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Vision

“The Human Capital Project is rallying governments, development partners, civil society, and private sector to protect and invest in people for a better and more inclusive future.”

DAVID MALPASS, President, World Bank Group

AT A GLANCE
BY THE END OF SEPTEMBER 2021, 82 COUNTRIES HAD JOINED THE HUMAN CAPITAL PROJECT.
What difference does a year make in the development story of a country? For some, a year marks the expansion of a social safety net that lessens severe hardship for millions of households; in other countries, a year can witness a drastic reduction in school dropouts thanks to policies that help keep girls in school; and in still others, it marks the elimination of a dreaded disease because long-term investments have paid off.

However, Year 3 of the Human Capital Project (HCP) has been one in which countries have struggled to stem their losses. COVID-19 has both disrupted and caused devastating setbacks to lives and livelihoods. Globally, we have lost an estimated decade worth of gains in human capital outcomes. With over 255 million jobs equivalent erased and 1.6 billion children out of school at the peak of school closures, poverty is set to significantly increase for the first time in 20 years, particularly in low-income countries and Sub-Saharan Africa. The poor and vulnerable have also endured the hardship of natural disasters and conflict.

In the face of these challenges, we are more committed than ever to help countries invest optimally in their people, prevent hard-won human capital gains from being eroded further, and build back better to ensure green, resilient and inclusive development. Human capital has been adopted as a special theme for IDA-20. The HCP network has grown to 82 countries and, even in this unique year of travel bans and social distancing, we have maintained a high level of engagement through online ministerial conclaves and global forums, multilingual knowledge exchange webinars including on COVID-19 strategies, knowledge products, and country-specific case studies of successful human capital interventions.

What has really struck me during this extraordinary time is the deep commitment of our client countries to the human capital reform and investment agenda. Country focal points and champions have helped bolster the message that a whole-of-government approach can nurture human capital, helped countries find fiscal space for human capital priorities, and encouraged private sector participation in multisectoral projects to develop human capital optimally. We have been encouraged by the continuing response to the core directions of the HCP and we encourage countries to take advantage of all that the initiative has to offer.

As we move into our fourth year, I am optimistic that, working together, we can continue to craft a historic response to human capital development in these unprecedented times.

MAMTA MURTHI
Vice-President for Human Development, World Bank Group
September 2021
HCP in Action: At the Grassroots

The Human Capital Project celebrates the heart of every country—people. Healthy and educated populations can help countries achieve their full economic potential; however, COVID-19 is rapidly eroding human capital gains. Countries continue to try to minimize the loss of lives and livelihoods and strengthen education, health, and social protection systems for the future.

Mali

“For me, school is important because it is the only way to help us prepare and secure our future. I would like to be a great magistrate so that all Malians can have access to justice.”

DJENEBA OUATTARA, 13-year-old student at Monseigneur Jean Marie Cissé School, Bamako, Mali

The Mali Improving Education Quality and Results for All Project (MIQRA) will benefit Mali’s schoolchildren by enhancing the country’s education system. MIQRA aims to increase learning outcomes in early primary education, promote girls’ access to lower and upper secondary education in underserved areas, and enhance the governance of the education system. Almost 800 schools and over 4 million people (with over 40 percent female) will benefit from a wide variety of interventions in a context of high insecurity and institutional fragility.

Madagascar

“They monitored my weight from the start of my pregnancy. And they advised me on healthy foods to eat. I came here regularly to have good health, to have normal weight for my baby, and to avoid complications during childbirth.”

DINA, mother of a newborn, Itasy province, Madagascar

The Improving Nutrition Outcomes using the Multiphase Programmatic Approach Project supports the Government of Madagascar in its aim to reduce stunting over a ten-year period (2018-2028). In the first two years of implementation, more than 680,000 women and children received an integrated package of high impact Reproductive, Maternal and Child Health and Nutrition (RMCHN) interventions designed to improve key nutrition behaviors known to be associated with significant reductions in stunting in rural areas.
Georgia

“During the pandemic, I realized how important good quality internet is for education. I am delighted that this village was included in the Log-in Georgia Project. It will boost education, the children will get more information, and they will get it faster. I will use the good quality internet for my professional growth, to help deepen my students’ knowledge.”

INGA KHVEDELIDZE, school teacher, Argokhi village, Georgia

The World Bank is supporting the Log-in Georgia project which aims to connect people, enterprises, and institutions across rural Georgia to high-quality, affordable broadband internet, and promote the use of digital services. Through the project, an estimated 500,000 citizens, including 16,000 students living in 1,000 remote villages will have access to online education, telemedicine, e-governance and e-commerce.

Maldives

“[The Income Support Allowance] helped me to pay my rent. Without the allowance, I cannot afford to live in Male’... and [would] have to return back to my island.”

ZAHIDA, formerly working at a concession at Velana International Airport, Male’, Maldives

The World Bank-funded COVID-19 Emergency Income Support Project has helped the Government of Maldives protect the livelihoods of vulnerable workers, especially women and the self-employed. In 2020, over $17 million was disbursed as income support allowance to some 23,000 workers who had either been laid off or whose income had been impacted by the COVID-19 crisis. This support has been crucial to keeping women, who constitute 40 percent of the country’s informal workers, economically empowered and able to return to the labor force as the country recovers from the pandemic.

Egypt

“As soon as I heard of the program, I went and applied, as the cash transfer could help us in many areas of life, especially the education of our daughters. I think everyone should get an education and no one should stay at home.”

SABREYA, Marsa Matrouh, Egypt

To date, over 3.4 million households have enrolled in Egypt’s Takaful and Karama Program (TKP), a cash transfer designed to protect and promote the country’s human capital accumulation. Beneficiaries receive the transfer if they fulfill certain education and health conditionalities. Leveraging TKP’s database of over 31 million individuals, the Ministry of Social Solidarity, in close collaboration with other stakeholders, is moving toward an integrated social protection system, designing cash-plus interventions that are data driven and addressing challenges that poor people face e.g., education, housing conditions, access to services, and access to livelihoods.
Investing in Human Capital for a Resilient Recovery

WHY FIGHTING COVID-19 IS CRITICAL

The World Bank is committed to help countries address the multidimensional impact of the COVID-19 pandemic. The pandemic has severely affected households, with adults suffering loss of employment and income, illness, or even death; and children of all ages suffering losses of nutrition and schooling. Women and girls have suffered particularly during the crisis. That is why it is critical to continue investing in people, to protect their human capital from being eroded, to deploy the COVID-19 vaccines successfully, and to build back better after the pandemic by strengthening public services and social programs.

ADULTS

The pandemic has resulted in widespread job losses. Globally, between 2019 and 2020, women’s employment declined by 4.2 percent (a drop of 54 million jobs), while men’s employment declined by 3 percent (60 million jobs). While men’s employment is expected to return to 2019 levels in 2021, there will be 13 million fewer women in employment (ILO, July 2021). The impact on global poverty is also significant, with 97 million additional people having been pushed into poverty in 2020 (World Bank, June 2021). People’s ability to use their human capital productively has been seriously affected, as well as their ability to provide the right nutrition and education for their children.

SCHOOL-GOING CHILDREN

Considerable losses of learning have already occurred for those currently in school, given widespread school closures and uneven access to remote learning. The income shocks associated with COVID-19 can also force many children to drop out of school. Putting these effects together suggests that the pandemic could reduce global average learning-adjusted years of schooling by half a year. Translated into Human Capital Index (HCI) units, this loss means a drop of almost 4.5 percent in the HCI of the current cohort of children. For an economy with an HCI of 0.5, this signifies a drop of 0.0225 or 2.25 HCI points, wiping away the gains that many economies have achieved over the past decade.

YOUNG CHILDREN

The pandemic has potential impacts on the future human capital of the youngest children as well. For those born during the pandemic—or who are currently under the age of five—disruptions to health systems, reduced access to care, and family income losses could materialize as increased child mortality, malnutrition, and stunting. Because stunting and educational outcomes are closely intertwined, the pandemic risks durably setting back these children’s learning. According to HCI-based simulations, in low-income economies, young children today can expect their human capital to be up to 1 percent lower than it would have been in the absence of COVID-19.

WHAT THE WORLD BANK GROUP IS DOING

Since the start of the pandemic, the World Bank Group (WBG) has provided over $157 billion in assistance to countries to fight the health, economic, and social impacts of the pandemic, including a significant share of people-centric investments.
Addressing the question “What investments should countries make for greater equity and growth?”, Prof. Banerjee made recommendations in the areas of education, health, and social protection.

**Education:** COVID-19 has highlighted that the potential for online education is greatly unexploited. There is enormous capacity for scale, as research going back twenty years shows. Great courses are available for free but cannot be accessed by children in rural areas. That’s a tragedy because these children are being deprived both of school and courses that are freely available. As schools reopen, we should think of ways to make these courses available to all.

We have to think at scale. The issue is that many countries don’t have the expertise to do this. A big takeaway from this pandemic is that there is a need for countries to share learning—what was done, why did it work, and how do we do things better?

**Health:** We’ve seen with COVID-19 that new treatments and protocols have been developed fairly quickly. What remains under-researched is public service messaging on preventive health and vaccination. This is critical. Too much information or conflicting messages can cause the public to either mistrust or ignore messaging from sources that they should trust. We need more evidence-based strategies to get these messages across.

**Social protection:** We need mechanisms for social protection that help people access services based on where they are at present rather than at their place of origin—migrants need to be able to access aid where they are. Social protection systems also need to be more flexible. For example, if a certain area suffers a huge disaster, we need systems that enable rapid data collection and sufficient infrastructure to be able to quickly direct finances there. Finally, a strong financial base would allow systems to quickly allocate money to beneficiaries.
INVESTING IN HUMAN CAPITAL FOR A RESILIENT RECOVERY

EDUCATION

INNOVATION IN THE TIME OF COVID-19

The COVID-19 pandemic has had a cataclysmic effect on education all over the world. As lockdowns went into place the world over, 190 countries found themselves faced with complete or partial school closures resulting in over 1.6 billion children out of school for months. School closures and the resulting disruptions to school participation and learning are to amount to losses valued at $10 trillion in terms of affected children’s future earnings.

Data generated by the COVID-19 – Global Education Recovery Tracker—launched by the Johns Hopkins Hospital, the World Bank, and UNICEF—through early March 2021 show that 51 countries have fully returned to in-person education. In more than 90 countries, students are being instructed through multiple modalities, with some schools open, others closed, and many offering hybrid learning options.

In response to the pandemic, education systems have adapted and innovated.

Indonesia developed an emergency curriculum and provided internet credits to more than half of the student population. The credits were linked to an increase in the amount of time students spent learning online.

Turkey has made large investments to expand its e-learning platform to reach 18 million students and over 1 million teachers, and to develop a New Digital Education System to support longer-term blended education needs.

In Pakistan, federal and regional education TV programming has been made available on multiple platforms (such as program websites and mobile apps) to increase access to students across the country. The government is improving this distance learning modality as part of the ASPIRE project.

Sierra Leone applied lessons learned during the Ebola epidemic to the current COVID-19 pandemic. For in-person school, all COVID-19 safety measures (wearing a face mask, hand-washing, social distancing and stopping bodily contact) are practiced. Given limited internet access, radio teaching programs were designed and delivered across multiple radio stations to reach all students within the country.

Bangladesh introduced policies requiring all universities to go digital, to make teaching and learning activities and admissions accessible online, and supported university staff, faculty, and students in navigating the new digital environment.

Nepal has placed education at the center of its COVID-19 emergency response and has pursued remote and e-learning opportunities to offset school closures. A coalition of teachers, education journalists, nongovernmental organizations, local governments, and local radio stations launched a distance-learning radio program called Radio Schools. Across five districts, this program benefits more than 100,000 children in grades 1-10. Further, the government’s multimodal learning strategy includes audio and visual learning materials to ensure that disability is not a barrier to education, as well as the distribution of learning packages to children who have no access to media.
THE WORLD BANK AND A NEW VISION AND MISSION FOR EDUCATION

The World Bank has released a new report *Realizing the Future of Learning: From Learning Poverty to Learning for Everyone, Everywhere* which lays out a vision for the future of learning. This new vision can help guide countries today in their investments and policy reforms, so that they can build more equitable, effective, and resilient education systems and ensure that all children learn with joy, rigor, and purpose in school and beyond the school walls. The accompanying report, *Reimagining Human Connections: Technology & Innovation at the World Bank*, presents the World Bank’s new approach to guide investments in education technology, so that technology can truly serve as a tool to make education systems more resilient to catastrophic shocks like COVID-19 and help in reimagining the way education is delivered.

While there is no single path toward the future of learning, high-performing systems share some common tenets: pursue systemic reform, supported by political commitment and a whole-of-government approach, that focuses on learning for all children; focus relentlessly on equity and inclusion; act on the basis of evidence and focus on results; ensure the necessary financial commitment; and make smart investments in education technology. Countries can effectively harness the power of education technology—or “EdTech,” encompassing hardware, software, digital content, data, and information systems—to support and enrich teaching and learning and improve education management and delivery.

