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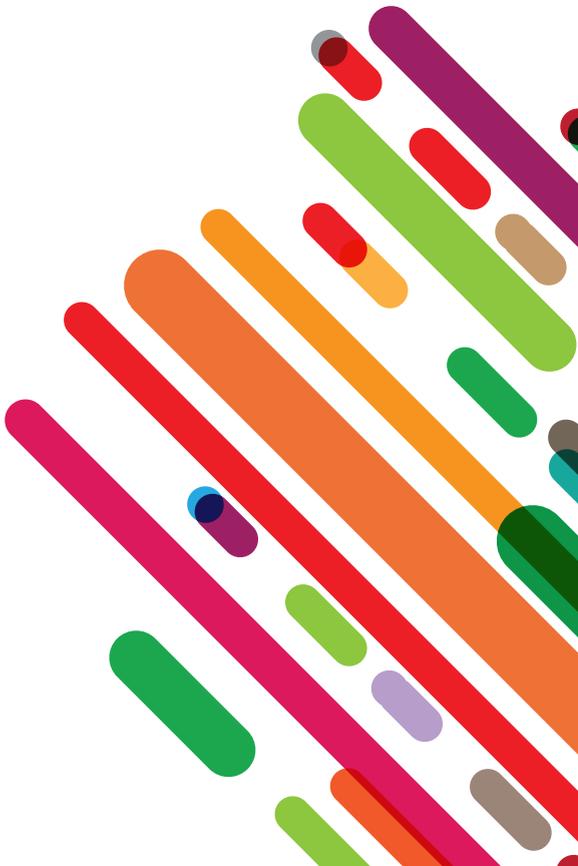
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Africa



AFRICA HUMAN CAPITAL PLAN

POWERING AFRICA'S POTENTIAL
THROUGH ITS PEOPLE





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THE STATE OF HUMAN CAPITAL IN AFRICA

Africa has made much progress during the past 15 years. Between 2000 and 2017, Cote d'Ivoire and Ghana reduced childhood stunting by more than 5% a year. Child mortality fell by 10% a year in Rwanda and by more than 6% a year in Malawi, Uganda, and Senegal; Botswana and Rwanda reduced maternal mortality by more than 7% a year; and the adolescent fertility rate fell by about 4% a year in Botswana, South Sudan, and Rwanda.

In addition, Africa has the largest return on education of any continent, with each additional year of schooling raising earnings by 11% for boys and 14% for girls.

And Africa has been developing its higher-level skills in many areas—the number of university students has more than doubled since the start of the millennium, and expertise in IT and innovation has come on apace.

Yet much needs to be done. Africa's human development indicators present a huge challenge and are not improving quickly enough, with population growth often outpacing progress.

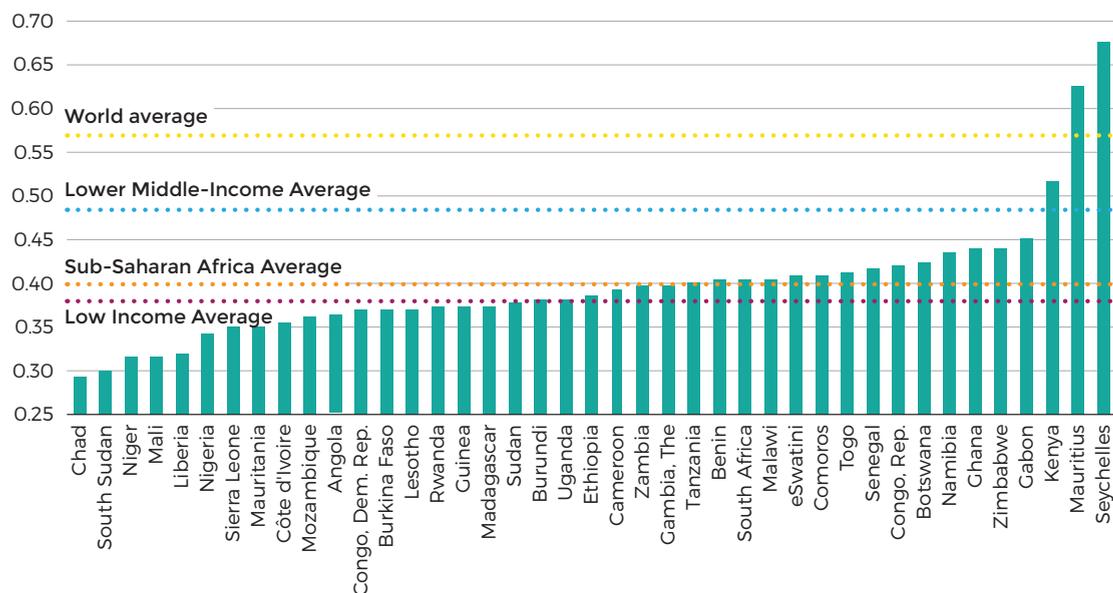
- **Child Survival:** 2.9 million children under the age of 5 are dying every year, mainly from preventable conditions like respiratory infections, diarrhea, and malaria.

