



WORLD BANK GROUP

HUMAN CAPITAL PROJECT **YEAR 2 PROGRESS REPORT**

PROTECT AND INVEST *in people*



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Contents

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Vision

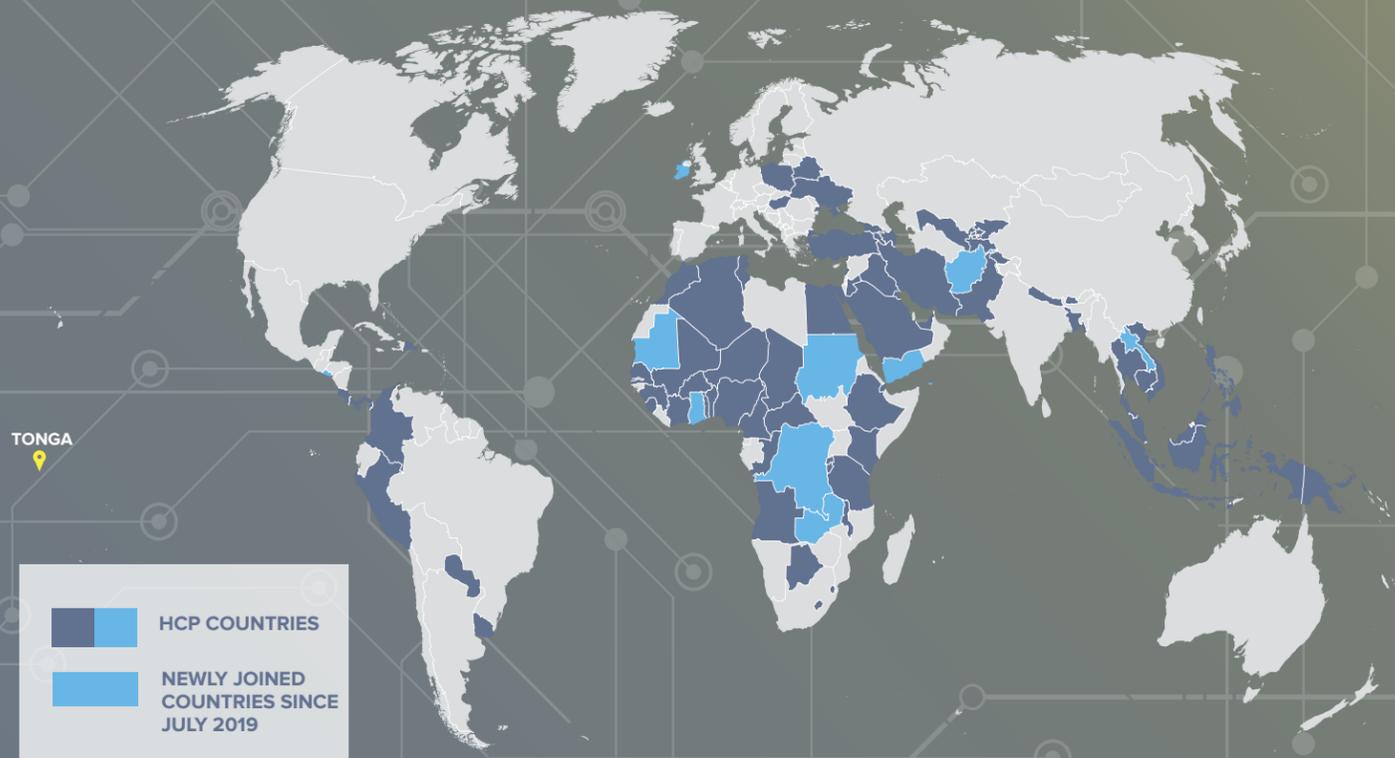
Human capital is central to the World Bank Group's efforts to end extreme poverty by 2030 and raise the incomes of the bottom 40 percent of people in each country.

The **Human Capital Project** is a global effort to accelerate more and better investments in people for greater equity and economic growth.

Facilitated by the World Bank Group, its vision is a world in which all children reach their full potential—growing up well-nourished and ready to learn, attaining real learning in the classroom, and entering the job market as healthy, skilled, and productive adults.

AT A GLANCE

BY THE END OF SEPTEMBER 2020, **78 COUNTRIES** HAD JOINED THE HUMAN CAPITAL PROJECT.



Foreword

In recent years, human capital has emerged as a high priority issue in many countries. In 2020, we find ourselves in an unprecedented global situation as countries and development partners work hard to protect households and economies from the COVID-19 pandemic, which threatens to reverse hard-won human capital gains.

This is a never-to-be-forgotten moment in history. Seldom have we been challenged so deeply on so many fronts. It is crucial that we do not lose sight of our vision for human capital, and that we together take measures to counter the potentially devastating impact of COVID-19 on lives and livelihoods. The 2020 Human Capital Index gives us the last snapshot of the world before COVID-19. It offers a benchmark for the state of human capital, and generates further momentum for timely policy interventions.

The Human Capital Project (HCP) Network, which now has 78 countries on board, has helped to connect policy makers in real time as they battle the pandemic. This report captures reforms, advances, and innovations across the world over the past year, including the response to the pandemic. It also describes the World Bank Group's efforts to support all client countries on human capital, including through plans focused on Sub-Saharan Africa and the Middle East and North Africa, with South Asia soon to come, and through several tools and network activities.

In the year ahead, the HCP will continue to help countries build and protect human capital and strengthen systems for the future as the world recovers from this historic shock. We look forward to remaining connected as a global network, and to carrying on with our vital work in this time of crisis, particularly on new models for service delivery and sustainable financing for investments in people.



ANNETTE DIXON

*Vice President for Human Development
World Bank Group
2018-2020*



MAMTA MURTHI

*Vice President for Human Development
World Bank Group
Appointed July 2020*

What Countries are Doing

PRIORITIZATION, REFORM AND INNOVATION

By implementing a national early childhood development policy, *Crecer Juntos*, **El Salvador** aims to help children maximize their development potential. The policy, based on best practice international examples and adapted to country context, monitors children from conception to age 7, to individually track each child's development trajectory. By tracking each child through a shared management information system, *Crecer Juntos* aims to ensure that a child receives timely and age appropriate benefits and services—such as health, education and social services—from relevant providers.



To combat persistent high levels of childhood malnutrition, **Lao PDR** will implement a multisectoral strategy aligned with the 8th National Socio-Economic Development Plan 2016-2020 and the National Nutrition Strategy 2016-2025. The proposed strategy will support a package of nutrition-sensitive and nutrition-specific interventions in 12 target districts. Several ministries, including Health, Agriculture, Education, and Public Works and Transport will work together to implement, monitor and evaluate the interventions.



Paraguay, with 60 percent of its population under the age of 30, is implementing several initiatives to improve the link between education and the demand for skills in the labor market. A mere year into the program, 240,000 people have been trained and 70,000 new jobs fulfilled. Paraguay has developed an education roadmap to support systemic reform by 2030. It will take advantage of digital technology to prepare children for future jobs.



Indonesia's National Strategy to Accelerate Stunting Prevention has adopted a multisectoral convergence approach that commits 23 ministries to increase the impact of existing government spending on nutrition interventions and services. Impacting millions of pregnant women and children under the age of two across the country, the strategy consists of five pillars: national leadership; public awareness and behavior change; central, regional and village program convergence; access to nutritious food; and monitoring and evaluation.



Moving forward, the government is scaling up the National Strategy to another 100 stunting priority districts in 2020, bringing the total to 260 priority districts. It will also prioritize the expansion of the program in urban areas as well as the national roll-out of innovative technological solutions like the Electronic Human Development Workers (eHDW) digital android tool for community-based human development workers. The early results are promising — the Ministry of Health has reported a reduction in the national stunting rate by a record 3.1 percentage points to 27.7 percent in 2019 (Integrated SUSENAS-SSGBI Survey). During the COVID-19 pandemic, it will be increasingly important to safeguard investments to reduce stunting and ensure continuity of essential frontline services.

Afghanistan has long prioritized investments in basic health and education with considerable external financial support. In addition, the country's flagship community-driven development (CDD) programs have been running since the early 2000s. Afghanistan has been hit particularly hard by COVID-19 because of the still precarious public health system and the absence of a functional social safety net. However, the government has developed an ambitious program to provide emergency food/cash transfers to around 90 percent of the households that live on less than \$2/day, capitalizing on the CDD platform to deliver benefits.



Prioritizing and Planning Across Government

Many countries have placed human capital priorities at the center of their national plans and are coordinating across ministries to achieve their goals.

VIDEO: Every Child Counts

The First Lady of El Salvador describes the government's early childhood development strategy, "Crecer Juntos (Let's Grow Together)", as El Salvador joins the Human Capital Project.

The **Democratic Republic of Congo** is rolling out measures to provide free primary education to the poorest regions of the country. At present, the primary education system's heavy dependence on fees disproportionately burdens the poorest and most vulnerable households, and limits children's access to school. The cost of primary education is cited as the main barrier to schooling by 64 percent of households with out-of-school children.



Given that COVID-19 will cause further economic hardship to the poor, providing free primary education will enable over nine million children to stay in school post lockdown and will provide access to school for more than a million poor children currently excluded from the education system.

A Last Mile initiative in **Vietnam** will help improve human capital outcomes for ethnic minorities. Close to launching the Nationally Targeted Program on Socio-Economic Development of Mountainous Areas and Ethnic Minorities 2021-30 (NTP SEDEMA), the Government of Vietnam hopes to eliminate discrepancies between ethnic groups, especially with respect to nutrition, access to quality secondary education and beyond, and smooth school-to-work transition.



With a high prevalence of child marriage and early childbearing among adolescent girls, **Niger** has the highest fertility rate and population growth rate in the world. Adolescent girls fare poorly in comparison with boys in terms of completion of primary and secondary school. Substantially expanding educational attainment and reducing fertility could boost GDP by an estimated 12.6 percent by 2030. Reducing gender gaps has been at the heart of Niger's social development and demographic transition strategy. With support from the World Bank, several reforms have been put in place recently to protect adolescent girls' rights to education and health and to empower women. For example, Child Protection Committees are being set up at every level from national to village to mobilize society against child marriage, and to raise awareness about the risks to children's wellbeing. The government is also allowing adolescent girls to remain enrolled in school in the event of pregnancy or marriage to improve educational attainment. To improve access to health services, married adolescent girls are now permitted to access family planning assistance without being accompanied by a parent or husband. The government also created a platform mobilizing all public and non-public entities (NGOs, international agencies) involved in programs aimed at curbing child marriages to promote coordination of actions and reform implementation.