To further aid the recovery of education systems, the World Bank is partnering with UNESCO and UNICEF to launch Mission: Recovering Education 2021, focused on three priorities: bringing all children back to school, recovering learning losses, and preparing and supporting teachers. The objective is to enable all children to return to school and to a supportive learning environment, which also addresses their health and psychosocial well-being and other needs.

The Global Education Recovery Tracker assists countries’ decision-making by tracking reopening and recovery planning efforts in more than 200 countries and territories. This will help track major trends among countries and aid policy makers and researchers in assessing the magnitude of support needed going forward. The Tracker will also monitor how students are being supported. This includes changes to the school year schedule, tutoring, and remediation, especially for the primary school grades.

**LEARN MORE:** Pandemic Threatens to Push 72 Million More Children into Learning Poverty—World Bank outlines a New Vision to ensure that every child learns, everywhere
INVESTING IN HUMAN CAPITAL FOR A RESILIENT RECOVERY

HEALTH, NUTRITION AND POPULATION

Across the globe, countries are working to contain the spread and impact of the COVID-19 pandemic. Evidence from the unprecedented outbreak indicates more than ever the need to strengthen national health systems’ preparedness and capacities, and to ensure continuity of essential health services, particularly for women, children, and adolescents. The World Bank Group’s emergency support operations are helping over 100 developing countries to save lives and detect, prevent, and respond to the pandemic. The World Bank is also helping countries access critically needed medical supplies by reaching out to suppliers on behalf of governments.

As of end-August 2021, the total COVID-19 health emergency response amounts to $11.7 billion; of which, $8.6 billion is COVID-19 Multiphase Programmatic Approach response and $3.1 billion is portfolio health response. Vaccines account for $4.6 billion of the total COVID-19 health emergency response.

The World Bank is making a total of $20 billion available to help developing countries to finance the purchase and distribution of COVID-19 vaccines. IFC is providing $4 billion through its Global Health Platform to increase the supply and local production of vaccines, masks, ventilators, and personal protective equipment in developing countries.

The World Bank Group is supporting countries’ efforts to provide Universal Health Coverage (UHC)— quality, affordable health services to everyone, regardless of their ability to pay— by strengthening primary health care (PHC) systems and reducing the financial risks associated with ill health and increasing equity.

PHC systems have a key role to play during a health emergency through measures such as surveillance, testing and contact tracing, and in keeping hospitals from overflowing with critically ill patients. Strong PHC systems are also key to the efficient delivery of crucial health services, including vaccinations. The pandemic has shown policy makers and ordinary citizens why health systems matter and what happens when they fail. By doing so, it has also created a once-in-a-generation
chance for structural health-system change. The World Bank has been aiding numerous countries with their COVID-19 emergency response. Many of these countries are taking this opportunity to upgrade their PHC systems.

In Benin, the lack of both a robust surveillance system capable of monitoring common diseases and qualified and motivated health workforce were of particular concern. The Government of Benin disbursed about 97 percent of all the resources mobilized for COVID-19 to the health response over eight months to ensure rapid assistance to more than 2,400 patients, hospitals, and other beneficiaries. As a result, 13 functional laboratories are operating successfully where none existed before. In addition, 89 screening centers have been equipped, five treatment centers established, and free testing and treatment of patients available as of April 2021. More than 582,000 persons have been tested and more than 7,510 patients treated.

In Bhutan, a $5-million emergency aid package aimed to ensure there were sufficient properly trained medical personnel and enough medical supplies and equipment and testing kits to protect its population of 770,000, people and ran a robust awareness campaign to make sure that both officials and the public understood the dangers and knew how to respond.

By April 2021, 664,713 people in Bhutan were tested for COVID-19. Only one death was reported. All Bhutan’s hospitals and 78 primary health centers were provided with test kits and all 20 district health authorities were provided with personal protective equipment (PPE) and other supplies. Isolation facilities were created in four national COVID-19 centers and all hospitals prepared small units for the isolation of suspected cases awaiting laboratory test reports. Bhutan has also established one of the world’s most effective vaccination campaigns. As of August 30, 2021, Bhutan has vaccinated 72.7 percent of the entire population with one dose, while 61.3 percent of the population is fully vaccinated.

Years of conflict in Yemen have taken a massive toll on the already vulnerable health system. With only half of the country’s health facilities open, and a lack of essential requirements—including water, fuel, and oxygen—millions of Yemenis suffer every day from the lack of health care services. COVID-19 has exacerbated the situation, further limiting health access to the people in need.

Against this backdrop, the Yemen COVID-19 Response Project (YCRP) supports early detection and screening for the virus, provides essential medicines and medical equipment to treatment centers, and builds the capacity of health care workers to respond to the pandemic in Yemen. In 2020, 37 isolation units across the country were established and supplied with medicines and medical equipment to provide treatment and handle severe cases of COVID-19. Specialized Rapid Response Teams (RRTs) were trained and deployed to 84 high priority districts to detect and respond to COVID-19. Additionally, YCRP has supported the country’s diagnostic capacity with six national laboratories to conduct polymerase chain reaction (PCR) testing for suspected cases since the beginning of the response. The project also supports the local health system with Infection Prevention and Control (IPC) to prevent further spread of the virus.
INVESTING IN HUMAN CAPITAL FOR A RESILIENT RECOVERY

SUPPORT FOR THE LARGEST VACCINATION EFFORT IN HISTORY

COVID-19 vaccines are critical to safely re-energize economies, to reduce the risk of hospitalization or death from the disease, and to allow access to critical education and health services. That is why the World Bank Group is working with partners and client countries on the largest vaccination effort in history to stop the loss of lives and livelihoods associated with the COVID-19 pandemic.

OVER $4 BILLION APPROVED FOR MORE THAN 50 COUNTRIES

As of August 31, 2021, the World Bank approved operations to support vaccine rollout in 54 countries amounting to $4.6 billion. Over half of this financing comes from IDA and is on grant or highly concessional terms.

A new financing mechanism allows countries with COVID-19 vaccine operations to purchase vaccine doses through COVID-19 Vaccines Global Access (COVAX), the Africa Vaccine Acquisition Task Team (AVATT), or other sources, using World Bank financing. It also finances vaccine deployment and health system strengthening, such as vaccine cold-chains, training health workers, data and information systems, and communications and outreach campaigns to key stakeholders which are crucial to ensure vaccination acceptance. Eligibility criteria for World Bank-financed COVID-19 vaccines is aligned with the revised eligibility criteria of COVAX and other multilateral partners.

The World Bank is partnering with the African Union and the World Bank-supported Africa Center for Disease Control to support the AVATT initiative with resources to allow countries to purchase and deploy vaccines for up to 400 million people across Africa. The Bank is also convening a task force with the International Monetary Fund (IMF), World Health Organization (WHO), and World Trade Organization (WTO), and other partners to track, coordinate, and advance delivery of COVID-19 vaccines to developing countries.
ENSURING EQUITY

All approved WBG COVID-19 vaccine projects uphold principles of equity, supporting a prioritized roll-out of COVID-19 vaccines that target the most vulnerable individuals and account for gender differences in literacy rates, access to information, social media and so on. Each project also has a Environmental and Social Commitment Plan and a Stakeholder Engagement Plan.

For instance, in Cambodia, priority groups such as those with underlying health conditions, the elderly, women, and those living in remote locations, have been identified and targeted and vaccination messages have been communicated to them. In Niger, projects have ensured gender sensitive, contextualized and accurate information about COVID-19; accounting for gender differences in literacy rates, access to mobile phones, social media, radio, and helplines.

Climate vulnerable groups, such as the elderly and indigent, have been prioritized in the Philippines and projects aim to ensure that health facilities can withstand the impacts of extreme climate related events.

WORLD BANK FINANCING FOR COVID-19 VACCINATIONS*

*as of October 2021
INVESTING IN HUMAN CAPITAL FOR A RESILIENT RECOVERY

SOCIAL PROTECTION AND JOBS

An important part of the pandemic response is increasing the coverage and flexibility of social protection and labor systems. Despite strong efforts to expand social safety nets in developing countries over the past decade, too many people remain unprotected, including informal workers in urban areas. And while some countries have already been making their social protection systems more ‘adaptive’ to a range of emergencies, the pandemic has shown how critical it is to expand and accelerate this work.

Since the start of the COVID-19 pandemic, the World Bank has invested $10.5 billion in 56 social protection and jobs projects around the world; and has also integrated social protection into several development policy loans and projects in other sectors such as health. Nearly a billion people have benefited from new financing as well as restructured or repurposed projects, 84 percent in South Asia. About 88 percent of these projects primarily support social safety nets.

A few examples illustrate the range of activities supported as part of the COVID-19 response:

**Niger** is an example of sustained support over a decade from the World Bank’s fund for the poorest countries, IDA, for the development of an adaptive social protection (ASP) system. IDA support has enabled innovation such as piloting a drought response program which deploys cash transfers based on satellite data on meteorological conditions. In 2020, a massive COVID-19 response allowed cash transfer beneficiaries to increase from 30,000 to 4,000,000 households. The Niger ASP system has demonstrated its potential to rapidly and substantially scale up and deliver emergency shock response cost-effectively.

In **Latin America and the Caribbean (LAC)**, the Knowledge Exchange on Adaptive Social Protection Systems addressed demand from client countries for region-specific knowledge exchange and succinct operational guidance on ASP topics. Through its ASP forum, attended by over 120 officials from 26 countries, and its guidance note series on ASP, the project facilitated knowledge exchange and created innovative region-specific operational guidance to help identify priorities for strengthening and adapting Social Protection systems. The notes now serve as a critical consultation tool as LAC countries address COVID-19 recovery.

In **India**, a series of development policy operations during the pandemic have permanently strengthened the safety net system. The Second Accelerating India’s COVID-19 Social Protection response project has helped redesign the social protection system to break down silos, use biometric methods, and reduce inefficiencies, so that the system emerges stronger after the crisis. Between May and August 2020, more than 87 percent of India’s poorest households reported receiving at least one benefit—food or cash—under the supported program.
In Brazil, the World Bank has supported an important policy choice—to expand safety net coverage for those who need it most through 2021-2022, years marked by higher poverty, lower employment, and constrained fiscal space. The Brazil Income Support to the Poor Affected by COVID-19 project finances the countercyclical expansion of the flagship Bolsa Familia safety net. Cash transfers under this project will help prevent 1.2 million families from falling into extreme poverty.

In the Democratic Republic of Congo, the World Bank supported the government to set up an emergency social safety net to protect the urban poor from the socio-economic effects of the COVID-19 crisis. This was done as a contingent emergency response component, reallocating $50 million under the RDC Eastern Recovery Project (known as STEP, or Projet pour la Stabilisation de l’Est de la RDC pour la Paix). Despite challenges in targeting and delivery, an innovative technology-driven response in partnership with the Central Bank and telecom operators has already successfully provided 100,000 beneficiaries in the capital Kinshasa with fast-disbursing emergency cash assistance, against an end target of 250,000.

**FACE MASKS BOOST LOCAL ECONOMY**

The Central Republic of Africa (CAR) leveraged the existing cash-for-work LONDO project to meet a health need and provide employment and income to local microentrepreneurs. Started in 2019, the objective of the LONDO (‘Stand-Up’) Project was to provide temporary employment to vulnerable people. When the pandemic hit, CAR was among the first countries to mandate the wearing of face masks; however, the country faced an acute shortage of masks. To meet the need, the government turned to the LONDO project. By August 2020, 18,000 tailors and 300 local firms had stitched 2.4 million masks with a target of 10 million masks in sight. These locally produced masks, stitched according to the World Health Organization’s guidelines, are being distributed for free throughout CAR. It is estimated that the project will generate more than 1.6 million workdays and inject approximately $17 million into the local economy.
INVESTING IN HUMAN CAPITAL FOR RESILIENT RECOVERY: THE ROLE OF PUBLIC FINANCE

The Approach Paper *Investing in Human Capital for Resilient Recovery: The Role of Public Finance* considers the role of public finance for human capital as countries move from crisis to recovery and lay a foundation for inclusive, resilient and sustainable development. The paper framed the discussion at the Fifth Human Capital Ministerial Conclave in April 2021 which focused on the sustainable financing of human capital investments. While the Approach Paper was prepared with the Conclave in mind, it was later revised to reflect contributions from the ministers of finance and planning who joined the discussion.

HUMAN CAPITAL FOR RECOVERY AND RESILIENT, INCLUSIVE DEVELOPMENT

Investing in people is central to green, resilient and inclusive development. Unless addressed with decisive investments, the scars of the COVID-19 shock on human capital and future productivity could become permanent. Malnutrition and prolonged exposure to stress can have lifelong, cumulative impacts on children. School closures and the increased likelihood of school dropout are eroding the knowledge and skills of the current generation of school children, especially those from poor and vulnerable households. Recent World Bank staff estimates suggest learning poverty might increase from 53 percent to 63 percent in low- and middle-income countries and at least 24 million children, from preprimary to tertiary level education worldwide, might never return to school. This, combined with deskilling due to prolonged unemployment and underemployment, will likely lower future productivity and earnings. Further, women suffer disproportionately from joblessness, domestic care burdens, and gender-based violence, as well as from unintended pregnancies and maternal deaths.

