THE HUMAN CAPITAL PROJECT
HUMAN CAPITAL PROJECT

WILL ACCELERATE MORE AND BETTER INVESTMENTS IN PEOPLE GLOBALLY

1. **Human Capital Index (HCI):** Make the case for investment in the human capital of the next generation.

2. **Measurement & Research:** Improve measurement and research and provide analysis to support investments in human capital formation.

3. **Country engagement:** Support Early Adopters, and ultimately all countries, to prepare national strategies that accelerate progress on human capital.
Three ingredients reflect building blocks of the next generation’s human capital:

**SURVIVAL**
Will children born today survive to school age?

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

**HEALTH**
Will they leave school in good health, ready for further learning and/or work?
**HUMAN CAPITAL INDEX (HCI): DISTANCE TO FRONTIER**

**SURVIVAL**
Children who don’t survive don’t grow up to become future workers

**SCHOOL**
Contribution of quality-adjusted years of school to productivity of future workers

**HEALTH**
Contribution of health (adult survival rate and stunting) to productivity of future workers

**HCI**
Productivity of a future worker (relative to benchmark of complete education and full health)
HUMAN CAPITAL INDEX: COVERAGE

- HCI covers 157 countries as of Sept 27, up from 141 mid-June
The components of the Human Capital Index have close links with the SDGs.
MEASUREMENT & RESEARCH
The main objectives of the measurement effort are: (i) to provide policymakers with more information on how to invest in human capital, and (ii) to create public demand for human capital investments.

As data coverage improves and scope of the Index expands, future versions of the Index will aim to cover early childhood and post-school learning (higher education and on-the-job) and health morbidities related to productivity (communicable diseases, non-communicable diseases, mental health), etc.

The measurement and research work will also:

- respond to demand for more measurement at sub-national levels and to deepen understanding of inequalities (e.g. geographic location, gender, disability) underlying HCI outcomes.
- Better understand the process of human capital accumulation.
- Assess the quality of delivery systems in each country.
HUMAN CAPITAL PROJECT: FROM METRICS TO POLICIES

HUMAN CAPITAL INDEX (HCI)

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<thead>
<tr>
<th>SURVIVAL</th>
<th>HEALTH</th>
<th>QUALITY-ADJUSTED YEARS OF SCHOOL</th>
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<td>• Malnutrition</td>
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OUTCOMES

CONTRIBUTING FACTORS

POLICY LEVERS

• Universal Health Coverage (UHC)
• Health service quality (SDI)
• Coverage of social safety nets (ASPIRE)

1. Scaling up measurement (MELQO, SDI)
2. Unpacking contributing factors
3. Adaptive and experimental learning

1. Filling learning data gaps
2. Data harmonization

• School quality (SDI)
• Enabling policy environment in education (SABER)

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1. Scaling up systems benchmarking
2. Contextualization
3. Generating country-specific evidence

SURVIVAL

HEALTH

QUALITY-ADJUSTED YEARS OF SCHOOL

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PROGRESS ON “EARLY ADOPTERS”

- Early Adopters are a group of 28 countries that have expressed advance interest in the Human Capital Project.
- These countries span various regions and income levels. They are:
  - Working with the WBG through nominated focal points in government.
  - Elevating the human capital policy dialogue across sectors.
  - Identifying national priorities for accelerating progress on human capital, based on each country’s own development plans.
  - Several countries have already drafted these priorities.
  - Lessons learned will inform future expansion of the project.
  - Early adopters will launch a community of practice on human capital.

We will work with all countries in a phased manner after the Bali Annual Meetings to support implementation.
**EARLY ADOPTERS: 28 CONFIRMED AS OF SEPTEMBER 18**

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EARLY ADOPTERS WILL HELP DEVELOP A PACKAGE OF POLICIES AND INTERVENTIONS TO ACCELERATE HUMAN CAPITAL OUTCOMES

Leverage resources and increase spending efficiency
- Analyse public spending & financing gaps
- Mobilize domestic resources
- Mobilize private sector demand and resources

Align policies with results-focused investments
- Develop results-focused policies
- Design for optimal distributional impact

Address measurement and analytical gaps
- Develop clear measures of human capital outcomes e.g. learning, ECD
- Identify relevant policy levers
- e.g. expanding Service Delivery Indicator surveys
COUNTRY PLAN HIGHLIGHTS

- Identify national priorities using a “whole of government” approach
  - Sustain effort across political cycles.
  - Link sectoral programs together.
  - Utilize and expand the evidence base to inform thoughtful policy design.
- Focus on issues rather than sectors
  - Harness the potential of innovation and technology.
  - Support efficiency of spending, particularly given fiscal space, debt ceilings in some countries.
  - Expand financing in countries where resource availability is a serious constraint, including through domestic resource mobilization and the private sector.
- Tackle human capital development barriers in all their manifestations
- Assess program interventions, including expanding coverage of Service Delivery Indicators, social safety nets coverage.
#InvestInPeople