



THE HUMAN CAPITAL PROJECT

#INVESTinPeople





WILL ACCELERATE MORE AND BETTER INVESTMENTS IN PEOPLE GLOBALLY

1. **Human Capital Index:** 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 was born?

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: 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

=



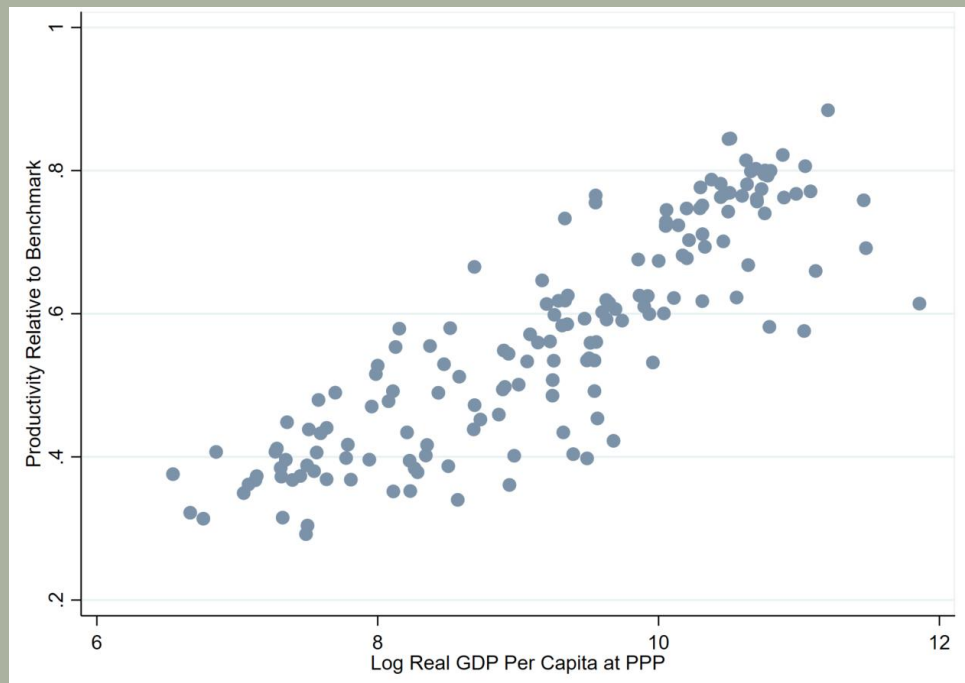
HCI

Productivity of a future worker
(relative to benchmark of complete education and full health)

HUMAN CAPITAL INDEX: COVERAGE

- HCI covers **over 150 countries** as of Sept 10, 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

HUMAN CAPITAL INDEX (HCI)

HCP DELIVERABLES

OUTCOMES

SURVIVAL

HEALTH

**QUALITY-ADJUSTED
YEARS OF SCHOOL**

- Malnutrition
- Liquidity Constraints
- Poor birth outcomes
- Low birth weight
- Non-breastfed children
- Poor hygiene practices
- Unsafe drinking water and food
- Overcrowded conditions

- Lack of access to quality healthcare
- Poor health
- Lack of information
- Unskilled and unmotivated teachers
- Ineffective school management

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

- School quality (**SDI**)
- Enabling policy environment in education (**SABER**)

1. Filling learning data gaps
2. Data harmonization

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

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

CONTRIBUTING FACTORS

POLICY LEVERS



COUNTRY ENGAGEMENT

PROGRESS ON “EARLY ADOPTERS”

- **Early Adopters are a group of close to 30 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

BEYOND BALI: POSSIBLE WAYS TO SUSTAIN MOMENTUM

| | PROGRAM | DESCRIPTION |
|---|--|--|
|  | Community of Practice | Convenes Early Adopters, virtually and physically, to 1) learn about potential Human Capital-related solutions, 2) exchange ideas/lesson learned with other Early Adopters |
|  | Twinning | Pairs Early Adopters with countries that are similar but more mature on Human Capital Outcomes (e.g., Ukraine paired with Poland) |
|  | Human Capital TechEmerge | Supports Early Adopters connect with technological solutions that can enhance service delivery (builds off Innovation Fair at Annual Meetings in Bali) |
|  | Staff Exchange | Shares expertise between Early Adopters to build capacity, exchange knowledge, and develop a culture of dialogue and cooperation (similar to Twinning but targets individuals) |
|  | Human Capital Fellows | Identifies and helps develop young local professionals in Early Adopters who can support governments and World Bank teams in scaling up cross-sectoral human capital initiatives |
|  | Social Accountability for Human Capital | Offers material for countries to customize as part of a broad public campaign in support of human capital development (e.g., citizen perception surveys on right to and delivery of social services, cartoons for nutrition, etc.) |



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