HUMAN CAPITAL REFORMS IN EGYPT



Egypt's national cash transfer program, Takaful and Karama, is among the country's critical

investments promoting human capital accumulation. To date, the program has reached 3.1 million households (approximately 8.5 million people) with over 67 percent of the cash directed to the poor and vulnerable in Upper Egypt and with 74 percent of card holders being women. The government also plans to launch a new program on productive inclusion/graduation to be piloted in 8 governorates.

Egypt's education reforms aim to improve teaching and learning conditions in public schools. The objectives are to have 500,000 new students enrolled in kindergarten, with 50 percent from the poorest districts; teachers demonstrating better practices; 2 million students benefiting from a

new assessment system; and a reformed secondary school graduation system focused on building 21st century skills rather than rote learning. To reach these objectives, Egypt has expanded the use of technology and digital learning resources in teaching and learning.

In health, a transformational Universal Health Insurance System is being implemented as Egypt's pathway toward achieving universal health coverage and improving health outcomes. The Government of Egypt is piloting the system and offering temporary financial protection to the most vulnerable to protect them from high out-of-pocket health expenditures resulting from the COVID-19 outbreak. The government is also focused on family planning efforts, the scale-up of a community health workers program to promote better health and nutrition, and annual blood screenings for various pathogens.

STRENGTHENING DATA

Countries are making strong progress on social registries and digital identification systems. A few highlights:

The **Economic Community of West African States (ECOWAS)** is leveraging technology to implement foundational unique identification systems. Each of the 15 member countries will establish its own unique identification system using a minimal set of attributes. By offering a form of official identification to their populations, these countries are ensuring access to social protection programs, social registries, health and financial inclusion services, and labor mobility, among other benefits.

In **Honduras**, the National Center for Information on Social Sectors (CENISS) manages the Unique Registry of Participants (RUP), a social registry currently housing information on 1.08 million households nationwide. It also manages a database called the Registry of Institutional Services (ROI), which is a catalogue of all social programs provided by the government. Following a 2014 mandate for all social programs to use the RUP for



targeting, 220 programs included in the ROI now use the RUP registry, with the objective of improving the efficiency and effectiveness of public spending on social services. This is paying off even further in 2020, as the government plans to use the RUP to distribute cash transfers to informal workers who are out of work during the COVID-19 crisis.

In **Morocco**, the adoption by Parliament of a new law in July 2020, establishing a National Population Registry and a Digital Social Registry, provides the legal and institutional framework for major improvements in the delivery of social protection. The ID will provide online authentication services based on an assigned number and biometric characteristics such as fingerprints, iris scans, or facial images. The Digital Social Registry will be used to effectively target existing and future social assistance programs. The digital ID system will improve the effectiveness of social protection enrollment, inclusion, spending and access to cashless payment by vulnerable people.



Insights from Service Delivery Indicators

Data on the quality of social sector service delivery is a key input for informing policies and designing interventions that enhance and accelerate human capital outcomes.

SDI are nationally representative surveys that measure the service delivery experience of average citizens in primary health care facilities and primary schools. These surveys collect data from schools, classrooms, and health facilities to examine teachers' and health workers' effort and ability, as well as the availability of key inputs and resources. By measuring how services are delivered, SDI links resources to results and helps shift national policy dialogue from inputs toward quality and results.

Countries that have been pioneer users of SDI surveys include Senegal, Sierra Leone, Tanzania, Kenya, Nigeria, Togo, Niger, Madagascar, Morocco, and Uganda. **In FY20, many countries took action on starting and/or continuing their work on SDI, including fieldwork preparation, data collection and cleaning, finalization of reports, cross-country comparability, and public data release.** These countries

included Bhutan, Cameroon, Comoros, Guatemala, Guinea Bissau, Indonesia, Iraq, Malawi, Mali, Madagascar, Moldova, the Democratic Republic of Congo, and Senegal. Many SDI countries are also part of the HCP.

Guatemala, Madagascar, and Bhutan, through their health ministries, have begun preparing to implement a **nutrition-oriented SDI** that will include novel case-simulations to measure providers' knowledge on antenatal care and diagnosis and treatment of growth faltering, both essential to prevent stunting. It will also include questions related to inputs and infrastructure such as scales, measuring boards and tapes, medications and supplements, nutrition counseling norms, breastfeeding, complementary feeding, and dietary diversity recommendations, among others. Evidence from these surveys will inform countries about potential bottlenecks to nutrition service delivery and, at the same time, provide the necessary resources and information for other countries that would like to comprehensively assess their capacity to address malnutrition.

Human Capital Index 2020

OVERVIEW

As in 2018, the index is designed to capture the amount of human capital a child born today could expect to attain by age 18, given the risks of poor health and poor education that prevail in the country where she lives.

WHY NOW

HCI 2020 provides a snapshot of the outlook for human capital before the COVID-19 pandemic struck. It incorporates updated data for all components with a cut-off date of March 2020. The index serves as a benchmark to assess the human capital costs of COVID-19.

WHAT'S NEW

- Coverage of HCI 2020 increased to a total of 174 countries (17 additional countries as compared to HCI 2018)
- Greater disaggregation based on gender
- Extension of HCI to understand utilization of human capital
- Trajectory of human capital over a decade from circa 2010 for 103 countries
- The top improvers in human capital over the past decade come from all regions and income levels

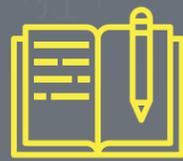
KEY FINDINGS

- Investments in human capital—the knowledge, skills, and health that people accumulate over their lives—are key to unlocking a child’s potential and improving economic growth in every country around the world. COVID-19 threatens to wipe out a decade of human capital gains, leaving an entire generation behind, as countries struggle to contain the virus, save lives, and rebuild their economies.
- New data from the HCI shows that right before the pandemic struck, most countries were making investments in human capital and people were healthier and more educated than ever before. However, the data also shows that even before COVID-19, a child born in a typical country could only expect to achieve 56 percent of her future productivity.
- Using data gathered before the pandemic, the HCI 2020 serves as a baseline to track changes in human capital and inform policies to protect and invest in people throughout the pandemic and beyond.
- The pandemic makes clear the importance of maintaining and resourcing well-designed health care systems, resilient and flexible education systems, and social protection programs, particularly for those close to the poverty line. The WBG is working closely with governments to develop long-term solutions to invest in human capital during and after the pandemic.



SURVIVAL

Will children born today survive to school age?



SCHOOL

How much school will they complete and how much will they learn?

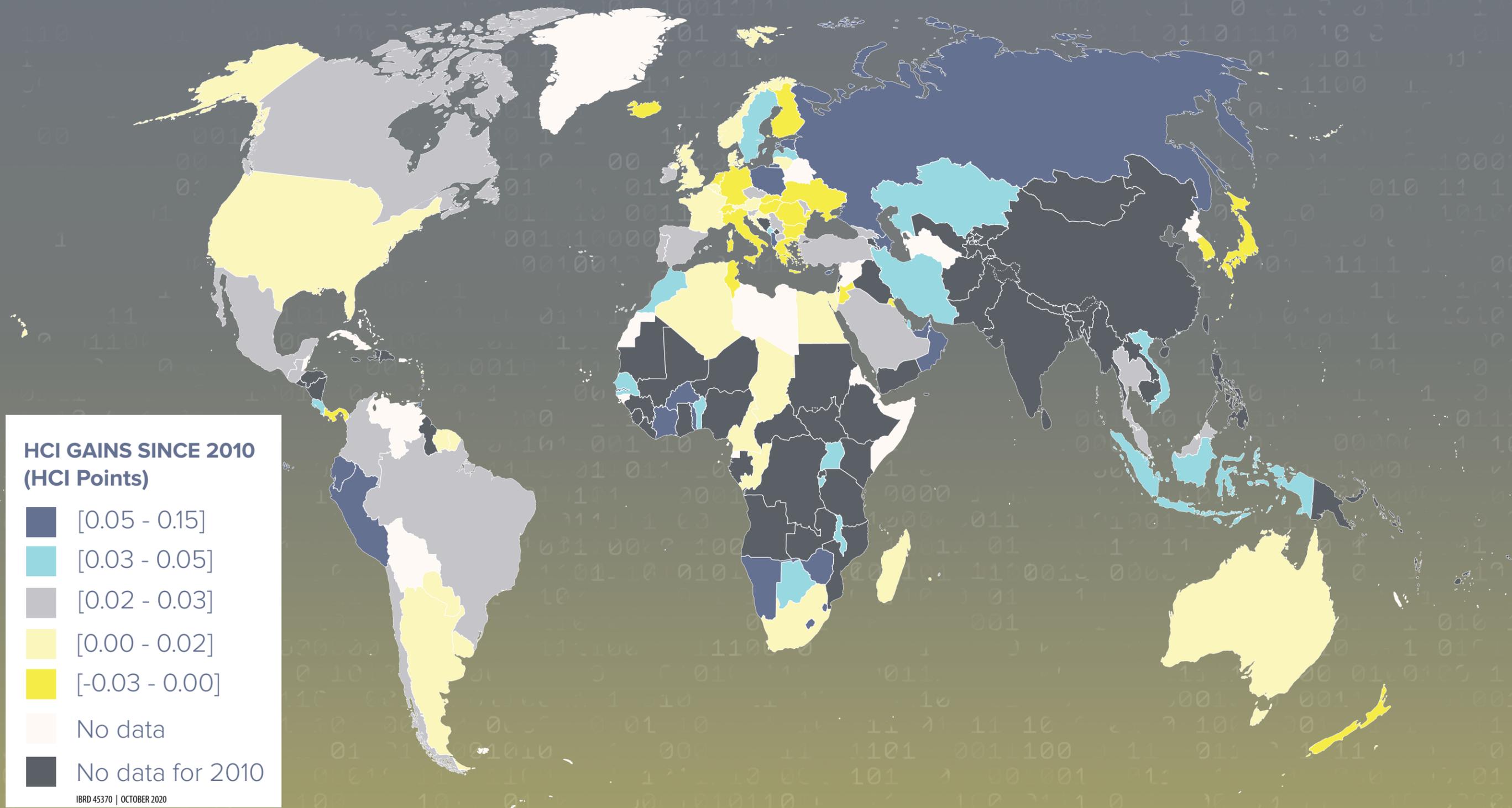


HEALTH

Will they leave school in good health, ready for further learning and/or work?

GAINS SINCE 2010

The 2020 update of the HCI includes a comparable HCI for 103 economies for circa 2010 (with the changes across time shown in the map below). This does not include all countries in the HCI 2020; for example, there is no intertemporal comparison for South Asia. For data on all 174 countries included in the HCI 2020, please visit <http://worldbank.org/humancapital>.



