non-target without Germany	13,30	16,30	20,59	25,64	31,97	35,36	22,6	26,3	24,5	24,7	10,6	165,9	5%	6%	8%	9%	11%	13%
WORLD	**108,35**	**142,97**	**192,38**	**285,45**	**391,58**	**474,40**	**32,0**	**34,6**	**48,4**	**37,2**	**21,2**	**337,8**	**2%**	**2%**	**2%**	**3%**	**4%**	**5%**

Source: The UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Countries highlighted in blue are CEB target countries.

Table 7. Age dependency ratios and median age at end-of-decade, 2010-2060

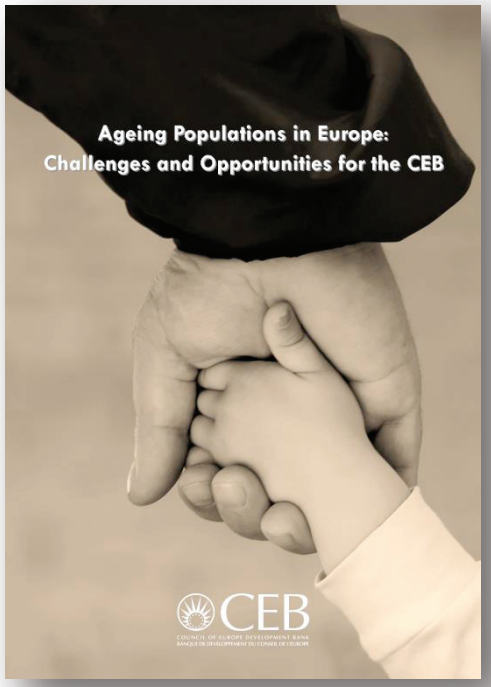
	Old-age dependency ratio [65+/(15-64)] Reference date (as of 1 July)						% change	Demographic total age-dependency ratio (0-14 plus 65+)/(15-64) Reference date (as of 1 July)						% change	Median age of the total population (years)						Change (years)
	2010	2020	2030	2040	2050	2060	2010-2060	2010	2020	2030	2040	2050	2060	2010-2060	2010	2020	2030	2040	2050	2060	2010-2060
Albania	15,1	19,1	28,4	34,9	38,3	52,5	248,5	49,1	46,0	57,8	61,4	60,4	77,6	58,0	31,9	34,9	38,8	43,6	47,6	48,8	16,9
Belgium	26,0	31,6	39,4	44,3	45,7	46,2	77,6	51,4	59,3	67,3	72,5	75,1	75,6	47,0	41,1	42,5	43,7	44,4	43,8	44,0	2,9
Bosnia and Herzegovina	22,3	25,1	34,0	39,9	44,9	55,9	150,4	48,1	44,7	56,9	61,8	65,7	80,0	66,4	38,6	41,2	43,8	47,2	50,4	50,9	12,2
Bulgaria	26,8	32,8	36,2	42,1	50,5	53,4	99,0	46,3	55,5	58,3	64,8	76,7	80,3	73,3	42,4	44,6	47,1	49,2	48,1	47,3	4,9
Croatia	26,1	32,4	40,0	44,8	51,3	54,2	107,4	48,9	55,2	62,9	67,7	75,5	79,1	61,8	41,9	44,1	46,5	48,2	48,9	48,9	7,0
Cyprus	16,4	20,6	26,6	32,4	43,3	54,1	230,2	41,5	44,0	49,9	54,5	66,3	78,5	89,1	34,2	37,9	41,6	45,2	47,6	49,1	14,9
Czech Republic	21,8	30,3	33,2	38,2	46,5	48,7	123,2	42,0	55,6	56,9	62,1	74,4	76,8	83,0	39,5	42,5	45,2	46,5	44,8	45,1	5,6
Denmark	25,5	31,4	36,5	31,4	31,4	31,4	23,4	53,0	58,4	65,3	58,4	58,4	58,4	10,3	40,6	42,0	41,7	42,2	42,3	42,2	1,7
Estonia	26,0	30,4	34,1	37,7	43,0	46,3	77,6	49,0	56,5	59,4	62,4	70,5	74,4	52,0	40,5	42,0	44,0	45,5	44,4	44,8	4,3
Finland	25,8	36,9	43,2	43,2	44,3	46,3	79,5	50,7	64,4	71,4	70,5	72,3	74,8	47,6	42,0	42,9	44,0	44,6	44,2	44,5	2,5
France	25,9	32,9	39,1	44,2	44,2	45,3	75,0	54,2	61,9	68,5	73,9	73,7	74,8	38,0	40,0	41,3	42,3	43,0	43,4	43,7	3,7
Georgia	20,8	24,8	33,9	37,3	41,1	46,8	125,4	46,0	54,7	60,3	62,6	68,6	74,0	60,7	37,0	39,3	42,6	45,4	43,4	44,8	7,8
Germany	31,6	36,1	48,1	57,1	59,9	61,9	95,8	52,0	56,3	70,2	79,5	82,9	86,7	66,7	44,3	47,6	49,1	51,0	51,5	50,5	6,3
Greece	28,6	33,7	40,2	51,0	59,7	56,9	99,4	50,4	56,6	61,8	74,4	86,0	82,8	64,3	41,8	45,2	48,4	49,6	48,9	48,7	7,0
