STAFF APPRAISAL REPORT

CHINA

BASIC EDUCATION IN POOR AND MINORITY AREAS PROJECT

AUGUST 8, 1994

Poverty, Population and Human Resources Division
China and Mongolia Department
East Asia and Pacific Regional Office
CURRENCY EQUIVALENTS
(As of March 10, 1994)

Currency Name       = Renminbi (RMB)
Currency Unit       = Yuan (Y)

Y 1.00 = $0.11
$1.00 = Y 8.7

FISCAL YEAR

January 1 - December 31

ACADEMIC YEAR

September 1 - August 31

WEIGHTS AND MEASURES

Metric System

ABBREVIATIONS AND ACRONYMS

EDPP - Education Development in Poor Provinces Project
EMIS - Educational Management Information System
FILO - Foreign Investment and Loan Office
GOC - Government of China
IAG - Innovation Assessment Group
ICB - International Competitive Bidding
IDA - International Development Association
LAN - Local Area Network
LCB - Local Competitive Bidding
LMS - Lower Middle School
MIS - Management Information System
MOL - Ministry of Labor
PEC - Provincial Education Commission
RMC - World Bank Resident Mission/China
SDR - Special Drawing Right
SOE - Statement of Expenditure
SEdC - State Education Commission
SPC - State Planning Commission
TIS - Teacher Information System
UBE - Universal Basic Education

GLOSSARY

Province - China is divided into provinces, autonomous regions and municipalities. In this report "province" refers to any of these, as appropriate
CHINA

BASIC EDUCATION IN POOR AND MINORITY AREAS PROJECT

CREDIT AND PROJECT SUMMARY

Borrower: People's Republic of China

Beneficiaries: State Education Commission (SEdC) and six participating provinces and autonomous regions (Guangxi, Inner Mongolia, Jiangxi, Sichuan, Xinjiang, and probably Ningxia)

Amount: SDR 69.2 million ($100 million equivalent)

Terms: Standard IDA terms, with 35 years’ maturity

Project Description: The project’s principal goal is to support the attainment of universal primary education, and the expansion of coverage of lower secondary education, in poor and minority areas. This would be achieved by: (a) improving the quality and effectiveness of educational inputs to teaching points, primary schools, lower secondary schools and rural normal schools in poor and minority areas; (b) improving management of schools at the primary, lower secondary and normal school levels, as well as the educational system at the township, county, prefecture, province or autonomous region, and national levels; and (c) facilitating innovative activities in book publishing, editing and development (especially in minority languages) and action oriented innovation programs. Under the institutional component, the project would support necessary civil construction and repair to support better the needs of their present and projected student populations; provide necessary instructional equipment; staff upgrading through pre-service and in-service training programs; and normal schools pilot activity to reorganize their elementary and lower secondary school teacher training programs. Under the management improvement component, the project would support development of management capabilities for the education system at the central, provincial and institutional levels through staff training, the provision of equipment furniture and expert services through: training of principals, local education management authorities, provincial educational planners, and local project implementation authorities; and the development of an education information management system. The quality enhancement
Component will promote innovations and other improvements in primary and lower secondary schools by supporting a program of self-generated action-oriented research activities and the development of minority and bilingual book and textbook preparation, production, publication and distribution; and national capacity building activities, including construction of a minority education center, establishment of an Innovation Assessment Group and experts panel which would support training and policy-focused, action-oriented experiments to improve implementation activities common to the project provinces and build up SEdC to coordinate the implementation and replication of basic education projects.

Benefits: The project is expected to benefit about 5 million children in poor and the remote areas inhabited by minority nationalities. Provision of education to these children will help them take advantage of opportunities being created by rural development and economic growth in township and urban centers. This project also includes interventions to improve school attendance of female students.

Risks: There are three main risks in this project. First, the central, provincial and county officials may not be able to adequately oversee the implementation of the project activities. Cognizant of this risk, management training at all three levels is an important activity of the project. Additionally, lessons learned from implementing the IDA-supported Education Development in Poor Provinces (EDPP) project will be included in the training of provincial and county level implementation units for this project. Implementation experience of the EDPP project and the strong provincial and county level work necessary to develop the current project indicate that this risk is not excessive. Second, the provinces may not ensure that the poorest population benefits from improved access to and quality of basic education. To deal with this, the project will require provinces to carry out acceptable and monitorable action and financing plans to ensure that educational achievements in nonproject poor counties will not deteriorate during the implementation of the project. Finally, the tight fiscal situation in participating provinces may result in insufficient counterpart funding to match IDA credit funds. To reduce this risk provincial authorities have committed themselves, after extensive discussion, to provide adequate counterpart funds, which are estimated on a realistic basis. Furthermore, SEdC has indicated that, if necessary, it will allocate funds from special categories in its budget earmarked for education in minority and poor areas to the six project provinces to assist in providing for any possible counterpart shortfalls.
### Estimated Cost:

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<tr>
<th></th>
<th>Local ($ million)</th>
<th>Foreign</th>
<th>Total ($ million)</th>
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<td>Institutional strengthening</td>
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<td>5.6</td>
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<td>Management improvement</td>
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<td>0.4</td>
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<tr>
<td>Quality enhancement</td>
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<td>0.1</td>
<td>9.4</td>
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<td>Price contingencies</td>
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<td><strong>Total Project Cost</strong></td>
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<td><strong>6.2</strong></td>
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### Financing Plan:

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<td>Chinese Government</td>
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<tr>
<td>IDA</td>
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<td>100.0</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>174.1</strong></td>
<td><strong>2.9</strong></td>
<td><strong>177.0</strong></td>
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### Estimated Disbursement:

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<td>15.6</td>
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<td>Cumulative</td>
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<td>74.7</td>
<td>90.3</td>
<td>99.0</td>
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</tbody>
</table>

### Poverty Category:

This project is targeted at 5 million of China's poorer primary school children. Special programs of targeted intervention are included to benefit the poor and girls.