HCI GAINS SINCE 2010 (HCI Points)

- [0.05 - 0.15]
- [0.03 - 0.05]
- [0.02 - 0.03]
- [0.00 - 0.02]
- [-0.03 - 0.00]
- No data
- No data for 2010

IBRD 45370 | OCTOBER 2020

CONTRIBUTION OF INDEX COMPONENTS TO HCI GAINS (2010-2020)

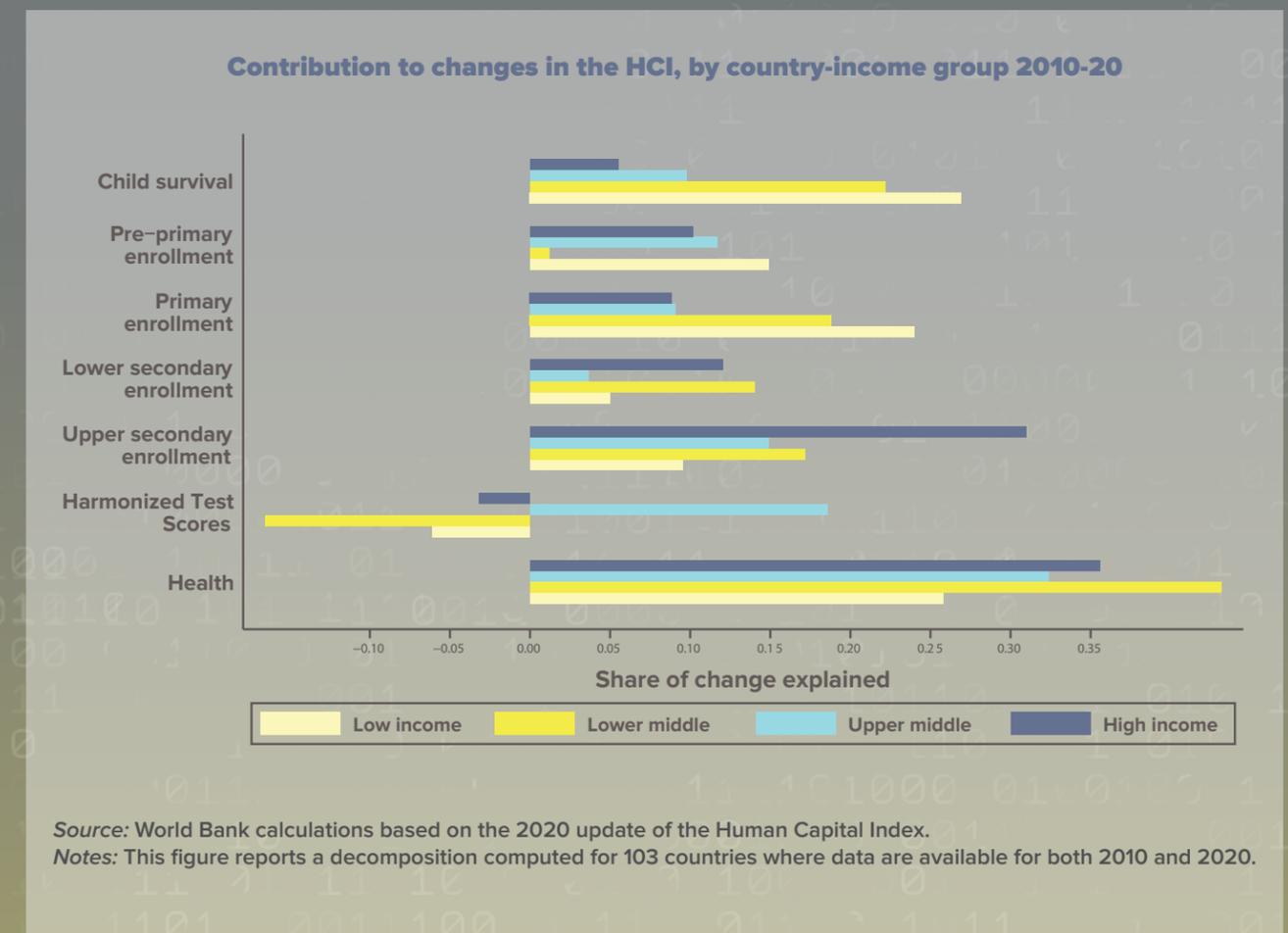
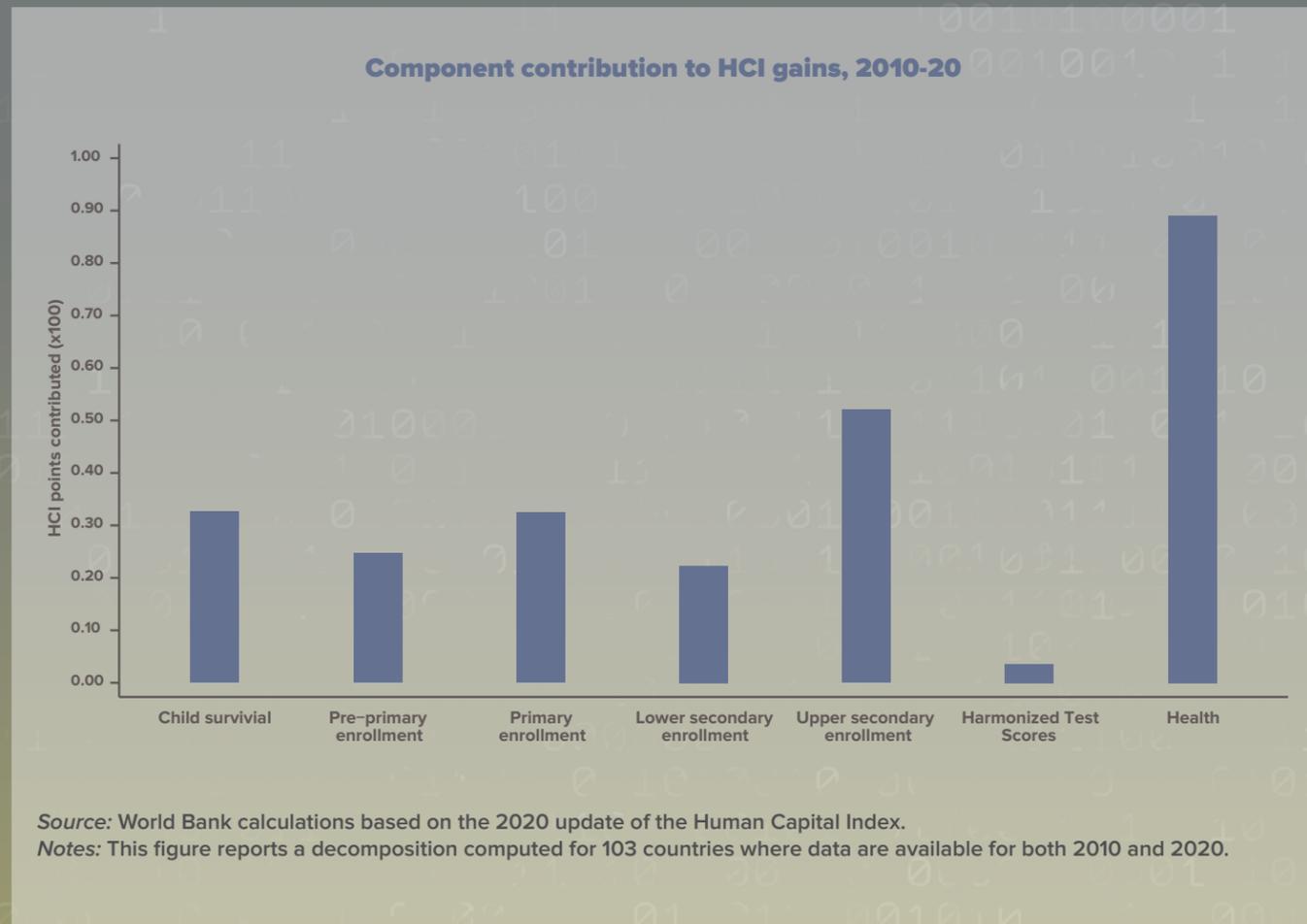
Nearly one-third of changes in the HCI over the past decade are due to gains in health, as proxied by reductions in stunting and improvements in adult survival. Considered together, progress in child survival, stunting, and adult survival

accounts for close to half the increase in the HCI; the remainder is explained by changes in enrollment and to a lesser degree by learning. This picture varies considerably on a country by country basis.

DIFFERENCES ACROSS INCOME GROUPS

While countries in every income group experienced an increase in their HCI, the factors that contributed to these improvements differ across income groups, reflecting both countries' initial conditions and their development trajectories. Low-income countries, in the sample, experienced considerable gains in child survival rates and in enrollment rates in

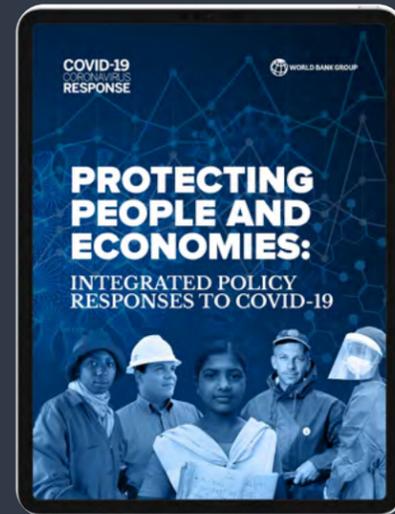
preprimary and primary education. These gains were offset in roughly half the countries in the sample by declines in measured learning. In high-income countries, which were already closer to the frontier for most components, increases in the HCI are mostly explained by gains in upper-secondary enrollment and improvements in health, as proxied by adult survival.



Protecting Human Capital in the COVID-19 Crisis



INTEGRATED POLICY RESPONSES TO COVID-19



The *Protecting People and Economies: Integrated Policy Responses to COVID-19* report knits together three policy priorities for governments to consider while acting to support households and firms in the face of a crisis of historic magnitude.

1. Containing the disease, protecting secondary health effects, and developing resilient systems to prevent and mitigate future pandemics.

While governments are faced with policy trade-offs that vary by context, containment of the pandemic and protection of people's health and lives is a first-order response that will deliver the maximum gains.

Containment may be expensive, but the costs of failing to contain are much higher. The paper lays out a set of clear guidelines for the public health dimension of the COVID-19 pandemic, cutting across all relevant sectors.

2. Protecting human capital, livelihoods, and jobs, fostering trust and social cohesion, and strengthening service delivery systems for the future.

Beyond the health dimension, households are already severely affected by the broader impact of COVID-19 on livelihoods, food security, and access to services. For example, about 85 percent children are out of school globally, signaling a potentially large-scale loss of learning. Policies are

needed to ensure sustained access to services and food, ramped up support to vulnerable households, and clear communication to build trust, change behavior, and foster social cohesion. Human capital-focused policies must also cover recovery and better preparedness for future shocks. The paper outlines policy options on both the “protecting” and “preparing” fronts.

