PRIORITIZING HUMAN CAPITAL IN THE WORLD BANK OPERATIONAL RESPONSE TO COVID-19: THE FIRST 100 DAYS

September 2020
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### Acronyms

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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CAT DDO</td>
<td>Catastrophe Deferred Drawdown Options</td>
</tr>
<tr>
<td>CERC</td>
<td>Contingency Emergency Response Component</td>
</tr>
<tr>
<td>CRVS</td>
<td>Civil Registrations and Vital Statistics</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<td>DPF</td>
<td>Development Policy Financing</td>
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<tr>
<td>DPO</td>
<td>Development Policy Operations</td>
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<tr>
<td>FCV</td>
<td>Fragile, Conflict and Violence</td>
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<tr>
<td>FY</td>
<td>Financial Year</td>
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<tr>
<td>GP</td>
<td>Global Practice</td>
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<tr>
<td>G2P</td>
<td>Government-to-Person</td>
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<tr>
<td>HD</td>
<td>Human Development</td>
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<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<td>IDA</td>
<td>International Development Agency</td>
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<tr>
<td>IPF</td>
<td>Investment Project Financing</td>
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<tr>
<td>MPA</td>
<td>Multiphase Programmatic Assessment</td>
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<tr>
<td>MTI</td>
<td>Macroeconomics, Trade and Investment</td>
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<tr>
<td>OCPS</td>
<td>Operations and Country Services</td>
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<tr>
<td>PforR</td>
<td>Program-for-Results</td>
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<tr>
<td>PPE</td>
<td>Personal Protective Equipment</td>
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<tr>
<td>Q4</td>
<td>Fourth Quarter</td>
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<tr>
<td>SOE</td>
<td>State-owned Enterprise</td>
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<tr>
<td>SPJ</td>
<td>Social Protection and Jobs</td>
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<td>WASH</td>
<td>Water, Sanitation and Hygiene</td>
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Introduction

In the first 100 days of responding to the COVID-19 crisis, protecting and investing in human capital has been a central element of the World Bank’s operations, accounting for over $16 billion in financing and half of all projects approved. Protecting hard-won gains in human capital is at the heart of the World Bank’s policy priorities guiding the operational response to the COVID-19 pandemic.

The World Bank is responding with unprecedented speed, scale, and scope to operationalize $160 billion in IDA and IBRD financing committed for the response to COVID-19. Following the structure of the Approach Paper, the operational response encompasses four pillars:

- Pillar 1 - Saving Lives
- Pillar 2 - Protecting Poor and Vulnerable People
- Pillar 3 - Ensuring Sustainable Business Growth and Job Creation
- Pillar 4 - Strengthening Policies, Institutions and Investments for Rebuilding Better

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Each of these pillars is important to protecting and investing in human capital—the knowledge, skills, and health that people accumulate throughout their lives, enabling them to realize their potential as productive members of society.

This note reviews the scale, scope, and content of the first wave of COVID-19 era operations during the first 100 days of the response, with examples from projects approved in the fourth quarter (Q4) of fiscal year 2020 (FY20) that span the four response pillars.

The World Bank has responded rapidly to the COVID-19 crisis with a strong focus on human capital from a range of sectors. The volume of lending and the unprecedented number of projects reflect the speed of response demanded by the mandate to prioritize people in the response to COVID-19.

• In the first 100 days, over $16.7 billion ($9.2 billion IBRD and $7.5 billion IDA) in support of human capital was delivered, accounting for half of all operations approved.

• Encompassing 110 IDA and 54 IBRD projects, this includes all FY20 Q4 social sector Human Development (HD) projects—investment project financing (IPF), program-for-results (PforR), and development policy operations (DPOs) from the Education, Social Protection and Jobs and Health, Nutrition and Population global practices—and DPOs from sectors outside of HD with prior actions that have a direct influence on human capital outcomes (as of June 10, 2020).

• The volume of financing and number of operations in the HD social sectors alone were triple and quadruple previous years’ averages, respectively. The $12.1 billion in FY20 Q4 new commitments in HD is triple the average Q4 commitments in past years. As to projects, HD normally delivers 32 projects in Q4 and 127 were delivered this FY—quadruple the average number from past years.

• Of the $16.7 billion in financing for human capital in FY20 Q4, $12.1 billion is from HD operations and $4.6 billion from DPO operations led by other sectors, including Macroeconomics, Trade and Investment (MTI); Environment, Natural Resources and the Blue Economy; Energy & Extractives; Urban, Resilience and Land; Finance, Competitiveness and Innovation; and Governance.