While defining the problem with respect to human capital outcomes, the paper outlines three areas for action, including policy priorities, governance, and fiscal space for building and utilizing human capital. It highlights recent innovations and illustrates actionable steps for the short term as well as directions for the longer term by country context.
1. Public Spending to Build, Protect and Utilize Human Capital

Priority investments would reduce permanent human capital losses and position human capital for economic recovery. Immediate priorities are restoring health, protecting young children from malnutrition and other harm, bringing children back to school and recovering learning losses, and supporting labor income opportunities. In the medium term, sustained economic recovery hinges on further improvements in universal health coverage, early childhood development, learning and skills development, relevance of tertiary education to the labor market, adaptive social protection, and women’s economic empowerment.

Concurrently, in partnership with the private sector, governments can reimagine service delivery systems in a digital world. Key areas for systems strengthening include resilient health systems for pandemic preparedness with integrated and people-centered primary health care systems, resilient education service delivery that does not leave disadvantaged children behind, and strengthened social protection and labor systems that can adapt nimbly to changing needs and crises.

2. Governance to Translate Fiscal Policies into Human Capital Outcomes

The management of government budgets and human resources will need to be outcome oriented, with an emphasis on accountability for results, and facilitated by digital technologies. Governments can renew the social contract around human capital, restoring the trust of citizens through more transparency and opportunities for citizens’ participation in policymaking and resource allocation. Strengthening governance calls for policy and resource coordination across ministries, agencies and levels of government, adapting budget processes and introducing results-based orientations in both allocating and managing public human and financial resources.

3. Securing Resources for Human Capital Priorities

Exploring new avenues in securing resources for human capital priorities requires finding space within budgets, identifying cost-effective reforms, and protecting those specific budget lines that are critical for the continuation of services with long-term implications on human capital outcomes. Raising domestic revenues, debt restructuring and relief, and planning for future crises are all part of the strategy to secure resources. Furthermore, drawing on experience from previous crises as well as the COVID-19 pandemic, countries will benefit from proper fiscal planning, risk reduction and preparedness. Adaptive social protection and resilient service delivery systems, for example, can mitigate the impact of crises on human capital, facilitate an efficient fiscal response to crises, and drive a strong recovery.
The Human Capital Index (HCI) 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. By providing a snapshot of the outlook for human capital before the COVID-19 pandemic struck, the 2020 update of the HCI serves as a benchmark to assess the human capital costs of COVID-19. Recently, two Utilization-Adjusted Human Capital Indices (UHCIs) were introduced. As their name suggests, UHCIs adjust the HCI for labor-market underutilization of human capital in a consistent way across a large number of countries. Recognizing the importance of this pattern both for individuals and for policy, two simple analytical extensions of the HCI adjust it for labor market underutilization of human capital. Both Utilization-Adjusted Human Capital Indexes (UHCIs) can be calculated for more than 160 economies. Both have the same simple form—the HCI multiplied by a utilization rate—and represent the long-run income gains if an economy moves to the frontier where human capital is complete and completely utilized. Given their different purposes, the UHCIs are meant to complement, not replace, the HCI.

The two UHCIs take different approaches to measuring utilization. In the basic UHCI, utilization is measured as the fraction of the working-age population that is employed. Although this measure is simple and intuitive, it cannot capture the fact that a large share of employment in developing countries is in jobs for which workers may not be able to fully use their human capital to increase their productivity. The full UHCI adjusts for this shortcoming by introducing the concept of better employment, which represents the types of jobs (for nonagricultural employees and employers) that are common in high-productivity economies. The full utilization rate depends on the fraction of an economy’s working-age population in better employment.
Because they have more human capital to underutilize, economies with higher HCI scores also face larger utilization penalties if they show low rates of better employment.

Although the different methodologies produce different scores for some individual economies, the basic and full measures yield broadly similar utilization rates across country income groups and regions, and in general. Utilization rates average about 0.6, but they follow U-shaped curves when plotted against per capita income across economies and are lowest over a wider range of lower-middle-income economies. The analysis of underutilization suggests that moving to a world with complete human capital and complete utilization of that human capital could almost triple long-run per capita incomes.

**STARK GENDER GAPS**

Both UHCIs reveal starkly different gender gaps from those calculated using the HCI. Whereas the HCI is roughly equal for boys and girls, with a slight advantage for girls on average, UHCIs are lower for females than males, driven by lower utilization rates. Basic utilization (employment) rates are 20 percentage points lower for women than for men in general, with a gap of more than 40 percentage points in the Middle East and North Africa and in South Asia. Female employment rates follow strongly U-shaped curves when plotted against economies’ levels of income, whereas male employment rates are much flatter, and with less dispersion across economies. The gender gap is also present in the full utilization rate, though it is smaller. These results suggest that, although gender gaps in human capital in childhood and adolescence have closed in the last two decades (especially for education), major challenges remain to translate these gains into opportunities for women.

**Figure 1: Basic UHCI and per capital income**

Source: World Bank calculations based on the 2020 update of the HCI, the World Development Indicators, the International Labor Organization, and the Global Jobs Indicator Database.

Note: Based on 148 economies with available data. GNI=gross national income; UHCI=Utilization-Adjusted Human Capital Index.

**LEARN MORE: The Human Capital Index**


Investments in human capital—the skills, health, knowledge, and resilience of a population—form the bedrock of economic growth. The 2020 update of the HCI, covering 174 countries, provides an international metric that can be used to measure progress on key components of human capital across countries. National averages, however, often mask significant differences across groups within countries that policy makers must address if they hope to realize the full potential of their citizens. A subnational disaggregation of the HCI can shed light on inequities in health and education outcomes within a country and help governments better target policy to the most disadvantaged groups.

Within countries, differences in human capital outcomes may arise from differences in household socioeconomic status (SES) that reflects financial constraints and access barriers to investing in human capital. While the global HCI cannot readily be disaggregated by socioeconomic group, an HCI disaggregated by quintiles of SES (SES-HCI) for 50 countries has been calculated using comparable cross-country data from Demographic and Health Surveys and Multiple Indicator Cluster Surveys, and student-level test scores from the Global Dataset on Education Quality. The SES-HCI reveals that gaps in human capital outcomes...
across SES quintiles within countries can be quite large. Pooling all SES quintiles in all countries, roughly one-third of the total variation in human capital outcomes is due to variation across SES quintiles within countries (Figure 2). Further, human capital outcomes increase with income across countries at roughly the same rate as they do within countries across SES quintiles. This indicates that the sharing of income-related human capital risks is, on average, no better within countries (where in principle social protection programs might mitigate these risks) than it is between countries at different income levels.

...AND GEOGRAPHIC LOCATION AND ETHNICITY

In addition to gaps between rich and poor households, countries may see differences in human capital outcomes along spatial dimensions, reflecting the common trend of urban regions growing much faster than rural ones. In Romania, for example, the urban-rural divide in learning outcomes is significant, with urban areas scoring as high as Ukraine, and rural areas ranking at par with Senegal (Figure 3).

Minority group status may also drive differences in human capital outcomes. In the global HCI, Vietnam ranks close to the high-income country average and well above the average among lower middle-income countries (its own income group). However, an analysis of survey data from 2014 finds that ethnic minorities score 0.62 in the HCI, compared with 0.75 for the ethnic-majority Kinh. At 32 percent, stunting rates are two times larger among ethnic minorities than among the Kinh majority. School enrollment also lags among ethnic minorities relative to their Kinh peers by 30 percentage points.

Subnational disaggregations of the HCI reveal that countries vary significantly in the extent to which gains in human capital outcomes are distributed across the population. Addressing these gaps must remain a priority for governments because, in many cases, the returns to investment in the human capital of disadvantaged groups, especially early in life, are the highest.

Learn more: Insights from Disaggregating the Human Capital Index (worldbank.org)
ARE SYSTEMS DELIVERING FOR CITIZENS?

In the last year, education and health systems have been severely strained by the COVID-19 pandemic. However, even before the COVID-19 pandemic, there was increasing evidence that health and education systems had weaknesses in need of reform. To improve these systems, policy makers need evidence on the quality of education and health services provided to citizens. The Service Delivery Indicator (SDI) surveys have helped provide this evidence by collecting data from schools, clinics, and hospitals. Nearly two dozen SDI surveys have been in progress for over a decade and have generated nationally representative data, enabling governments and citizens to identify gaps and benchmark progress. SDI data have been used to shape public debate and policy action in countries across Africa.

In the context of human capital, SDI data offer important findings for strengthening, and even transforming, primary health care and education systems.

KEY FINDINGS

Health
- The diagnostic and treatment capacity of health care providers varies substantially by country, but providers at lower-level facilities score noticeably worse. This is particularly troubling given that these facilities are where people typically make first contact with the health system.
- Providers have a high rate of absence and their caseload varies dramatically between and within countries, suggesting that there is room for better supervision and potential reallocation of staff to overburdened facilities.
- Despite decades of investment to improve structural inputs to care, many facilities lack the basic necessities, including essential medicines, diagnostic equipment, and adequate water and sanitation infrastructure. These results are shown in Figure 4.

Education
- Student learning is low, with less than half of students able to recite a simple sentence or perform basic mathematical operations. Results are shown in Figure 5. However, differences in learning are large within and across countries. Identifying

Figure 4. Breakdown of medical equipment availability in public facilities, by country


Notes: This figure shows the breakdown of missing equipment in public facilities by country. Multiple equip. missing refers to facilities which have more than one piece of equipment unavailable.
some of the top performing schools and analyzing how they succeed could help provide insights on how to improve learning for all.

- Schools with better-performing students appear to have more teachers per student, and also more knowledgeable teachers. However, teacher skills are also generally low, both in content knowledge and pedagogy, and uncorrelated with the teacher’s education level. Hiring more teachers and basing that recruitment on talent instead of solely on titles, would help improve learning outcomes.

- Specific school inputs, such as whiteboards and functioning toilets, can potentially improve students’ daily experience in school. Ensuring equal access to these basic inputs could be a good place to start. However, such inputs alone will probably not be sufficient and must be coupled with other policies that align incentives, increase accountability, and are framed within comprehensive education reform.

The COVID-19 pandemic has made clear the need to rethink the delivery of health and education services. More and better measurement of the factors that determine quality in health care and learning can help countries protect hard-won gains in human capital and secure the foundations of sustained, inclusive growth. The insights learned from SDI surveys and continuous innovation in the SDI measurement platform offer important contributions toward this measurement goal.

### NEWLY HARMONIZED SDI DATABASE


The findings of the analysis have cross-cutting implications for health, telecommunications, finance, and transportation. These data can be used to infer the differential role of infrastructure in the performance of health care facilities and help shed light on cross-sectoral drivers of service quality. For example, preliminary findings show that access to electricity is associated with more accurate health provider diagnosis and higher availability of vaccines by providing access to a working fridge. Further, analysis of this kind could provide a potential roadmap for Kenya (and other middle income and lower income countries) on how to improve health service quality by not only investing directly in this sector, but also by exploiting the complementarities of investments in infrastructure and technology.

**RESEARCH ON INFRASTRUCTURE AND SERVICE DELIVERY IN KENYA**

A recent World Bank research initiative in Kenya shows how SDI data can be used in cross-cutting initiatives to improve service quality of health by way of infrastructure.

Using Kenya’s recent health Service Delivery Indicators data, an exploratory analysis was conducted to compare and validate administrative and geospatial data on energy, communications, and transportation infrastructure. Further, an in-depth technical note details the relationship between quality of health service delivery—primarily in early childhood health—and physical capital in Kenya.
A new initiative, led by a cross-sector team of World Bank experts, seeks to expand the application and integration of disruptive technologies to re-imagine service delivery for health, education, social protection, and more.

The team aims to provide high-level government decision makers, including ministers, with clear priorities, guidance, and illustrative examples on how to apply and integrate disruptive technology more extensively. The activity will pose, and answer, questions such as: What are the leading examples around the world where technological change led to real improvements in service delivery for health outcomes, learning, cash transfers, job access, and more? How can countries decide on a feasible technology roadmap to emulate such examples in their own context? What key questions need to be asked, and answered, in terms of data governance privacy while trying to achieve transformative change?

Reimagined human capital service delivery can leapfrog the current siloed and fragmented, provider-focused systems of service delivery, resulting in a more integrated, efficient and effective approach. Service delivery platforms can be transformed by using technology strategically, generating personalized and dynamic data, and responding in a “people-centered” way to an integrated set of human capital needs. In this next evolution of human capital services, there is an opportunity to not only address pernicious challenges that existed pre-pandemic, but also to remodel future service delivery for improved efficiency and equity, at scale. Technology – both disruptive and transformative – and data have a key role to play in the reimagining of human capital service delivery in a digital era such that systems are more resilient. This will help countries deal with a range of future shocks, including climate change, conflict and fragility. 2021, to support the Human Capital Ministerial Conclave. The work will continue until September 2022, when the final products will be released.
The Human Capital-oriented Public Expenditure and Institutional Review (PEIR) uses an outcome-oriented, multisectoral approach to address human capital outcomes, along with an in-depth institutional analysis. The PEIR applies a cross-cutting human capital lens to assess public expenditures and the extent to which spending is aligned with human capital priorities and desired outcomes. A problem-driven institutional analysis examines challenges, bottlenecks, and opportunities across agencies, from fiscal planning down to service delivery.