Hungary	24,4	29,8	31,7	35,9	43,8	47,2	93,8	45,7	52,7	54,4	58,5	68,8	73,4	60,6	39,9	42,5	44,9	46,3	46,1	46,1	6,2
Iceland	18,1	23,3	30,5	35,3	40,4	45,6	151,5	49,4	55,0	60,9	63,8	68,9	73,8	49,4	34,9	37,1	39,5	41,6	42,9	44,5	9,6
Ireland	16,8	21,8	27,3	34,0	43,1	42,5	152,7	48,5	54,7	56,2	62,4	74,2	72,0	48,3	34,3	37,6	40,0	40,8	41,9	43,4	9,1
Italy	30,9	36,1	44,7	57,7	62,3	60,1	94,6	52,3	57,9	66,9	82,3	88,5	86,6	65,7	43,3	46,7	49,4	50,2	49,9	49,2	6,0
Latvia	27,2	29,4	33,1	34,6	37,7	42,1	54,8	48,2	55,3	59,5	59,2	65,8	71,9	49,2	41,2	42,0	43,4	45,0	42,7	42,8	1,5
Lithuania	22,4	24,2	30,4	34,1	38,7	45,2	101,8	44,4	49,0	56,4	57,5	64,6	74,0	66,7	38,7	40,4	42,9	45,4	44,2	44,0	5,3
Luxembourg	20,5	22,6	28,5	34,6	39,0	43,1	110,7	46,3	48,1	55,6	62,2	66,1	70,3	51,8	38,9	39,4	40,2	41,8	43,6	44,7	5,8
Malta	20,7	31,4	41,0	42,6	50,4	59,5	187,0	43,1	52,4	62,5	63,1	71,9	82,9	92,3	40,2	42,9	46,0	48,7	50,7	51,1	11,0
Moldova	15,5	19,8	25,6	25,6	32,5	45,7	195,6	38,6	45,5	48,4	45,9	55,2	69,9	81,3	35,2	37,7	41,9	45,9	45,8	46,4	11,3
Montenegro	18,3	23,3	29,1	31,9	37,3	42,1	129,9	46,9	49,8	54,1	56,2	61,6	66,9	42,5	36,3	38,9	41,4	43,6	45,0	46,3	9,9
Netherlands	23,0	31,5	41,4	48,7	47,4	47,7	107,2	49,1	56,6	68,0	76,7	74,6	75,2	53,1	40,8	43,6	44,6	45,3	45,7	45,5	4,6
Norway	22,7	27,3	32,5	37,2	38,0	40,0	76,4	51,1	56,7	62,5	67,2	67,7	70,1	37,1	38,7	39,4	40,3	41,3	41,4	41,9	3,3
Poland	18,9	27,5	35,2	38,8	51,0	59,2	212,7	39,9	51,4	59,1	60,2	75,3	86,2	115,9	38,0	41,2	45,2	48,5	48,9	48,4	10,5
Portugal	27,0	32,0	40,4	52,3	64,3	66,3	146,0	49,6	52,3	59,5	73,3	86,7	88,8	79,1	41,0	45,0	48,9	51,4	52,5	53,4	12,3
Romania	21,1	25,2	28,7	37,7	48,8	55,2	160,8	42,6	47,7	49,8	58,8	72,7	80,2	88,5	38,5	41,8	45,3	48,6	48,8	48,7	10,2
Serbia	19,8	25,7	31,2	36,7	48,0	59,0	198,0	44,1	47,8	52,2	57,3	69,5	81,7	85,3	37,8	41,1	44,8	48,1	50,6	52,1	14,3
Slovak Republic	17,0	23,7	30,6	35,7	47,5	54,7	222,4	37,8	46,7	53,2	56,8	71,5	80,9	114,0	37,2	41,0	44,9	47,9	48,2	47,8	10,7
Slovenia	24,0	31,6	40,3	47,2	55,2	55,3	130,1	44,2	54,6	62,4	70,0	81,4	81,6	84,4	41,5	44,3	47,5	49,3	48,2	47,8	6,3
Spain	25,2	29,9	38,3	52,9	66,9	63,7	153,2	47,1	53,2	59,2	75,8	93,8	89,3	89,4	40,2	44,4	48,8	51,0	50,4	50,5	10,3
Sweden	27,9	33,7	36,7	38,9	38,5	41,5	48,7	53,2	63,1	66,9	68,5	68,9	72,7	36,8	40,7	41,2	41,4	41,7	41,1	41,4	0,7
Switzerland	24,8	28,9	35,1	39,1	40,6	43,9	76,6	47,0	51,7	60,4	64,5	66,1	71,1	51,3	41,6	42,6	43,3	44,4	44,4	44,3	2,8