- **Education:** 50 million children are out of school, and those in school are often not learning enough.
- **Malnutrition:** Nearly a third of all young children are stunted (low height for age), with profound implications for their future ability to learn and earn.
- **Maternal Mortality:** About 200,000 women die in pregnancy and childbirth every year.

The World Bank's new Human Capital Index (HCI) measures the potential productivity of the next generation. Africa's HCI score is 0.4, compared to a global average of 0.57. This means that, under current conditions, children born in Sub-Saharan Africa today will be only 40% as productive when they grow up as they could be if they had complete education and full health (as defined by the index). This has direct implications for the overall well-being not only of people and families but also entire economies. Countries at the bottom of the index will register the heaviest foregone income and be left furthest behind in the global economy.

While the index is a forward-looking measure, Africa also faces significant challenges with its existing working age population, many of whom are unemployed or underemployed in low productivity work. Of Africa's nearly 420

Figure 1. Africa is the region with lowest HCI score



million youth aged 15 to 35 years, one third are unemployed.

One of the key underlying factors affecting human capital in Africa is the low level of empowerment of women and girls.

At twice the global average, Africa's fertility rate of 4.8 children per woman is the highest rate in the world and decreasing only slowly. The challenge is even more serious for adolescent girls, who are more likely to be out of school in Africa than in any other region. And the maternal mortality ratio in Africa (or number of deaths per live births) is 2.5 times the world average.

There are also clear links between fragility, conflict and violence, and human development. Weak public services can be a driver of conflict, and conflict can destroy public services and cause the further deterioration of human capital outcomes. Strengthening human capital development in fragile settings must necessarily be a major focus in Africa for many governments and their development partners.

Public spending in sectors that underpin the formation of human capital is lower than in all other regions of the world except for South Asia and, at its current rate, will be insufficient for





countries in Africa to reach the targets set by the Sustainable Development Goals for 2030.

However, simply increasing the volume of resources will not suffice as a range of complex barriers—from governance and service delivery challenges to a lack of overall coordination across government and a weak regulatory environment—obstructs better results for people.

A HUMAN CAPITAL AGENDA FOR AFRICA

For all countries, the key to success in an increasingly globalized and digital economy is ensuring that people have the skills and capacities to take advantage of economic opportunities and be productive.

In Africa, a vision for stronger human capital includes all girls and boys:

- Arriving at school well-nourished and ready to learn.
- Acquiring real learning in the classroom.
- Entering the job market as healthy, skilled, and productive adults.

Africa is committed to the human capital agenda. More countries from Africa have joined the Human Capital Project—a global effort to drive more and better investments in people—than from any other region of the world. They have committed to working across government on three fronts:

- Sustaining leadership and prioritizing human capital across time.
- Connecting the dots between sectoral programs that contribute to human capital outcomes, including beyond the traditional human development sectors.
- Improving measurement and evidence.

THE WORLD BANK'S HUMAN CAPITAL PLAN FOR SUPPORT TO COUNTRIES

To support African countries as they work to develop their human capital, and to respond to their priorities, the World Bank is gearing up to help them achieve the following targets in Africa by 2023:

- **Survival:** Reduce the under-5 mortality rate from 75 deaths per 1,000 live births to 45, saving 4 million lives.
- **Health:** Reduce the stunting rate from 32% to 26% of all children, saving 11 million children from stunting. And to increase the overall adult survival rate from 0.73 to 0.81 through improved prevention and stronger health systems.
- **Education:** Increase learning-adjusted years of school from 4.94 to 5.88 years, a 20% increase.
- **Social Protection:** Increase social protection coverage from 20% to 30% of those in the poorest economic quintile in low-income countries, adding coverage for 13 million people.
- **Fertility:** Reduce the adolescent fertility rate from 102 to 83 births per 1,000 women age 15 to 19 years.