The importance of human capital financing and improving service delivery systems and institutions has taken center-stage as COVID-19 threatens to roll back a decade of progress in human capital gains. Prioritizing a human capital outcome-oriented public expenditure framework and re-imagining service delivery systems can contribute to a green, resilient and inclusive recovery.

PEIR SPOTLIGHT
Kenya

The PEIR is looking at Early Childhood Development (ECD) key outcomes prioritized by the Government of Kenya through a multisectoral analysis covering health, education, social protection, water, sanitation and hygiene (WASH), agriculture and gender. It aims to identify enabling factors, bottlenecks, and constraints that have a bearing on the effectiveness and efficiency of fund flows within and across the sectors. Finally, the PEIR will shed light on data gaps and actions needed to support the ECD agenda and strengthen institutional arrangements to improve ECD outcomes at the county level.
The Human Capital Review (HCR) is a new addition to the World Bank’s extended core analytics. The HCR presents a comprehensive view of the state of human capital in a country, assesses endowments and constraints to human capital development across a broad range of areas, and identifies priority human capital outcomes that require improvement.

The HCR remains flexible, with only general parameters defined of a broad human capital landscape analysis combined with an in-depth outcome-oriented analysis. There are 18 HCRs ongoing with more planned. The World Bank teams have taken different approaches to the HCR, including the life cycle and HCI disaggregation. The specific approach will depend on country-specific factors. Additional analytical lenses are therefore encouraged, where appropriate, given country circumstances—the political-economy analysis and the problem-driven iterative approaches used in Liberia is one such example. The HCR and sectoral analysis can often complement each other by providing greater breadth and depth to the analysis.
**IMPACT**

HCRs have played a key role in advancing both the policy dialogue with clients, and the multisectoral collaboration within governments and across the World Bank. This deepening client engagement strengthens ownership, which in turn enhances impact. For example, the Government of Eswatini, driven by its Ministry of Finance and Planning, has proactively pushed multisectoral collaboration and integrated approaches on human capital. Within the Bank, the HCR has proven to be helpful in making the case for human capital in the development of Country Partnership Frameworks.

**Eswatini** focused on the life cycle approach to build the nation's human capital. This approach encompasses i) early childhood; (ii) school age; and (iii) youth to adulthood, and ensures that all children are entitled to and receive a comprehensive package of services to reach their full potential. Key interventions include reducing neonatal mortality, reducing infant and under-5 mortality, reducing stunting under 5, improving access to basic education and quality of literacy and numeracy outcomes in early grades, improving maternal health outcomes and productivity.

**Brazil** disaggregated the HCI by socioeconomic status, gender and race at municipal level to identify any misallocation of talent and productivity. In addition, the utilization-adjusted human capital at municipal level was calculated to discuss the impact of labor market opportunities on HCI. Lastly, the Brazil HCR projected the long-term consequences of COVID-19 on human capital formation, based on simulations of different scenarios.

**Kazakhstan’s** HCR examined key challenges to the country’s human capital development, such as education quality, risk factors for Non-Communicable Diseases and rising inequalities across regions. Further analysis on skills and productivity was identified to prepare recommendations for policy reforms.

**Liberia** used a problem-driven iterative methodology and a political economy analysis to understand the bottlenecks for human capital development and identified three strategic pillars to achieve medium-term and long-term objectives.
LEARNING FROM CASE STUDIES

Learning from experience is one of the best ways to generate ideas and share good practice. HCP is supporting a variety of case studies that examine the policies, programs and practices that governments have used to achieve their human capital goals and on identifying lessons for other countries.

EGYPT: DEVELOPING HUMAN CAPITAL THROUGH ENERGY SUBSIDY REFORMS

Government-led economic reform programs have been an important vehicle to improve the lives of Egyptian citizens. This case study describes one of these programs, which reduced energy subsidies to enable the government to channel more investment into the human capital sectors, health, education, and social protection. This program not only provided a reliable source of funding to build Egypt’s human capital but also supported longer-term economic stability. In its continued efforts to build human capital, the Government of Egypt must consider the challenges that the country is facing, especially its high fertility level and inequalities in access to services of decent quality. Therefore, this study includes an action plan to help the Egyptian government to continue making productive investments in human capital and to reach the inclusive development goals articulated in its 2030 Vision.

BANGLADESH  SINGAPORE  THE PHILIPPINES  MOROCCO  GHANA
COMMON LESSONS DRAWN FROM CASE STUDIES

**Sustain political commitment to human capital development.**
Continuity of commitment over successive governments to protect and invest is key to reaching any long-term goals. This is especially true for growing human capital, which can take decades, and even generations, to achieve. 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 is 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.**
Case study countries benefitted to varying degrees from taking a multisectoral, cross-government approach to their human capital policies and investments. Many policies reflect the fact that factors beyond the social sectors affect human capital development, such as clean air, a safe water supply, and the provision of sanitation services.

**Engage locally when implementing policies.**
Case study countries coordinated with regional, provincial and local governance and local-level actors to implement, monitor and evaluate programs. In some cases, local-level actors helped with the selection of development projects.
Planning at the Regional and Country Levels

PROGRESS ON REGIONAL HUMAN CAPITAL PLANS

THE AFRICA HUMAN CAPITAL PLAN

Since it was launched in 2019, the Africa Human Capital Plan has guided a significant shift and scale up in World Bank Group support to human capital. Annual human development project commitments in Africa have more than doubled since then and have reached $8.90 billion in fiscal year 2021. Thirty-two Sub-Saharan Africa countries are members of the Human Capital Project, demonstrating their strong commitment to raising human capital outcomes.

Driven by ambitious targets and seven game changing themes, the Africa HCP is providing a framework and momentum for COVID-19 relief, restructuring, and recovery efforts for a more sustainable, inclusive, and resilient future.

SCALING UP FINANCING

Implementing a green, resilient, and inclusive development (GRID) approach to recovery calls for scaling up investments in all forms of capital—human, physical, natural, and social. In Niger, for example, the Cash for Work Resilience component of the Adaptive Safety Net Project targets high-risk climate areas and provides additional income to people in communities affected by food insecurity caused by persistent or recurrent weather and climate change-related shocks.

PARTNERING FOR CROSS-SECTORAL SOLUTIONS

Multisectoral solutions can help create economies that are more sustainable, inclusive, and resilient against future shocks. In Comoros, Madagascar, and Mozambique, the World Bank has supported both pandemic relief measures and structural reforms that protect the vulnerable against price increases on food and medical products, provide liquidity to banks and firms to stave off unemployment, and promote policies to extend and improve social transfer systems, digital financial services, and access to banking.

SUPPORTING POLICY REFORM

Nearly 94 percent of World Bank development policy financing (DPF) operations approved in Africa in FY2021 support human capital-influencing reforms, up from 70 percent in FY2020. DPFs have helped protect people’s jobs as detailed above, increased social protection measures through expanded cash transfers in Chad, Rwanda, and Sudan, and helped with the creation of social registries to improve the targeting of social programs and benefits in Angola and Côte d’Ivoire.

ACCELERATING DEMOGRAPHIC CHANGE

The World Bank Group is working with governments and other key stakeholders on immediate and long-term solutions that champion women and girls at home, school,
and work through the “4Es”: empower, enhance, employ, and educate. The flagship Sahel Women’s Empowerment and Demographic Dividend Project (SWEDD) is enhancing women and adolescent girls’ access to essential sexual and reproductive health services, increasing coverage and continuum of care (even in the most remote areas), and building pandemic preparedness and response capacity.

DELIVERING IN CONTEXTS OF FRAGILITY, CONFLICT AND VIOLENCE (FCV)

An estimated total of $3.9 billion in World Bank financing has been committed for human development operations in 16 Sub-Saharan FCV countries in FY21. In Burkina Faso, Cameroon, Central African Republic (CAR), and Mali, free health care programs have been adapted to ensure continuity of health services in situations of unrest. Financing to the Cameroon Education Reform Support Project has been scaled up to strengthen existing activities and incentives to help mitigate learning loss due to the impact of COVID-19.

LEVERAGING TECHNOLOGY AND INNOVATIONS

Many African countries have the building blocks to scale up innovations and leapfrog traditional service delivery models. Liberia, Mauritius, South Sudan, Tanzania, and Zimbabwe, have implemented remote teaching and learning through radio and television, while Nigeria’s EdoBEST initiative has launched e-learning platforms, digital interactive quizzes, and mobile tutors. In the health sector, Kenya, Malawi, Niger, and Rwanda are scaling up free health hotlines for COVID-19 information and broader health and nutrition issues while Sierra Leone is piloting a predictive technology platform to assess health facility readiness for COVID-19 vaccinations in real time.

EXPANDING KNOWLEDGE FOR RESULTS

Measurement tools, reports, and knowledge products have been developed and applied to help countries and the development community increase evidence-based information on human capital challenges, solutions, and outcomes. For example, an analytics workshop in Sierra Leone brought together senior-level government officials to identify areas to improve on short- and medium-term human capital outcomes. A demographic study focusing on women and girls’ empowerment is underway in Uganda and technical advice and analysis is helping Chad quantify the economic benefits of a gender-inclusive society. A pandemic preparedness diagnostic in Ghana is helping to ensure adequate and sustained financing to achieve universal health security.

HISTORIC INCREASED LEVELS OF FINANCING AND INVESTMENTS IN FY21

- $8.9 billion for human development in Africa (FY2020: $7.8 billion w/ 74 new projects). This exceeds the Africa Human Capital Plan yearly target by close to 80%.
- A total of $1.94 billion financing for COVID-19 health response efforts.
- Delivering over $6 billion of new women’s empowerment projects since 2019 inception.
- 9 out of 10 DPOs in Africa support reforms that bolster human capital.
- $4.35 billion for 54 human development operations in Africa in FCV countries, representing 49% of new commitments. Of this, $609 million in IDA funding has responded quickly to the COVID-19 health emergency.
- 38% of African Human Development portfolio of active operations is now in FCV countries.
THE MENA HUMAN CAPITAL PLAN UPDATE

BACKGROUND
Launched in 2019, the Middle East and North Africa (MENA) Human Capital Action Plan focused on a life cycle approach to human capital. This Action Plan’s framework aimed to build, protect, and utilize human capital and also identified gamechangers to accelerate progress using a whole-of-government approach. The framework remains highly relevant for MENA today.

Two years into implementation, the global pandemic was a catalyst for cross-sectoral disruption, affecting countries across the income spectrum and accelerating predicted changes in the world of work. COVID-19 revealed weaknesses in national systems that were tasked with building, protecting, and utilizing human capital. Safety nets were stretched. Health systems were strained. And school closures aggravated the learning crisis. Overall, progress has been slower and, in some country contexts, human capital gains have been negated.

THE MENA HUMAN CAPITAL ACTION PLAN UPDATE
The MENA Human Capital Action Plan has been updated with a twofold purpose. The Update serves to: (i) take stock of progress in building, protecting and utilizing human capital; and (ii) lay out a renewed vision for the Bank’s engagement in MENA to accelerate progress on human capital. The updated MENA Human Capital Action Plan provides strategic directions and defines a set of priorities and results to be achieved over the short- and medium-term.

The Update—which is built on a consultative and inclusive process that was used to design the original Action Plan—identified guiding principles for the MENA region’s response to the disruption. These principles focus on: (i) recovering from human capital losses; (ii) realigning human capital investments; and (iii) reimagining human capital for the next normal.

COUNTRY-LEVEL PLANS
To guide implementation of the Update, country-level action plans will be prepared that will articulate country-specific priorities and approaches for boosting human capital. These country-level Action Plans will be used as a tool to strengthen policy dialogue and momentum with client countries and development partners, and promote a collective approach to human capital acceleration. These plans will serve to better anchor human development to country-specific development challenges, highlighting synergies and complementarities with other interventions supported by respective governments.
RESULTS ACROSS MENA

In several MENA countries, there is a large gap between human capital and labor market outcomes, and female labor force participation remains a major constraint in terms of utilizing human capital. The Mashreq Gender Facility (MGF), launched two years ago, provides technical assistance to Iraq, Jordan, and Lebanon to strengthen the enabling environment for women’s economic participation and improve women’s access to economic opportunities. For instance, in December 2020, the Government of Lebanon passed a law criminalizing sexual harassment in the workplace and in public spaces, after significant technical assistance from the MGF in revising legal outputs and compiling several existing draft laws into one. In Iraq, based on dialogue with the Central Bank of Iraq, the Commercial Bank’s League, and Private Commercial Banks, a US$500,000 loan initiative without guarantees or collateral, complemented with training, will help to increase women’s financial inclusion. And across the Mashreq, Women’s Employment Peer Learning Platforms were launched by IFC and partner institutions in Jordan, Lebanon, and Iraq to promote gender diversity and family-friendly workplaces in the private sector, to attract and retain more female employees, with a specific focus on addressing the impact of the COVID-19 crisis.