3. Leading a coherent economic policy response addressing trade-offs based on evidence to maintain stability, leverage global support, and link relief measures to economic recovery efforts.

Safeguarding the economy calls for two phases of policy action, with strong leadership, preservation of macroeconomic stability, and adherence to principles of good governance. First, governments need to protect households, firms, and the financial sector through emergency relief measures to prevent mass unemployment, bankruptcies, and economic collapse. After laying this critical foundation, economic recovery measures can be implemented, leveraging a window of opportunity for reforms toward inclusive and sustainable growth.



REPORT: Protecting People and Economies: Integrated Policy Responses to COVID-19



IMMEDIATE OPERATIONAL RESPONSES TO COVID-19: FIRST 100 DAYS

The World Bank approved over \$16 billion in funding for human capital priorities in the first 100 days of the COVID-19 operational response—reflecting unprecedented speed, scale, and scope in the effort to protect people.

The World Bank’s approach to the COVID-19 crisis has four pillars. As the following selection of projects illustrates, human capital plays a central role in each.

SAVING LIVES

Enhancing disease surveillance and providing medical supplies for emergency containment and mitigation

- India’s \$1 billion health emergency package will upgrade the disease surveillance system, strengthen preparedness for disease outbreaks

and revamp infectious disease hospitals.

- Afghanistan, the Democratic Republic of Congo, The Gambia, Haiti, and Yemen are among the fragile countries enhancing testing and contact tracing, as well as acquiring laboratory and protective equipment for health care staff.

Ensuring health services continuity and raising public awareness

- Colombia is prioritizing essential health care services for COVID-19 patients.
- Cote d’Ivoire and Egypt are launching messaging platforms and tools to improve public awareness of COVID-19 prevention.

Cross-sectoral collaboration on health

- The Gambia is expanding water services, handwashing stations, hygiene kits, and WASH campaigns.
- Tamil Nadu state in India is repurposing emergency care services developed mainly for road crash victims (such as ventilators) for COVID-19 patients.

PROTECTING POOR AND VULNERABLE PEOPLE

Scaling up social safety nets

- Cambodia, Ecuador, Ethiopia, Madagascar, Pakistan, Rwanda, Sri Lanka, Jordan, and other countries are expanding emergency cash transfers for vulnerable populations.

- Mozambique is adding over a million new households to its social protection registry for COVID-19 relief.
- Morocco, Bangladesh, and the Dominican Republic are mobilizing cash transfer schemes and employee assistance funds to support informal and formal workers.

Access to agricultural products, nutrition and food security

- Myanmar is protecting agricultural livelihoods and helping the agriculture and food sector recover from the COVID-19 crisis.
- Uganda is providing farmers with e-vouchers to access high quality agricultural inputs, seeds and fertilizers to boost nutrition and food security.

Ensuring learning continuity and getting children back to school

- Turkey, Jordan and many other countries are mobilizing technology-enabled distance learning as the centerpiece of the education sector response to COVID-19. The Turkey effort is being co-led by the World Bank’s Education and Digital Development Global Practices.
- Ethiopia, Madagascar and other countries are supporting remote learning, the safe reopening of schools and the return of students to school, often prioritizing girls and students from the most deprived communities.
- Senegal has launched a distance learning program for pedagogical

continuity and remediation. Various platforms are being promoted which can also be used more broadly in francophone Africa.

ENSURING SUSTAINABLE BUSINESS GROWTH AND JOB CREATION

Protecting jobs to safeguard income and preserve human capital

- The Philippines is expanding credit guarantees to medium and small enterprises to support business continuity and jobs.
- Uzbekistan is providing cash support to low-income families and unemployment benefits.

STRENGTHENING POLICIES, INSTITUTIONS AND INVESTMENTS FOR REBUILDING BETTER

Removing binding constraints, addressing gender issues and strengthening core systems

- Uganda, Uruguay, and Zambia are expanding outreach and referral services to address the expected rise in gender-based violence during quarantine.
- Tunisia and Colombia are reforming social registries to enhance access to services and prepare for future shocks.

 **REPORT: Prioritizing Human Capital in the World Bank Operational Response to COVID-19: The First 100 Days**

HCP Network Activities



BEYOND NOW: PROTECTING PEOPLE THROUGH INNOVATION AND GOOD POLICY IN THE COVID ERA

This event, held on June 11, 2020, was a 90-minute session in which government leaders, NGO partners, and innovators delivered a series of talks, showcasing examples of policy actions and both public and private sector-led responses—across education, health, food security, digital connectivity, and social protection. World Bank Managing Director, Mari Pangestu, kicked off this event and shared key findings from the recently published report *Protecting People and Economies: Integrated Policy Responses to COVID-19*.



“We must prepare to work together on difficult yet critical reforms to build better. It is a whole-of-government and a whole-of-society approach that’s needed.”

MARI PANGESTU
Managing Director of Development Policy and Partnerships,
World Bank

“Before this crisis, our government was focused on investing in people as a priority. We haven’t lost focus of our objectives; we just need to adjust our policies to the current climate...The next generation of children and young people is what matters now and how we invest in them.”

MARIA ANTONIETA ALVA
Minister of Finance, Peru



“The education system has to transform. We know that the model of learning and education that we have now is not appropriate for the 21st century...this is an opportunity for us to go back to the drawing board and ask ourselves what we want to get out of learning. We are actively redefining what access to education means.”

DAVID MOININA SENGEH
Chief Innovation Officer & Minister of Basic and Senior
Secondary Education, Sierra Leone



“Much of our social protection strategy was focused on the rural poor. But this pandemic has shown the necessity to expand social protection initiatives to the urban sector. In Bangladesh, mobile financial accounts have come into play in a big way. COVID-19 has accelerated the move to digital solutions.”

HOSSAIN ZILLUR RAHMAN
Chairman of BRAC & Executive Chairman of Power and
Participation Research Center (PPRC), Bangladesh



“You can make everything digital. But it’s not only up to the government. The private sector needs to lead the innovation; the government needs to set up regulation, and ensure core technologies such as internet, digital identity, unique identifiers, etc.”

TAAVI KOTKA
Founder, Proud Engineers and Head, Jio Research Center, Estonia

“...to plan for post-Covid recovery, we use two key lessons learned from our previous crisis (1998 financial crisis). One, maintain income levels and keep workers close to their employers and labor markets. Two, make sure people maintain enough skills or upskill as soon as possible and as much as possible.”

PAUL RYAN
Member of the Executive Board & Head of International Finance
Division, Ministry of Finance, Ireland



CONNECTING COUNTRIES: THE HCP KNOWLEDGE EXCHANGE

Human Capital focal points in governments around the world represent and facilitate participation of their countries in the HCP. They help move their country's human capital agenda forward. The HCP aims to equip focal points and other relevant stakeholders in member countries with approaches to engage more deeply on development policy and to share best practice.



Knowledge Exchange Series

This series of 90-minute webinars in French and English are targeted learning events designed by the HCP for the Human Capital Focal Points Network. Its purpose is to bring focal points together, create community, and share key technical learning to support policy improvements within the human capital agenda.



Access Human Capital Project Focal Points Network Knowledge Exchange Series here: <https://olc.worldbank.org/content/human-capital-project-focal-points-network-knowledge-exchange-series>

Snapshots of 2019-2020 Knowledge Exchanges

May 2020: HOW RWANDA AND THE REPUBLIC OF KOREA RESPONDED TO COVID-19



“Our strategy is based on testing, tracing, and treating.”

DAE JOONG LEE
Director, Ministry of Finance, the Republic of Korea

Innovative and extensive use of information and communication technology has played a role in the Republic of Korea becoming the first county to flatten the COVID-19 curve. Rather than ban travel, Korea screens all inbound travelers at immigration points using a self-quarantine app which monitors their health through daily symptom-checking for 14 days. Rigorous epidemiological investigation based on real-time data collection allows rapid contact tracing of anyone who has come into contact with someone who tests positive. Korea also pioneered walk-through and drive-through testing, measures that have allowed the country to test up to 15,000 people a day.

“Local government acted on three main fronts: citizen mobilization, social assistance, and enforcement of social distancing.”

SAMUEL DUSENGIYUMVA
Permanent Secretary, Ministry of Local Government, Rwanda

In Rwanda, local government authorities moved swiftly to contain and deal with both the health and economic fallout of the pandemic. Local authorities spanning the country were able to engage with their communities and educate them through door-to-door, media, and social media campaigns about the need to maintain hygiene and social distance. During and post lockdown, local authorities provided food, cash transfers and agricultural inputs to vulnerable segments of the population. Local authorities are now preparing to scale up their response.



Recording Link: ENGLISH | FRENCH

**April 2020:
SINGAPORE'S EDUCATION SYSTEM AND COVID-19 RESPONSE**

“Success does not depend on policies but on successful implementation of those policies.”

HO PENG
Advisor, Ministry of Education, Singapore



Since 1965, Singapore has built a robust education system that has kept pace with the country’s evolution from manufacturing to knowledge-driven economy. Responding to the COVID-19 crisis, Singapore has taken several steps to ensure schools maintain uninterrupted classes, whether in-person or online. In-person measures

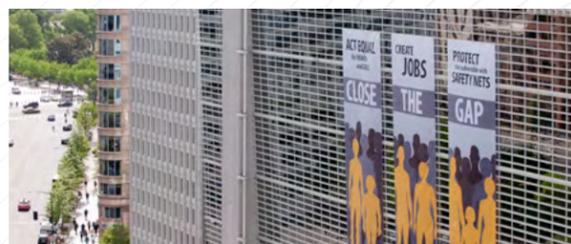
include increased hygiene, daily temperature-taking, leave-of-absence for students who have travelled to hotspots, and limiting or suspension of group activities. Home-based learning has thrived as teachers share innovative ways to teach online and effectively use technology.

 **Recording Link: ENGLISH | FRENCH**

**March 2020:
HUMAN CAPITAL INDEX AND THE HCI COMPASS**

“The Human Capital Index (HCI) is a metric that has put the focus on human capital as a key issue for development.”

ROBERTA GATTI
Chief Economist, Human Development, World Bank Group



Knowing what the HCI is, how it is built, and what the data validation process is, helps countries use it to either make the case for investment or as a monitoring tool for human capital. Zelalem Yilma

Debebe, Economist, HCP, World Bank, introduced the HCI Compass, a tool to help countries figure out what they need to do to improve their HCI and its subcomponents and track progress to know how well these policies are working. Dr. Yakama Jones, Director, Research and Delivery Division, Ministry of Finance, Sierra Leone, discussed Sierra Leone’s experience in piloting the Compass.

“We worked with different ministries and agencies to target initiatives ... using the HCI Compass...to track progress on delivery.”