"the former Yugoslav Republic of Macedonia"	16,4	21,4	28,3	35,0	44,4	55,4	237,1	41,0	44,2	50,4	56,0	66,5	79,2	93,2	36,1	39,6	43,4	47,0	49,1	49,9	13,8
Turkey	10,6	13,3	18,4	25,2	34,0	41,2	287,2	50,9	47,4	48,2	52,6	60,3	66,8	31,2	28,3	32,0	35,7	39,3	42,4	45,0	16,7
TOTAL CEB	**23,8**	**28,8**	**35,7**	**42,9**	**48,7**	**51,5**	**116,0**	**49,1**	**54,3**	**60,7**	**68,0**	**75,0**	**78,1**	**59,2**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
EU-28	26,2	31,8	39,2	46,8	51,5	52,8	101,9	49,4	56,2	63,8	71,9	78,1	80,1	62,2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CEB Target countries	**17,4**	**21,7**	**26,7**	**32,3**	**41,1**	**47,8**	**175,0**	**45,5**	**49,4**	**52,6**	**56,7**	**66,5**	**73,7**	**62,0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
CEB Target countries without Turkey	20,8	26,9	32,7	37,8	47,3	54,0	159,6	42,8	50,6	55,8	59,9	71,8	80,2	87,4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CEB Non-target countries	**27,9**	**33,4**	**41,6**	**50,1**	**53,7**	**53,7**	**92,6**	**51,3**	**57,4**	**66,1**	**75,7**	**80,5**	**80,8**	**57,5**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
CEB Non-target without Germany	26,7	32,5	39,8	48,3	52,2	51,8	93,9	51,1	57,7	65,0	74,6	79,9	79,4	55,5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
WORLD	**11,7**	**14,2**	**17,8**	**21,6**	**24,7**	**28,3**	**142,7**	**52,2**	**53,0**	**54,0**	**56,2**	**58,5**	**61,4**	**17,6**	**28,5**	**31,0**	**33,2**	**34,6**	**36,1**	**37,3**	**8,8**

Source: The UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Countries highlighted in blue are CEB target countries.

Table 8. Life expectancy and total fertility rate, 2010-2060

	Projection of life expectancy at birth (MALES) (years)						change (in years)	Projection of life expectancy at birth (FEMALES) (years)						change (in years)	Projection of life expectancy at 60 (MALES) (years)		change (in years)	Projection of life expectancy at 60 (FEMALES) (years)		change (in years)	Projection of total fertility rates		change (absolute)
	2010-2015	2020-2025	2030-2035	2040-2045	2050-2055	2060-2065	2010-2060	2010-2015	2020-2025	2030-2035	2040-2045	2050-2055	2060-2065	2010-2060	2010-2015	2060-2065	2010-2060	2010-2015	2060-2065	2010-2060	2010-2015	2060-2065	2010-2060
Albania	74,5	76,7	78,8	80,3	81,6	82,8	8,3	80,5	82,1	83,5	84,8	86,0	87,2	6,7	18,8	24,6	5,8	23,6	28,7	5,1	1,79	1,77	-0,01
Belgium	77,9	79,6	81,0	82,3	83,5	84,7	6,8	83,0	84,4	85,8	87,1	88,3	89,5	6,5	21,5	26,4	4,8	25,4	30,7	5,2	1,85	1,95	0,10