• Human Capital is a central element of recent DPOs; over 40 percent of FY 20 Q4 DPO financing supports Human Capital-focused policy reforms, accounting for $6.1 billion. Among the Q4 Human Capital DPO commitments, there is $3.87bn IBRD and $0.75bn IDA associated with 128 Human Capital prior actions across 37 non-HD development policy financings (DPFs).


The first 100 days applies to IBRD and IDA operations financed in FY20 Q4 (covering April through June 2020)

The delegation of project approval to Regional Vice Presidents was instrumental in the speed of the response; 60 percent of COVID-19 operations were approved at the Regional Vice President level, rather than requiring Board approval.

The percentage includes all HD DPOs as well as human capital-focused prior actions in non HD DPOs where financing amounts for human capital were weighted proportional to prior actions for human capital.

Please refer to the database of DPO prior actions created for this analysis. https://worldbankgroup.sharepoint.com/sites/ewebsites/humancapital/SitePages/Detail.aspx/Documentsmode=view?Id=133&SiteURL=/sites/ewebsites/humancapital
1. Operational Response Overview

Countries have been receiving support through the COVID-19 Fast-Track Facility which includes a strong use of rapid disbursing DPOs. In addition, existing resources are being redeployed, including through project restructuring, use of Contingency Emergency Response Component (CERC) financing from existing projects, and the triggering of Catastrophe Deferred Drawdown Options (CAT DDOs). A first line of defense against COVID-19 was the rollout of the innovative Global Health Multiphase Programmatic Assessment (MPA) which provides an operational template to be rapidly deployed across countries: as of June 30, the Bank had approved US$4.3 billion for emergency health support to 77 countries, rolled out through a series of IPF operations. The first set of IPFs under the Global Health MPA, consisting of 25 operations, was approved on April 2, 2020.

This section includes an illustrative overview of the types of operations being introduced in each of the four response pillars. It reflects a wide range of responses across sectors that have mobilized to protect human capital and covers efforts for relief, restructuring and recovery.

Pillar 1. Saving Lives

World Bank operations, including those approved under the April 2020 MPA as well as more recent projects, offer unprecedented immediate support to countries to contain the pandemic and protect health. These projects address emergency containment and mitigation needs for COVID-19, including strengthening countries’ health systems to treat severe cases and save lives. Specifically, these projects help to:

- **Strengthen disease surveillance and testing capacity.** Disbursement is underway for Senegal ($20 million) and Ghana ($35 million), both under the April 2020 MPA which covered 25 countries and includes funding to strengthen disease surveillance systems, public health laboratories, and epidemiological capacity for early detection. Further emergency projects approved in May 2020 will, for example, help Serbia strengthen its surveillance system and epidemiological capacity for early detection and confirmation ($100 million), and Indonesia to reduce risk of spread, improve ability to detect, and strengthen national systems for public health preparedness ($250 million). In Ethiopia, a new COVID-19 Emergency Response and Health Systems Preparedness Project will build diagnostic capacity and training, improve health screening of people entering the country, and establish quarantine, isolation and treatment centers.

Many of these projects provide support to countries the opportunity to upgrade technology and information systems to improve health system functions, including enhanced epidemiological surveillance and improved supply chain management for essential drugs and equipment. The largest ever health sector project in India, a $1 billion health emergency package approved in June 2020, will upgrade the country’s disease surveillance to a world-class system, help strengthen preparedness for disease outbreaks and revamp infectious disease hospitals. It will strengthen a network of high containment biosafety laboratories so that India’s health system is prepared to cope with health emergencies in the future. In Burkina Faso, the Ministry of Health is upgrading its national information system to better track and manage the supply chain of essential medications using smart phones. The Honduras COVID-19 response DPO includes a strengthened health surveillance system based on the adoption of good practices in early detection, monitoring and response to epidemics and disease outbreaks.

- **Deliver critical medical supplies and equipment.** There are many examples of World Bank support on this front. In Pakistan, the first consignments of personal protective equipment (PPE) have already been delivered to doctors and paramedics, as part of a larger package of support to the country. In April 2020, $100 million was approved for the Philippines to procure materials including PPE, essential medicines, test kits, and key equipment including ventilators. In India, the health emergency package will include procurement of testing kits, ventilators, medicines, and PPE, as well as set up new isolation wards, upgrade existing wards, and expand intensive care units. DPOs are
also contributing on this front, e.g. the $300 million Uganda COVID-19 Economic Crisis and Recovery DPO approved in June 2020 is supporting tax exemption for supplies and equipment used in the treatment of COVID-19. In Ethiopia, the emergency project will also finance the procurement of medical supplies and equipment. In Nigeria, the COVID-19 Preparedness and Response Project includes the provision of safe and stimulating childcare environments for children of frontline workers, and recognizes childcare workers as frontline workers.