In Jordan, the Bank supports a COVID-19 response that includes: (i) a fully automated Management Information System (MIS) that covers all stages of the delivery chain; (ii) payments being made digitally through Basic Bank Accounts (BBA) and E-Wallets; and (iii) enhanced targeting through the use of the National Unified Registry that connected multiple government databases to enable the verification using administrative data. By mid-2021, about 500,000 Jordanians benefited from this comprehensive assistance program.

In Morocco, the Early Childhood Development Program-for-Results supports increased access to quality early nutrition, health and education in rural areas of the country. The operation is embedded into a larger national program, the National Initiative for Human Development, which aims at boosting human capital of young children and their families. The program is expected to have strong externalities on women’s empowerment both through the creation of jobs mostly held by women (health care and Early Childhood Education workers), as well as by providing quality childcare which, in turn, will facilitate female labor participation.
THE HUMAN CAPITAL PROJECT IN THE SOUTH ASIA REGION

The 4i4HCA: A Framework for Human Capital Acceleration in South Asia outlines the challenges faced by human capital in the region and the four-pronged framework for action.

South Asia has made major progress across many dimensions of human capital. Between 1990-2019, the region experienced a rapid decline in under-5 child mortality and the highest rate of increase in overall life expectancy. Between 1998-2016, most South Asian countries achieved near-universal primary school enrollment. In 2015, the share of population living on less than $1.90 a day fell to 12 percent.

However, despite this progress, South Asian children born today can expect to attain only 48 percent of their full productive potential. Pursuing progress and adopting a whole-of-government and multisectoral approach to human capital development, particularly in the areas of social protection, health and education, is crucial for South Asia to prosper in the 21st century and improve quality of life for all citizens.

CHALLENGES

Three key drivers limit human capital outcomes in South Asia:

- **Poor quality and lack of effective services undermine the impact of public investments:** South Asia’s public spending on human capital sectors (as a share of GDP) is the lowest in the world, social protection coverage is low and overall health care quality and access is second lowest in the world. Further, overcrowding in cities, poor air and water quality, and the lack of private sector engagement leads to poor health and education outcomes.

- **Multiple inequalities lead to large segments of the population being left behind:** With the world’s highest stunting level, over 35 million children out of school, the world’s lowest rate for women’s labor force participation, an imperiled demographic dividend, and lack of official identification (ID), it is difficult to ensure equal access to opportunities on many fronts.

- **People face increasing vulnerability to a spectrum of shocks and risks:** South Asia is increasingly facing climate change shocks with 40 million at risk of becoming climate refugees. Environmental pollution claims 1 in 10 lives except in Sri Lanka and Maldives. Non-communicable diseases are a top health risk while out-of-pocket medical expenses leave over 60 million people impoverished annually.

STRATEGIC PRIORITIES

**4i4HCA—Four ‘i’s for Human Capital Acceleration**

Human capital acceleration in South Asia requires a four-pronged approach of Invest, Include, Insure and Innovate.

**Invest**

To ensure that quality services reach all South Asians, more and better investments must:

- focus squarely on raising the quality of services;
- align share and efficiency of human capital spending with global benchmarks;
• promote a strong regulatory environment in public and private sector delivery; and
• shine a light on institutional accountability and governance.

**Include**
There is vast untapped economic potential in excluded and vulnerable groups that could be used to power South Asia’s growth. To ensure inclusion, governments need to:

- end the lifetime burden of stunting;
- prioritize learning poverty to build strong foundations;
- empower South Asia’s billion adolescent girls and women;
- focus on 21st century skills and productive opportunities for youth; and
- identify the poor and vulnerable to target services.

**Insure**
Environmental protection, insurance, strong public health systems, and investment in scalable safety nets can help protect human capital gains. To achieve this:

- prioritize clean air and clean water;
- reduce mortality and morbidity from the four major non-communicable diseases;
- deepen preparedness of systems and resilience to shocks;
- prepare societies for the extreme impacts of climate change; and
- safeguard displaced human capital.

**Innovate**
To accelerate human capital accumulation through digital and emerging technologies and institutional innovations:

- build a tech framework for generating human capital outcomes;
- leverage digital technologies to improve real-time delivery of services;
- strengthen voice, agency, and empowerment; and
- deploy multisectoral strategies when and where needed.

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It is estimated that South Asian economies could take two years to recover from the fallout of COVID-19. Widespread loss of jobs, education and health gains will only deepen inequalities in society with devastating effects on the poor and vulnerable.

If we learn anything from the pandemic, it is that it has demonstrated the close links between a strong public health system, an effective, scalable social protection system, and a flexible, innovative education system. All three have a strong bearing on the economic performance of a country.

Accordingly, the WBG COVID-19 response was swift geared toward protecting these three areas. New Social Protection and Jobs (SPJ) projects for a total of approximately $1.9 billion were planned of which $1.5 billion was disbursed by end-June 2020 in Bangladesh, India, and Pakistan, with additional repurposing of resources done in Nepal, Maldives and Sri Lanka. The World Bank also approved COVID-19 emergency response health projects in eight South Asian countries by April-end 2020, for a total of US$1.57 billion.
SYSTEMATIC COUNTRY DIAGNOSTICS

A Systematic Country Diagnostic (SCD) informs each new CPF (Country Partnership Framework). The aim of the SCD is to identify the most important challenges and opportunities a country faces in advancing toward the twin goals to end extreme poverty and promote shared prosperity in a sustainable way. This is derived from a thorough analysis, and informed by consultations with a range of stakeholders.

Guyana: The first SCD for Guyana was completed in December 2020. The discovery of offshore oil in Guyana is a pivotal moment with the potential to transform the economy and achieve long term and sustainable growth for all of society. The SCD offers a vision of the country as a high-income economy on a path to inclusive and sustainable growth, with social cohesion and environmental resilience. Chapter 5 evaluates strategies for transforming Guyana’s natural capital into human capital and reaching full coverage of basic services and infrastructure through investment in health, education, and social protection.

Kenya: The SCD is organized around two main strategies: (1) higher aggregate output and productivity growth and (2) greater equity and inclusiveness. Human capital is recognized as central in the SCD, with three main pathways outlined to accelerate the attainment of the World Bank’s “twin goals” of ending extreme poverty and promoting shared prosperity: (1) boosting productivity and job creation, (2) reducing inequality of opportunities through advancing human capital, and (3) improving governance for service delivery. The SCD contains a rich discussion of the policy priorities in these inter-connected areas.

Eswatini: The SCD identifies inequality of opportunity as a major obstacle to poverty reduction and boosting shared prosperity in Eswatini. Strengthening human capital and inclusive public service delivery is among five identified priority policy areas. In education, priorities include strengthening early childhood care and education, reducing repetition and dropout rates in basic education, improving learning outcomes in the early grades, and enhancing the governance and coordination of skills development. In health care, the focus is on improving child and maternal health outcomes, enhancing health and nutrition among adolescents and women, and reducing inequalities in access to water, sanitation, and hygiene.

PANDEMIC PREPAREDNESS

The World Bank’s Health, Nutrition and Population team has prepared guidance on incorporating an assessment of pandemic prevention and preparedness into SCDs to give the issue greater visibility. This will also help countries make a strong case for concessional World Bank financing in support of investments in pandemic prevention and preparedness.
COUNTRY-LEVEL PLANNING

COUNTRY PARTNERSHIP FRAMEWORK

The Country Partnership Framework (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.

PHILIPPINES
Duration: 2019-2023
Objective: To reduce core constraints to inclusive growth and poverty reduction in relation to people, competition, and key vulnerabilities.

Investing in Filipinos to improve human capital development is one of three areas of engagement proposed by the CPF. Within the human capital focus area, the CPF proposes three objectives: (i) improving the quality of and access to education; (ii) increasing access to affordable health services through health financing and support to the Universal Health Care Law of 2019; and (iii) helping the government achieve their goal of building a social protection system that encompasses social insurance, social safety nets, labor market interventions, and social assistance.

BHUTAN
Duration: 2021-2024
Objective: Develop a more inclusive and diversified economic basis for private sector-led job creation to help strengthen the country’s economic resilience.

In relation to human capital, the CPF will help protect existing human capital gains in the wake of the COVID-19 crisis through support to existing government programs, namely by: increasing access to maternal and child health services, expanding early childcare, and improving child nutrition and development services. Over the longer term, the CPF’s life-cycle approach will support children from an early age to adulthood with investments in early childhood education, health care, nutrition, and high-quality education and life-long learning to help them acquire knowledge, skills and jobs.

NIGERIA
Duration: 2021-2025
Objective: Support Nigeria’s efforts to reduce poverty and promote sustained private sector-led growth.

In order to protect human capital advances made before the pandemic, the CPF includes “Investing in Human Capital” among its four main pillars. It also contains a larger emphasis on programs and engagements that are national in scope and on upstream engagements that offer greater potential to be leveraged and magnified. Within the human capital pillar, the CPF proposes two engagements: Improving delivery of basic services for human development—centered around education, health, and social assistance—and harnessing Nigeria’s demographic dividend—centered around youth employment and skills, as well as woman-specific economic empowerment.
**RWANDA**

**Duration:** 2021-2026  
**Objective:** Help Rwanda increase productivity growth and growth elasticity of poverty through a sustainable development pathway.

“Improved Human Capital” is among the five objectives proposed by the CPF and is aimed at developing Rwandans into a capable and skilled people with quality standards of living and a stable and secure society. This will be achieved through improvements in the three areas of: education and skills, health and nutrition, and social protection—with a particular emphasis on the empowerment of women and further support provided from the World Bank’s Human Capital for Inclusive Growth DPO series, which includes cross-sectoral early childhood development and social protection programs.

**CENTRAL AFRICAN REPUBLIC**

**Duration:** 2021-2025  
**Objective:** Support the Central African Republic in continuing its journey towards stabilization and recovery.

The CPF proposes large investments in human capital and service delivery to attract private sector activity. As one of the two focus areas, “Human Capital and Connectivity to Boost Stabilization, Inclusion and Resilience” aims at mitigating the negative effects on human capital due to the pandemic through investments in COVID-19 response programs as well as cash-transfers. In the long run, the CPF proposes placing a larger emphasis on building a national Safety Net System to protect poor and vulnerable households as well as improving access to quality education, with a particular emphasis on woman and girls.

**SIERRA LEONE**

**Duration:** 2021-2026  
**Objective:** Support Sierra Leone in achieving resilient, sustainable, and inclusive growth with an emphasis on improving human capital, governance, and competitiveness.

In relation to the human capital focus area, the CPF proposes supporting distance learning and technology-based solutions as well as COVID-19 prevention and containment strategies in the short run. In the long run, the CPF will help improve learning outcomes in primary and secondary education—especially among girls; improve teacher-monitoring systems through innovative solutions; support adolescent pregnancy prevention through empowerment driven models; and help expand the Safety Net Program to all districts in addition to improving its operating efficiency and accountability.

**MALAWI**

**Duration:** 2021-2025  
**Objective:** Develop foundations for improved private sector-led growth and human capital development in order to achieve poverty reduction and shared prosperity.

In relation to the Human Capital focus area, the CPF includes a short-term goal of supporting the health system response to the pandemic through vaccine financing and cash transfers. In the long-term, the CPF proposes upgrading Malawi’s health systems with a focus on women’s empowerment, raising adjusted years of learning, particularly in primary school, as well as fostering entrepreneurship skills, and supporting the creation of a more inclusive and dynamic safety net system, better positioned to promote resilience and support women’s economic empowerment.
Multisectoral Contributions to Human Capital Development

Development Policy Financing (DPF) from the World Bank provides countries with fast-disbursing financing to address actual or anticipated financing requirements. The use of this instrument in a country is determined in the context of the Country Partnership Framework. DPFs have strong potential to address the closely linked objectives of human capital development and women’s empowerment, and to help tackle long-standing policy and institutional bottlenecks that have obstructed progress. Recently, this instrument has also been widely used to address the impact of COVID-19, including to protect human capital in the households most affected by containment measures or loss of employment.

A FEW RECENT EXAMPLES

**Central African Republic Second Consolidation and Social Inclusion Development Program (P168474).** This $50 million DPF is second in a series that supports both the consolidation of fiscal management and social inclusion. Inclusive economic recovery is supported through measures to improve access to social protection, health and education through the launch of a digitally enabled cash transfer program; to implement free health care for children under five, pregnant and breastfeeding women, and survivors of gender-based violence; and to recruit and deploy primary school teachers at the local level.

**Second Accelerating India’s COVID-19 Social Protection Response (P174027).** This DPF is consistent with the India CPF’s focus on building modern systems of social protection. It is the second of a series of two operations aiming to strengthen the capability of state
and national governments in India to provide coordinated and adequate social protection to the poor and vulnerable from the shocks triggered by the COVID-19 pandemic.

**Crisis Response and Recovery in Guatemala (P173698).** One of the three pillars of this series supports the government’s efforts to mitigate the impact of COVID-19 on the poor and vulnerable, as well as to protect and promote human capital accumulation. Prior actions under this pillar include a range of complementary measures to protect human capital during the COVID-19 pandemic, while triggers for future support are tied to structural reforms for stronger human capital accumulation.