DR. YAKAMA JONES
Director, Research and Delivery Division, Ministry of Finance, Sierra Leone

 **Recording Link: ENGLISH | FRENCH**

**January 2020:
HOW NIGERIA GOT STATE BUY-IN FOR A NATIONAL VISION**

“... to increase human capital development and prioritize high-impact interventions... we decided to have each governor of a region serve as a champion of human capital development.”

YOSOLA AKINBI
Coordinator, Core Working Group on Human Capital Development, Government of Nigeria

Set up in 2018, the Core Working Group on Human Capital Development in Nigeria set a vision for human capital development, including outcomes, targets, and high-impact interventions through a collaborative whole-of-government



process. To create buy-in for a national vision across 36 federal states, the Working Group is currently focused on state-level engagement so that sub-national governments develop their own visions and detailed plans with delivery frameworks, monitoring and evaluation approaches, and stakeholder engagement strategies.

 **Recording Link: ENGLISH | FRENCH**

**December 2019:
HOW MOROCCO REVITALIZED ITS NATIONAL INITIATIVE FOR HUMAN DEVELOPMENT**

“Morocco’s National Human Development Initiative places human beings at the heart of development.”

SAID ZIANE
Program Director, National Human Development Initiative, Ministry of the Interior, Morocco

When launching the third phase of its National Human Development Initiative (INDH) Morocco prioritized interventions that would maximize human capital outcomes, focusing on the life cycle of children and young adults. The third phase includes a strong focus on early childhood development,



through nutrition and health services, and supporting expanded quality pre-primary education in remote areas of the country. The program places monitoring and evaluation at the center of its implementation approach, and is using the HCI to measure the long term effect of the interventions it supports.

 **Recording Link: ENGLISH | FRENCH**

HEARING FROM FOCAL POINTS

Recognizing the importance of systematically hearing from key decision makers and stakeholders in the HCP Country Network, the HCP initiated in FY2020 a quantitative electronic survey to assess their views, and to track these views over time. This survey was informed by qualitative research conducted with WBG managers and HCP focal points. Insights will inform how the HCP engages with focal points and provide a substantive view of how the WBG and partners can coordinate to address the greatest human capital challenge in country.

The survey findings surface a number of concerns regarding obstacles to human capital progress:

- Competing for resources within the country
- Investing adequately but not seeing results for resources spent
- Advocacy to build and sustain support for emphasis on sectors relating to human capital
- Institutional support and management of systems across government are weak

Stakeholders find a range of aspects of the WBG’s support to Human Capital progress important:

- Strengthening data to inform better policies on human capital formation
- WBG instruments to support policy reforms influencing human capital formation
- Scaling up interventions with potential for transformative impact nationally
- Strengthening capacity for analyzing and applying data (better analytics)
- Diagnostic tools
- Stakeholder engagement and prioritizing of actions
- Design of cross-sectoral approaches to solve pressing problems
- Support with advocacy to build support in the country across different stakeholder groups outside of government
- Identifying and reaching underserved populations

THE HCP IN SIERRA LEONE

HCP focal point, Dr. YAKAMA MANTY JONES, Director, Research and Delivery Division, Ministry of Finance, Sierra Leone, on what the HCP has meant for her country...



What change has the HCP helped bring about in your country?

HCP has further reiterated the government’s commitment to human capital development and has created greater awareness and buy-in for a whole-of-government approach to human capital development. If this is complemented by an inflow of additional financial resources and ‘know-how’, it would be perfect.

How can the HCP support you going forward to realize your vision for human capital development amid challenges including COVID-19?

COVID-19 has forever changed life as we know it. Countries need more support in developing stronger data systems to support the adaptive implementation of human capital development interventions. This is important as countries continue to seek appropriate trade-offs between health and socioeconomic interventions as the pandemic continues to evolve.

Stakeholders’ reasons for joining the Human Capital Project



LAUNCHING NEW APPROACHES

The HCP team at the World Bank has been developing new approaches to inform policy makers as they take critical decisions on human capital policies, institutions and expenditure.



Public Expenditure and Institutional Review (PEIR)

The human capital PEIR is introducing a cross-cutting outcome-oriented approach to complement and enhance public expenditure reviews as a core World Bank analytical tool. It will allow users to closely examine the relationship between public expenditures, institutional arrangements and specific human capital outcomes. A cross-sectoral perspective linking expenditures and priority outcomes is also needed to inform spending allocations as countries address the COVID-19 crisis. The collaborative effort is led by the HCP team along with the Equitable Growth, Finance, and Institutions team, and involves staff from across the WBG.

PEIR's analysis is three-pronged:

Outcome-oriented: PEIR's outcome-oriented analysis revolves around key country-specific human capital priorities and seeks to determine the extent to which spending is aligned with outcomes.

Multisectoral: PEIR intends to go beyond health, education and social protection to assess how certain expenditures such as water, agriculture energy, transport, and the private sector contribute to human capital outcomes.

Institutional focus: PEIR looks at both horizontal (across agencies and actors) and vertical (from upstream fiscal planning down to local service delivery) elements.

At present, PEIR is being piloted in Bangladesh, Kenya, Paraguay, and Togo.

HCI Compass



While the HCI is a tool designed to measure how well a country is doing in terms of fulfilling its human capital potential, it has its limitations for policy making. Although it identifies the broad areas in which a country is far from its potential, it does not suggest what to do to get there. Further, the HCI does not provide timely feedback to policy makers on whether their policies are working.

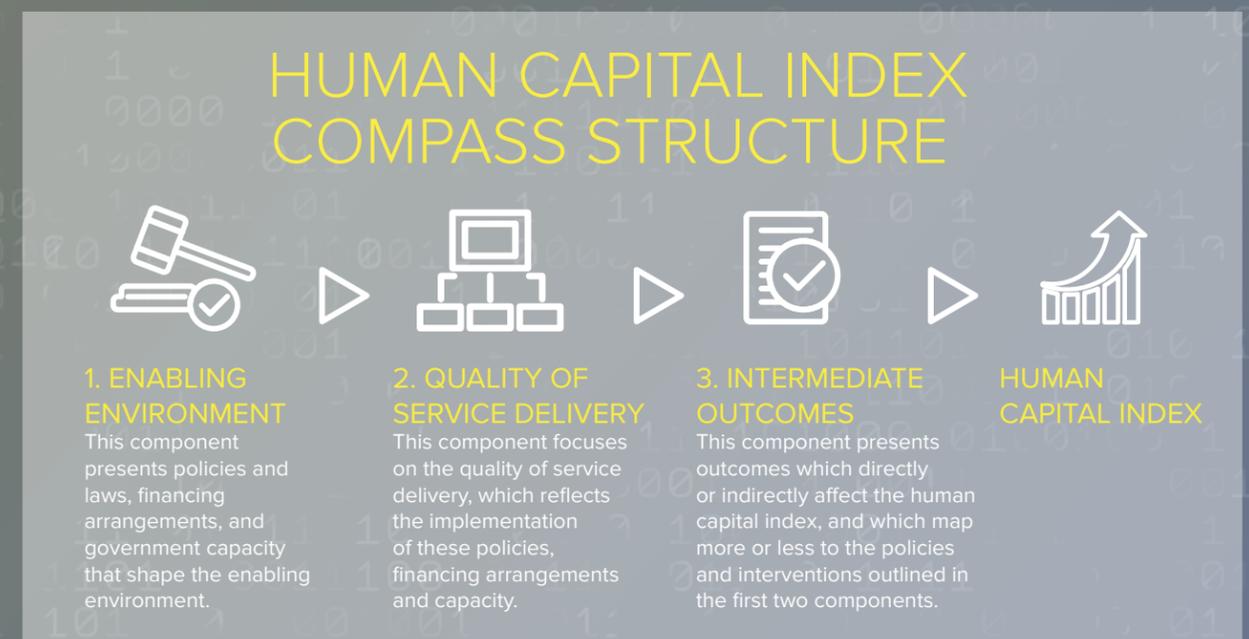
To address these limitations, the **Human Capital Index Compass** serves as a guidance note that helps policy makers in countries carry out their own assessment of their country's human capital goals. They can adapt the assessment to suit their needs, challenges, and data availability.

The HCI Compass has three distinct components:

1. Enabling Environment
2. Quality of Service Delivery
3. Intermediate Outcomes

The first two align with those areas that governments can influence. The intermediate outcomes are, in a way, leading indicators of what we expect to see in the HCI, which can be thought of the final outcome of this chain.

The Compass is being piloted in Senegal and used as an organizing framework for analysis in Central America (Guatemala and Panama).





LEARNING FROM CASE STUDIES

Building Human Capital: Lessons from Country Experiences is a series of case studies commissioned by the HCP team to examine the development trajectories of selected countries that have prioritized investments in key human capital outcomes. Lessons from Singapore, the Philippines, Morocco and Ghana reveal not only how these countries achieved improvements in outcomes but also the additional actions that they could take in the future to sustain and amplify those successes.

Bangladesh

Demographic Transition: Lessons from Bangladesh's Success Story explains how Bangladesh achieved a rapid fertility decline, the most rapid among South Asian countries, with a reduction in total fertility rate from 6.7 in 1960 to 2.1 in 2017. The country's success is an outcome of a clear political will and policy direction, coupled with a commitment to an evidence-based and well-designed comprehensive strategy to reduce fertility even in the face of economic difficulties.

Singapore

How Singapore Does It examines the policies, programs and processes that Singapore has pursued from 1960 to the present to pull ahead of other economies, paying particular attention to the factors that have undergirded Singapore's successful implementation of education and health strategies.

The Philippines

The Trajectory of Human Capital Development in the Philippines uses a whole-of-government lens to examine factors that drove the trajectory, reasons why critical gaps emerged, and how the country's decade-old national social agenda could help to sustain and amplify the government's investments in its people.

Morocco

Morocco: Achievements and Challenges examines the policies, programs and processes undertaken in Morocco to improve its human capital outcomes since the 1990s. In particular, the case study focuses on improvements in Morocco's adult survival rate, expected years of schooling and survival to age five.

Ghana

Learning from Ghana's Recent Human Capital Improvements identifies the key drivers of the country's improving HCI scores, namely childhood stunting and enrollment rates, and examines the specific policies and programs that have favorably affected these drivers.

COMMON LESSONS LEARNED

Sustain political commitment to human capital development.

Continuity of commitment and effort over successive governments is key to reaching any long-term goals but especially in growing human capital, which can take decades and even generations. Ensuring continuity between successive governments is easier if the country in question enjoys political stability and social harmony.

Mobilize enough resources and use them efficiently. Human capital development requires adequate and sustainable funding. This can be a challenge for developing countries with limited resources, but some of the case study countries have found innovative ways to finance the necessary policies.

Levels of funding are crucial but so is using resources efficiently.

Collect evidence to inform policy making and make course corrections. Collecting data to inform policy implementation and design was easier in some countries rather than others; however, digital technologies are making it easier for all countries to collect and analyze data and to use the resulting evidence when making policies and decisions.