- **Meet the increased demand and ensure the continuity of public health services.** Many countries are saving lives by enhancing the capacity of health systems to treat those affected by COVID-19 and also to address the threat in disruptions to access to health services caused by COVID-19, notably in maternal and child health services. In the Central African Republic, reforms have been introduced to provide free health care to children under-five, pregnant and breastfeeding women, and victims of gender-based violence, while introducing reforms to promote performance-based financing in the health sector. In the Seychelles DPO, the National Response Plan for COVID-19 defines the reopening stages, testing strategy and its costing and includes a results framework to benchmark progress. The new $700 million Colombia COVID-19 DPO will help the government respond to increased demand by providing the budgetary space for funding essential health care services for COVID-19 patients.

- **Develop pandemic awareness messaging.** One component of the $35 million Cote d'Ivoire Strategic Preparedness & Response Project, approved May 2020, will help equip people with the necessary knowledge and motivation to adopt prevention-related behaviors and counter misinformation. As part of comprehensive support to Egypt's national effort on COVID-19, a $50 million emergency project will cover development of contextualized messaging platforms and tools to improve public awareness of COVID-19 prevention, in addition to several other measures. In Djibouti, with Bank support, community institutions and women’s organizations will help disseminate information on proper handwashing and hygiene measures in vulnerable areas.

- **Establish and support efforts in fragile, conflict and violence (FCV) settings.** This is a priority, given the rapidly growing number of COVID-19 cases in some FCV countries. For example, under the April 2020 MPA, a $20 million IDA grant was approved for Haiti that aims to enhance testing, minimize spread through contact tracing of confirmed cases, and provide laboratory and protective equipment for health care staff. Other FCV countries included in the first MPA are Afghanistan, the Democratic Republic of Congo, The Gambia and Yemen. Further, in Iraq, $33.6 million in World Bank resources has been redeployed to support the COVID-19 emergency health response. Mali will receive $25.8 million to enhance its screening, detection, and treatment of COVID-19 cases. Funding to The Gambia will enhance COVID-19 case detection and tracing, improve treatment centers, as well as strengthen disease surveillance and diagnostic capacity. The response includes efforts outside the MPA including the West Bank & Gaza COVID-19 health project.
• **Extend the health response to other sectors.** Besides projects from the Health, Nutrition and Population sector, the health response includes strong contributions from several other sectors, including through existing operations. While water, sanitation and hygiene (WASH) services are a crucial part of preventing disease and protecting human health during infectious disease outbreaks, staffing, resources and transportation for water utilities are particularly challenging during a pandemic. Resources from the Second Urban Water Supply and Sanitation Project in Ethiopia have been urgently mobilized to help overcome these challenges and maintain an adequate level of service during the pandemic response. Also, additional financing for The Gambia Electricity Restoration and Modernization project will support urgent COVID-19 related needs such as water services, handwashing stations, hygiene kits, and WASH campaigns.

**Pillar 2. Protecting Poor and Vulnerable People**

This pillar is part of a major ongoing effort to protect poor and vulnerable households from the impact of the pandemic. It includes providing income support to poor (existing and new) and vulnerable households, ensuring food security, and providing essential services in urban and rural areas including access to education, as outlined in the Social Response Framework paper. There is a focus on ensuring that food systems, markets, and services critical to the COVID-19 response function during lockdowns, and that adequate cash and in-kind support supplement the incomes of poor and vulnerable people.

The operational response is being rolled out across a range of sectors and lending instruments.

**Scaling up social safety nets has been central to the response to COVID-19.**

* The $1 billion Accelerating India’s Covid-19 Social Protection Response DPO series was approved in May 2020 and is led by the Social Protection and Jobs Global Practice (SPJ GP), with inputs from MTI, Governance, Poverty and Equity, and Social Sustainability & Inclusion GPs. The first phase for $750 million will immediately help scale up cash transfers and food benefits using pre-existing national platforms and programs, provide social protection for essential workers involved in COVID-19 relief efforts; and benefit vulnerable groups, particularly migrants and informal workers, who face high risks of exclusion. Later, the program will deepen the social protection package through state governments and portable social protection delivery systems. The project also includes a strong gender focus: of the project’s 320 million beneficiaries of cash transfers, 204 million are women, while 60 percent of social pension recipients are women.