**Morocco Second Financial and Digital Inclusion Development Policy Financing (P174004).** This DPF series supports policy measures for developing a digital ID, the use of cashless transfers, and the expansion of social protection programs promoted by the authorities in parallel with the COVID-19 recovery plan. The creation of the COVID-19 Pandemic Fund, supported by the first operation in this series, has allowed it to pay social allowances and unemployment benefits to about 5.2 million households, including 950,000 formal workers and 4.3 million households who rely on the informal sector.

**Tonga Supporting Recovery After Dual Shocks (P174683).** This DPF aims to (1) assist firms to maintain business continuity, protect livelihoods and support vulnerable households to maintain their investment in human capital; and (2) lay the foundations for a sustainable economic recovery. Pillar 1 supports actions that deliver targeted crisis-responsive social protection payments, temporary fee relief for secondary school students, a wage subsidy program and financial assistance to both formal and informal firms. These actions also support crucial advances in Tonga’s adaptive social security system.

**Uzbekistan Supporting a Transparent and Inclusive Market Transition (P171751).** Under the second pillar, this DPF supports measures to end almost all internal migration controls, establish legal frameworks to address gender-based violence and ensure equal opportunities for women, and expand social assistance to vulnerable households while strengthening the effectiveness of the safety net system.
MULTISECTORAL CONTRIBUTIONS TO HUMAN CAPITAL DEVELOPMENT

RWANDA HUMAN CAPITAL FOR INCLUSIVE GROWTH DPF SERIES

Designed as a multisectoral series of three operations, with a total IDA allocation of $400 million, the first Rwanda Human Capital for Inclusive Growth DPF ($150 million) was approved in December 2020, with noteworthy collaboration across several government ministries and agencies to deliver results across the human lifecycle. Good governance, women’s empowerment, and equity are emphasized as central cross-cutting themes. The theory of change shown below connects the reforms and results to be achieved. Early progress has been encouraging across health, nutrition, education, social protection, and governance measures despite COVID-19 pandemic challenges. The second operation ($150 million) is currently under preparation and scheduled for approval in FY22.

Supporting Economic Stability and Inclusive Growth in Rwanda

Children get a good head start and are better prepared to learn
- Families benefit from a minimum package of Improving Early Childhood Development (IECD) services.
- More healthy children access pre-primary education and are equipped for success.

Women are empowered to work, utilize their human capital
- Poorest women access flexible, year-long work in home based ECD centers.
- Poorest women receive nutrition-sensitive cash transfers while utilizing maternal, natal, and early childhood care.
- Frontline health facilities equipped with skilled professionals.

Students learn better and move to higher grades smoothly
- Students benefit from improved standards for timely grade entry, promotion, and remedial support.
- Better managed and qualified teachers effectively improve learning environment.

Families are more resilient and can better cope with shocks
- Easy and improved access to financially sustainable Community-based Health Insurance (CBHI).
- Resilience of more poor and vulnerable families strengthened as they benefit from shock responsive and human capital focused safety nets.

Young people reach their full adult potential, better able to contribute to broad growth
- Improved learning prepares young people to transition to higher education and work.
- Youth dividend is leveraged to spur growth.

Bottlenecks
- Inaccurate targeting of beneficiaries
- Low coverage of safety nets

Pillar A
Promoting long-term fiscal sustainability

Pillar B
Enhancing Coverage and Equity in Access to Critical Social Sector Programs

Pillar C
Enabling Learning and Development of Children

Pillar D
Strengthening Decentralized Capacity and Accountability

SOCIAL PROTECTION
- Inadequate insurance coverage
- Insufficient number of health workers

EDUCATION
- Low student progression and learning
- Insufficient mechanisms for school readiness
- Inadequate teacher management and development

Social Registry improves efficiency and coverage of pro-poor targeting of social programs

Debt sustainability helps maintain state capacity to deliver public services for inclusive, broad based growth

Enabling governance and institutional structures at the decentralized level for efficient delivery of social services

LEARN MORE
ALBANIA GENDER EQUALITY IN ACCESS TO ECONOMIC OPPORTUNITIES

Despite efforts to bridge the gender gap, Albania has been losing an estimated 20 percent of its per capita GDP because too few women work and those who do work for lower wages. Fostering gender equality in access to economic opportunities has been a key objective of the government’s social and economic agenda.

The $10 million Albania Gender Equality in Access to Economic Opportunities DPF (P160594) culminated in the rapid adoption of a series of reforms to make its economic, social and institutional framework more gender-equal, in compliance with regional standards. The three pillars of this DPF focused on (i) improving women’s access to assets; (ii) leveling the playing field to enhance labor market opportunities for women; and (iii) strengthening institutional arrangements for gender-informed policy making.

More than a year after the DPF was approved (in November 2019), there have been good results in implementation of this set of policy actions, despite the challenges posed by COVID-19:

• The new Notary Law requires notaries to verify and automatically register co-ownership of property when owners are married, which would increase options for women to access financing for economic activities and for starting businesses.

• Strong progress has been seen in terms of 100 percent compliance of bidders in public procurement tenders who are required to submit a self-declaration form with regard to nondiscrimination in the workplace. In 2020, only one economic operator was found to be in violation of the labor code without taking corrective action, following inspection.

• While job placements slowed down for both women and men through the National Employment Service as a result of the pandemic, the share of women being placed went up to 59 percent, from 49 percent in 2019.

• Reductions in teacher-student ratio at the preschool level have been recorded in municipalities with the highest ratios. The government also reported positive results after the change of the financing formula, despite the complex situation in the current school year.

“It is important that any social policy and employment policy go hand-in-hand. The likelihood that a woman enters the labor market and stays in the labor market is very much linked to how much there is in terms of childcare services.”

Dajna Sorensen, Albania’s Deputy Minister of Finance and Economy

• Over half of all budget programs are now gender-responsive, up from 33 percent in 2019, with a growing share of budget expenditure.

• The new Albanian Financial Management Information System has enabled a more systematic tracking of gender-related key performance indicators (KPIs) by budget program and shows that the percentage of KPIs that directly address documented gender gaps has increased.

“LEARN MORE”
A WIDE RANGE OF SUPPORT TO COUNTRIES

The Afghanistan Emergency Agriculture and Food Supply Project (EATS) was designed to counter the negative impacts of the pandemic on food security and reduced incomes while also building capacities, systems, and productive assets to contribute to recovery and resilience phases. EATS aims to improve the productivity of key crops and create jobs through various measures including irrigation schemes, climate-smart practices for irrigated and dryland farming systems, emergency seed distribution and improved kitchen garden schemes for female farmers to ensure nutritious food at the household level. The outbreak of COVID-19 in early 2020 hampered the recovery from the 2017/18 drought at both household and national levels. To address this, EATS launched a nationwide wheat seed distribution campaign for planting in November 2020 with over 215,000 beneficiaries receiving the improved seed packages. The project’s investments in productive assets is expected to generate over 5 million person-days of unskilled labor demand during the project’s implementation period.

In Sri Lanka, the COVID-19 Emergency Response and Health Systems Preparedness Project supported the government’s efforts to control the pandemic by providing contact tracing managing and follow up. Project financing has largely been used for the (i) procurement of PCR test kits, laboratory and biomedical equipment, (ii) provision of essential work, goods, and services at 60-70 COVID-19 treatment centers around the country, (iii) establishment of isolation units in secondary and tertiary care hospitals around the country, (iv) increasing the

Nigeria’s Water, Sanitation and Hygiene (WASH) sector was declared to be in a state of emergency by the government in 2018 with millions of Nigerians living without access to basic drinking water, improved sanitation facilities, and basic handwashing facilities. To combat this emergency, the government implemented several initiatives under the National Action Plan for the Revitalization of Nigeria’s Water Supply, Sanitation, and Hygiene Sector including the Nigeria Sustainable Urban And Rural Water Supply, Sanitation and Hygiene (SURWASH) Program. The SURWASH Program, approved in 2020, is projected to provide 6 million Nigerians with basic drinking water services, support 1.4 million in accessing improved sanitation services, develop improved WASH services in 2,000 schools and health care facilities, and assist 500 communities in achieving Open Defecation Free status. WASH can impact years of schooling by freeing up time that children spend collecting water to attend school, reducing the prevalence of disease that can keep them out of school, and contributing to a safe and healthy learning environment while at school.
intensive care units (ICU)/high dependency units (HDU) bed capacity in the country, and (v) provision of mobility support to public health cadres for outreach and contact tracing through the procurement of 26 cabs and 805 motorbikes to be used by the Ministry of Health/Public Health Inspectors. It is also working to strengthen the country’s health system to better manage health emergencies in the future. The project also disbursed social cash transfers to almost 700,000 vulnerable people including the elderly, disabled and those who are economically vulnerable. The project also supported the COVID-19 vaccination drive through financing vaccine procurement and deployment.

To encourage parents to continue to send their children to preschools, Sri Lanka’s Early Childhood Development Project has provided every Childhood Development Center on the plantations and 3,000 more preschools island-wide with personal protective equipment such as masks, sanitizers, handheld thermal sensing thermometers, and hand washing basins for the health and safety of children and teachers. It is also expanding tuition fee waiver support as the number of families needing financial assistance in the wake of the pandemic has increased, and providing teaching materials to more ECD centers to reach a larger population of children in need. The ECD project will extend this support to a further 7,000 preschools in all districts.

When COVID-19 hit Haiti in March 2020, the Haiti Sustainable Rural and Small Towns WSS Project (EPARD) launched a large-scale multimedia multilingual public awareness campaign to promote good handwashing behavior, hygiene, physical distancing, and the use of face masks. To reach more remote areas, the team deployed motorbikes equipped with speakers from which they broadcast preventive measures. Local community leaders spearheaded the dissemination of posters and videos. Over 430 training sessions were conducted on how to install handwashing stations. The campaign involved the participation of the education, health, energy, and water sectors among others. A joint program is also underway with World Bank Health, Water, and Energy sectors to equip some COVID-19 health centers with solar energy and solar water pumping.
The *Peru Education Responses to the COVID Emergency in Peru (ASA)* supported the government in developing a WASH emergency program in Lima to ensure adequate WASH services for the reopening of schools. This was included as part of the overall technical assistance package that the Bank provided to support the Peruvian response to the COVID emergency.

**GREEN, RESILIENT, AND INCLUSIVE DEVELOPMENT**

Integrated, longer-horizon green, resilient, and inclusive development (GRID) strategies are needed to repair the structural damage caused by COVID-19 and accelerate climate change mitigation and adaptation efforts while restoring momentum on poverty reduction and shared prosperity. A faster, more durable recovery will require coordinated interventions across three areas: (1) Investing in all forms of capital, (2) macroeconomic and structural policies, institutional strengthening and technological innovation to enable the transition, and (3) mobilizing capital at scale, especially from the private sector.

Within this framework, rebuilding human capital requires integrated reforms and policies and sustained financing. Measures are needed to reverse the setback in human capital development, while addressing structural disparities.

- The immediate priority for countries fighting COVID-19 remains containment and vaccine deployment.
- Investing in inclusive and resilient services for health, housing, education, water supply and sanitation builds stronger and resilient communities.
- Education policies are needed to address the learning crisis and meet future skill needs, particularly for youth and women.
- Women are at the center of the GRID agenda as powerful agents of change. The need for a strong recovery further emphasizes the importance of economic empowerment of women.
- Strengthening social protection is an essential part of development, as it builds resilience and inclusion.
The three-year Adolescent Nutrition Sensitive Agriculture (ANSA) Pilot Project in Malawi’s Mwanza and Ntchisi districts mobilizes girls, ages 10-19, and supports them with trainings, leadership and start-up inputs for nutritious crops and small-scale livestock. Mainstreaming the project within government structures has been key to its success. It is strongly anchored by the country’s Ministry of Agriculture, Department of Nutrition, HIV and AIDS (DNHA) and District Councils. Adolescent nutrition strategies are now integrated with district implementation plans, providing hope for entrenched sustainability. For instance, the project interventions on sexual and reproductive health, livelihoods, literacy skills, recreation have been blended to respond to the needs of girls in both districts. Healthy diets and economic empowerment will lead to improved futures for the girls and their families.

In Pakistan, the KP Spending Effectively for Enhanced Development (SPEED) program will help the provincial government in Khyber Pakhtunkhwa strengthen its management of public resources and fiscal planning to sustain human capital investments in education and health care services. By implementing critical reforms and tackling key bottlenecks in planning, budgeting, procurement, and supply chain management, the provincial program will improve predictability of resources to provide access to medicine in primary healthcare facilities, including maternal and neonatal clinics for women across the province, and increase availability of adequate teaching staff in at least 45 percent of primary, middle, and high schools in the province, and particularly for girls’ schools.

The One Health approaches address the nexus between human, animal, and ecosystem health for prevention of zoonotic diseases and pandemic preparedness. One Health solutions require a multisectoral approach encompassing Health, Nutrition and Population, Agriculture and Food, and WASH. Several countries have already coopted One Health measures. To prevent zoonotic disease (including COVID-19) from taking hold and spreading, the Nigeria COVID-19 Action Recovery and Economic Stimulus Program (CARES) project supports connection of water supply to wet markets, fumigation and water treatment services, upgrading of slaughter slabs and improving waste management to improve safe functioning of food supply chains. The upgrading of wet markets is part of a multipronged response to COVID-19 that also brings together access to cash transfers and livelihood support for immediate relief and recovery of micro, small and medium enterprises to relaunch the private sector.