### Economic Rate of Return:

Not applicable.
This report is based on the findings of an April 1994 appraisal mission to China. Mission members were Halsey L. Beemer, Jr. (General Educator, EA2HR, Task Manager), James Lynch (Educator, ASTHR), Mohammed Allak (Human Resources Economist, SA2HR, consultant), Sandra F. Erb (Operations Specialist, EA2HR), Consultant), and Hou Dingyong (Project Officer, RMC). Substantial contributions to project design and preparation were also made by He Jin (Education Consultant), Christopher Thomas (Education Consultant), David Lewis (Architect Consultant), and Carmelle Denning (Book Specialist, Consultant). Peer reviewers were Lee Travers (Environmental Economist, EA2EU), Samuel S. Lieberman (Health Economist, EA3HR) and Edward H. Heneveld (Senior Educator, AFTHR). Cost tables were prepared by Hou Dingyong. The responsible Division Chief is Vinay K. Bhargava, and the Department Director is Nicholas C. Hope.
4 Project Organization and Implementation ........................................... 23
   A. Project Organization .................................................. 23
   B. Management of Project Implementation ............................ 25
   C. Procurement .............................................................. 26
   D. Disbursements ......................................................... 27
   E. IDA Monitoring of Project Implementation .......................... 29

5 Benefits and Risks ............................................................ 31
   A. Benefits ................................................................. 31
   B. Risks ........................................................................ 31

6 Agreements Reached and Recommendation ................................. 32
   A. Agreements ................................................................. 32
   B. Conditions of Effectiveness ......................................... 33
   C. Recommendation ...................................................... 33

TABLES IN TEXT

3.1 Summary of Project Costs by Component ................................. 20
3.2 Summary of Projects Costs by Category .................................. 21
3.3 Financing Plan .............................................................. 22

4.1 Summary of Procurement Arrangements .................................. 28
4.2 Estimated Disbursement Profile ......................................... 28
4.3 Disbursements .................................................................. 29

ANNEXES

1.1: Key Benchmark Provincial Indicators - Primary Education ........ 35
1.2: Key Benchmark Provincial Indicators - Lower Secondary ........... 36
2: Provincial Counterpart Funding as a Proportion of Provincial Education Budgets and Sources of Counterpart Funding ............................ 37
3: Highlights of the Project Implementation Plan (PIP) (Implementation Arrangements) ................................................................. 38
4: Provincial Allocations to Nonproject Counties ............................ 40
5: Summary of Preparation and Appraisal Criteria .......................... 41
6: Supervision by IDA .......................................................... 43
7: Project Indicators for Project-Supported Counties by Province .... 45
8: Selection Criteria for Provinces ......................................... 47
9: Chinese Experts Panel TOR ............................................... 50
10: Operating Criteria for Innovation Program ............................. 54
11: Loan Disbursement Schedule .............................................. 57
12: Implementation Timetable .................................................. 58
13: Documents and Data Available in Project File .......................... 59

Map: IBRD No. 25954
1. INTRODUCTION AND BACKGROUND

1.1 Education plays a central role in achieving China's goals of development and modernization. In order to achieve these goals by the year 2000, China has set as a major national target the achievement of universal basic education (UBE) as soon as it is practical. It is understood that this will not happen nationally until early in the twenty-first century, though it is already close to reality in advanced regions. Compared with other developing countries, China's success in providing a comprehensive schooling system to its population has been remarkable. Enrollment rates in the first nine years of schooling are higher than in most other lower income countries, with more than 95 percent of the 6-11 age cohort enrolled in primary school and over 60 percent of the 12-15 age cohort in lower secondary school. As a result, literacy rates are higher than in most countries with similar levels of economic development. It is estimated that the literacy rate for those 15 years of age and older is over 80 percent. It is close to 93 percent among the 15 to 25 year age group. This is an impressive achievement for a country with nearly 75 percent rural population.

1.2 These impressive summary statistics, however, conceal the disparity in education attainment among China's 1.185 billion inhabitants. While the goal of nine-year compulsory education is already achieved in most large cities and coastal areas, many poor and remote areas have not even reached six years of universal primary education. The education system in these areas suffers from: insufficient, dilapidated or dangerous classrooms and schools; high numbers of unqualified teachers; poor teaching materials; high drop-out and repetition rates; unsatisfactory management; and difficult access. This proposed project would aim to improve the delivery of basic education in the poor and minority areas of six provinces.

1.3 Many of the poor and remote areas in China are inhabited by minority nationalities. Mainly due to historical, geographic, and cultural reasons, the economic and education levels in many minority areas are lower than the national average. For example, of the minority nationalities counties, 25 percent are State-supported poor

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1/ Universal Basic Education (UBE) is defined by the State Education Commission as covering the first nine years of education.

