



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
XINJIANG TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING PROJECT  
APPROVED ON MAY 29, 2015  
TO  
PEOPLE'S REPUBLIC OF CHINA

EDUCATION

EAST ASIA AND PACIFIC

|                           |                 |
|---------------------------|-----------------|
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## ABBREVIATIONS AND ACRONYMS

|         |   |
|---------|---|
| MOF     | Ministry of Finance   |
| PDO     | Project Development Objective                                     |
| PIU     | Project Implementation Unit                                       |
| PMO     | Project Management Office   |
| TVET    | Technical and Vocational Education and Training                   |
| XUARDRC | Xinjiang Uygur Autonomous Region Development and Reform Committee |
| XUARED  | Xinjiang Uygur Autonomous Region Education Department             |
| XUARFD  | Xinjiang Uygur Autonomous Region Finance Department               |



**BASIC DATA**

**Product Information**

|  |  |
|--|--|
| Project ID<br>P147367                          | Financing Instrument<br>Investment Project Financing |
| Original EA Category<br>Partial Assessment (B) | Current EA Category<br>Partial Assessment (B)        |
| Approval Date<br>29-May-2015                   | Current Closing Date<br>31-Dec-2020                  |

**Organizations**

|  |   |
|--|---|
| Borrower<br>People's Republic of China | Responsible Agency<br>Foreign Loan Management Office of Xinjiang Uygur Autonomous Region Education Department |
|--|---|

**Project Development Objective (PDO)**

Original PDO

Improve the quality and relevance of project schools to produce students' skills that respond to the labor market demand in Xinjiang.

**Summary Status of Financing**

| Ln/Cr/Tf   | Approval    | Signing     | Effectiveness | Closing     | Net        |           |             |
|------------|-------------|-------------|---------------|-------------|------------|-----------|-------------|
|            |             |             |               |             | Commitment | Disbursed | Undisbursed |
| IBRD-85100 | 29-May-2015 | 11-Jul-2015 | 08-Oct-2015   | 31-Dec-2020 | 50.00      | 25.74     | 24.26       |

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No



## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### A. Project Status

- 1. Background.** The IBRD loan of US\$50 million for the Xinjiang Technical and Vocational Education and Training Project was approved by the Board on May 29, 2015. The loan became effective on October 8, 2015 and has a closing date of December 31, 2020. The Project Development Objective (PDO) is to improve the quality and relevance of project schools to produce students' skills that respond to the labor market demand in Xinjiang. The Project consists of two components: (i) School-Based Reforms and Innovations; and (ii) Provincial Policy Development, School Twinning Partnership, Monitoring and Evaluation and Project Management. The total project cost was estimated at US\$102.68 million at Appraisal. This is the first project restructuring.
- 2. Implementation Status and Achievements to Date.** Progress towards achieving the PDO and the Implementation Progress are rated Satisfactory. By the end March 2019, all three PDO indicators (graduate employment rates, certification rates and starting salary of graduates) exceeded end-project targets, as did 3 out of 11 intermediate indicators. Collaboration between project schools and industry has contributed to curriculum, pedagogy and assessment reforms at the school level. Curriculum reform has spread to an increasing number of programs over the project period and student-centered teaching gradually took root in the project schools. To date, new teaching buildings and advanced equipment facilitated school reform activities in three project schools, while the other two schools are catching up and are on target to complete these activities by project closing. The loan has disbursed US\$25.74 million (51.5 percent), as of November 13, 2019. Although the disbursement is somewhat lower than the physical implementation and original schedule, it is expected to pick up quickly as the remaining civil works started already. The PDO remains relevant to current conditions and the priorities reflected in government strategies, as well as the World Bank Group's China Country Partnership Strategy (CPS) for 2013-2016 (Report No. 67566-CN) dated October 11, 2012, especially on the theme of promoting more inclusive development, as well as on the sector objective of promoting workforce development in the west region of China.
- 3. Implementation Status by Component and Rationale for Restructuring.** The status of implementation of each component is summarized below. A description of the change proposed and the reasons are described below as well.

**Component 1: School-Based Reforms and Innovations:** This component supports five project schools to strengthen school industry linkages (subcomponent 1.1), update curriculum, pedagogy and assessment (1.2), build up high quality teaching and management teams (1.3), improve external support to other schools and local communities (1.4), and upgrade facilities and equipment (1.5).

**Status:** Satisfactory progress has been made in all subcomponents. As of end March 2019, 3,951 teachers and administrators benefited from the Project, of which 2,454 (62 percent) were females and 929 (24 percent) were from ethnic groups; 113,880 trainees benefited from short-term training programs, of which 40,413 (35 percent, as against the end-target of 33 percent) were female and 65,015 (57 percent as against the end-target of 39 percent) were from ethnic groups; latest figures show that 1,632 cooperation agreements (end-target 1,510) had been signed with enterprises by the five project schools; the number of graduates working in the cooperating enterprises increased to 15,975 (end-target 3,230); 79 newly developed and modified training plans and 172 new curriculum standards were endorsed by the Technical Advisory Committee; and new building provided 126,518 square meters to students. All these results exceeded either the annual targets or end-project targets.



**Proposed Change.** It is proposed to exclude external support to other schools and local communities (subcomponent 1.4) from the Project. The unused funds from this subcomponent will be reallocated to activities in subcomponents 1.2 and 1.3 under the existing disbursement categories.