* The $350 million Jordan Emergency Cash Transfer COVID-19 Response Project will support cash transfers to poor and vulnerable households affected by the pandemic (co-financed by DfID).

• Uruguay’s COVID-19 response includes a detailed plan to strengthen the social assistance program and alleviate impacts of the pandemic. First, the country will double the one-time monthly benefits that support vulnerable families to buy basic goods. Second, an additional 50 percent of the monthly benefits will be distributed to children and families who participated in the cash transfer programs. Third, Uruguay will introduce a food basket distribution program for households that don’t receive other government transfers.

• Besides strengthening existing social programs, countries have also taken actions to increase coverage and better service delivery. In Colombia, the government will expand the master database for targeting social programs to facilitate cash payments to poor and vulnerable households that have not registered and modify the existing social protection programs to provide cash payments in a direct and timely fashion. The Colombia COVID-19 DPO will help increase the number of households receiving monetary and school meal support to mitigate the impact of COVID-19.

• The Uganda COVID-19 DPO will, among several other measures, expand the existing senior citizen grant to cover 71 additional districts, and expand the country’s cash for work program.

• Haiti has approved the National Social Protection and Promotion Policy to increase transparency and coordination in future programs including cash transfers for COVID-19 relief.

Operations supporting education maintain their goal of reducing learning poverty while helping countries cope with pandemic-related distance learning and school reopening. Several operations also take a longer-term perspective about strengthening education systems to make them more equitable and shock-responsive, often through innovative technology.

• Some DPOs include prior actions in education to support COVID-19 response, such as in Panama and Guatemala.

• Many projects support remote learning. For example, in Turkey, a $160 million Safe Schooling & Distance Education project is being prepared to support better connectivity of the country’s Education Digital Platform and distance education. An existing project in Tunisia will add new targets on distance learning and remedial strategies as disbursement-linked indicators. In Nepal, under the ongoing Higher Education Reforms Project, two universities have switched from face-to-face to distance learning. The new $50 million Sierra Leone Free Education Project will support some initial COVID-19 response activities, including provision of distance learning and communication campaigns on prevention. Additional financing of $100 million for the Jordan Education Reform Support PforR will, among other measures, help to sustain distance learning measures adopted in response to COVID-19.
• In Haiti, an existing project is being restructured to provide school feeding and one-time support to families. A new emergency safety nets project in Bolivia will help families with children ages 3-18 to cover extra spending on health, transport, and/or food because of the pandemic.
• Additional financing for an existing project in Benin will support safe reopening and return of students to school in the most deprived communes. In Ethiopia and Madagascar (and other countries), Global Partnership for Education emergency funds will support remote learning and safe reopening of schools. In Sudan, a COVID-19 response emergency project is being prepared that will help maintain learning continuity during the pandemic and ensure appropriate resumption of teaching and learning when schools reopen.
• In Pakistan, the National Equitable Education project (PforR), a federal level program that will be implemented in four providences, includes activities centered on communication campaigns that support both teachers and students. These campaigns have a strong focus on the importance of girls’ enrollment in education. The project will curate, edit, and broadcast pedagogical content via TV, radio, and online platforms with a gender equality focus.

Operations supporting access to food, including production, supply chains and food security make a critical contribution to safeguard livelihoods and human capital.
• In Uruguay, the COVID-19 response operation led by the Environment, Natural Resources and the Blue Economy GP includes the distribution of food baskets among poor households that don’t receive other government transfers.
• Through the second Inclusive Growth and Fiscal Management DPO led by MTI, the Kenyan government has committed to purchases for the strategic grain reserve and is rolling out an e-voucher subsidy program for agricultural production.
• The $150 million Senegal Agriculture & Livestock Competitiveness PforR, approved May 2020, will help mitigate the negative impacts of COVID-19 by boosting agricultural and livestock productivity, ensuring resilient production practices and improving revenues for farmers and herders.
• In Myanmar, the new $200 million National Food and Agriculture System Project will protect agricultural livelihoods and help the agriculture and food sector fully recover from the COVID19 crisis. It will support parts of the government's COVID-19 Economic Recovery Plan.
• The Uganda COVID-19 DPO will also support farmers by helping them to access high quality agricultural inputs, seeds and fertilizers using e-vouchers, to boost nutrition and food security.