2/ China has 55 minority nationalities totaling 91.2 million and constituting 8 percent of the population. Areas inhabited by these minorities occupy 64 percent of the entire country. There are 80 spoken languages and over 30 writing systems used by 53 minority nationalities.
counties.\textsuperscript{3} The average rural annual income per capita in these counties is below Y 300, compared to the national rural average of Y 784.\textsuperscript{4} According to a sample survey of 25 minority counties carried out by the State Education Commission (SEdC), the gross enrollment rate of school age minority children is about twenty percentage points lower than the national mean, with the female enrollment rate being particularly low. Almost half the adult population is illiterate or semi literate; the overall illiteracy rate for women is 70 percent. In addition to the characteristics of education in poor areas noted above, education of minority nationalities suffers from shortage in teaching materials and adequately trained teachers. Bilingual education,\textsuperscript{5} regarded as instrumental in promoting minority nationalities to advance to upper and postsecondary education, also suffers from various shortcomings: a shortage of qualified teachers; unsatisfactory instructional materials and insufficient attention and research in the pedagogical, linguistic, and curriculum aspects of bilingual education.

A. MAJOR SECTORAL ISSUES AND CONSTRAINTS

1.4 A brief review of the sectoral issues and constraints as they relate to basic education, especially in the poor and remote areas, follows:\textsuperscript{6}

(a) \textit{inefficiencies at the rural primary and lower secondary school levels} will make universal basic education difficult to achieve. Although schools are effective in most respects, greater efforts will be needed to achieve universal basic education. Issues such as high repetition rates, especially in the first years of primary school, incomplete schools, low girls' enrollment, especially in minority areas and lack of mechanisms to identify efficiency-related issues and to provide and monitor corrective measures;

(b) \textit{urban-rural disparity} in the delivery of educational services exists. Expenditures in city and town schools have grown faster than those in village and rural communities, and there is serious underfinancing of rural schools. Many rural schools are in poor physical condition, inadequately staffed, and poorly supplied in terms of books and other pedagogical inputs. A special problem is the low incomes of locally hired, nongovernment supported (minban) teachers in the poor communities. Limited pay causes high turnover and gives teachers low motivation to upgrade their skills and

\textsuperscript{3} Counties which due to their poverty level receive financial support from the State. There are 331 such poor counties of which, as mentioned above, 143 or 43 percent are minority counties. There are also 125 minority counties receiving support from provincial governments.


\textsuperscript{5} Bilingual education is currently employed by 24 minority nationalities. Most other minority children are taught in Han Chinese beyond grade 3 or 4.

\textsuperscript{6} A detailed discussion of these issues can be found in \textit{China: Provincial Education Sector Planning and Finance}, Sector Study. The World Bank, China and Mongolia Department. Report No. 8657-CHA, 1991
to remain in the teaching profession. Additionally, there is an uneven
distribution of teachers among urban and rural areas;

c) **constrained access to basic education** in poor and minority (typically rural)
areas continues to be a problem. School costs, such as annual book fees,
have risen and have depressed overall primary enrollment rates in poor
areas. Low girls' enrollment and completion rates are common in rural and
minority areas where parents keep girls at home to help in income
generating activities (contrary to the government's UBE policy), or because
of rising school costs. About 50 percent of the rural primary schools in the
project provinces are incomplete schools, i.e., they do not offer the full
primary course, and about 35 percent offer only three or even fewer grades.
Small villages are served by incomplete schools, or "teaching points" which
offer only grades one and two. This is a serious constraint on achieving
universal basic education;

d) **weak teacher training** for primary and lower secondary schools, especially
in rural poor areas with relatively high levels of minority population,
remains a problem; teacher training needs to be reformed. Normal schools
and in-service training courses in China focus on teaching subject matter and
methods appropriate for large urban schools, but few courses are offered for
teachers on the methods and techniques required in rural schools. There is
little practice in multigraded teaching techniques, or in bilingual education.
There are, however, many very experienced teachers who have been in rural
areas for many years, and who have mastered the techniques and practices
appropriate to teaching successfully in rural areas, and these teachers need
increased opportunities to augment course content skills with in-service
training, or teach other teachers. Pre-service and in-service training are not
effectively utilized, because they are treated as two separate systems of
training; and

e) **necessary improvements in the management structure** will be difficult
because they involve several layers of government and administration
 центрального, provincial, county, village and educational institution); there is
little experience with the management of education reform; little systematic
attention has been given to using the results of teacher demand and supply
analysis; and training in modern statistical analysis has been inadequate.
Also, educational statistics and data on education financing and on school
facilities are often incomplete or inaccurate and therefore provide
insufficient information to identify properly and resolve efficiency problems.

**B. GOVERNMENT STRATEGY**

1.5 The publication, in May 1985, of the "Decision to Restructure the Education
System" marked the most significant reform in Chinese education since 1949. It called
for: universalization of nine years of basic education; expansion of vocational and technical
education at the secondary and postsecondary levels; increased enrollment in (and autonomy for) higher education institutions; and strengthened education sector leadership at all levels. That decision was followed by the Compulsory Education Law of 1986. Under it, nine year UBE was to be achieved in stages: in the cities and coastal areas by 1990; in the towns and villages with a medium level of development by 1995; and in the more backward areas at "...a rate commensurate with their economic development.". At the same time, responsibility for providing basic education was delegated to local governments. SEdC was created in June 1986 as the successor to the Ministry of Education. It is responsible nationally for policy, budgeting and coordination of this sector. It therefore has the mission of overseeing the above reforms at the national level.

