



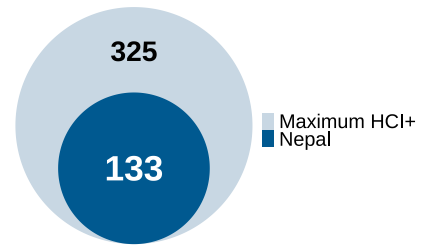
# NEPAL

Region: South Asia  
Income Category: Lower-middle Income

**Human capital - people’s knowledge, skills, and health - drives productivity and growth.** The Human Capital Index Plus (HCI+) measures the human capital a child born today can expect to accumulate over their working life, extending the original HCI by incorporating tertiary education and work experience. This brief summarizes **Nepal’s** HCI+ score and its performance in building human capital.

## What is Nepal’s HCI+ and what does it mean?

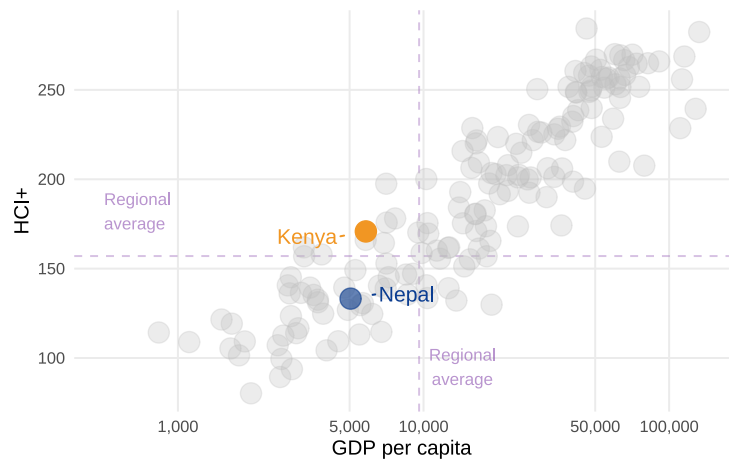
**Nepal’s HCI+ score is 133 (out of a maximum of 325), reflecting its investments in health, education, and employment.** A 10-point increase in the index would translate into approximately 10 percent higher future income. Closing the current gaps in these areas relative to high-performing countries with similar GDP per capita would boost future income by 58%.



## How does Nepal’s HCI+ compare to other countries?

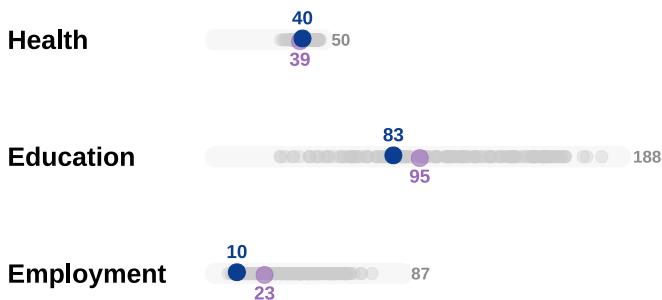
Nepal’s HCI+ is lower than the average for the **South Asia region (157)** and lower than the average for **lower-middle-income countries (153)**.

Among Nepal’s income level peers, **Kenya is the top performer in HCI+.**



## What explains Nepal’s HCI+?

The HCI+ has three components corresponding to health, education, and employment.



The HCI+ score for the **Health pillar is 40**, slightly higher than the **regional average of 39**.

