

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC3851

Project Name	China:Xinjiang Technical and Vocational Education and Training Project (P147367)
Region	EAST ASIA AND PACIFIC
Country	China
Sector(s)	Vocational training (80%), General education sector (20%)
Theme(s)	Education for the knowledge economy (80%), Education for all (20%)
Lending Instrument	Investment Project Financing
Project ID	P147367
Borrower(s)	People's Republic of China
Implementing Agency	Foreign Loan Management Office of Xinjiang Uygur Autonomous Region Education Department
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	23-Mar-2014
Date PID Approved/ Disclosed	26-Mar-2014
Estimated Date of Appraisal Completion	31-Oct-2014
Estimated Date of Board Approval	16-Jul-2015
Concept Review Decision	Track I - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Xinjiang Uygur Autonomous Region (Xinjiang) is the largest province in China with a sparse population of 21.8 million and abundant natural resources. More than 10% or 2.27 million of its population is poor. It has 47 ethnic groups covering 13 million people. It is an important province in China's Northwest region bordering with Mongolia, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan, and India. In the past 10 years, Xinjiang has achieved rapid economic development, but it is still behind the national average. During the period 2001-2010, the average per capita GDP growth rate in Xinjiang was only 8.6%, whereas the national average was 9.8%. The Xinjiang Government recognizes the unfulfilled economic potential of the agriculture, mining and service sectors as dynamic contributors to Xinjiang's economic growth, and to the equalization of opportunities to close the urban-rural gap. These sectors are in need of productivity improvements by higher skilled workforce.

Workforce population growth in Xinjiang is faster than the national average, ageing is slower than the national average, and decreasing school-age population is slower than the national average. Therefore Xinjiang has a comparative advantage in terms of the quantity of its workforce. Although the quality of workforce in Xinjiang has improved gradually in recent years, the average educational attainment remains lower than the national average. In 2009, the average educational attainment of the Xinjiang workforce was 9 years of schooling, whereas the national average was 9.5 years. The new entrant labor force received on average 10 years of education, whereas that of the national average was 12.4 years; about 30% of the new entrant labor force received education at the senior secondary level and above, which was far behind the national average of 67%. The Xinjiang government aims at reducing these gaps by 2020, especially for the group with senior secondary education and above, according to the Xinjiang Medium and Long-Term Education Reform and Development Plan. Hence, from now on, Xinjiang's general education and TVET in particular have to develop at a faster and better pace than in other provinces. Otherwise the province would not achieve its objectives by 2020.

Sectoral and Institutional Context

Educational attainment is key to have a skilled and productive workforce. The Xinjiang government has achieved considerable success in expanding education opportunities through policies aimed at universal 9-year primary and junior secondary education. In 2010, the enrollments rate of primary education stood at 99.78%, with a balanced gender distribution with 99.76% for boys and 99.80% for girls. The enrollment rates of junior, senior secondary and tertiary were 97.15%, 69.14% and 24.2% respectively, while the national averages for those education level were respectively 100.1%, 82.5% and 26.5%. In spite of these achievements, challenges that remain are: (i) urban-rural disparity; (ii) not enough access to senior secondary and tertiary levels, including general and vocational schools; and (iii) low quality at all levels. The demand for quality education is being fueled both by the Government's policies to expand educational opportunities for Xinjiang students as well as by many years of strong, sustained economic growth and the growing opportunities for employment it generates.

The formal education and training system which is mainly administered by two departments (Education, and Human Resource and Social Security), is the main provider for skill development through 2-3 years program, and short-time training programs. Xinjiang technical and vocational education and training (TVET) system can address these challenges by absorbing more rural students into senior secondary and tertiary vocational school and eventually improving the employability and productivity of young people. By doing so, Xinjiang TVET system can fill in the gap of demand of high skilled workers and technicians especially in key sectors like agriculture, petro-chemistry, mining, and coal-chemistry; and strengthen the quality of young cohorts in the labor force. TVET reform and development has also been included into the Xinjiang Medium and Long-term Talent Development Plan (2010-2020); in the Xinjiang Medium and Long-term Educational Reform and Development Plan (2010-2020); and in the Xinjiang 12th Five Year Education Development Plan.

Xinjiang TVET expanded rapidly in the past 10 years. Total enrollment in secondary vocational schools increased from 160,000 in 2001 to 261,600 in 2010, and enrollment in the tertiary vocational schools increased to 111,800. However TVET enrolls fewer students than general education and its quality seems to be lower. For example, TVET teachers' qualifications have lower standards than general education, and they have a heavier teaching load. Finally, in terms of per

student cost, both vocational high schools and vocational colleges have lower expenditures per student than general senior schools and universities.

