



2021 ANNUAL MEETINGS

HUMAN CAPITAL MINISTERIAL CONCLAVE EVENT SUMMARY

ARRESTING HUMAN CAPITAL LOSSES DUE TO COVID-19: REIMAGINING SERVICE DELIVERY IN A DIGITAL AGE TUESDAY, OCTOBER 19, 2021

On October 19, 2021, ministers of finance and planning, together with high-level government Officials from the 82 HCP member countries along with private sector groups and development partners, participated in the Human Capital Project Ministerial Conclave to discuss **Arresting Human Capital Losses due to COVID-19: Reimagining Service Delivery in a Digital Age**.

World Bank Group President David Malpass opened the Conclave emphasizing the need to place investments in people at the center of the response to the greatest human capital crisis in living memory. He called on countries to leverage the transformational potential of technology to support scalable safety nets using mobile money payments, to advance health outcomes using telehealth and digital health, and to safeguard learning using technology-based solutions including distance learning.

Mamta Murthi, World Bank Vice President for Human Development, chaired the Conclave, covering three main themes:

1. Scalability of service delivery in a digital age to support improved outcomes for more people in a context of substantial losses to human capital, and to prepare for a rapid response in the face of crises. The opportunities to build, maintain, and deploy human capital in the 21st century will substantially depend on people's access to data and technology-based service delivery platforms. **Kenya** spoke about how they have used technology to address learning losses and scale access to education, building on decades of TV and radio use coupled with innovations in cloud-based on-line support for teachers. **Russia** referenced their use of a digital single window approach to provide cash assistance,

unemployment insurance and employment subsidies. **Pakistan** showcased how the Ehsaas safety net program reached half the country's population, while helping to cement the citizen – state relationship and fast track the adoption of digital solutions within government. A private sector group from **Israel** underscored the importance of the public sector's role in providing a supportive ecosystem for innovation, especially to test new data driven service delivery models, while upholding privacy and cybersecurity standards.

2. Efficiency of spending on human capital, notably by using technological innovations to re-organize how, by whom, and where coordinated services are delivered at the same cost or less with better results. Using systems to deliver multiple services can provide economies of scale. Improving the speed of response and delivery and focusing on citizen satisfaction can also boost efficiency. **Senegal** spoke about using technology to enhance efficiency in health care, economic support to companies and households, and education. **India's** free DIKSHA education platform has achieved economies of scale through an education app and the use of a satellite channel to provide more than 700 million hours of learning content. They also referenced the success of the energy subsidy reform which was coupled with issuing clean burning alternative fuel connections to rural women below the poverty line, improving women's health, reducing demand for kerosene or firewood and saving US\$ 3.23 billion by 2019. **Togo** provided a new COVID-responsive digital cash transfer that was up and running in 10 days, using mobile money accounts coupled with biometric identification as well as satellite and cell phone data to improve targeting and reduce

exclusion errors. A private sector health company from **Mexico** outlined how they have combined telemedicine and clinic-based services to reach low-income populations with people-centered integrated diabetes services, using convenient 'one-stop shops' and public-private partnerships to improve outcomes and efficiency.

3. Equity which puts people at the center of development. Technological innovations can provide innovative approaches to include hard-to-reach populations, address the digital divide, combat gender disparities, and continue moving into the 21st century with data privacy and cybersecurity measures needed for all. COVID-19 has dramatically exacerbated equity gaps, threatening substantial losses to lifetime earnings and reversing development gains made over decades, especially for women and girls. **Indonesia** spoke about how they have promoted value for money, quality and access to key services in remote regions through fine tuning fiscal transfers to local governments, using technology to support teachers and health service providers, and leveraging partnerships with the private sector. A large NGO from **Bangladesh** outlined how they have worked with the government to fill gaps in the public response to COVID by supporting health care and piloting an unconditional cash transfer using mobile financial services which was then scaled up to reach 20 million people. In **Korea**, a leading academic outlined the teacher centered "high-tech, high-touch approach" that uses technology as an equalizer for educational opportunities and a catalyst for better learning by providing curriculum support to teachers, allowing them to focus more on the needs of their students. **Egypt** spoke about a range of equity focused technology-based initiatives including the use of mobile health centers to reach rural populations and provide breast cancer screening.

Axel van Trotsenburg, Managing Director for Operations at the World Bank Group offered conclusions regarding the need for integrating technology with a focus on people, based on a foundation of trust. He called for action to confront the COVID crisis by prioritizing human capital expenditures, stepping up vaccination rates, leveraging technology and paying particular attention to the needs of the poorest countries by supporting the IDA20 replenishment.

Mamta Murthi, World Bank Vice President for Human Development closed the event by reminding people that COVID-19 is a huge setback for human capital and therefore prioritizing human capital within fiscal constraints is important not only for people, but for long-term growth and economic productivity. She emphasized that technology can be part of the solution but must be well integrated within programs and sectors, fostering trust and leveraging innovation.

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- **On a global scale, the Covid-19 pandemic is the greatest blow to human capital in living memory.** Unless countries quickly put in place policies to prevent a further erosion of human capital, and to recover losses, there will be substantial, negative **long-term consequences for labor productivity and growth.** Moreover, because the pandemic has disproportionately affected poorer households, it will **deepen existing inequalities** and increase the **intergenerational transmission of poverty.**
- Yet, faster adoption of **digital solutions can radically change the way services that safeguard human capital are delivered**, catalyzing new and efficient ways for human capital accumulation.
- **Technology alone is not an effective solution;** it must be coupled with **trust** and a **people-centered approach** to achieve desired outcomes.
- **The crisis can be an opportunity to build on innovative uses of data and technology** for service delivery, and scale them up where feasible for maximum impact. The **private sector has a key role to play** in fostering innovation and incubating scalable, cost-effective solutions.
- **Countries need to make critical investment choices now** on how to reimagine human capital service delivery in ways that are integrated, coordinated with a whole of society approach, based on three **key principles of scalability, efficiency, and equity.**
- Navigating this challenging period requires **setting key policy priorities** around **investing in people**, that are **grounded in country context**, and aim to deliver services that can withstand the unique pressures of the pandemic while **leveraging the disruptive and transformative technologies area.**