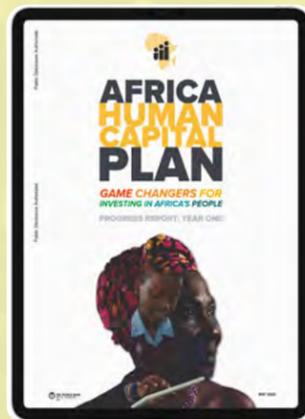
Adopt coordinated, multisectoral strategies. All four countries benefitted to varying degrees from taking a multisectoral, cross-government approach to their human capital policies and investments.

What the World Bank Group Is Doing

IMPLEMENTING THE AFRICA HUMAN CAPITAL PLAN

Launched in 2019, the World Bank's Africa Human Capital Plan sets out a vision "for a continent where all girls and boys reach their full potential, arrive at school well-nourished and ready to learn, acquire real learning in the classroom, and enter the job market as healthy, skilled, and productive adults".

To this end, the plan outlines clear targets and commitments to boost Africa's potential through its human capital. Thirty-one African countries have joined the Human Capital Project, united in their desire to build human capital for Africa's future. They were compelled by the 2018 Human Capital Index, which revealed that African children would achieve only 40 percent of their potential because of deficits in health and education. The plan's targets for 2023 are in line with the Sustainable Development Goals. Reaching them would raise Africa's HCI score and increase the productivity of future workers by an estimated 13 percent.



Informed by this plan, the World Bank's Africa region is responding to the COVID-19 crisis with unprecedented speed and scale. The emergency health response already underway supports countries in the prevention, detection, and treatment of the disease, with World Bank financing in the Africa region nearing \$1.5 billion.

The Africa Human Capital Plan identifies five game changers with the potential to advance human capital across Africa and has tracked progress over the past year.

1. Scaling Up and Financing Policy Reforms

Human development project commitments in Africa have more than doubled over the past year, and teams across the World Bank Group are stepping up to support human capital priorities, such as improved access to health care, apprenticeship training and support for entrepreneurship, road safety and transport projects, access to water and sanitation, and universal electrification of all health centers and schools by 2030. In Eswatini and São Tomé and Príncipe,

rehabilitation of water supply and sanitation in health care facilities will help to ensure infection prevention and control.

2. Investing in Women's Empowerment and Demographic Change

Over \$2.2 billion of new World Bank-financed projects approved since the launch of the Africa Human Capital Plan will further African women's agency, health, education, and employment opportunities. In Niger, for instance, the World Bank is supporting the government to combat child marriage and strengthen girls' education. In Burundi, it is helping with family planning alongside nutrition interventions. In Nigeria, it is working to keep teenage girls in school while in Mozambique, it is helping the government to harness a demographic dividend by increasing access to education and employment opportunities for targeted youth.

3. Addressing Fragility and Conflict

Under the plan, the World Bank has renewed its commitment to provide increased and more tailored support to address the drivers of fragility, conflict, and violence in Africa and mitigate the impacts of fragility on human capital. The COVID-19 pandemic particularly exposes the profound vulnerability of communities affected by fragility, conflict, or violence, compelling a catch-up in investment in their human capital. Ongoing projects in The Gambia, the Democratic Republic of Congo, Cameroon, and Somalia address health, education and public services and safety net needs.

4. Leveraging Technology and Innovation

The plan calls for leveraging technology and other innovations, such as behavioral elements, by scaling up investments,

advocating and raising awareness, and promoting analytics.

Since the launch of the plan, training on the Geo-Enabling Initiative for Monitoring and Supervision (GEMS) jumped from 150 to 450 projects, encompassing over 2,000 World Bank clients, partners, and field staff in nearly 30 African countries. GEMS is a tool for project monitoring, supervision, safeguards, procurement, and impact evaluation. It offers geolocated data, with a focus on fragile countries. With regard to analytics, behavioral designs have been incorporated into cash transfer programs in Madagascar, Kenya, Tanzania, and Ghana and results are being rigorously evaluated to measure impacts which range from boosting children's cognitive development to increases in savings and productive investments.

5. Building Knowledge and Partnerships

Human capital development is a key topic in the World Bank's core knowledge products, such as country economic memorandums, poverty assessments, and economic updates. Impact evaluations are also being widely applied to assess what works in improving human capital, including a focus on gender-related questions. New Public Expenditure and Institutional Reviews (PEIRs) are being conducted to formulate recommendations to better align policies, expenditures, and institutions toward human capital results.

Case studies, thematic research, and a series of seminal books on malnutrition, poverty, labor markets, skills, and safety nets have also provided new insights into addressing human capital challenges.

IMPLEMENTING THE HUMAN CAPITAL PLAN FOR THE MIDDLE EAST AND NORTH AFRICA (MENA)

Launched in October 2019, the World Bank's MENA Human Capital Plan aims to help countries in the region improve human capital outcomes of their population. In particular, the plan aspires to help MENA become:

- **A region that realizes its vast potential** by harnessing its greatest untapped asset: the human capital of its population, including youth, women, and the elderly.
- **A region where children acquire strong foundational skills** and young people have access to strong world-class education that equips them with the skills desired by the global job market and/or to start their own innovative businesses in open and competitive markets.

The MENA Human Capital Plan is designed around three pillars that follow the life-cycle approach:

- 1. Building human capital** by investing in early childhood development and focusing on improving learning outcomes to lay the essential foundations for human capital and future economic prosperity.
- 2. Protecting human capital** of vulnerable groups, the elderly, refugees/Internally Displaced People (IDPs), and populations living in FCV and building their resilience to environmental and climate change, mental health risks and Non-Communicable Diseases (NCDs), natural hazards, and economic/fiscal shocks.
- 3. Utilizing human capital** by promoting access to jobs for youth by building quality 21st century skills, expanding productive inclusion opportunities for the poor, leveraging digital solutions, and improving preparedness to entrepreneurship activities.

The plan sets ambitious regional targets to be achieved by 2024. While it is too early to report on specific outcome

indicators (a first-year Progress Report is under development), the World Bank has expanded support to MENA countries to help them achieve their human capital objectives and limit the potential losses of human capital caused by the COVID-19 crisis.

As of July 2020, 14 MENA countries have signed up to the World Bank's Human Capital Project—ranging from conflict-affected Yemen to four members of the Gulf Cooperation Council. Following the launch of the Plan, several MENA countries had planned to organize country-level Human Capital summits; however these events were postponed due to COVID-19.

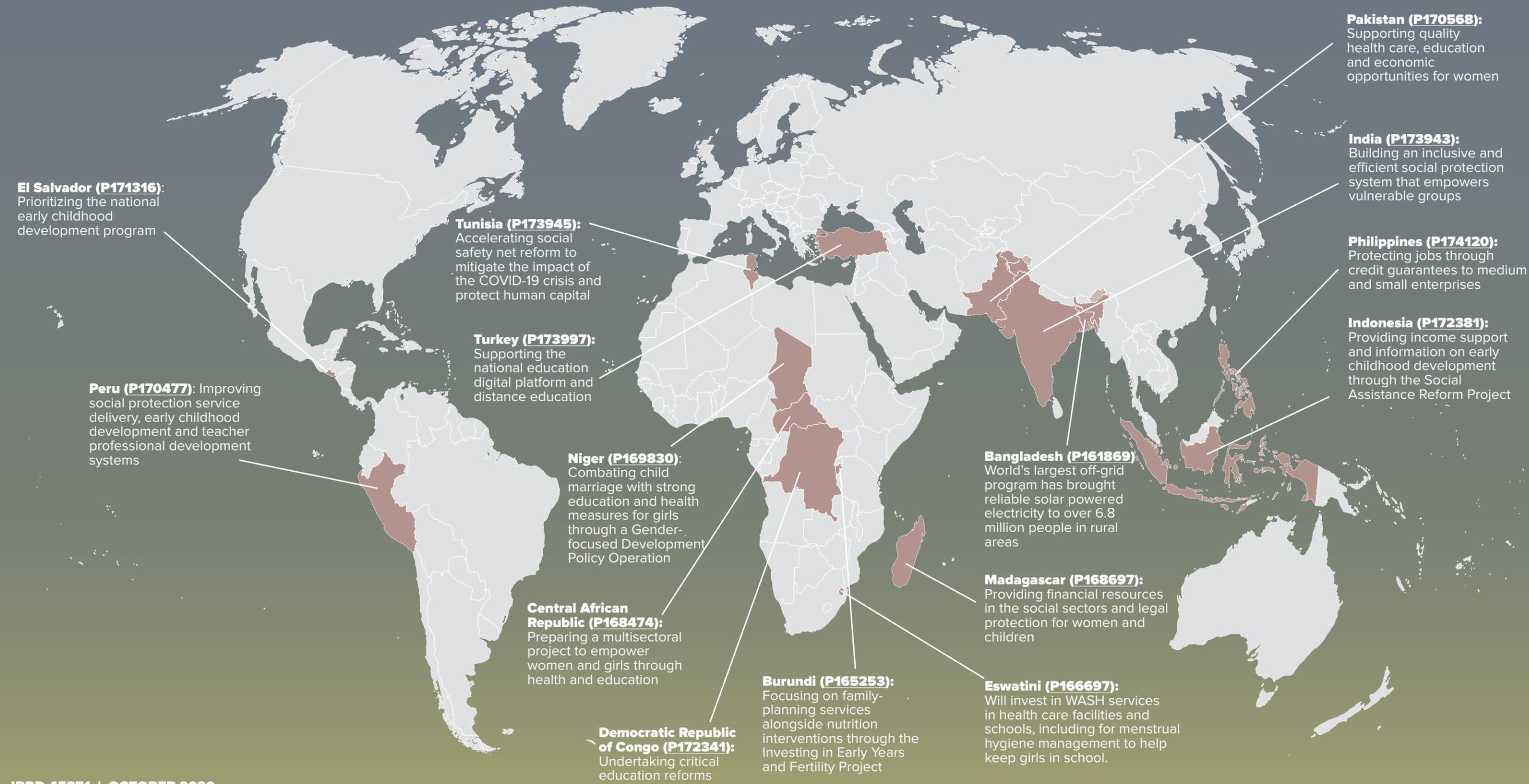
During FY20, more than \$ 1.5 billion in new IDA, IBRD and Trust Fund financing for health, education, and social protection in MENA was approved. The newly approved projects address areas identified as priorities in the MENA Human Capital Plan such as investing in early childhood development in West Bank and Gaza; improving learning in Djibouti; or the implementation of the universal health insurance system in Egypt to improve health outcomes for all and especially for the poor and vulnerable. The World Bank MENA region has responded swiftly to the COVID-19 crisis, helping client governments prevent, detect and manage the pandemic. The support

ranges from financial assistance to technical advice and capacity building in almost every MENA country. The immediate health response is followed by support for the poor and vulnerable through safety nets and support for the education system through distance learning and other measures to minimize the loss of learning.