1.6 The Central Government’s overall approach toward education is to develop broad principles and regulations to guide provincial and local governments in developing their county and village level education services, so that they may implement the compulsory education law using the resources available, and pursue their own targets, according to their own means. Principles to be encouraged at the national level include efficiency, quality and equity:

(a) **efficiency** is seen as increased cost-effectiveness in school management by reducing high repetition and dropout rates, and adopting adequate student-teacher ratios and teacher workloads;

(b) **quality** improvement includes the introduction of newly developed sets of more relevant and adequate books for basic education, training of teachers to use the new text materials and provision of more pre-service and improved in-service training for teachers;

(c) **equity** issues include State efforts to subsidize economically undeveloped areas so that they may introduce compulsory education and to encourage the transfers of funds from provincial to local governments.

1.7 **Government Strategy on Minority Education.** The evolution of China’s strategy for the provision of education for ethnic minorities has undergone changes in the past four decades. For instance, use of minority language as the initial medium of instruction in primary schools has increased, Han language lessons are now being introduced as part of bilingual teaching and Han Chinese is only being fully used in later primary school grades, the percentage of local content in primary school textbooks has been increased, and levels of government—both local and national—support of teachers’ salaries in predominantly minority areas has been increased. Since the late 1970s, educational reforms both at the center and in the provinces have generally favored the use of increased ethnic minority educational inputs into primary schools, including increased use of minority language for early years of classroom instruction, increased recruitment of minority teachers and school principals, and greater efforts to train bilingual teachers.

1.8 **Government policy on minority education can be seen in a number of other systematic policy foci:**
(a) **Expanding Access** through construction, expansion and renovation of township/village schools, teaching points and multigrade-schools; mandating universal 6-year education in all minority regions or an elementary graduate per household as a minimum requirement for remote and scattered rural inhabitation; development of a Key Elementary School for every township in each minority county and a Key Secondary School and a Literacy and Vocational Training Center for each minority county;

(b) **Improving Delivery and Relevance** of educational inputs by: improving teacher selection and preparation in pedagogical, bilingual education, curriculum revision and development of bilingual materials for minorities;

(c) **Increasing the Resource Base** by developing preferential policies of increased national and provincial resource allocation targeted at basic education in poor minority regions for specific programs to reduce repetition and drop-out rates.

1.9 This proposed project addresses the efficiency, quality and equity issues of minority education by supporting government efforts to (a) expand access for the minority population by financing facility upgrading, and equipment and book procurement for schools in minority areas; (b) address quality issues by financing development of bilingual textbooks and training of bilingual teachers, supporting self-generated innovations in improving efficiency in schools, and in-service training of minority teachers and principals; (c) create a Minority Education Training Center to build policy research and management training capacity for minority education; (d) finance Chinese language training for minority teachers; (e) finance studies on effective teaching, learning technologies, and multigrade teaching, especially geared to minorities with particular emphasis on minority girls; and (f) ensure minority county participation in the project by using selection criteria which give increase weighting to those counties with higher percentages of ethnic minorities.

1.10 **Government Strategy for Education in Poverty Areas.** Like government education policies focused on ethnic minorities, there is also a special recognition of and attention to education support in poverty areas. This is because government reports clearly indicate inadequate access to, quality of and equity in delivery of educational inputs in poor areas. At the same time, educational outcomes are also well below those in the more developed areas with higher grade repetition and dropout rates, lower transition rates to lower secondary schools, and substantially lower rates of girls' enrollments. These findings are also borne out by Bank studies 7/ which can be summarized by a statement from one of the reports: "... the underfunding of rural schools in poor areas condemns them to mediocrity and the poor to a bleak, ill-educated future." 8/

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1.11 The government is dealing with these issues in a number of ways among which are the following: (a) earmarked national funds for construction and rehabilitation of schools in poor areas; (b) upgrading the professional qualifications of *minban* (locally supported) teachers so that they can be converted to *gongban* (government supported) teachers; (c) specially targeted funds to support payment of such school fees as books, meals in boarding schools, and some transportation costs; (d) training of education managers at the provincial and county level in methods to achieve efficiency gains by using better resource allocation strategies and practices; and, (e) introduction of tax reforms which broaden and deepen the base for tax collection, earmark percentages for compulsory education, and allow for targeting of funds toward the poorer sections of the provinces.

1.12 This proposed project supports the government’s strategy with specifically focused support in the following areas: (a) substantial civil works for both new construction and repair of school buildings in national poor counties with limited internal resources for such investments; (b) support for in-service training, especially of *minban* teachers, to upgrade their skills to bring teacher qualification levels in the provinces from the current 75 percent +/- to 85 percent; (c) provision of specialized training for county magistrates responsible for school financing and school principals in more effective utilization of educational resources; (d) support through an innovation program for policy-focused action-oriented research activities at the school level in poor counties in order to experiment with ways to increase access for poor children to schools as well as increased enrollment and transition rates; (e) distribution of free textbooks to poor children; (f) more systematic use of current teacher demand and supply analysis methods which will enable provinces to decrease the intake into their teacher training institutions which are currently oversupplying teachers to the system; (g) reorganization of teacher training institutions in two provinces by mergers to increase internal efficiency of the institutions; and, (h) specialized training in multigrade teaching which will enable smaller schools to increase the efficiency of teacher utilization. Specific details of project design and coverage are in Part II. The Project.

1.13 It is within the above context that the effort to improve and develop basic education, both through the ongoing *Education Development in Poor Provinces (EDPP)* Project and the currently proposed project, takes place. The drive toward universal basic education has progressed well in the cities, and coastal and more economically developed areas, and the need to accelerate the effort in rural, poor and minority areas is now being addressed. This project is part of this effort.