Bosnia and Herzegovina	73,7	75,5	77,3	79,1	80,6	81,9	8,2	78,8	80,2	81,5	82,7	83,9	84,9	6,1	18,5	24,1	5,7	21,8	26,7	4,9	1,28	1,74	0,47
Bulgaria	69,9	71,1	72,4	73,9	75,4	77,0	7,0	77,2	78,3	79,3	80,3	81,3	82,3	5,1	16,5	20,7	4,2	20,8	24,5	3,7	1,53	1,88	0,35
Croatia	73,6	75,6	77,6	79,2	80,4	81,6	8,0	80,3	81,7	83,0	84,3	85,5	86,6	6,3	18,2	23,8	5,7	22,7	28,0	5,3	1,50	1,79	0,30
Cyprus	77,8	79,6	81,1	82,3	83,5	84,6	6,9	81,8	83,1	84,4	85,6	86,7	87,8	6,1	20,5	25,9	5,5	23,4	28,8	5,4	1,46	1,74	0,28
Czech Republic	74,5	76,4	78,2	79,6	80,9	82,0	7,5	80,6	81,9	83,2	84,4	85,6	86,7	6,1	18,9	24,1	5,2	23,0	28,0	5,1	1,55	1,91	0,36
Denmark	77,2	78,9	80,4	81,7	82,8	83,9	6,8	81,4	82,7	83,9	85,0	86,2	87,3	5,8	20,8	25,7	4,9	23,9	28,7	4,8	1,88	1,95	0,07
Estonia	68,9	70,8	72,7	74,5	76,0	77,2	8,3	79,5	80,6	81,7	82,8	83,8	84,9	5,3	16,5	21,2	4,7	22,9	26,9	4,0	1,59	1,88	0,30
Finland	77,3	78,8	80,2	81,5	82,7	83,9	6,6	83,6	85,1	86,4	87,7	88,9	90,1	6,5	21,5	25,9	4,4	25,9	31,2	5,3	1,85	1,90	0,05
France	78,2	79,7	81,2	82,5	83,8	85,0	6,8	85,1	86,7	88,1	89,4	90,7	91,9	6,8	22,4	26,9	4,5	27,5	33,0	5,5	1,98	1,99	0,01
Georgia	70,5	72,0	73,7	75,4	77,2	78,7	8,2	77,7	79,1	80,3	81,5	82,6	83,8	6,0	17,5	22,1	4,6	21,6	25,9	4,2	1,81	1,86	0,05
Germany	78,2	79,8	81,2	82,5	83,7	84,9	6,7	83,1	84,5	85,8	87,1	88,3	89,5	6,4	21,6	26,5	4,9	25,2	30,6	5,4	1,42	1,69	0,28
Greece	78,3	80,0	81,3	82,5	83,7	84,8	6,5	83,0	84,4	85,7	86,9	88,1	89,2	6,2	22,0	26,6	4,6	25,0	30,3	5,3	1,52	1,80	0,28
Hungary	70,4	72,1	73,8	75,7	77,3	78,7	8,2	78,5	79,8	81,0	82,1	83,3	84,4	5,8	17,1	21,8	4,7	22,1	26,3	4,3	1,41	1,77	0,37
Iceland	80,2	81,6	82,8	84,0	85,2	86,4	6,1	83,8	85,1	86,4	87,6	88,8	89,9	6,1	22,9	27,7	4,7	25,5	30,8	5,3	2,08	1,87	-0,22
Ireland	78,4	80,3	81,8	83,1	84,4	85,6	7,1	82,7	84,3	85,7	87,0	88,3	89,5	6,7	21,7	27,1	5,4	24,9	30,4	5,4	2,00	1,97	-0,02
Italy	79,5	81,1	82,6	83,9	85,2	86,5	6,9	84,9	86,5	87,9	89,3	90,6	91,9	7,0	22,5	27,8	5,4	26,6	32,5	5,9	1,48	1,83	0,36
Latvia	66,6	67,9	69,4	71,0	72,7	74,3	7,7	77,5	78,4	79,3	80,3	81,2	82,1	4,7	15,5	19,3	3,7	21,7	24,8	3,1	1,60	1,90	0,31
Lithuania	66,0	67,7	69,4	71,2	73,0	74,6	8,6	78,1	79,1	80,1	81,1	82,0	83,0	4,8	15,0	19,3	4,2	22,2	25,5	3,3	1,51	1,84	0,33
Luxembourg	77,9	79,7	81,1	82,4	83,7	84,9	7,0	83,0	84,4	85,8	87,1	88,4	89,6	6,7	21,4	26,5	5,1	25,2	30,8	5,5	1,67	1,85	0,18
Malta	77,4	79,4	80,9	82,3	83,5	84,7	7,3	82,0	83,4	84,8	86,1	87,3	88,5	6,6	20,7	26,4	5,7	23,8	29,4	5,6	1,36	1,72	0,37
