



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.

HUMAN CAPITAL INDEX



HUMAN CAPITAL INDEX: THE STORY

“How much human capital can a child born today expect to acquire by age 18, given the risks to poor health and poor education that prevail in the country where she lives?”

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

X



SCHOOL

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

X



HEALTH

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

=



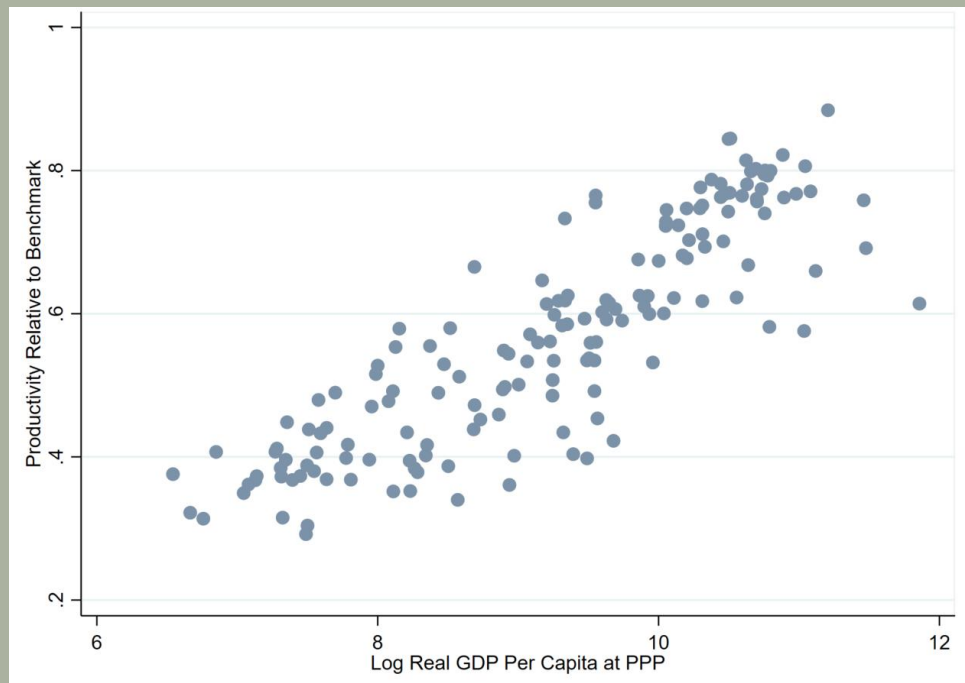
HCI

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

HUMAN CAPITAL INDEX



HUMAN CAPITAL INDEX & SUSTAINABLE DEVELOPMENT GOALS



SURVIVAL

Under-5 mortality
links to SDG target

3.2



SCHOOL

Quality adjusted
school years links
to SDG target

4.1



HEALTH

Improving adult
survival rate by
reducing causes of
premature mortality
links to SDG target

3.4

Stunting links to
SDG target

2.2

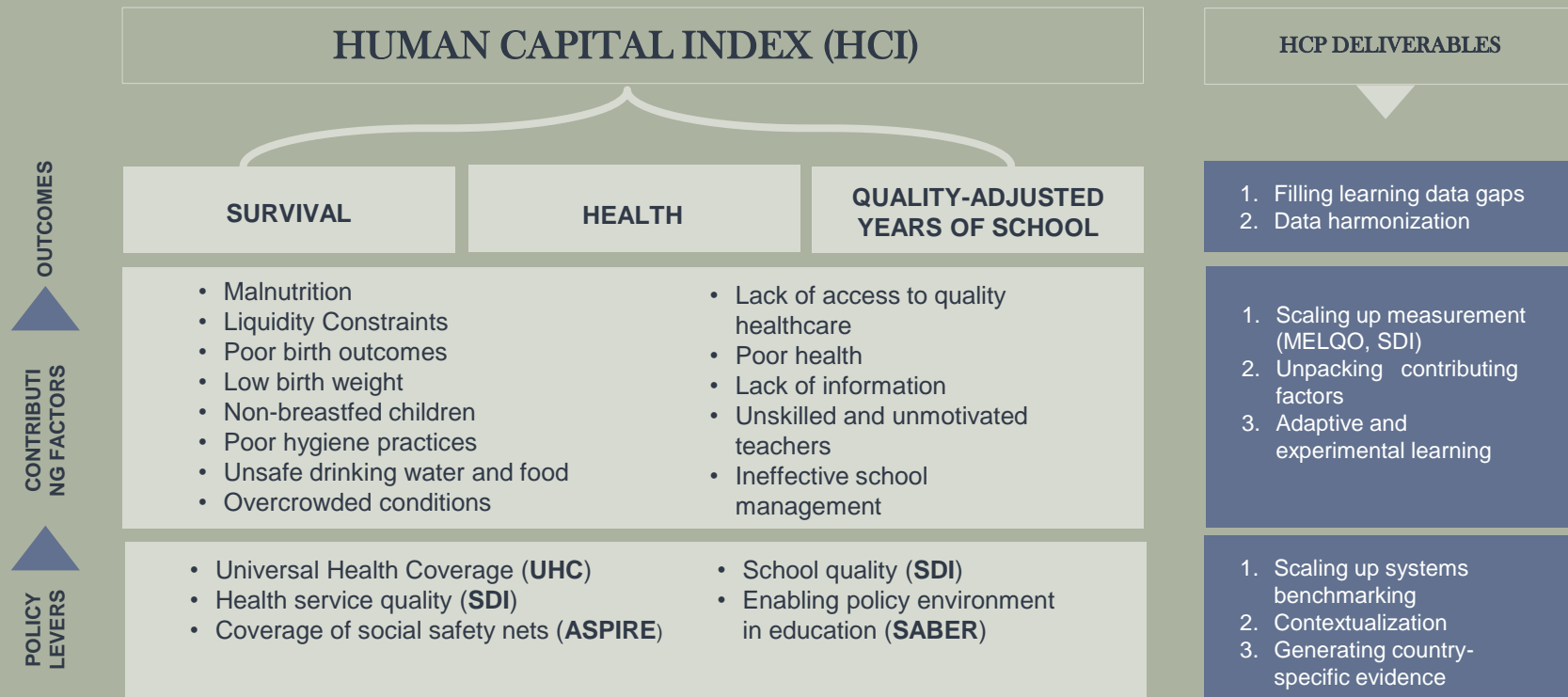
The components
of the Human
Capital Index
have close links
with the SDGs

MEASUREMENT & RESEARCH

MEASUREMENT & RESEARCH AGENDA

- 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



COUNTRY ENGAGEMENT

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**



Armenia	Morocco
Bhutan	Pakistan
Costa Rica	Papua New Guinea
Egypt	Peru
Ethiopia	Philippines
Georgia	Poland
Indonesia	Rwanda
Iraq	Saudi Arabia
Jordan	Senegal
Kenya	Sierra Leone
Kuwait	Tunisia
Lesotho	Ukraine
Lebanon	United Arab Emirates
Malawi	Uzbekistan



**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