**C. BANK GROUP ASSISTANCE STRATEGY AND EXPERIENCE IN THE EDUCATION SECTOR**

1.14 The Bank Group (IBRD and IDA) is in general agreement with the direction taken by China in development of its educational system at all levels. It provides support to this process by maintaining a dialogue on sectoral issues and options, and by supporting selected activities which contribute to the efficiency and quality of that system and to its relevance to national development objectives. In order to facilitate achievement of these ends, the Association has set as its assistance strategy that it will:
(a) give attention to efficient resource use, including utilization of teachers and facilities, a demand oriented approach to vocational education programs at the secondary level, and rationalization of higher education;

(b) seek more equitable funding mechanisms, targeted to basic education in poor rural areas; and

(c) support institution building to increase the capacity of educational authorities at all levels to carry out their responsibilities, especially under conditions of increasing operational decentralization.

1.15 In line with the above assistance strategy, since 1981 the Bank has supported 15 projects in China which were either devoted entirely to the education sector or had substantial education sector components. The total loan and credit amount for education was $1,298.8 million. In the early 1980s, four successive higher education projects assisted expansion and quality improvements in prominent universities, mainly key universities managed by SEdC, the television universities and the larger provincially operated universities, and supported founding the polytechnic system which has since proliferated. Since 1985, IDA has assisted the Government in its effort to increase provision of textbooks, upgrade lower middle school (LMS) teachers and improve the conditions of vocational schools. It has also financed a project in the relatively disadvantaged province of Gansu, managed by the provincial government, part of which addresses the education sector. This latter project has had smooth implementation, good results and will be completed in late 1994. Most recently, support has been given to education at the municipal level in three medium-sized cities, to key science and engineering laboratories, to education in selected poor counties in six provinces (EDPP) and LMS teacher training in fifteen provinces.

1.16 Sector studies related to education finance were issued in 1986 and 1991. Other sector studies were done on technical/vocational education and training for labor markets in 1987 and 1993 respectively, and informal sector work on teacher training was carried out in 1991. These, combined with extensive experience in preparing and supervising projects over the past decade, provide considerable background for identification of sectoral needs and opportunities.

D. LESSONS LEARNED

1.17 Valuable lessons have been learned from the development and early implementation of the EDPP project from which project design elements, selection criteria, monitorable indicators, and much structural component formulation has been adopted for the proposed project. Much of the same national level SEdC project development team and the Chinese academic advisory group which worked on the EDPP project is intact and continues to work on the development of the current project. Likewise, many of the Bank Group and Chinese staff who worked on the former project now work on the latter. Lessons which have been learned from the EDPP project and applied to the current proposed project are:
(a) projects are better designed and implemented when they concentrate on a reduced number of provinces, and when provincial and county authorities are involved in their design. This is especially true for projects that assist provincially and locally financed institutions;

(b) there is a need to improve government's ability to plan and monitor project activities, and to take corrective actions when needed;

(c) the Association and the Government need to work together in the evaluation of education reforms. Work has started on developing a standardized mechanism to measure student achievement, student attendance, and indicators of progress, but continued focus on these issues is important; and

(d) national coordination of technical assistance, high level training, collection of educational and project indicators, and dissemination of lessons learned is necessary to achieve efficiencies of scale, and country-wide coherence in the development and expression of education policy and national standards.
2. THE PROJECT

A. PROJECT OBJECTIVES

2.1 The main project objectives are to (a) **support the attainment of universal primary education and the expansion of coverage of lower secondary education in poor and minority areas**, and (b) **build stronger institutions responsible for education delivery**. The project will contribute to the Government's poverty reduction efforts by focusing on education, and thus the income earning potential of nearly 5 million school children in some of the poorer counties in China. The project will have a direct impact on approximately 40,000 schools, and will provide varying lengths of training for approximately 135,000 teachers and education managers.

2.2 The project will support the government's efforts to make primary education universal by putting more educational inputs into teaching points, increasing the enrollment in complete schools, expanding multigrade and multi-subject teaching in rural areas, and reducing drop-out rates of minority children through improved bilingual educational programs. Additionally the project will assist in the implementation of an action program in participating counties designed gradually to overcome problems of low efficiency, and address the issues of utilization of teaching staff in normal schools, high repetition in rural secondary schools and underutilization of buildings and laboratories in lower secondary schools and rural normal schools.

2.3 The project will support the government's efforts **1/ to focus special attention and resources on girls' and bilingual education**. Rates of girls' enrollment in primary schools and transition into lower secondary school lag behind those of boys (see Annex 1). This is especially true in provinces and counties with a high percentage of minority population. In the rural primary schools and lower middle schools, special project achievement targets have been established for girls' enrollment and transition rates (see Annex 7). County and township educational management staff will take part in special local level campaigns to inform parents of their obligation to send their girls to school. Project provinces and counties have committed themselves to targeted interventions to increase girls' access to school by selectively providing free textbooks to girls from poor families. The project will work with the UNICEF supported experiment to identify, train and support young women school principals to provide role models for girl students. The initial national focus of the project's innovation program (see para. 2.33 below) will be on

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1/ Government efforts in girls' education include such policies as: reduction of school fees and free textbooks for targeted groups of poor girls; increasing the numbers of female elementary school teachers enrolled in teacher training institutions; training female principals to act as role models; and experiments in all-girl schools.
girls' education and this activity will be initiated through a regional seminar on the subject organized by the Bank's Economics Development Institute (EDI). The innovation program will support policy oriented research focused on culturally and locally specific causes for low girls' enrollments and transition rates and possible interventions to overcome these problems. The innovation program will also fund research of the current SEdC-supported experiments being carried out in single-sex classes in such provinces as Ningxia.