Moldova	64,9	66,0	67,0	68,1	69,4	70,9	5,9	72,8	74,1	75,3	76,5	77,7	78,8	6,1	14,2	16,5	2,3	17,9	21,8	3,9	1,46	1,74	0,28
Montenegro	72,4	73,4	74,5	75,6	76,9	78,2	5,8	77,1	78,2	79,1	80,0	80,8	81,7	4,5	17,6	21,3	3,6	20,7	24,1	3,4	1,67	1,77	0,10
Netherlands	78,9	80,5	81,7	82,9	84,0	85,1	6,2	82,8	84,1	85,3	86,4	87,5	88,6	5,8	21,7	26,5	4,8	25,1	29,9	4,7	1,77	1,88	0,11
Norway	79,3	80,6	81,9	83,0	84,2	85,3	6,0	83,5	84,8	86,0	87,1	88,3	89,4	5,9	22,3	26,7	4,5	25,6	30,5	4,9	1,93	1,94	0,01
Poland	72,2	74,3	76,3	77,8	79,0	80,2	8,0	80,5	81,8	83,0	84,3	85,4	86,5	6,1	18,4	23,3	4,9	23,2	28,1	4,8	1,41	1,77	0,36
Portugal	76,8	78,9	80,4	81,8	83,2	84,5	7,7	82,8	84,5	86,0	87,4	88,7	90,0	7,2	21,1	26,3	5,1	25,0	31,0	6,0	1,32	1,71	0,39
Romania	70,2	71,6	73,2	74,9	76,7	78,3	8,1	77,4	78,7	79,9	81,1	82,2	83,4	6,0	17,3	21,9	4,6	21,2	25,5	4,3	1,41	1,78	0,37
Serbia	71,2	72,5	73,9	75,5	77,2	78,8	7,6	76,8	78,2	79,4	80,6	81,7	82,8	5,9	16,9	21,8	4,9	20,3	24,9	4,6	1,37	1,72	0,35
Slovak Republic	71,5	73,1	74,8	76,5	78,0	79,2	7,8	79,2	80,3	81,4	82,5	83,5	84,6	5,4	17,3	22,1	4,8	22,0	26,4	4,4	1,39	1,77	0,38
Slovenia	76,2	78,0	79,4	80,6	81,8	83,0	6,8	82,7	84,1	85,4	86,6	87,8	89,0	6,2	20,5	25,1	4,6	24,9	30,1	5,2	1,50	1,80	0,30
Spain	78,8	80,3	81,6	82,9	84,2	85,4	6,6	85,2	86,7	88,1	89,4	90,7	91,9	6,6	22,4	27,1	4,7	27,0	32,7	5,7	1,50	1,83	0,34
Sweden	79,7	81,0	82,3	83,5	84,7	85,8	6,2	83,8	85,1	86,4	87,6	88,8	89,9	6,1	22,4	27,2	4,8	25,7	30,9	5,2	1,92	1,99	0,07
Switzerland	80,1	81,5	82,9	84,2	85,4	86,6	6,6	84,9	86,3	87,7	89,0	90,2	91,4	6,6	23,1	28,0	4,9	26,8	32,3	5,5	1,53	1,80	0,28
"the former Yugoslav Republic of Macedonia"	72,9	74,5	76,1	77,9	79,7	81,2	8,3	77,5	79,0	80,3	81,6	82,8	83,9	6,5	17,7	23,4	5,8	20,4	25,6	5,2	1,44	1,73	0,29
Turkey	71,7	74,8	77,7	79,7	81,2	82,5	10,9	78,5	81,1	83,0	84,7	86,1	87,4	8,8	18,7	24,8	6,1	22,9	29,0	6,1	2,05	1,77	-0,29
EU27	76,7	78,5	80,2	81,8	83,3	84,6	7,9	82,5	84,0	85,4	86,7	87,9	89,1	6,5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,59	1,71	0,11
WORLD	67,8	69,7	71,4	73,0	74,4	75,8	8,0	72,3	74,2	75,9	77,5	78,8	80,1	7,8	18,5	21,7	3,2	21,4	24,6	3,2	2,50	2,15	-0,34

Source: The UN's "World Population Prospects: The 2012 Revision". Due to lack of available data, the graph does not include the Holy See, Kosovo, Liechtenstein and San Marino. Countries highlighted in blue are CEB target countries. EU27 figures are based on the EC's "The 2012 Ageing Report". Countries highlighted in blue are CEB target countries.



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