Important analytical work has provided timely and cutting-edge policy advice on a wide range of topics in support of human capital development—from subsidy reform in the Maghreb to socioemotional skills assessment in Tunisia, from a book on *Fostering Human Capital in the Gulf Cooperation Council Countries* to the launch of a global Learning Target. The High-Level Conference on Accelerating Learning in MENA and Africa held in Egypt in February 2020 brought together Ministers of Education from MENA and Sub-Saharan African countries to share experiences, exchange ideas and discuss the way forward to address learning poverty in MENA and Africa.

As the region battles the social and economic effects of COVID-19, the World Bank will continue to work closely with our clients to help protect their achievements and improve the human capital outcomes of the people in MENA.

SELECTED WORLD BANK OPERATIONAL HIGHLIGHTS



IBRD 45371 | OCTOBER 2020

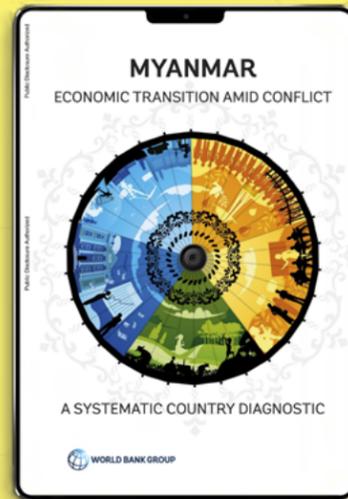
HUMAN CAPITAL IN COUNTRY ENGAGEMENT

Country Partnership Frameworks (CPF):

The CPF aims to make the WBG’s country-driven model more systematic, evidence-based, selective, and focused on the World Bank’s twin goals of ending extreme poverty and increasing shared prosperity in a sustainable manner.

Systematic Country Diagnostics (SCD):

SCD reports are prepared by WBG staff in close consultation with national authorities and other stakeholders. The SCD is a diagnostic exercise to identify key challenges and opportunities for a country to accelerate progress towards development objectives. It is a reference point for client consultations on priorities for WBG country engagement.



Human capital has been prioritized in recent CPFs and SCDs,

including in the CPFs for China, Comoros, Liberia, Mexico, Myanmar, Papua New Guinea, Poland, Republic of Congo, Rwanda, Sierra Leone, Senegal, the Philippines, and Timor Leste; in the SCDs for Albania, Bhutan, Central African Republic, Gabon, Indonesia, Myanmar, Nigeria, Serbia, Rwanda, and the Philippines; and in the Performance and Learning Reviews for Azerbaijan, Lao PDR, Mozambique and Turkey, to name a few.

The Human Capital Umbrella Trust Fund

The Bill and Melinda Gates Foundation has provided \$7.3 million (over four years) for a multi donor trust fund (MDTF) aimed at Promoting Multisectoral Policies to Boost Human Capital. Initially, the MDTF is supporting six countries: Bangladesh, Burkina Faso, Pakistan, Ethiopia, Kenya and Nigeria.

SUPPORT TO HUMAN CAPITAL REFORMS THROUGH DEVELOPMENT POLICY OPERATIONS (DPO)

World Bank-supported DPOs reflect growing prioritization of human capital, both in terms of a country’s vision for human capital development in the medium term, as well as short-term emergency measures to address the COVID-19 crisis.

A new generation of DPOs focusing on human capital has emerged recently:

- The \$50 million **Peru** Investing in Human Capital DPO focuses on better delivery of social protection and ECD services, as well as teacher management and professional development systems.
- The \$100 million **Madagascar** Investing in Human Capital DPO (first of two) aims to support improved human resources in health, and education, availability and predictability of financial resources in the social sectors, and legal protections for women and children.
- The \$500 million **Pakistan** (SHIFT) DPO embodies a whole-of-government approach, aiming to strengthen CRVS, health, and education systems essential for HC accumulation; improve women’s contribution to economic productivity; and improve federal safety nets to respond to shocks more efficiently (including those posed by COVID-19).
- The \$10 million **Albania** Gender Equality in Access to Economic Opportunities DPF is the first to solely focus on gender, building on five years of analytical work.

- The \$350 million **Niger** First Laying the Foundation for Inclusive Development DPO also has a strong gender pillar.
- The \$500 million **Jordan** First Equitable Growth & Job Creation Programmatic DPF and the \$250 million **Bangladesh** Second Programmatic Jobs DPC are examples of DPOs that address the jobs agenda.
- One pillar of the \$147.95 million **Burkina Faso** Second Fiscal Management, Sustainable Growth and Health Service Delivery DPO aims to improve health service delivery and social spending efficiency.

Beginning in late FY20, **many DPOs have addressed the COVID-19 crisis**, as countries face a wide range of impacts from the pandemic.

- The Accelerating **India’s** Covid-19 Social Protection Response DPO series (see box, page 42).
- DPOs addressing COVID-19 impacts have also been approved for many other countries, e.g. Croatia, Cambodia, Colombia, Dominican Republic, Ecuador, Ethiopia, Indonesia, Philippines, Seychelles, Tunisia, Uganda, and Uruguay.

More human capital and COVID-19 DPOs are in the FY21 pipeline, e.g. a multisectoral reform program in **Rwanda** to accelerate human capital development at critical stages of the lifecycle.

Human capital reforms are also supported through other World Bank lending instruments, technical assistance, and reimbursable advisory services.



India's Social Protection DPO

The Accelerating India's Social Protection Response Program supports India's recovery from the devastating economic impacts of the COVID-19 pandemic, with emphasis on scaling up pre-existing social assistance programs for the poor and vulnerable.

The Program supported reforms to strengthen the \$23 billion Pradhan Mantri Garib Kalyan Yojana (PMGKY) which was launched to provide safety nets for those adversely affected by COVID-19. Thus far, 320 million beneficiaries have received cash transfers through the overall government program. Social protection is critical as India stands to lose its hard-won gains against poverty as nearly half the households in India are vulnerable – between the poverty line and twice the poverty line; and majority of the workforce is informal without formal social security benefits. The PMGKY piggy-backs on state government systems in the context of federal India, large rural safety nets, food distribution outlets, community organizations and self-help groups, and bank accounts

linked to the unique Aadhaar system.

This operation supports such an approach while adding to the program in three different ways: (i) Building a strong urban safety nets platform to balance India's rural focused social protection architecture (ii) Building an adaptive social protection system which can quickly provide support to excluded groups and cater to the diversity of needs across states and communities, not only for COVID-19 but also for any future crisis (iii) Creating a portable social protection platform in India to ensure food, social insurance and cash-support for migrants across state boundaries.

The Program is composed of a series of two Development Policy Operations. The first DPO (P173943) was approved for \$750 million in May 2020. DPO-2 (P174027) is expected for Board approval in December 2020 for \$400 million. The DPO series has also attracted parallel financing of \$2.3 billion from other partners leveraging the World Bank-supported program of reforms.

IFC AND THE HUMAN CAPITAL PROJECT

IFC, a member of the World Bank Group, has long committed to tapping into the power of the private sector to support health, learning, employment, and other key human capital outcomes. Listed here are highlights from programs that were ongoing prior to the pandemic and others that were designed in response to the COVID-19 crisis.

Food Security: In 2016, IFC and the Private Sector Window of the Global Agriculture and Food Security Program made a \$7 million investment in Insta Products to boost its capacity to produce high-calorie ready-to-use-therapeutic-food (RUTF). This will enable an additional 300,000 children suffering from acute malnutrition to receive the nutrients that they need to grow and thrive.

Environment: Through its new TechEmerge Cooling program, IFC is working to identify climate-friendly ways to meet the surging demand for cooling technology across a wide range of sectors. The initiative will provide innovators with funding and pilot opportunities in Mexico and Colombia.

Health: IFC's TechEmerge initiative helps tailor new technologies to health systems in developing countries. Already implemented in Brazil and India, the program has just launched in East Africa, where longstanding challenges from infectious diseases, and the rapidly growing burden of non-communicable diseases, call for innovative solutions.

IFC's IQ-Healthcare diagnostic tool gives health facilities an evidence-based overview of their strengths and gaps in operations and a roadmap for improving quality to reach international standards of care. Users include health care facilities in Egypt, Ethiopia, Mexico, Nepal, Pakistan, Uganda, and Colombia.

Skills and Learning: IFC has created an Employability Tool to help universities understand how well they're preparing students for employment and what changes they can make to boost their effectiveness and students' opportunities. The tool is being rolled out in Asia, Africa, the Middle East, Latin America and the Caribbean.

IFC's early investment in Coursera helped expand the availability of quality, affordable online learning to millions of people. COVID-19 has underscored the need for online learning, with Coursera gaining four million new learners in March 2020 alone.

COVID-19 response: IFC's \$4 billion Global Health Platform provides support for health care supplies and services in developing countries to address the pandemic.



MULTISECTORAL CONTRIBUTIONS TO HUMAN CAPITAL

The **Ethiopia Second Urban Water Supply and Sanitation Project**

supports essential water, sanitation, and hygiene (WASH) services for over 3 million Ethiopians. As of May 2020, the project has provided 623,000 people in urban areas with access to improved water sources; 61,000 new piped household water connections; safe management of excreta for 2.7 million people in urban areas; over 50,000 sewer connections in Addis Ababa; and 1,000 public latrines. Resources from the project have been mobilized to maintain an adequate level of service during the COVID-19 pandemic.

In Lao PDR, the **World Bank-administered Energy Sector Management Assistance Program (ESMAP)** is designing a results-based financing pilot to introduce 50,000 “super

clean stoves” that meet WHO standards for indoor air quality. ESMAP has also set up a \$500 million Clean Cooking Fund to help eliminate indoor air pollution from cooking with solid fuels and improve gender, health, and climate outcomes globally.

In Pakistan, the **Punjab Public Management Reform Program for Results** supported improvements in human resource management and accountability through new technologies that led to sharp increases in children’s immunizations, inspections of health care facilities, and extension services for livestock as well as a notable reduction in taxpayer complaints. Also, the **Mozambique Public Financial Management Program for Results** in Health and Education has supported improvements in procurement, drug supply chains and flow of funds to schools. This program has increased maternal health medicines and reduced stock outs. It has also helped ensure timely delivery of text books and other school supplies.

The **Lesotho Agricultural Development project** seeks to support increased adoption of climate smart agricultural technologies, enhance commercialization and improve dietary diversity among targeted beneficiaries. These results are expected to improve farm incomes and reduce poverty in rural areas and strengthen human capital development through better nutrition.