2.4 Likewise, bilingual education will be supported through the use of specially earmarked funds in the innovation program for the production, publication and distribution of bilingual reading and teaching materials. Special staff training and international study tours are to be organized for national and provincial level teaching, research and educational management personnel. The innovation program will support experiments in the use of distance education in teaching widely dispersed minority children in pastoral counties of the Northwest.

B. RATIONALE FOR IDA INVOLVEMENT

2.5 This proposed lending operation is consistent with the Country Assistance Strategy (CAS) discussed by the Board on August 3, 1993. For the social sectors the CAS calls for priority to be given to the problems of the poorest areas, including basic education for girls. China has two ongoing IDA-supported education projects to assist poor provinces in their efforts to universalize basic education, Gansu Provincial Development Project—Education Component (Loan 2812/Credit 1793-CHA) and Educational Development in Poor Provinces (EDPP) Project (Credit 2339-CHA). Implementation of these projects is proceeding smoothly and experience gained from them has been used in the design of this proposed project. Through this project IDA would be deepening its support for China's efforts in improving basic education in poor and remote areas, including those inhabited by minority nationalities. IDA support is important in focussing Government's efforts on poverty alleviation and improving the design and implementation of such efforts. The proposed project would be in line with the findings of the Bank's report *China: Strategies for Reducing Poverty in the 1990s* (Report No. 10409-CHA, 1992) which identifies investment in human capital, in particular targeted intervention to the poor and vulnerable, as a key component of poverty alleviation efforts, leading to healthier and smaller families, higher rates of adopting new agricultural technology, and increased access to alternative off-farm employment. The project also incorporates IDA's concern for improving the status of women in the development process, by supporting targeted operations research activities and possible consequent interventions to increase girls' enrollments, especially in minority areas.

C. PROJECT DESIGN AND PREPARATION

2.6 The project has been designed to further develop the borrower's capacity to prepare and implement projects. Building on the sector work which informed the design of the EDPP project as well as the current proposed project, SEdC, with IDA's assistance, has prepared six subprojects, one for each province. Five of the six subprojects have been fully reviewed. The sixth subproject, Ningxia, has been prepared by the provincial
authorities with assistance from SEdC and IDA. IDA has done a preliminary review of the Ningxia subproject; SEdC will carry out a full review according to agreed criteria (Annex 5). The SEdC report will be reviewed by the Association. In this manner, SEdC assumes greater responsibility for project preparation with the Association’s role primarily being that of approving the subprojects which have been reviewed by SEdC before they can be included in the project.

2.7 This approach will be expanded and refined for the preparation of possible future education projects, using revised and updated project identification, coverage selection, subproject preparation, project implementation, and monitoring instruments now being used in the current project. This process will also allow for the utilization and dissemination of policies and actions which come from this project’s innovation program well beyond the confines of provinces supported by this project. Goals such as decreased girls dropout before completion of grade five, increased usage of bilingual teaching materials and wider use of multigrade teaching, will take time to gain a level of general acceptance and the program approach will provide the continuing support for such policy development for a period longer than the life of this one project.

2.8 Project Area and Selection Criteria. The project area covers at least 111 counties in six of China’s poorer provinces. The main criteria used in the selection of the provinces have been number of poor counties in the province, level of teacher qualifications, percentage of minority population, primary school completion rate, and girls’ enrollment (see Annex 1) for list of provinces, counties and key benchmark indicators. The main criteria used in the selection of the counties were inclusion on the national or provincial list of poor counties and/or relative concentration of minority population among overall county population; poverty indicators such as public expenditure for education as a percentage of provincial expenditure and books per pupil at primary level; and teaching and management needs such as percentages of repetition, primary enrollment, and girls’ enrollment, transition rate from primary to secondary education, and percentage of qualified teachers. (Selection criteria and their numerical weighting can be found in Annex 8.)

2.9 The identification of the key educational issues to be addressed by the project derives from studies carried out jointly by the Association and members of the Chinese education research community, as well as from the development and implementation of the early stages of the EDPP project. Likewise, identification of the key poverty intervention issues to be addressed in the project resulted from studies carried out jointly by IDA and Chinese social scientists. These studies were discussed with SEdC. Priorities for project focus were determined in the course of identification and preparation. Special attention has been given to procedures for selection of the provinces and more importantly, the poor counties (including those with substantial minority


populations) which are included in the project. In addition, special attention has been
given to the design of appropriate training and management development programs, to
formulation of national seminars and to setting up of a system to carry out the innovation
programs provided for under the project. All of these topics were discussed and settled
upon jointly by the Association and the Chinese Government staff during project
preparation and appraisal.

2.10 Borrower Involvement in Project Preparation. SEdC, having studied the
preparation and early implementation experience of the EDPP project, organized three
working groups which were instrumental in project preparation and will be used in project
implementation (see paras. 4.6-4.9). These groups are (a) a Project Working Group,
comprising working level staff from SEdC's Departments of Finance, Foreign Investment
and Loan Office (FILO), Minority Education, Basic Education, Equipment, Teacher
Training and Supervision, which has been responsible for organizing all project preparatory
activities; (b) the Project Leading Group, comprising the directors of departments
represented in the first group and responsible for providing guidance and coordination and
resolving major implementation issues that may arise; and (c) the Project Expert
Consultative Group, comprising 7-9 non-SEdC experts specializing in basic education,
minority/bilingual education, teacher training, curriculum development, civil works,
equipment and education management, which advised and made suggestions on project
preparation. Directors of project implementation units from Yunnan, Shanxi and Hubei
provinces, all in the earlier EDPP project, are members of the Project Working Group to
ensure continuous input into the development of the programs in the project-supported
provinces as well as training of new project implementation staff.