Pillar 3. Ensuring Sustainable Business Growth and Job Creation

Protecting jobs to safeguard income and to ensure that human capital can be preserved, enhanced and deployed is central to the economic response to COVID-19.
• In the Philippines, the COVID-19 response DPO includes an expanded credit guarantee to medium and small enterprises to support business continuity and jobs.
• Additional financing of $400 million for the Indonesia Social Assistance Reform Project will support not only the expansion of the existing cash transfer program for poor and vulnerable populations under Pillar 2, but also emergency top-up cash transfers to help safeguard livelihoods.
• In Uzbekistan, a $95 million package includes funding for cash support to low-income families and one-off unemployment benefits.
• Uruguay’s COVID-19 response DPO includes emergency measures to protect workers by: (a) putting in place a temporary unemployment scheme that complements its existing one by providing salary replacement in case of partial suspensions; and (b) modifying the sickness benefits regulations to allow workers over 65 years old to maintain their income while staying quarantined for up to 30 days.
• The Colombia COVID-19 DPO will help the government roll out biosafety protocols to facilitate and support the safe reactivation of key economic sectors.

Pillar 4. Strengthening Policies, Institutions and Investments for Rebuilding Better

The response to COVID-19 increasingly involves strengthening policies and institutions to be more equitable, efficient, and resilient in the longer-term. Some operations introduce reforms to remove binding constraints to human capital investments, including across gender dimensions, and to strengthen core systems.

• The $1 billion Kenya Inclusive Growth and Fiscal Management DPO will help close the fiscal financing gap, while supporting reforms that help advance the government’s inclusive growth agenda including in areas such as affordable housing and support to farmers’ incomes. In Indonesia, the First Financial Sector Reform DPO, with supplemental COVID-19 financing of $300 million, will help the government diversify its financing sources to meet the unanticipated financing gap caused by the impact of COVID-19.
• In Ecuador, the second in a series of programmatic DPOs supporting structural reforms has been restructured (while preserving the bulk of the medium-term reform agenda) to include support for cash transfers to the vulnerable as part of the country’s COVID-19 response.
• Mexico’s COVID-19 response DPO led by Finance, Competitiveness and Innovation includes a series of reforms to put into place more equitable and efficient service delivery including policies needed to help in the construction of a robust and unique identification system and a related electronic payment platform.
• In Uruguay, the COVID-19 response DPO is helping to strengthen the institutional response to the expected rise of gender-based violence in the context of the COVID-19 quarantine by introducing reforms designed to outlast the pandemic. The Development
Response to Displacement Impacts Project in Uganda will monitor information on gender-based violence and violence against children and support rapid and adequate referral of cases.

- Indonesia’s Social Assistance Reform Project couples income support with counseling, behavioral information, and guidance on early childhood health, nutrition, growth, and development.
- In Zambia, the COVID-19 Emergency Response and Health System Preparedness project will work with Ministry of Health and Gender Affairs to ensure the dissemination of information on available services for sexual and gender-based violence, use of established response hotlines and community outreach.

2. Development Policy Operations: A Special Focus

The COVID-19 response has made strong use of development policy operations (DPOs) as this type of lending instrument is well suited to a rapid response, with flexible financing, that can be deployed to address reforms across a range of sectors.

The human capital-focused prior actions—the policy reforms central to the lending instrument—included in DPOs approved in Q4 of FY20 support all four pillars of the response, as illustrated by the examples in Table 2.1, drawn from a database of DPO prior actions created for this analysis.
**Table 2.1: Examples of Human Capital Focused DPO Prior Actions**