African countries in the Human Capital Project

By April 2019, 22 African countries had committed to advancing the human capital agenda:

Angola
Benin
Burkina Faso
Burundi
Cabo Verde
Cameroon
Cote d'Ivoire
Ethiopia
eSwatini
Guinea
Kenya
Lesotho
Malawi
Mali
Niger
Nigeria
Republic of Congo
Rwanda
Sao Tome and Principe
Senegal
Sierra Leone
Togo





The World Bank Group will work with governments and partners to support countries in seven main ways:

1 • Scaling up financing for human capital results

The World Bank's Africa region is planning to invest \$15 billion in human development projects between 2021 and 2023—a substantial increase from the commitment of \$3.4 billion made for its Fiscal Year 2018 (FY18).

2 • Supporting reform to improve human capital investments

To invest more in human capital, countries must focus on domestic resource mobilization, a reallocation of public expenditures to human capital investments, private sector engagement, and a more focused use of development assistance.

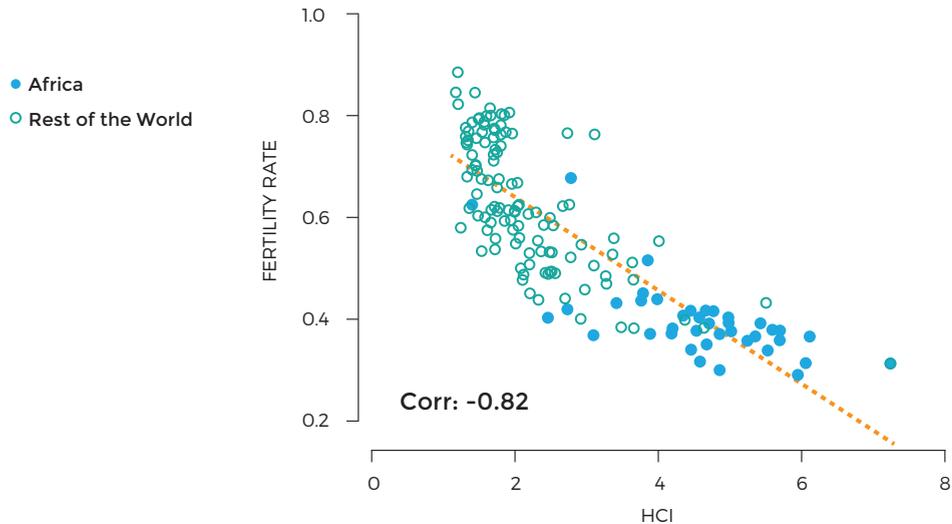
But for better results in human capital, simply investing more will not be enough. Smarter investments need to be made. Financing should support social sector policy reforms, including in the civil service and public financial management, as well as promoting transparency and accountability.

Investments also need to be focused on effective and efficient interventions with proven results in building human capital and generating high rates of return.

The World Bank is preparing its first Human Capital Development Policy Operation in Africa, supporting policy reforms in Madagascar with \$100 million to improve the performance of health, education, and social protection, which includes strengthening broader governance arrangements.



Figure 2. **Fertility is highest in countries with a low HCI score**



3 • Expanding efforts on demographics

The number of children parents have is influenced by the level of human capital: fertility tends to decline as economic opportunity increases and more children survive. But fertility is also a driver of whether human capital outcomes improve, as high fertility puts pressure on public services and can pose risks to pregnant women and newborns.

A successful approach to accelerate the demographic transition encompasses the 4Es: empowering women, enhancing access to reproductive health services, educating girls, and employing women. The World Bank plans to build on the Sahel Women's Empowerment and Demographic Dividend Project (SWEDD)

and similar, promising approaches that aim to increase the empowerment of women and adolescent girls, as well as their access to quality reproductive child and maternal health services. The SWEDD has already expanded from a \$170 million project for five countries in 2014, to a \$295 million project for seven countries now.

For the World Bank Africa region, helping countries accelerate the demographic transition will mean concentrating its efforts on adolescents in countries and sub-national areas with high population growth; supporting the data collection and analysis of demographic dynamics; reinforcing partnerships; and rolling out a new program of operations across Africa, grounded in the 4E framework, to tackle adolescent fertility and keep students in school longer.



4 • Expanded efforts in fragile settings

Human capital challenges and poverty are increasingly concentrated in fragile contexts. By 2030, half the world's extreme poor will be living in fragile settings. The relationship between fragility and human capital means that, just as human capital builds resilience among citizens and the state, fragility undermines it, increasing not just fatalities but long-term health risks—physical and psychosocial.

The goal is to mitigate the impact of fragility on human capital. This requires a multi-pronged approach at regional, country, subnational, and community levels.

Projects need to be designed to target displaced populations, working with host and refugee communities. Short-term solutions need to be replaced by longer term solutions focusing on jobs and skills. More efforts need to be made to address gender-based violence and prioritize the needs of the youngest. And action needs to be taken to limit the impact of violence in schools and health facilities.