In Bangladesh, the Private Sector Development Support Project (PSDSP) facilitated more than $3.9 billion in direct private investment and the creation of over 41,000 jobs (24 percent of which are held by women). It supported a regulatory reform process, helped build the Bangladesh Economic Zone Authority and the

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Bangladesh High-Tech Park Authority, and developed 1,500 acres of land, a 14 km embankment, 26km of roads, eight bridges, three electric substations, and two water reservoirs. PSDSP will now be furthered by the $500 million Private Investment and Digital Entrepreneurship (PRIDE) project which emphasizes sustainable and resilient services, and green development.

Connecting people to broadband can make a difference when it comes to disaster response, education, health, and social safety nets. Partnering with the Government of Haiti, the World Bank has launched the Haiti Digital Acceleration Project to increase access to broadband services in Haiti, connect 2.7 million more people to the internet, and make digital infrastructure resilient to avoid outages during disasters. The project will also connect nearly 1,300 public sector institutions, opening the door to increased accountability, transparency and more efficient service delivery.

Serbia is intensifying its focus on infrastructure development by increasing the safety, efficiency, environmental sustainability, and regional connectivity of its railway through an upgrade of 3,735 kilometers of this network. Through the Multi-Phase Programmatic Approach for Serbia Railway Sector Modernization Project, the World Bank is supporting the Republic of Serbia in its effort to transform its rail sector while simultaneously lowering the carbon footprint of this sector. This transformation includes building systems for strong rail asset management and maintenance and building in intelligent systems like digital technology to improve safety and increase efficiency. According to preliminary assessments, the portion of the project that will lead to mitigation or adaptation benefits—also known as climate co-benefits—is expected to exceed 89 percent, amounting to $111.28 million. This decarbonization project puts Serbia on track to join EU countries in a move toward cleaner transport.

The Solar Energy in Local Communities (SOLEIL) project will almost double the rate of electricity access in Burundi by expanding access to rural families, local enterprises, schools and health centers in some of the poorest areas of the country. More than 91,000 families, 4,000 small businesses, 500 schools and 400 health centers will gain access to electricity through mini-grids or standalone solar systems. Another 400 schools and 300,000 households will gain access to clean and efficient cookstoves. This will improve the quality of health and education services delivered in rural areas and will provide about 17 megawatt hours of renewable generation capacity. In addition, the project will provide training on women’s employment and female entrepreneurship and strengthen regulations and policies to attract private sector participation in the provision of off-grid energy services.

Working across sectors, the World Bank’s Africa Transport Unit developed a study, ‘Connectivity for Human Capital: Realizing the Right to Education and Healthcare through Improved Public Transport in African Cities’. Focusing on 10 large cities across Sub-Saharan Africa and applying not only spatial modeling tools but also policy and survey analysis and insights from interviews with human rights and development practitioners working in the region, the study provides new evidence on the degree to which health and education opportunities can be physically reached using the existing fixed route public transport systems.
In Jordan, the World Bank’s Inclusive, Transparent and Climate Responsive Investments Program-for-Results (PforR) aims to catalyze public and private investment in Jordan for a green and inclusive recovery from the COVID-19 pandemic. The program supports the implementation of critical reforms that have been initiated under the Reform Matrix to strengthen public and private investment and helps Jordan capitalize on emerging opportunities for post-pandemic recovery including on green growth, tourism development, and female labor force participation. By strengthening transparency and accessibility of data, the program also will help Jordan enhance its accountability mechanisms to deliver effective new policies and investments, and better results.

The World Bank has extended support to the Yemen Integrated Urban Services Emergency Project (YIUSEP) to aid the restoration of access to critical urban services and strengthen the resilience of selected cities in Yemen to external shocks. Yemen’s cities have been very badly affected by six years of conflict, with the destruction of urban infrastructure widespread. Its impact on critical facilities has been devastating: the country is struggling to deal with the COVID-19 pandemic because many of its hospitals and clinics have been damaged by the conflict and those remaining open face frequent power shortages. Already, through YIUSEP, 234 kilometers of urban roads in eight cities have been rehabilitated, and access to critical services has been restored for more than three million beneficiaries. By working across sectors, the additional funding to the project aims to provide 600,000 Yemenis with access to rehabilitated water and sanitation, rehabilitate 60 kilometers of urban roads, and restore 39,000 megawatt hours of electricity capacity.

In Turkey, the Rail Logistics Improvement Project (RLIP) is helping the Ministry of Transport and Infrastructure (MoTI) meet Turkey’s stated goal of tripling the share of railways in freight transport. The project will invest in last-mile infrastructure to connect maritime ports and industrial zones to the national railway network. This will facilitate truck-to-rail modal shift, thereby reducing logistics costs and greenhouse gas emissions in a country where 75 percent of all freight is moved by trucks and a fifth of energy-related emissions come from transport. Further, RLIP will address gender stereotypes and gender role perceptions as a barrier to the employment of women in the logistics industry.
MULTISECTORAL CONTRIBUTIONS TO HUMAN CAPITAL DEVELOPMENT

IFC AND HUMAN CAPITAL

The International Finance Corporation (IFC), a member of the World Bank Group, advances economic development and improves the lives of people by encouraging the growth of the private sector in developing countries.

As the global economy deals with the COVID-19 pandemic and its fallout, the private sector has an important role to play in helping countries recover and build back better for a green, resilient, and inclusive future. Over the past year, IFC has invested in several projects to help countries protect and invest in people while laying the groundwork for future resilience.

EMERGENCY RESPONSE FOR JOBS

Through June 2021, IFC provided $47 billion in support to existing clients in vulnerable industries, including infrastructure, manufacturing, agriculture, and services, and provide liquidity to financial institutions so they can provide trade financing to companies that import and export goods and extend credit to help businesses shore up their working capital.

GLOBAL HEALTH PLATFORM

IFC has contributed $800 million to health care since the pandemic began and has a pipeline of $1.3 billion (as of June 2021) through the Global Health Platform, which aims to increase access to critical health care supplies, including masks, ventilators, test kits, and, eventually, vaccines. It will provide financing to manufacturers, suppliers of critical raw materials, and service providers to expand capacity for delivering products and services to developing countries.

Alongside its investments, IFC will provide advisory services to manufacturers to support local manufacturing of specific health care products, and improve resource efficiency in the pharmaceutical and medical equipment sectors. It will also provide advisory services to health care facilities to strengthen their ability to provide safe and high-quality clinical services.

SUPPORT FOR HEALTH

Through Upstream Umbrella, IFC is developing projects in Africa to boost local vaccine production for long-term resilience. Further, through the Africa

LEARN MORE: IFC and COVID-19 Supplies
Global Healthcare
Medical Equipment Facility, IFC is partnering with financial institutions in Africa and medical equipment manufacturers worldwide to help small and medium-sized health care providers in East and West Africa secure local-currency loans to purchase or lease needed medical equipment.

**ADVISING GOVERNMENTS ON PUBLIC-PRIVATE PARTNERSHIPS (PPPs) AND CONTRACTING**

IFC advises governments on how to effectively contract out health care service to the private sector. Through its PPP Transaction Advisory, IFC also supports governments in implementing PPPs and attracting private investment and expertise in developing countries in a range of sectors relevant to the human capital agenda. IFC’s advice in PPPs is helping national and municipal governments build performance-based long-term partnerships with the private sector to improve access to education, health care, and sanitation.

**COUNTRY PRIVATE SECTOR DIAGNOSTIC**

The Country Private Sector Diagnostic (CPSD) assesses opportunities for and constraints to private-sector-led growth. In 2020-2021, IFC has carried out CPSDs in Kyrgyz Republic, Pakistan, Ukraine, Guinea, Nigeria, Côte d’Ivoire, Senegal, and Myanmar to assess the state of the private sector in each country, identify near-term opportunities for private sector engagement, and recommend reforms and policy actions to mobilize private investment and drive solutions to key development challenges.

The IFC worked with the World Bank to develop the ‘Reimagining Service Delivery’ session for the HCP Global Forum (March 1-2, 2021). The session provided both public and private sector perspectives on contracting for health services. As Andrew Myburgh, Senior Economist, IFC, explained, some of the challenges faced by health systems could be overcome through contracting. With panelists drawn from both public and private sectors, a few key takeaways emerged from the session:

- There are many benefits to working with the public sector including increased accessibility to health care, improved quality and patient safety, and increased efficiency.
- There is increasing opportunity for the public and private sector to work together.
- Resource challenges in many countries can be overcome if public and private silos integrate to plan, measure, identify gaps and jointly strategize to fill these gaps.
- Working together requires active dialogue, building of trust and a willingness to try something different.
CONNECTING COUNTRIES: THE HCP KNOWLEDGE EXCHANGE

About the Knowledge Exchange Series: This series of 90-minute multilingual webinars are targeted learning events designed by the Human Capital Project for the Human Capital Focal Points Network in the 82 HCP countries. Their purpose is to bring focal points together, create community, and share key technical learning to support policy improvements within the human capital agenda.
JUNE 2021

REMOTE LEARNING STRATEGY TRANSFORMS EDUCATION IN URUGUAY

“There was a permanent back and forth between the educational community and the families. There was cross cutting technological support. We worked with information systems and the Plan Ceibal—a technological plan for education.”

DR. ROBERT SILVA GARCÍA, President of the Central Directive Council of the National Administration for Public Education (Consejo Directivo Central-CODICEN; Administración Nacional de Educación Pública-ANEP), Uruguay

Uruguay adopted a whole-of-government approach to education during the COVID-19 pandemic. Dr. Silva discussed how this worked and also explained how the schools and Plan Ceibal organized remote and blended learning strategies to transform the sector in Uruguay.

Recording Link: ENGLISH | FRENCH | SPANISH

MAY 2021

CATCH-UP LEARNING FOR OUT-OF-SCHOOL STUDENTS IN POLAND

“We should think about incentives for students not to drop out, for example: scholarships or conditional money transfers.”

IGNACY ŚWIĘCICKI, Head, Digital Economy Team, Polish Economic Institute (PEI)

Piotr Arak and Ignacy Święcicki discussed ‘catch-up’ learning for students who have been out of school, how to address inequality in education, the need to ensure revise curricula to offer more practical and digital skills in response to labor market needs, COVID-related unemployment effects on youth, and how the PEI works across sectors and ministries to work on complex policy issues.

“We need to have a process for equalizing opportunities for the kids that were affected by increasing inequalities caused by the closure of schools due to the pandemic.”

PIOTR ARAK, Director, Polish Economic Institute (PEI) & HCP Focal Point, Poland

Recording Link: ENGLISH | FRENCH | SPANISH
PROTECT AND INVEST
in people

HCP NETWORK: COUNTRY & GLOBAL ENGAGEMENT

JANUARY 2021

HOW DJIBOUTI SUPPORTED THE INFORMAL SECTOR IN ITS COVID-19 RESPONSE

“The two main pillars of this strategy is one, to have social protection coverage that works for all and two, to move from assistance to social inclusion.”

MS. IFRAH ALI AHMED, Secretary General of the Ministry of Social Affairs and Solidarity

Secretary General Ahmed shared aspects of Djibouti’s COVID-19 response to protect and support informal sector workers, refugees, and other vulnerable groups. Participants learned about the tools, prioritization methods, and technology used in the government’s actions.

NOVEMBER 2020

HOW SINGAPORE DEVELOPS AN ADAPTABLE WORKFORCE

“The only way to compete is by developing a skilled workforce ready to make the most of new economic opportunities.”

BRUCE POH, CEO, ITE Education Services (ITEES), Singapore

Skills training and professional development has traced the arc of Singapore’s development. Technical and Vocational Education and Training (TVET) is the driving force for the economic growth of Singapore through continuous up-skilling of its workforce. This session explored the evolution of TVET in Singapore, the SkillsFuture movement which was designed to nurture an adaptable and nimble workforce, and how Singapore ensured the continuation of vocational training amidst the COVID-19 pandemic.

“The SkillsFuture movement’s mission is to enable individuals to learn for life, pursue skills mastery, and develop fulfilling careers for a future-ready Singapore.”

DR. MICHAEL FUNG, Deputy Chief Executive (Industry), Chief Human Resource Officer, and Chief Data Officer, SkillsFuture, Singapore

Recording Link: ENGLISH | FRENCH
OCTOBER 2020

HEALTH AND EDUCATION MEASURES TO COMBAT COVID-19 IN UZBEKISTAN

“The most effective way to combat COVID-19 is to join efforts with the world.”

BOTIRJON KURBANOV, First Deputy Director of the Agency for Sanitary and Epidemiological Well-being, Ministry of Health, Republic of Uzbekistan

In October 2020, the Uzbekistan government started with tough emergency measures against COVID-19 and took steps to leverage the knowledge of the international medical community, improving local knowhow and the health infrastructure. On the education front, students from primary to tertiary levels are being reached primarily through video and TV as the main school modality. The government plans to connect Uzbekistan’s health institutions, schools, villages and mahalas to high-speed internet by 2022.