**Reasons for the Change.** The subcomponent 1.4 aims at enhancing project impact by supporting project schools to share their experience with selected partner schools and providing training and outreach services for local communities. Three project schools have been providing training to local communities and 8 partner schools spread across a large, rural part of southern Xinjiang region. However, the IBRD loan has so far hardly been used to fund these training and community outreach activities. Only \$33,000 of the originally allocated \$980,000 has been used under this subcomponent with only 14 months left before project closure. The main reason is that as part of the government campaign to support the poor counties of southern Xinjiang, these activities have received significant financial support which was outside the Project from both the provincial and national governments. In addition, it has proven difficult to effectively supervise the various short-term training and outreach activities that took place over a large geographical area. In view of the difficulties to supervise this subcomponent of the Project and the limited use of loan funds for its implementation to date, it is proposed that activities under subcomponent 1.4 be dropped from project implementation and the unused funds reallocated to activities in subcomponents 1.2 and 1.3. This change will not materially impact the overall progress to achieving the Development Objective of the Project.

**Component 2: Provincial Policy Development, School Twinning Partnership, Monitoring and Evaluation and Project Management:** This component supports policy research, knowledge-sharing, and capacity building for project management office (PMO) and project implementation unit (PIU) staff for project management.

**Status:** The overall progress made under component 2 is satisfactory. The first policy study on Curriculum Reform Guideline was completed and provides technical guidance on curriculum reforms at school level. Moreover, the Xinjiang Uygur Autonomous Region Finance Department commissioned a Performance Evaluation Report, which confirms the positive results achieved to date. A Beneficiary Survey Report was also prepared during the mid-term review in 2018 to collect feedback from students, teachers and enterprises who benefited from the Project. A survey of the school twinning partnership program was originally intended to inform the policy-making and facilitate implementation of subcomponent 1.4, but it has not been carried out to date.

**Proposed Change.** The proposed survey of the school twinning partnership program is to be cancelled. The funds would be used in the same component under the same disbursement category but for policy study not related to the partnership program.

**Reasons for the Change.** Given the policy on school twinning partnership was launched by the Xinjiang Uygur Autonomous Region Education Department in 2016, the PMO suggested to adjust the topic of policy studies after consulting with the Vocational & Adult Education Division. The originally-planned three policy studies were changed to one big action research on Capacity Improvement for Key Teachers in Xinjiang Vocational Colleges. With the cancellation of originally-planned studies and subcomponent 1.4 (see above), the school twinning survey will not be carried out.

4. **Environmental and Social Safeguards.** The project is in compliance with Bank safeguard policies.



- 5. **Procurement.** Project procurement has been in compliance with the Bank Procurement Guidelines and Consultant Guidelines. There have been no significant issues relating to either procurement or contract management.
- 6. **Financial Management (FM).** The project is in compliance with Bank FM policies. There are neither outstanding audits nor are there any audit qualifications.
- 7. **Compliance with Covenants.** The project is in compliance with legal covenants.

**II. DESCRIPTION OF PROPOSED CHANGES**

- 8. **Proposed Changes to the Loan Agreement.** The proposed restructuring of the project will require amendments to the Loan Agreement as follows:
  - (a) Delete subcomponent 1.4 by deleting paragraph 4 of Part A of Schedule 1 and deleting paragraph 10 of the Appendix which defines ‘Partner Schools’;
  - (b) Delete the survey on school twinning partnership by (i) revising the title of Part B of Schedule 1 by removing “School Twining Partnership”; and (ii) deleting paragraph 2 of Part B of Schedule 1.

**III. SUMMARY OF CHANGES**

|  | Changed | Not Changed |
|--|---------|-------------|
| Components and Cost                          | ✓       |             |
| Implementing Agency                          |         | ✓           |
| DDO Status                                   |         | ✓           |
| Project's Development Objectives             |         | ✓           |
| Results Framework                            |         | ✓           |
| Loan Closing Date(s)                         |         | ✓           |
| Cancellations Proposed                       |         | ✓           |
| Reallocation between Disbursement Categories |         | ✓           |
| Disbursements Arrangements                   |         | ✓           |
| Disbursement Estimates                       |         | ✓           |
| Overall Risk Rating                          |         | ✓           |
| Safeguard Policies Triggered                 |         | ✓           |
| EA category                                  |         | ✓           |
| Legal Covenants                              |         | ✓           |
| Institutional Arrangements                   |         | ✓           |



|                                 |  |   |
|---------------------------------|--|---|
| Financial Management            |  | ✓ |
| Procurement                     |  | ✓ |
| Implementation Schedule         |  | ✓ |
| Other Change(s)                 |  | ✓ |
| Economic and Financial Analysis |  | ✓ |
| Technical Analysis              |  | ✓ |
| Social Analysis                 |  | ✓ |
| Environmental Analysis          |  | ✓ |

**IV. DETAILED CHANGE(S)**

**COMPONENTS**

| <b>Current Component Name</b>  | <b>Current Cost (US\$M)</b> | <b>Action</b> | <b>Proposed Component Name</b>  | <b>Proposed Cost (US\$M)</b> |
|--|-----------------------------|---------------|---|------------------------------|
| School-based Reform and Innovations  | 93.12                       | No Change     | School-based Reform and Innovations   | 93.12                        |
| Provincial Policy Development, School Twinning Partnership, Monitoring and Evaluation and Project Management | 0.50                        | Revised       | Provincial Policy Development, Monitoring and Evaluation and Project Management | 0.50                         |
| <b>TOTAL</b>   | <b>93.62</b>                |               |   | <b>93.62</b>                 |

