

Project Name China-Basic Education/Western...  
Provinces

Region East Asia and Pacific Region

Sector Primary Education

Project ID CNPE73002

Borrower(s) MINISTRY OF FINANCE

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Environment Category C

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#### 1. Country and Sector Background

Background. China has achieved well known gains in education. With enrollment of 135 million pupils and 5.9 million teachers in about 582,000 primary schools in 1999, China runs the largest primary school system in the world. At the junior secondary level there are 64,400 schools with an enrollment of 58.1 million pupils and 3.1 million teachers. In 1999 the overall national net enrollment rates for the first six years of schooling were 99.1 percent of the 6-11 age cohort enrolled in primary education, and more than 79.0 percent of the 12-15 age cohort in junior secondary schools. Of the primary graduates, 94.4 percent went on to middle school (regular or vocational). Global figures, though indicative of substantial progress, tend to mask disparities in basic education development, with notable imbalances in the availability of educational services between the economically advanced and underdeveloped regions. Generally, urban and coast areas have achieved the goal of nine-year basic education, but many poor, sparsely-populated and remote areas have not achieved primary education targets. Schooling in poor counties is marked by poor attendance and high repetition and drop-out rates. Regional disparities are even more conspicuous in completion rates, i.e., proportion of children entering first grade who eventually graduate from primary school. Among the deprived sections of the population, minorities and girls and women continue to be more disadvantaged. Facilities for basic education are equally available for both boys and

girls, yet there is a significantly lower level of utilization for facilities by girls. Since the mid-1980s, China has made substantial progress in the reform of the financing of education. However, China spends less than 3 percent of GDP on education, meaning that it is trying to educate one quarter of the world's students with 1 percent of the world's education budget. In compulsory education the challenges are substantial; i.e., the financial difficulties of poor and rural areas as well as the large and widening disparities in per-student spending across areas.

## 2. Objectives

To support the universal completion of nine years of quality compulsory education for children in Sichuan, Gansu, Yunnan Provinces, Ningxia Hui and Guangxi Zhuang Autonomous Regions.

## 3. Rationale for Bank's Involvement

The major value added from the Bank's support for the government's Nine Year Compulsory Education goals has been: (a) through the work of the first and second basic education projects, providing a workable model for the intergovernmental education grant system which is directed at educational needs of poor counties; (b) through the work in earlier basic education projects, the development of targeting strategies which allow for both on-budget and off-budget funds to focus on the poorest and areas and those with the lowest educational attainment; (c) leveraging grant funding from international and domestic sources of external funding to assist in the financing of education improvement in poor and rural areas; (d) the capacity to design and implement large scale projects and pilot activities which can be used to demonstrate to higher levels in the Chinese government innovative methods of education financing and management and development of community and school based solutions to local issues; and (e) carrying out sector strategy reviews and providing advice to the Ministry of Education on education policy changes and reforms.

## 4. Description

**Background.** China is making a major transition to a socialist market economy with the intention of becoming a middle-income country by 2020, while monitoring and promoting social development and cohesion. To do so, China needs an education system that: (a) produces high-quality results in a flexible manner, (b) uses resources efficiently, and (c) is sufficiently equitable to maintain social cohesion. To do this, there needs to be (a) effective governance structures at all levels and (b) adequate resources.

Not all of these priorities can be addressed by a single project but this proposed project fits within a program of five basic education projects supported by the World Bank and one supported by the UK Department for International Development (DFID) which has informed and guided by the priorities listed above. The project will be focused on increased access to and completion of affordable, quality, basic education for all boys and girls with a special focus on minorities and out of school children. It will require an outcome focused approach. It will continue earlier work done by both DFID and Bank-supported projects to address the constraint of inadequate financing. Participation. Although not a direct project output, increased participation is an agreed principle. Participation and consultation in decision making and development, increases the commitment of those involved. The participation of parents, teachers and children is

particularly important in improving both quality and access at the local school level and the mission recommends that the project seek ways to encouraging this. [PROJECT COMPONENTS ARE INDICATIVE ONLY AS THIS STAGE AND ARE SUBJECT TO CHANGE AFTER DISCUSSION WITH THE GOVERNMENT, THE PROVINCES, UK/DFID AND OTHER RELATED PARTIES.]Project Components. Possible project activities are also listed although the details of these activities will await the participatory process of project design which will be undertaken with the Ministry of Education and the five provincial education bureaus. Component I - Universal access to and completion of nine years of education. This could include such things as: school construction and upgrading, teaching equipment, strategies for encouraging out-of school children to enroll including incentives such as schemes to reduce the costs of education for poor families to enable children to enroll and stay in school, etc; and improved transition arrangements from Primary to Junior Secondary school - especially for girls - with consideration for the issues related to village and boarding schools at the junior secondary level. The project would favor the retention and strengthening of teaching points (incomplete primary schools in natural villages) rather than building dormitories for primary school aged children. Component II - Quality. This could include; all aspects of improved teaching and learning including training principals and teachers; the development of curricula; teaching and learning materials; and assessment of learning outcomes. Possibilities exist for the introduction of school based development and community involvement to improve the way that schools are managed. This component would include measurements of achievement against the current curriculum over time. Component III - Efficiency and Effectiveness. This could include: better ways of expanding and targeting intergovernmental grant schemes to increase the amount of national and provincial level financing available for supporting education budgets at the county and village levels; better ways of managing budgets and increasing the allocation of funds for basic education in a sustainable manner, better planning through the use of accurate data and quality, monitoring, evaluation and impact assessment, including the use of research to inform decision making and better dissemination of lessons learned; better ways of managing budgets and improved allocation and use of non-personnel budgets; and increased capacity of managers to provide better services particularly in addressing the needs of the poor.