A study (Technical Vocational Education and Training in Xinjiang) conducted at the request of the Government of the Xinjiang Uygur Autonomous Region and using a diagnostic tool developed under the World Bank's initiative on Systems Approach for Better Education Results (SABER), provides a diagnostic of the strengths and weaknesses of the sector, and proposes recommendations for enhancing the technical and vocational education system. To further strengthen the TVET system to meet the growing demand for skilled labor, the study proposes the following: (i) in the short term, provision of technical and vocational education and training should be expanded through strengthened coordination and governance, improved and more efficient public schools management, more engaged and closely supervised private institutes, and skills supply should increase relevance through closer linkages with industry and research institutes. And (ii) in the medium to long-term, the TVET system in Xinjiang needs to improve quality through enhanced governance, monitoring and evaluation, as well as improved connections with basic education. Efforts also should be made to help some technical and vocational schools and programs to gain national recognition.

Xinjiang government proposed a lending cooperation with the World Bank to address these issues to guide TVET reforms in Xinjiang. The primary beneficiaries of the project will be the students, especially those who are from poor households in rural areas. A substantial proportion ranging from 50 to 85 percent of project school students are from rural areas, which suggests that the project will most likely help meet the education needs from students in poverty.. Xinjiang Institute of Light Industry Technology reports that they plan to increase the enrollment of poor students by 20 percent to reach 75 percent of total number of students. On average 43 percent of the total number of students are from minority ethnic groups ranging from 30% to 98%. In Xinjiang Uygur Medical College most of the students are from ethnic minority groups. These data shows that the proposed TVET project will meet the education needs from students in poverty, and students from ethnic minority groups is a significant part of the beneficiaries. The students from poor households and ethnic groups will have better employment prospects after graduation and higher wage incomes. Therefore, the proposed project will help promote more equalized access to education, and also help promote shared prosperity and mitigate income inequality through providing the required skills for students from lower income households and ethnic groups. Lessons learned at the project institutes will be shared with their partner schools in Xinjiang and with other schools elsewhere in China. Therefore, the impact on development and poverty reduction will reach beyond project schools.

Relationship to CAS

The objective of the proposed project is fully consistent with the Country Partnership Strategy for the period FY13-FY16, approved by the Board on November 6, 2012. It directly supports Pillar 2 of promoting more inclusive development and also serves the Bank's twin goals of reducing poverty and sharing prosperity. The students benefit from the project, especially those from low-income households and rural areas, will contribute to the social and economic development in Xinjiang as qualified workers. In addition, the school reforms and institutional changes on TVET provision included in the proposed project will create public goods and will improve the quality and relevance of TVET system in Xinjiang and in China.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The project will have total investment of US \$98 million, with US\$50 million from the World Bank loan and the other US\$48 million from counterpart contributions. The Project's Development Objectives is: to improve the quality and relevance of project schools to produce skills that respond to the labor market demand in Xinjiang. The objective will be achieved through project investment in improving the schools overall capacity in delivering TVET, and in enhancing provincial governance and more balanced development of TVET system.

Key Results (From PCN)

Key results of the Project will be measured at two levels. The first level is the improved capacity of the TVET schools in delivering quality TVET, as measured by key output indicators like improved standards, curriculum modules, more and updated facilities, better trained teachers and administrators. The higher level outcome results will be measured by skill certification rate, and improved labor market outcomes of the graduates (graduate employment rate in the area of training).

III. Preliminary Description

Concept Description

The objective of the proposed project would be met through:

- (i) School-based reform:
 - strengthen the linkage between schools and industry;
 - update or develop curriculum and instruction;
 - building up high quality teaching teams;
 - improve external support to other schools, enterprises and communities; and,
 - upgrade facilities and equipment.
- (ii) Provincial level policy development, school twinning partnerships, monitoring and evaluation (M&E) and project management.
 - develop evidence-based policy research and knowledge sharing;
 - promote Public and Public Partnership to improve low performance secondary TVET schools; and
 - improve monitoring and evaluation, and enhance project management and coordination.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	✗		
Natural Habitats OP/BP 4.04		✗	
Forests OP/BP 4.36		✗	
Pest Management OP 4.09		✗	
Physical Cultural Resources OP/BP 4.11		✗	
Indigenous Peoples OP/BP 4.10	✗		
Involuntary Resettlement OP/BP 4.12			✗
Safety of Dams OP/BP 4.37		✗	
Projects on International Waterways OP/BP 7.50		✗	
Projects in Disputed Areas OP/BP 7.60		✗	

V. Financing (in USD Million)

Total Project Cost:	98.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			48.00
International Bank for Reconstruction and Development			50.00
Total			98.00

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