Since 2015, the **Myanmar National Electrification Project** has been expanding electricity services through both grid extension and mini grids and off-grid solar solutions. As one of the first countries to adopt a geospatial least-cost electrification planning approach, Myanmar has provided 1.2 million people with electricity access. In an effort to reach remote communities with grid quality service, World Bank financing is supporting 73 mini grids and a solar home system program that has connected over 400,000 households in mostly remote border areas, electrified over 20,000 public facilities—targeting schools and health clinics in particular—and provided street lighting.

In Yemen, **two IDA grants** are helping to improve energy infrastructure. One is helping to restore electricity supply through off-grid solar systems to health clinics, schools and water wells, benefiting 2.35 million people. A second is helping restore access to a range of critical urban services.

The **Skilling Up Mashreq** initiative aims to prepare young women and men for jobs in the digital economy. The initiative adopts an innovative approach through building partnerships with the private sector and digital economy players at the global and regional levels.

The innovative **Nepal National Rural Transport Program** is an example of integrating gender and human capital supports into a large infrastructure operation. The program prioritizes marginalized communities and women to become involved in maintenance crews, helping them provide for their family’s education and nutrition, and putting them on a path out of poverty. For Nepal’s remote communities, where most of the country’s poor live, keeping roads reliable all year round is a lifeline to prosperity by providing access to markets, education opportunities, and health services.



Global Engagement

Third Human Capital Project Ministerial Conclave: On October 17, 2019, as part of the World Bank Group/IMF Annual Meetings, ministers and high-level representatives from more than 70 countries and organizations came together for the third HCP Ministerial Conclave. The main topic of discussion was promoting jobs and economic transformation.



AXEL VAN TROTSENBURG,
World Bank Managing
Director of Operations

“One of my priorities is to ensure we build on the Human Capital Project’s impressive momentum—across the areas of policy reform, financing, efficiency of spending, scale-up of high-impact interventions, and strengthening of data and analytics on human capital. There are many lessons to be shared among Human Capital Project countries of all income levels, and the network of peer learning within the project aims to support this.”



ANNETTE DIXON,
World Bank Vice President
for Human Development

“The goal of the Conclave is to keep up the momentum of learning from one another and motivate our collective commitment to improving human capital.”

CEYLA PAZARBASIOGLU,
World Bank Vice President
for Equitable Growth,
Finance, and Institutions

“Over the next 15 years, nearly 600 million people will be entering the labor force, mostly in poor countries.”



H.E. SHAIKH SALMAN BIN KHALIFA AL-KHALIFA,
Minister of Finance & National
Economy, Bahrain

“Entrepreneurial development programs are important... because we want college graduates to be job creators, not just job seekers.”



ZAINAB AHMED,
Minister of Finance, Budget and
National Planning, Nigeria

“Young people are the country’s greatest asset, and so current reform efforts are aimed squarely at the youth demographic.”



BENIGNO LOPEZ,
Minister of Finance, Paraguay

“Universal quality of education is key to increasing [our] labor productivity.”

Learning Poverty: Building the Foundation of Human Capital:

This flagship event at the 2019 Annual Meetings highlighted actions being taken to combat learning poverty (which is the share of 10-year-olds who cannot read and understand an age-appropriate story).



Middle East and North Africa HCP Plan Launch:

During the 2019 Annual Meetings, the World Bank’s MENA region launched the MENA Human Capital Plan at a roundtable session. The session was attended by 14 Ministers of Planning from the region and chaired by World Bank Group Vice President for MENA, Ferid Belhaj, and Annette Dixon, World Bank Vice President for Human Development.

High-level regional training in MENA:

The World Bank delivered the first high-level regional training course on “Accelerating Human Capital in the MENA region”, which was attended by 33 senior and mid-level policy makers and government officials from 11 countries and different ministries and organizations including: Finance, Economy, Planning, Health, Education, Labor, Social Affairs, and Competitiveness and Investment. The course covered cross-cutting themes and focused on highlighting the economic impact of investing in human capital and sharing global best practices on improving human capital in education, health, and skills development.

ASEAN High Level Meeting on Human Capital Development:

Held in Bangkok, Thailand, in September 2019, the meeting brought together high-level representatives from ASEAN Member States, the ASEAN Secretariat, the World Bank, UNICEF and the World Health Organization. Participants shared numerous examples from the region of successful development of human capital, along with frameworks and initiatives to increase investment. They also discussed concrete steps to tackle common challenges such as malnutrition, preparing a future-ready workforce, and wide disparities in life expectancy, job productivity and quality of education.

representatives of foundations, civil society and faith-based organizations to debate the challenges and opportunities for human capital development in Africa. Participants’ interventions built the case for investing in people and cited several inspiring actions that are being taken.

Second Human Capital Summit, Pakistan:

Pakistan hosted the country’s Second Human Capital Summit on February 20, 2020. Building upon the ‘Girls Learn, Women Earn’ initiative launched in December 2019, the Summit marked the progress being made in Pakistan toward enabling girls to excel at school, and women to thrive in the workplace. Co-hosted by the Japan International Cooperation Agency and the World Bank, the summit was well attended by representatives from government, academia and development organizations, commercial banks, telecom industry, startup ecosystem, fashion industry, civil society and media.

Africa Partners Roundtable:

The Africa Human Capital Partners roundtable, held during 2019 World Bank Annual Meetings, gathered Ministers of Finance and Development, leadership of multilateral organizations and bilateral development agencies, and senior



Looking Back, Looking Ahead



HANA BRIXI, *Manager, Human Capital Project*, offers a perspective on what has been achieved over the past two years and how prioritizing human capital can help countries move forward with development even amid the COVID-19 pandemic.

The HCP has achieved a lot this year, from more countries coming on board to more countries making human capital concerns a key part of development plans. What struck you as key achievements or progress?

First, we have supported countries putting human capital at the core of the policy agenda across regions and income groups. Even before the pandemic, a wide-ranging group of countries from Bangladesh and Madagascar to Morocco, Pakistan and Peru had prioritized institutional reforms with regard to early childhood development and social service delivery.

Second, largely as an impact of HCP, there is an increased emphasis on governments implementing a coordinated effort across sectors. This coordinated “whole of government” approach is going a long way toward improving opportunities for and removing barriers to human capital development. The approach has been especially valuable during the pandemic, when urgent policies and programs across many sectors had to be designed and launched to protect people and promote human capital for the future.

Third, HCP is a great example of the different Practice Groups in the WBG coming together and working as one to help countries achieve better results for their people. We see this particularly when

supporting countries in horizontal and vertical institutional reforms to modernize the delivery of essential services. We also see it when engaging communities and the private sector in delivering assistance and services to the poor and vulnerable.

With the introduction of virtual Knowledge Exchanges, there has been increased engagement with government focal points for the HCP. Do you have any thoughts on how HCP can further increase or leverage country focal point involvement?

HCP government focal points have played a key role in moving forward the HCP agenda in their respective countries. They are influential in driving change, overcoming challenges, and facilitating the whole of government approach to human development.

Further, with a greater number of peer learning opportunities such as the Knowledge Exchange webinars, we find that focal points are eager to learn from experts and one another. Everyone wants lessons in real time—what solutions worked on the ground and why, and what are effective mechanisms to coordinate policy across sectors.

Going forward, we would like to see focal points serve as connectors with international partners and the WBG country teams. This is happening in some countries already. HCP serves as a platform for focal points not only internationally to learn and share experience, but also domestically to further strengthen coordination within government and with international partners.

COVID-19 could potentially push 71 million people into extreme poverty. What steps can countries take to protect their human capital during this pandemic?

This pandemic is having a long-term negative effect on human capital. Lives are at risk now but, in the long run, human development and productivity are threatened if households lose access to food and other essential goods and services due to the pandemic. For example, according to current estimates, service delivery disruptions may increase maternal and child mortality by as much as 39 percent and 45 percent respectively, in low- and middle-income countries, and raise deaths due to HIV, tuberculosis, and malaria. We are already seeing a spread of hunger and malnutrition and the reemergence of polio. Furthermore, school closures are causing a long-term learning loss and school dropout especially among girls. Moreover, girls and women have been facing a rise in violence, child marriage, and unintended pregnancies. Unfortunately, past experiences with pandemics, such as the Ebola crisis in West Africa some years ago, indicate that these effects may erode human capital for the long term.

Further, as a result of the loss of learning and lack of employment opportunities for youth, future earnings and productivity for this younger generation will be negatively impacted. The World Bank estimates a loss of \$10 trillion dollars in earnings over time for this generation of students that has been and is being severely affected by COVID-19.

Fortunately, many countries have taken strong actions and prioritized their policies to mitigate the negative impact of the pandemic on human capital. For instance, with support from the World Bank, more than 100 countries have taken immediate steps to contain the virus and protect population health. They have introduced surveillance, protection, and smart

containment methods; and strengthened services that are critical for public health, including clean water, sanitation and hygiene, agriculture, and transportation. Going forward, there should be a strong emphasis on continuity of basic health services, prevention, and preparedness.

Likewise, many countries have strengthened their social safety nets and community support to provide households with financial assistance, food security, and essential services. In some countries, these efforts have been already accompanied by further modernization of service delivery systems with the use of technology and digital platforms for better access, resilience, quality, and accountability. Such modernization of service delivery systems is at the core of strategies to “build back better”.

Looking ahead, how do you see HCP helping countries to anchor development more firmly in efforts to improve human capital outcomes? In particular, what can HCP do to help countries achieve better results in an era of limited fiscal space?

Overall, we hope all countries see their people as the center of recovery. Protecting and investing in people will be critical to combat poverty, create jobs, and drive the economic transformation needed for a sustained recovery from the pandemic. Particularly as countries are operating with limited fiscal space, HCP can help prioritize policies based on well-established multisectoral theories of change, reprioritize expenditures within their existing budgets, and—drawing on global experience as well as local knowledge—identify possible efficiency gains and innovative solutions to improve the impact of expenditures. Through its integrated approaches and coordination platforms, HCP can further support countries in developing well-prioritized coherent packages of institutional and policy reforms, and investments.

HCP Quick Resources Guide

Human Capital Project:

www.worldbank.org/humancapital

FAQs:

<https://www.worldbank.org/en/publication/human-capital/brief/the-human-capital-project-frequently-asked-questions>

Human Capital Index 2020:

<https://www.worldbank.org/en/publication/human-capital#Index>

Africa Human Capital Plan:

www.worldbank.org/ahcp

Human Capital Blogs:

<https://blogs.worldbank.org/tags/human-capital>

Human Capital News & Feature Stories:

www.worldbank.org/humancapitalnews

360 Photos/Virtual Reality Experience:

www.youvisit.com/tour/wbg-vc/141803

Video Playlist on Youtube:

<https://www.youtube.com/playlist?list=PLopq6yGfmFAviugLm8wSSNRrw8r2dQ5sR>

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