<table>
<thead>
<tr>
<th>COVID-19 CRISIS RESPONSE</th>
<th>EXAMPLES OF Q4 PRIOR ACTIONS</th>
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</thead>
<tbody>
<tr>
<td>Pillar 1 Saving Lives</td>
<td>• Uganda: Approve one-year customs, excise, and VAT exemptions on products used to prevent, treat, and manage COVID-19 (P173906)</td>
</tr>
<tr>
<td></td>
<td>• India: Establish a special health insurance scheme for health workers providing essential care/medical services to COVID-19 patients (P173943)</td>
</tr>
<tr>
<td></td>
<td>• Honduras: Strengthen health surveillance system by adopting best international practices on early detection, monitoring and response to epidemics and disease outbreaks (P172567)</td>
</tr>
<tr>
<td>Pillar 2 Protecting the Poor &amp; Vulnerable</td>
<td>• Colombia: Regulate the implementation of the school feeding and pre-school feeding programs to protect the nutrition of poor and vulnerable children following facility closures (P174118)</td>
</tr>
<tr>
<td></td>
<td>• India: Approve the provision of free food rations for a three-month period (P173943)</td>
</tr>
<tr>
<td></td>
<td>• Uruguay: Strengthen its institutional response to violence against women and children, particularly domestic and intimate partner violence (P172796)</td>
</tr>
<tr>
<td>Pillar 3 Ensuring Sustainable Business Growth &amp; Job Creation</td>
<td>• Ecuador: Increase flexibility in work by regulating telework and allowing for emergency adjustments or suspension of work shift (P171190)</td>
</tr>
<tr>
<td></td>
<td>• Philippines: Expand credit guarantee to micro, small and medium enterprises (MSMEs) to support business continuity (P174120)</td>
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<tr>
<td></td>
<td>• Dominican Republic: Defer income tax and firm tax payments (P174145)</td>
</tr>
<tr>
<td></td>
<td>• Uzbekistan: Adopt new definition of small business for tax registration purposes especially for women (P173948)</td>
</tr>
<tr>
<td>Pillar 4 Strengthening Policies, Institutions and Investments for Rebuilding Better</td>
<td>• Haiti: Improve resilience and multisectoral coordination by approving the National Disaster Risk Management Plan and National Risk Financing Strategy (P171472)</td>
</tr>
<tr>
<td></td>
<td>• Mexico: Enact the Amendment to the Credit Institutions Law, mandating the prioritization of programs and projects targeting women’s financial needs and gender parity in state development banks’ corporate governance structure (P172863)</td>
</tr>
<tr>
<td></td>
<td>• Tunisia: Implement structural reforms to improve SOE competitiveness and the delivery of essential services (e.g. WASH, electricity) to the poor (P173324)</td>
</tr>
</tbody>
</table>
The DPO lending instrument is well positioned to support complementary reforms across a range of sectors. The Tunisia First Resilience and Recovery emergency DPO strengthens the social protection system, including foundational identification and payment systems, while also supporting access to credit for microenterprises, and streamlining trade procedures for critical materials including medicine, health equipment and food at its main port. The Haiti COVID-19 Response and Resilience DPO covers the emergency health response, health emergency preparedness, support to the social protection system and the development of a National Risk Financing Strategy.

As illustrated in Figure 2.1, an evaluation of all Human Capital DPO prior actions in Q4 based on the four pillars outlined in the approach paper, shows that Pillar 2—Protecting Poor and Vulnerable People—accounts for the largest amount of financing ($2.1 billion). Pillar 2 responses cover all three stages of relief, restructuring and recovery. Emergency subsidy and cash transfer programs have been planned for countries such as the Philippines, Costa Rica, Ecuador, and the Dominican Republic, including expanding coverage to informal sector urban populations in many cases. Policy actions have also been proposed for the restructuring stage—Morocco, Bangladesh and Dominican Republic will use cash transfer schemes and employee assistance funds to support informal and formal workers. Looking ahead to resilient recovery, countries such as Tunisia and Colombia will work on enhancing social protection systems and expanding social registries to enhance coverage and the ability to respond to future shocks.

Over one-third of the Human Capital DPO prior actions are focused on Pillar 4—Strengthening Policies, Institutions and Investments for Rebuilding Better—indicating the importance of supporting countries’ long-term development goals. The policy actions encompass fiscal, legal, and institutional reforms across sectors and provide important strategic directions to support recovery. For example, there are several prior actions on service delivery systems reforms covering the enhanced use of digital payments, the expanded coverage of social registries, and reforms to legal frameworks to advance interoperability and ensure better service delivery.

Several of the prior actions have an emphasis on gender and are found across all four pillars, ranging from supporting the victims of gender-based violence to adopting gender equity in access to employment.

In future DPOs, there are opportunities to strengthen core systems to protect human capital and to support more efficient, accountable, and equitable services. The use of DPOs complements the use of investment lending under the MPA for the first stage emergency health response. As such, it is not surprising to see less of a focus on Pillar 1 in the DPO prior actions, as well as a strong focus on Pillars 2 and 3 given the stage of the COVID-19 response. However, certain areas amenable to policy reforms for protecting human capital are not as present in the DPO response, including reforms in access to education (particularly regarding access and learning), reforms with a strong equity focus beyond the expansion of safety nets, reforms to expand social insurance coverage especially to informal sector workers, reforms to provide access to child care and health systems strengthening reforms focused on human resource management. Given that much of the damage to human capital during the pandemic will come from foregone essential services, particularly for women, children and vulnerable groups, there are clear opportunities for system strengthening and for tailoring reforms to ensure that gaps in human capital do not widen further. While these areas are addressed in many of the operations other than DPOs, there is scope for expanding the use of DPOs in these areas, especially as a complement to the IPFs.
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Figure 2.1 Share of Human Capital DPO Financing in FY20 Q4

Source: Original calculations for this publication based on World Bank operational data.