Component I - Universal access to and completion of nine years of education  
Component II - Quality  
Component III - Efficiency and Effectiveness

## 5. Financing

	Total ( US\$m)
BORROWER	\$100.00
IBRD	\$100.00
IDA	
Total Project	
Cost	\$200.00

## 6. Implementation

At the central level, the Foreign Investment and Loan Office (FILO) of the Ministry of Education (MOE) will be the decision-making body of the project and will coordinate the work of the project. FILO will be responsible for monitoring the ongoing implementation of the project as

well as coordinating the national level training, study tour, research and dissemination activities. FILO would be responsible for working with the Bank and DFID teams on the supervision of the implementation of the project. . At the provincial level, the Provincial Education Bureaus will set up provincial implementation units (Project Management Offices) which will (a) mobilize institutional, technical and financial resources and support the preparation and implementation of the project; (b) will coordinate the provision of provincial level counterpart funding for the project, (c) provide a critical coordination and monitoring function. At the county level, project implementation offices will be set up to oversee the implementation of the project at the township levels. This will include ensuring adequate financial resources for counterpart funding for the project as well as monitoring the targeting of project resources as the township level. At the village level, village school committees will be established in certain pilot counties to assist in the management of the school and support the school activities. The structural framework and responsibilities of for these village school committees has not yet been discussed with and agreed by the provinces in the project. At both the central and provincial levels, Technical Experts Groups will be established will be established to provide support for project implementation. World Bank/DFID Partnership. This project will be financed by blending IBRD loan funds with a UK Department for International Development (DFID) grant. The DFID-supported Gansu Basic Education Project has been important in informing the proposed design for this project. Central to the DFID Gansu experience has been the emphasis on using a strongly participatory process in the design of the project, aspects of which will be used the development of this project. Likewise, the experience of DFID in school based management schemes in Gansu will be important in the design and implementation of pilot activities various provinces in this project.

## 7. Sustainability

Sustainability and Risks: Several factors are important for project sustainability and risks. First, the project is targeted in the poorest counties in five poor western provinces. In the first instance this means that counterpart funding to match the loan fund for such expenses as civil works and books and materials will place a heavy burden on these county budgets. In the second instance, with the bulk of the recurrent funds which support basic education currently coming from county budgets, there is always the concern that the counties by themselves will not be able to maintain the investments after completion of the project. Second, the project will support several pilot activities which are designed to demonstrate best practice in school based management and community involvement with supporting local schools. While the results of these pilot activities are important in and of themselves, the dissemination and sustainability of good results in wider areas will depend largely on existing government structure and units. Experience has shown that the existing structures are well suited for top-down dissemination of guidelines and information but less adept at taking the results of bottom-up pilots and experiments. Third, the skills and capabilities of the county, township and schools level education leaders - men and women - to design, develop and implement new school management and financing mechanisms is limited, especially in the poorest of the proposed project counties. Human capital development at the sub-provincial level will be critical. Fourth, in the development of distance education facilities,

the provinces will have to assume the responsibility for not only recurrent costs of running the facilities but also the more important task preparation of materials for use as content in the system.

#### 8. Lessons learned from past operations in the country/sector

The successful implementation of four basic education project in China has offered many lessons for preparing the proposed project:ñ Poverty focused social service delivery projects should be increasingly targeted at the township rather than the county level. ñ As provinces and counties which have benefited from IDA and IBRD financing have to repay the credits or loans, caution must be taken in the design of future poverty focused education projects to fully take into consideration not only the assumed counterpart obligations but also the future repayment responsibilities when calculating project sustainability. ñ The key issue in developing education projects at the provincial, county and township levels is to convince the Chinese preparation teams that focusing on development outcomes is more important than emphasis on investment inputs.ñ

Educational outcomes from a project such as this cannot be measured without good outcome indicators, and project preparation teams must be diligent in working with the borrower to obtain agreement on these outcome indicators during the earliest stages of project design.ñ Teacher and staff training components have been chronically weak in Bank supported basic education projects.ñ Much of project design for the National Nine Year Compulsory Education Programs, which is the joint work of the MOF and the MOE Finance Department, appears to be driven by prospective formulae from Beijing which must be carefully understood. Some is positive and useful (i.e., only poor counties get money, provincial proposals have to be presented, reviewed and approved, etc.) but some can be regressive and difficult to deal with (i.e., set numbers of square meters of construction per students regardless of geographic location, overly generous numbers of laboratories in a school which hinders efficiencies, etc.). These guidelines from Beijing often drive up capital costs and limit local abilities to increase efficiencies.ñ Language of instruction issues in minority language areas are important and the answers as to which system to be used (and thereby supported by a project) are not always self evident. Social surveys are one way to get to the bottom of this issue; talking with parents and grandparents is important.

#### 9. Program of Targeted Intervention (PTI) N

#### 10. Environment Aspects (including any public consultation)

Issues : This project is expected to have no adverse environmental impact. Civil works will be limited in size and scale with much of the work related to repairs and renovations of existing buildings.

#### 11. Contact Point:

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.

This PID was processed by the InfoShop during the week ending May 24, 2002.