D. PROJECT DESCRIPTION

2.11 The project will, over a period of five and a half years, provide assistance
through an institutional component directly supporting the delivery of educational inputs
(i.e., civil works, furniture, equipment and book procurement, teacher and administrator
training) at the primary, lower secondary and normal schools in the participating provinces;
a management component providing for better operational control of the educational system
at the school, county and provincial level; and a quality enhancement component fostering
improvements, innovations and reforms in teaching, access to education, girls' education
and bilingual textbooks; and supporting national capacity building and coordination of
activities common to the project provinces by strengthening SEdC's ability to implement
and replicate basic education projects. A rough percentage distribution of project financing
will be civil works—70 percent, equipment, books and furniture—20 percent, and technical
assistance 10 percent. The main features of each component are described below.

Institutional Component (Base cost $127.0 million)

2.12 This component will include facilities upgrading, instructional equipment,
staff upgrading and a small normal schools pilot activity. Technical assistance in this
component relates directly to training classroom teachers, school principals and local
education administrators to provide better instruction in and leadership of the education institutions at the provincial, county and village levels.

2.13 **Facilities Upgrading** (Base cost $91.0 million). The project will finance civil works including renovation, rehabilitation, and some necessary new construction of primary and lower secondary schools. Of the 24.8 million square meters (m$^2$) of primary and lower secondary school premises now existing in the 111 counties to be assisted in the project about 5 percent is in such poor or dangerous condition that complete replacement may be necessary, while another 4 percent requires extensive repairs. Lesser repairs, needed for a further 7 percent of the existing facilities, will be paid for entirely from project government counterpart funds. The buildings in the worst condition are generally old, decayed timber or timber and adobe structures, whose renovation, even where practicable, would not be cost effective. Newer school buildings are, typically, three-story concrete frame and brick structures generally planned and built in compliance with SEdC space planning and construction guidelines.

2.14 Even with the damaged and poorly maintained elements of existing premises replaced or repaired as necessary to make them safe and fully effective, the schools in the counties of the first five subprojects require an additional 0.5 million m$^2$ of space at the present time and a further 1.4 million m$^2$ by the year 2000 to adequately accommodate SEdC's plans for nine-year basic education goals.4/

2.15 Architectural and engineering design work for the new buildings, the additional space needed by the year 2000 and the repair of damaged facilities has been undertaken: in Inner Mongolia, by the provincial polytechnic institute; in Xinjiang, by the architectural design institute of the provincial industrial college; and in other provinces, by county construction bureaus under the supervision of provincial construction departments. Design work is based on the space norms and construction guidelines distributed by the Capital Construction Department of SEdC, which are the basis of school construction in the precursor EDPP project. Arrangements for construction will be handled, in all provinces, by county construction bureaus with the support of the provincial construction departments or—where capabilities at the county level are inadequate—entirely by the latter.5/

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4/ The requirements for compliance with SEdC's nine-year basic education goals—which bear on the estimates of additional space needs (current and for the year 2000)—include requirements for separate laboratories for Chemistry, Physics and Biology in lower secondary schools. In view of the probably very low utilization of such separate laboratories in all but very large schools, the Government will consider whether a single, combined-use laboratory would not be adequate in most schools—and, thereby, make savings available to provide additional basic teaching space at the village level. The Government also indicated that, as an alternative to providing boarding facilities for primary school students, the project provinces might consider the expansion of teaching points to serve primary school students up to the sixth grade and, thereby, make it unnecessary for them to leave home.

5/ The provincial construction departments of the provinces involved in the EDPP project have shown themselves capable of handling such design and construction management activities.
2.16 Implementation of the civil works portion of the project will be phased over five years and will be integrated with that of such essentially related activities as the procurement of teaching equipment and furniture and the training of teachers. In the phasing process, priority will be given to the replacement of dangerous structures. School maintenance plans will be prepared annually for organizing maintenance of the primary and lower secondary schools assisted by this project. The provincially provided maintenance of school buildings will be adequately funded from counterpart funds to prevent deterioration of the teaching environment.

2.17 Instructional Equipment, Furniture and Books (Base cost $25.3 million). The project will upgrade the instructional equipment in those schools with currently incomplete sets of equipment. The majority of schools in the project have not received any equipment in the last 10 years. Because the emphasis has been on building and repairing schools, poor counties find themselves at a great disadvantage in terms of school equipment. This fact creates serious discrepancies between the kind of teaching that takes place in more affluent places and the rote memory/passive teaching one sees in small village schools where there are no posters, maps, or simple measuring devices or materials to conduct the simple electricity and optics experiments included in the curriculum.

2.18 The project will attempt to decrease these disparities by upgrading those schools with incomplete equipment kits to Standard Three level, and similarly to upgrade existing Standard Three schools to Standard Two. SEdC classifies equipment needs ("Standard Levels") by school size, centrality and teacher training responsibility, conducts periodic survey to assess current levels and new procurement needs, and has, for this project identified specific requirements for project supported schools. Equipment lists have been prepared for the project by SEdC and reviewed and approved by the Chinese Project Expert Consultative Group using criteria and procedures acceptable to the Association. Key schools in project-supported counties will be the basis of an in-service training program in equipment utilization. Teachers in key schools will be asked to be the trainers for other teachers, to organize science clubs and science fairs. Library books will be provided to both primary and lower middle schools.