3. Conclusions

The COVID-19 pandemic presents a global health emergency and an unprecedented economic crisis of historic magnitude. It has called on the global community to develop rapid, focused responses to contain the disease and address the impacts of the economic crisis on jobs, income, and access to services, especially for vulnerable populations.

The World Bank’s operational response to the COVID-19 crisis has been rapid and consistent with the strategy and policy directives set forth that call for a focus on protecting people’s lives and their livelihoods. The first 100 days of the response have underscored the ability of the World Bank to scale up and respond quickly to support countries in meeting the unprecedented challenge of COVID-19.

Looking forward, helping countries meet the challenge of the COVID-19 pandemic will need to remain a central focus of the World Bank’s operations. Medium-term strategies will need to be developed to ensure that technical assistance and financing for operations continue to be available on a scale consistent with the demand. This will not be an easy task. Countries will face difficult decisions in the face of fiscal constraints and support from the international community will be critical, including debt relief and scaled up support for lower-income countries.

However, this crisis can be an opportunity to rethink policy to build back with stronger systems for people and economies. World Bank operations can play an important role. The scaled-up use of development policy operations presents an opportunity to couple financial support with policy reforms to strengthen education, health, social assistance and insurance systems as well as access to core investments for human capital development such as safe water, broadband, and the economic and regulatory infrastructure needed to access good jobs. In moving forward with these reforms, countries will have the opportunity to address equity and coverage gaps which have been starkly revealed by the crisis.
Annex: Methodology for a Rapid Estimate of the Immediate Response
The accounting of FY20 Q4 human capital investments includes all Q4 Human Development (HD) projects (e.g., IPF, PforR, MPA, DPO operations from the Education, Social Protection and Jobs and Health, Nutrition and Population global practices) and non-HD DPOs with human capital related-prior actions, with financing proportional to the share of human capital-related prior actions. This includes supplemental DPOs and additional financing. It does not include projects other than DPOs from sectors outside of HD, which means that important contributions to human capital from a range of sectors have not been captured, including from non-DPO projects led by Water, Agriculture and Energy. Nor does it include restructured projects, co-financing or World Bank Group financing beyond IDA and IBRD—all important source of support.
Human Development Operations

The numbers from Q4 HD operations reflect the prioritization of the immediate health response, as well as a strong focus on Sub-Saharan Africa and South Asia (see Table A.1).

Table A.1  FY20 Q4 HD Operations

<table>
<thead>
<tr>
<th></th>
<th># Projects</th>
<th>IBRD $m</th>
<th>IDA $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD</td>
<td>127</td>
<td>5283</td>
<td>6785</td>
</tr>
</tbody>
</table>

**Breakdown by Global Practice**

<table>
<thead>
<tr>
<th>Global Practice</th>
<th># Projects</th>
<th>IBRD $m</th>
<th>IDA $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>19</td>
<td>851</td>
<td>2354</td>
</tr>
<tr>
<td>Health Nutrition</td>
<td>92</td>
<td>3132</td>
<td>2426</td>
</tr>
<tr>
<td>Population</td>
<td>16</td>
<td>1300</td>
<td>2005</td>
</tr>
</tbody>
</table>

**Breakdown by Region**

<table>
<thead>
<tr>
<th>Region</th>
<th># Projects</th>
<th>IBRD $m</th>
<th>IDA $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa East</td>
<td>22</td>
<td>26</td>
<td>2087</td>
</tr>
<tr>
<td>Africa West</td>
<td>27</td>
<td>9</td>
<td>1464</td>
</tr>
<tr>
<td>East Asia Pacific</td>
<td>20</td>
<td>1064</td>
<td>624</td>
</tr>
<tr>
<td>Europe Central Asia</td>
<td>16</td>
<td>1068</td>
<td>296</td>
</tr>
<tr>
<td>Latin America - Caribbean</td>
<td>14</td>
<td>375</td>
<td>109</td>
</tr>
<tr>
<td>Middle East North Africa</td>
<td>11</td>
<td>1006</td>
<td>32</td>
</tr>
<tr>
<td>South Asia</td>
<td>16</td>
<td>1735</td>
<td>2171</td>
</tr>
</tbody>
</table>

**Breakdown by Lending Instrument Type**

<table>
<thead>
<tr>
<th>Lending Instrument Type</th>
<th># Projects</th>
<th>IBRD $m</th>
<th>IDA $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPO</td>
<td>3</td>
<td>200</td>
<td>1300</td>
</tr>
<tr>
<td>IPF</td>
<td>118</td>
<td>3817</td>
<td>5335</td>
</tr>
<tr>
<td>PforR</td>
<td>6</td>
<td>1266</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Original calculations for this publication based on World Bank operational data.
Note: Total project count includes Global Health MPA.