“By 2020-2022, all health care institutions, schools and kindergartens, villages and mahalas in Uzbekistan will be connected to high-speed internet...”

AYUBKHON RADJIEV, Rector, Institute of Retraining and Advanced Training of Managers and Specialists of the Public Education System Named after A. Avloni

JULY 2020

PROTECTING EDUCATION AND JOBS IN THE KYRGYZ REPUBLIC

“A temporary national hotline was set up and could be dialed by any person needing food assistance...”

DJAMILYA ISMAILOVA, Head, State Benefits Unit, Ministry of Labor and Social Development, Kyrgyz Republic

When the Kyrgyz government implemented emergency shutdown measures to deal with COVID-19, unemployment spiked, food prices rose, and migrants were forced to return from overseas. The Kyrgyz government had to increase social support to affected populations, especially the most vulnerable, and move quickly to ensure equitable access to education and to develop a distance-learning approach.

“We established a digital pedagogy competition to support our families and children, we had a reading online festival... and parents realized...how important it is to value and support our educators.”

NADIRA DJUSUPBEKOVA, Deputy Minister of Education and Science, Kyrgyz Republic
TWO HCP COUNTRIES SHARE MULTISECTORAL EXPERIENCES WITH NUTRITION

Leveraging the experiences of both Indonesia and Rwanda, this webinar held in November 2020 offered an opportunity for speakers, including ministers of finance and health, to share progress and learning to date on strengthening the institutional nutrition finance and public financial management within a multisectoral environment. Specifically, the webinar presented: (i) the findings from Rwanda Nutrition Expenditure and Institutional Review 2020 that provides actionable recommendations on nutrition finance reforms to improve the oversight of nutrition programs across sectors; (ii) experiences from Indonesia on implementing and institutionalizing multisectoral nutrition budget tagging, tracking and evaluation to strengthen the accountability for results. The lessons learned could be useful for strengthening the accountability for results for other multisectoral programs.
HUMAN CAPITAL UMBRELLA TRUST FUND

Following the $7.1 million anchor contribution by the Bill and Melinda Gates Foundation in 2019, the Advancing Human Capital Outcomes Globally Multi-Donor Trust Fund (Human Capital Umbrella) was established in 2021 to promote knowledge, evidence, policies and practices to protect and support progress in human capital outcomes globally through a “whole-of-government” approach.

The Human Capital Umbrella is an agile financing mechanism that is designed to support catalytic initiatives focused on accelerating human capital outcomes, and it is aligned with the multisectoral development objectives of the Human Capital Project.

Through a combination of mostly Bank-Executed Trust Funds for all IBRD and IDA countries and a few strategic Recipient-Executed Trust Funds for lower income and middle-income HCP countries, the Human Capital Umbrella will help organize and manage development partner trust funds in support of one or more shared human capital priorities.

Through the three proposed pillars of the Umbrella Trust Fund—knowledge, evidence and measurement; country engagement; and global engagement—these entities will both contribute to and benefit from knowledge and experience sharing, policy advice, analytical products providing data and evidence for policy making, funds to pilot innovative approaches, opportunities for learning, and public outreach and communications.

The activities financed by the Trust Fund will assist the beneficiaries in forming new coalitions for change, in designing and implementing policy and institutional reforms, in adjusting public and private investments and expenditure, and in promoting innovation. The Umbrella Trust Fund will also serve as a platform for high-income countries and global organizations to share experience and good practice relevant to human capital, and to pursue transformative change in building, protecting, and deploying human capital.

Activities funded through the Human Capital Umbrella Trust Fund will be guided by country and regional demand, but driven by frontier knowledge, within the operationalization framework of the HCP. Country interventions will be (i) fully aligned with SCDs and CPFs; (ii) targeted towards supporting development priorities identified through regional and country human capital plans, where they exist; and (iii) designed to contribute to the World Bank Group’s twin goals, and the objectives of its human capital agenda. Wherever possible, low-income IDA countries and FCV economies experiencing or existing conflict will be prioritized; further, priorities may also shift over the course of the program based on discussions with the governing Partnership Council and the WBG’s regional management.
The Human Capital Project (HCP) Global Forum was held in partnership with the World Bank’s Africa, South Asia, and East Asia and Pacific Regions and the IFC. The Forum’s theme, ‘Investing in people and building resilience for recovery’ is of paramount importance to countries at a time when the COVID-19 pandemic has compromised the gains made in human capital. Over 288 participants from the 81 HCP countries—senior governmental officials, ministers, development partners, and experts from the private sector and civil society—came together to learn from one another, drive an agenda for change, share expertise and innovations in service delivery, and showcase successful cross-sectoral approaches in human capital investments around the world.

World Bank Managing Director, Mari Pangestu, chaired the opening session and set the tone for a stimulating discussion on the impact of the global pandemic and responses from the public and private sectors, with Tharman Shanmugaratnam, Senior Minister of Singapore & Coordinating Minister for Social Policies, Zainab Ahmed, Minister of Finance, Budget and National Planning, Nigeria, Amitabh Kant, CEO, NITI Aayog, India, and Silvia Vargas Winstanley, Minister of Development and Social Inclusion, Peru. A session led by IFC on ‘Reimagining Service Delivery’ explored how the public, nonprofit,
and private sectors can work together to realize and embrace innovation and improve services. Kenichi Shishido, Deputy Director General, JICA, delivered a video message about innovative service delivery for Human Capital using aging as an example. A Deep Dive session focused on Indonesia’s concerted efforts to address stunting through a cross-sectoral approach across all levels of government. The Forum wrapped up with reflections from HCP Focal Points in which several focal points shared how their countries had aided the development of human capital initiatives.

AFRICA HUMAN CAPITAL PLAN DAY
March 3, 2021

With a focus on ‘Why Investing in Women & Girls Matters Now More Than Ever’, several high-level speakers led participants through the challenges and solutions of building a response to the COVID-19 crisis centered on continued and sustained investments in women and girls who are the drivers of social and economic recovery. The event highlighted direct testimonies from voices with first-hand experience and expertise on why protecting and advancing women and girls’ social and economic empowerment in the immediate and long term matters now more than ever.
HEARING FROM
HCP FOCAL POINTS

“...The Ministry of Finance works across governments to facilitate the availability of resources for all to human capital development and to fund complementary interventions that will accelerate human capital development...And the coordination approach that we use to ensure that we deliver on our results is based on the human delivery approach that has a strong ownership through the Human Capital Development Secretariat...”

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

“We have recognized that the most important export Lebanon has is its human capital, which has been the backbone of its economy... be it as a historical hub for education, health and financial services or be it, the remittances generated by its diaspora. However, a year and a half ago, Lebanon entered into a severe economic crisis which has subjected the economy to a depression. The crisis has been compounded by the COVID-19 pandemic and the aftermath of the unfortunate port of Beirut explosion in August 2020, in addition to the repercussions of the Syrian crisis... therefore Lebanon has not had much to show, despite the early commitment to the human capital development. However, the government has tried to address the crisis as much as possible, particularly on the social, health and education sectors... we are doing our best to address a very difficult situation.”

NELLY HABIB
Head of Aid Coordination, Ministry of Finance, Lebanon
“We started in two phases. We got a national strategy in the first phase and tried in the second phase to transform subnational government, recognizing that the states of Nigeria are all so different. And one of the most important things I’ve learned is to reinforce the sense of urgency at all levels of government to implement the human capital development (HCD) interventions and to monitor the impact of the interventions. There are 16 interventions that report performance against outcomes... we are also setting a peer learning mechanism to help the states learn from one another and reach the communities.”

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

“What is our priority area of focus following the pandemic? Uruguay is one of the most egalitarian countries in the region. Uruguay was the first country to provide free laptops to public school students. The pandemic showed the great inequality of results based on the socioeconomic distribution—only 18 percent in one region and 81 percent in another. The main challenge is equity. The educational authority has developed an index to identify students at educational risk. It was found these are concentrated in the poorest households. For higher risk students [the need is] support with digital technology and support for learning in language and mathematics. Plan Seyval aims to achieve a more equal society in the future.

VICTORIA NOVAS
Macroeconomic and Financial Advisory Office, Minister of Economics and Finance, Uruguay
Ministers of finance and planning, together with high-level government officials and development partners from 81 countries, participated in the Human Capital Project Ministerial Conclave to discuss the importance of investing in human capital for a green, resilient and inclusive recovery from the COVID-19 crisis. The approach paper, Investing in Human Capital for a Resilient Recovery: The Role of Public Finance, framed the Conclave and stimulated rich discussions around three important themes.

**Restoring Human Capital**
Inclusive investments in restoring health, early childhood development, learning, and women economic empowerment can contribute to an inclusive, resilient, and sustainable recovery while cross-sectoral interventions are critical to improve human capital outcomes across life cycles.

**Building Resilient Service Delivery Systems**
Innovation, including accelerating the use of technology, paves the way to build back better.

**Promoting Economic Opportunities While Ensuring Environmental and Fiscal Sustainability**
Good governance is required to translate fiscal policies into human capital outcomes while securing resources for human capital priorities is critical during fiscal adjustments.

Throughout the Conclave, countries highlighted critical reforms that helped with crisis preparedness as well as a determination to utilize the crisis as an opportunity to continue and accelerate ongoing reforms.

Ministers and development partners from over 60 countries participated in the 3rd Human Capital Project Ministerial Conclave to share experiences, policy approaches and strategies to combat the all-encompassing effects of the COVID-19 pandemic. As speakers addressed the Conclave, it was clear that governments had relied on three main approaches to protect their populations against the fallout of the pandemic.
• Mobilizing finance to protect and invest in human capital in response to COVID-19: Several ministers and development partners referenced the importance of extraordinary spending, domestic resource mobilization, debt service suspension, and international support.

• Prioritizing expenditures and generating efficiencies within a limited fiscal space: Ministers spoke about the dual challenge of falling revenues and rising demands for support in the face of the COVID-19 crisis.

• Deploying innovative solutions to protect human capital outcomes and close equity gaps: Leveraging existing projects and using digital technologies helped several countries enact innovative and lasting pandemic responses.

From the examples shared, it was evident that country governments had shown immense creativity, innovation, and resourcefulness in finding sustainable ways of financing human capital.

“*We made the financing of human capital the focus of this conclave because of the huge economic impact that the pandemic is having on the resources of governments and on the resources of households.*”

**AXEL VAN TROTSENBURG,**
Managing Director of Operations, World Bank

OTHER EVENTS:

**BUILDING HUMAN CAPITAL: SHAPING THE FUTURE OF DJIBOUTI’S YOUTH**

Held on December 2 & 3, 2020, the virtual Human Capital Summit focused on identifying an integrated strategy to help Djibouti invest in its population. The country has placed human capital at the center of its development policies, to ensure economic growth, achieve sustainable poverty reduction and improve the lives of all its people. Participants discussed ways to manage the disruption to education caused by the COVID-19 crisis. With new technologies rapidly transforming the nature of work: Djibouti is exploring how to prepare its population adapt to the digital economy and unlock the potential of youth as a driver of growth.

**STRENGTHENING THE FOUNDATIONS FOR EDUCATION SUCCESS IN THAILAND**

On Dec 9th, 2020, Ronald Upenyu Mutasa, Human Development Practice Leader, presented at a high-level event on “Human Capital Index: 2020 Results and Ways forward for Thailand”. The presentation examined Thailand’s human capital outcomes in comparison to other ASEAN countries and in the East Asia and Pacific (EAP) region, as well as highlighted the threats of COVID-19 pandemic on human capital gains.
From Advocacy to Action

2016
- WBG hosts “Human Capital Summit: Investing in the Early Years for Growth and Productivity”

2017
- WBG hosts the second Human Capital Summit
- The development of the Human Capital Index (HCI) is announced

2018
- The HCI is launched, creating global momentum
- The first Ministerial Conclave is held in Bali, along with the third HC Summit
- WBG establishes a dedicated global HCP team
2019
- HCP country focal points convene
- The Knowledge Exchange peer-learning series gets underway
- HCP regional plans and country case studies are developed
- The Gates HC multidonor trust fund for HCP in 6 countries is established

2020
- HCl update with region-specific 2-pagers
- Virtual Ministerial Conclave
- HCP analytics develops new tools—PEIR and Human Capital Reviews
- Release of Protecting People & Economies—policy response to COVID-19
- HC development policy operations (DPOs) gain traction

2021
- Human Capital is IDA-20 theme
- HCP Global Forum with IFC, East African Community & South Asia Region
- HCP Africa Regional Day
- HCP Umbrella Trust Fund established
- ‘Financing Human Capital’ is the theme of the Spring Meetings Conclave
- Human Development and Technology—theme of 2021 Annual Meetings
HCP Quick Resources Guide

**Human Capital Project:**
www.worldbank.org/humancapital

**FAQs:**

**Human Capital Index 2020:**

**Africa Human Capital Plan:**
www.worldbank.org/ahcp

**Human Capital Blogs:**

**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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