The World Bank will also increase its investment in fragile and violent settings overall, including in settings outside of fragility, conflict, and violence (FCV) countries.

5 • Leveraging technology and innovation

Interventions using technology and other innovations, such as behavior change, can improve human capital outcomes and productivity in



many sectors, including education, health, social protection, and agriculture.

The World Bank Africa region is going to increase the portion of its investments in human capital that incorporate technological solutions and other innovations, starting with 20 projects in FY20 and reaching 40% of all its human capital operations by 2023. By putting people at their center and by prioritizing work-enhancing technologies, the projects will follow certain guiding principles and innovations to mitigate the potentially negative impact of some technologies.

Examples of technologies that work to improve human capital include:

- **To improve learning:** A multimedia tool has been developed in Uganda that supports education in and out of school by providing specific, offline content to supplement the curriculum—e-books, interesting lessons, and multimedia content—for use even in locations without internet access. The tool is also used to support health care and youth engagement.
- **To improve health:** Technologies that improve medical diagnosis are changing medical services. In Rwanda, the distribution of medical supplies has been made more efficient by using drones to deliver blood.
- **To improve access to services:** Identity is a key accelerator for access to services critical to human capital accumulation. The West Africa Unique Identification for Regional Integration and Inclusion Project,

for example, is increasing the number of persons with government-recognized proof of unique identity. The project will in its first phase alone cover approximately 35 million people. The births of 57% of Sub-Saharan African children today have never been recorded, leaving them without legal identity. Coupling birth registration with social service delivery is a vital entry point.

- **To improve decision making:** The World Bank is learning from behavioral science into cash transfer programs in at least six countries in the Africa region, so that these transfers can improve the living conditions of the recipients.
- **To improve agricultural yields and nutrition:** Digital technology makes information on land, soil, and other resources more widely available, allowing farmers to apply inputs like fertilizer and water in a more precise manner.

6 • Building knowledge and strengthening advocacy

The World Bank is committed to filling knowledge gaps on human capital challenges and solutions via stronger measurement and research.

A stronger knowledge base will reinforce the case for human capital investment. High-level engagement with governments, civil society, media, and influencers can further strengthen the demand for better investments in Africa's people.



Figure 3. **Improving human capital is everybody's business**



MACROECONOMIC ENVIRONMENT

Supporting better public spending, improved allocation of resources and tax policy conducive to investments in human capital, as well as reducing informality



SOCIAL DEVELOPMENT

Addressing gender gaps, strengthening local capacity to deliver social services, and supporting displaced communities to increase human capital



EDUCATION

Reforming teaching and teachers' careers, management of education systems; investing in technology; and developing digital skills



AGRICULTURE

Developing agricultural interventions to improve quality, availability and affordability of food and create income sources



ENERGY

Increasing electricity access, promoting efficient appliances and productive uses for human capital development



TRANSPORT/ICT

Improving connectivity, addressing gender gaps in mobility, and increasing access to health, education, and infrastructure



HEALTH

Developing interventions to reduce communicable and non-communicable diseases and decrease stunting and mortality rates



JOBS & SOCIAL PROTECTION

Providing social assistance, insurance, skills training, information, and nudges to invest in human capital



GOVERNANCE, INSTITUTIONS

Improving public financial management, administration, and accountability to improve fund flows to schools and health centers, institutional performance and availability of inputs



WATER & SANITATION

Improving availability to safely managed drinking water facilities and promoting behavioral change for better sanitation

7 • Connecting teams and fostering strategic partnerships

In many countries, improving outcomes in human capital will require a cross-sectoral framework, involving the health and nutrition

sectors, as well as social protection, education, agriculture, governance, water and sanitation, energy, infrastructure, and other sectors.

This framework conveys a clear message: improving human capital requires a **whole-of-**

government approach, one which includes sustaining high-level leadership over time, connecting cross-sectoral programs, and acting on an expanded evidence base. For the World Bank, this means aligning teams and projects more closely, so they become more powerful than the sum of their parts.

It also requires partnerships—strong coordination between governments, civil society organizations, members of the private sector, and development partners.

Africa is the fastest growing continent in the world:

A million young people enter the job market every month in Africa. By 2035, the number of Africans reaching working age will exceed the number in the rest of the world combined, adding 12 million people a year to the labor force.

In the 21st century, it is the skills of these young Africans that will determine the rate of human development: it is their contributions that will make the world a better place. It is up to their governments and others around them now—parents, caregivers, educators, investors, and employers—to equip them for the task.

The full version of the World Bank's Human Capital Plan can be consulted at <http://www.worldbank.org/ahcp>

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