The increase in Human Development operations is substantial in terms of financing volume as well as number of projects. The total amount committed by HD operations in Q4 is $12.1 billion (IBRD + IDA), that is more than double of a typical HD Q4 commitment ($4.2 billion). In addition, HD normally delivers 32 projects in Q4, and 127 projects were approved in FY20 Q4, which is almost quadruple the normal number. Table 2.2 indicates the growth in annual HD lending as a share of total lending over the past fiscal years.
HC Related Prior Actions in DPOs Led by Practice Groups Outside Human Development

To capture non-HD efforts, the HD-OPCS team prepared a database of prior actions from DPOs not led by Human Development and delivered in Q4 FY20. The team conducted a review to identify human capital-related reforms and calculated financing amounts based on the proportion of human capital prior actions.

Methodology for Q4 accounting of Human Capital DPOs

The coding guide for inclusion as a Human Capital prior action is based on the theories of change for human capital outcomes. It focuses on prior actions with a direct influence on human capital outcomes (e.g. school and health clinic infrastructure, but not infrastructure more generally). Because it was decided that all HD projects would be included in the accounting, the team took a more comprehensive view of the types of projects under SPJ especially regarding social insurance, labor market and jobs interventions. This included tagging as human capital-specific those prior actions that supported workers as well as micro-enterprises, but did not include broader financial support to industry.

The approach took into account the following parameters for inclusion:

- Prior Actions directly related to HNP, EDU and SPJ sectors including:
  - labor market policies (minimum wages, public sector wages)
  - social insurance reforms for unemployment, social pensions
  - public sector human resource reforms specific to the education and health sectors
- Agriculture, Fishing and Forestry prior actions related to:
  - agricultural productivity and farm income: crops, livestock, fisheries, agricultural extension, irrigation, and drainage
  - food security e.g. grain reserves, food supply, supply chains, zoonotic transmission
PRIORITIZING HUMAN CAPITAL IN THE WORLD BANK OPERATIONAL RESPONSE TO COVID-19: THE FIRST 100 DAYS

- Other agriculture prior actions (e.g. pricing, commodities markets regulation) are not included

- Emergency Preparedness with respect to:
  - Plans for countercyclical cash transfers, pandemic preparedness, building standards for schools and health facilities and domestic resource mobilization (DRM) for these types of responses
  - Housing standards and coastal resilience are not included

- Energy and Extractives prior actions related to:
  - Energy transmission and distribution for schools and health centers
  - Access to energy for schools and health centers

- Urban and Rural Development
  - Infrastructure only for schools and health centers

- Services and housing for the poor service delivery tools
  - Distance learning, social registries, ID systems, civil registrations and vital statistics (CRVS), E-payments affecting cash transfers
  - Financial sector/telecom reforms and regulations that govern financial agents and government-to-person (G2P) transfers are not included

- Equity focused reforms across all sectors
  - Social Inclusion: Poverty/refugees/indigenous groups/disability/gender sexual orientation and gender identity/other vulnerable populations

- Water, sanitation and hygiene (WASH)
  - Water, sanitation, and waste management
  - Urban and rural water and sanitation
  - Further guidance to be developed for FY21 on distinguishing between direct investments and systemic reforms

- Environmental projects have not been included as the direct benefits to households are more difficult to establish from the prior actions reviewed from FY20 Q4; however, further guidance will need to be developed for future efforts given the strong links between human capital and environmental aspects such as vector borne diseases and water quality.

Next Steps for Monitoring the Operational Response

As noted previously, this accounting of FY20 Q4 human capital investments is a conservative estimate, as it excludes IPFs, IPFs under an MPA and PforRs that are not led by HD. Therefore, many important contributions for building human capital have not been accounted for, such as WASH operations delivered by the Water Global Practice. The next step moving forward is to develop a more comprehensive approach to capture the wider range of non-HD operations that support the human capital agenda. Toward that end, OPCS together with the Human Capital Project team will explore using the principles from the non HD DPO coding guidelines as the basis for developing a methodology for coding human capital efforts in non HD-led projects and pilot this effort in FY21. The goal is to produce a more comprehensive mapping of World Bank operational support for human capital that can be used in FY21 and beyond.