2.19 Staff Upgrading (Base cost $10.7 million). An extensive program of staff upgrading, largely in-country, will be provided under the project. Human resource development is central to the success of the project. There are major challenges to be faced in the design and delivery of appropriate initial and in-service training for teachers and administrators. There is an over reliance on one-time initial training, too exclusive a faith in the efficacy of correspondence education without appropriate and interactive social phases, a lack of appropriate models, networks and structures to reach out to the poorest and most remote schools and an emphasis on program content which is at best a proxy for the real skills, knowledge and expertise needed by teachers and administrators.

2.20 Nearly 83,000 person/years of in-country training reaching approximately 135,000 participants will be carried out through one-year and short-term pre-service and in-service courses. A limited number of study tours will be provided in such areas as girls' education and bilingual education. In setting itineraries for the study tours, priority
will be given to selecting domestic locations which are good examples of innovative policies or activities although some international visits may be considered if better examples exist abroad.

2.21 In the financing plan for the project, the professional development of teachers and administrators has been given a high priority. Training and education of staff will be coordinated with the other aspects of the project, including civil works and the delivery of equipment, materials and books. Attention has been given in the design of the training programs to (a) duration of professional development; (b) the content and processes of programs; and (c) the style, pace and mode of delivery.

2.22 Five major groups of staff will be upgraded: (a) elementary and lower secondary teachers; (b) principals of primary and lower secondary schools, including those in remote and rural principals and those facing challenges of bilingual or multicultural education; (c) teachers' college and teachers' center lecturers and principals; (d) administrators at local, provincial and national levels; and, (e) technicians and librarians in schools and colleges.

2.23 Training of teachers and administrators will include both pre-service and in-service modes of delivery. The content and processes of both modes of attendance will be reviewed, updated and tested for their direct relevance to the work tasks of participants. Special efforts will be made during the life of the project to offer an initial qualification to the group of teachers currently teaching without qualifications.

2.24 In-service training will include (a) short school-based generic activities on a regular and recurrent basis; (b) brief periods of intensive subject-specific in-service training, coordinated with the delivery of new equipment, materials and books; (c) professional support and development, delivered to remote schools by teacher educators from teachers' colleges and/or centers; (d) longer-term withdrawal of staff for more lengthy courses at teachers' colleges or centers; (e) regular retraining of principals in clusters and at teachers centers and institutions for generic upgrading, or for specific objectives, such as preparation for the receipt of new equipment, undertaking residential duties, delivering bilingual education; (f) regular, intensive upgrading of administrators at local and regional levels for six-week blocks of time; and (g) training of senior administrators at national level for intensive and specific professional upgrading.

2.25 Normal School Pilot Activity. The project will support a small pilot activity in both Jiangxi and Sichuan Provinces in rationalizing and strengthening a small number of normal schools (which train lower secondary school teachers). The main focus of this subcomponent will be on increasing the quality and relevance of normal school teacher training. This will be accomplished through support of a five-point normal school reform program which is currently being put into place by SEdC: (a) reforms would be initiated to help bridge the gap between teaching theory and practice. Such a program will focus on changing teacher behavior as well as upgrading skills; (b) initiatives to recruit more rural teachers will be introduced; (c) schools would revise their curriculum to suit the needs of remote rural areas through, for example, emphases on multigrade teaching and
multi-subject teaching; (d) schools would strengthen teacher training in critical subject areas such as math, science and Chinese language; (e) schools would develop systems of on-going teacher support through, for example, in-service training, short cycle training, distance education and development of teacher support networks.

2.26 Proposals for activities in this component which are to be supported by the project have been prepared by both Jiangxi and Sichuan provinces, reviewed by SEdC and reviewed and found acceptable at appraisal by the IDA mission. The proposals cover a range of actions to be carried out with project support: (a) assistance in consolidating a number of small and inefficient normal schools; (b) support of the new curriculum for teaching lower secondary school teachers; (c) training of normal school administrators and principals; and (d) further work at the provincial level on teacher demand and supply projections.

Management Improvement Component (Base cost $0.7 million)

2.27 This component will develop management capabilities for the education system at the central, provincial and institutional levels through staff training, the provision of equipment and expert services. It will include three subcomponents: (a) the training of local education management authorities; (b) the training of local project implementation authorities; and (c) the development of an education information management system.

2.28 Local Education Management Training. The capacity of the education offices in the 6 project provinces and 111 project counties to deal with education management will be enhanced through extensive in-country training. This training for provincial and county level education managers will include modern techniques and methods in education management and resource utilization, and cover development of appropriate policies and problem-solving skills, especially for those problems prevalent in remote, rural, poor, and minority areas. Additionally, this subcomponent will provide support for training provincial level education planners. Training will focus on identifying and assessing the changing patterns of social demand and appropriate types and quality of education delivery system to respond to China’s rapid economic and social development. The training will focus on the county and prefecture levels and will include workshops (with SEdC participation) for education managers, administrators, and planners. The training will include study of international experience, advanced planning techniques and methods focused on the specific requirements of each province, building local skills, and the use of computers and software for relevant planning models.

2.29 Project Management Training. This subcomponent will develop project implementation capacity in each participating county through training provided by SEdC’s FILO—which includes project implementation in civil works, procurement, project launch, accounting, and project monitoring. The training takes into consideration the experience of the Association’s first Poor Provinces project as well as other Association-supported provincial-based education projects. Each province has established a project steering committee and working group to train county staff, and a training program with timing of