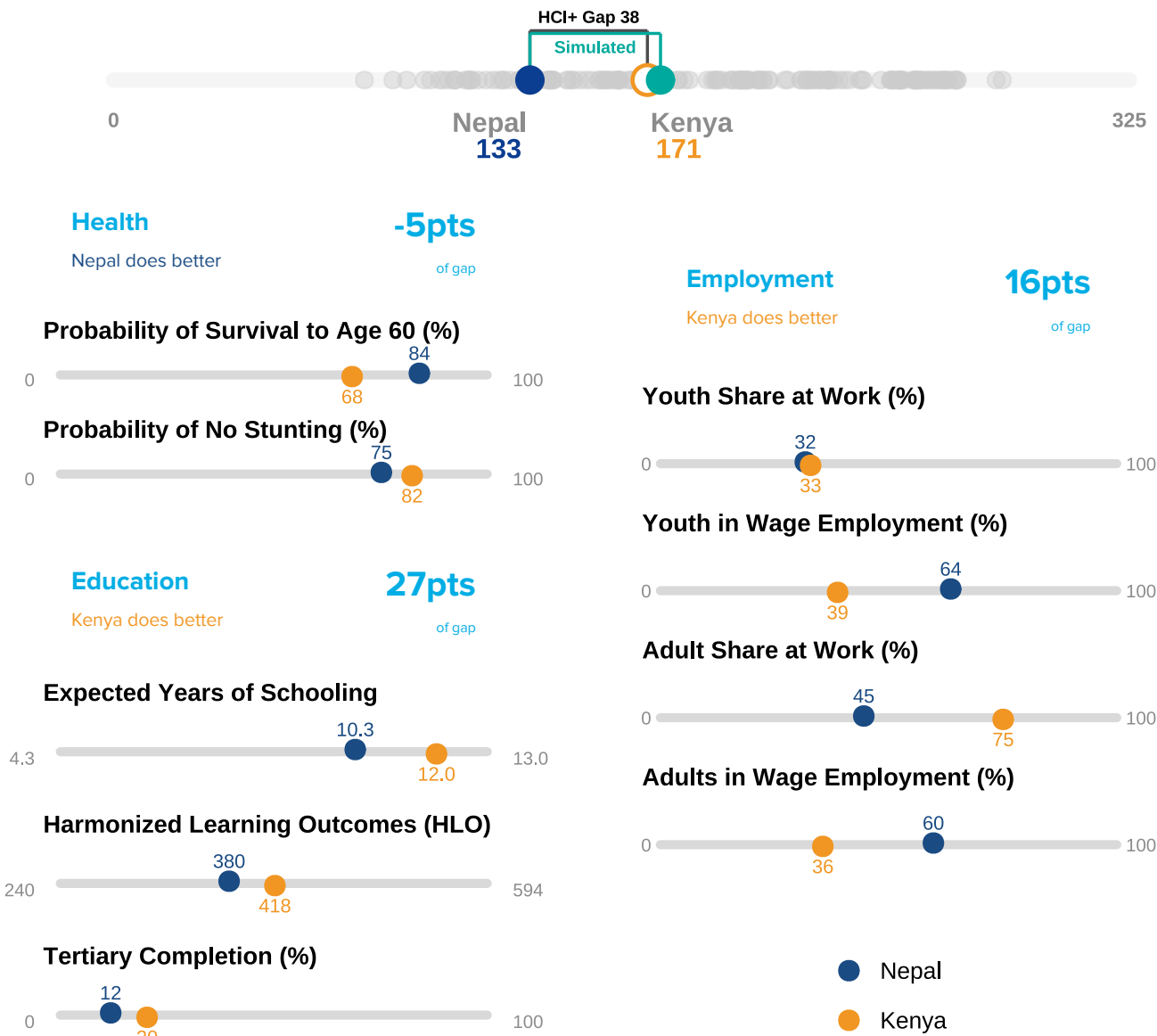
The HCI+ score for the **Education pillar is 83**, lower than the **regional average of 95**.

The HCI+ score for the **Employment pillar is 10**, lower than the **regional average of 23**.



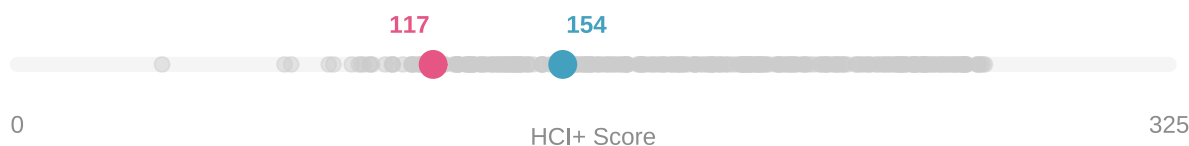
### What indicators are responsible for Nepal's HCI+ gap with Kenya?

Nepal's HCI+ score (133) is lower than Kenya's (171). The indicators that account for the largest share of the HCI+ gap between Nepal and Kenya are **adult share at work, expected years of schooling, and Harmonized Learning Outcomes (HLO)**. Raising these indicators to Kenya's levels would increase Nepal's score to **175**, boosting future income by approximately 41.9%.



### What is Nepal's HCI+ gender gap?

The HCI+ score for **women in Nepal is 117** compared to **154 for men**. The 37-point gap indicates that women's earning potential will be 37% lower than men's due to differences in the human capital acquired by men and women in Nepal.



Note: All values are derived from internationally comparable public datasets.

