

ANNUAL REPORT
ON THE
ASIAN DEVELOPMENT BANK - JAPAN SCHOLARSHIP PROGRAM
2000

ABBREVIATIONS

ADB	-	Asian Development Bank
ADB-JSP	-	Asian Development Bank-Japan Scholarship Program
AIM	-	Asian Institute of Management
AIT	-	Asian Institute of Technology
DMC	-	developing member country
EWC	-	East-West Center
GRIPS	-	National Graduate Institute for Policy Studies
HKU	-	University of Hong Kong
IRRI	-	International Rice Research Institute
IUJ	-	International University of Japan
LUMS	-	Lahore University of Management Sciences
NCDS	-	National Centre for Development Studies
NU, GSID	-	Graduate School of International Development, Nagoya University
NUS	-	National University of Singapore
SU	-	Saitama University
SU, Civil Eng	-	Department of Civil and Environmental Engineering, Saitama University
SU, Policy Science	-	Graduate School of Policy Science, Saitama University
TU	-	Thammasat University
UOM	-	University of Melbourne
UOS	-	University of Sydney
UOT	-	University of Tokyo
UOT, Civil Eng	-	Department of Civil Engineering, University of Tokyo
UOT, Intl Health	-	School of International Health, University of Tokyo

I. INTRODUCTION

1. The Asian Development Bank (ADB)-Japan Scholarship Program (JSP) was established in April 1988 with financing from the Government of Japan. The main objective of the ADB-JSP is to provide an opportunity for well-qualified citizens of ADB's developing member countries (DMCs) to undertake postgraduate studies in economics, management, science and technology, and other development-related fields at selected educational institutions in the Asia and Pacific Region. Upon completion of their study programs, scholars are expected to contribute to the economic and social development of their home countries. The scholarships cover tuition, books, subsistence allowance, housing allowance, medical insurance, travel, and research subsidies. Currently, 18 institutions located in 10 countries within the Region participate in the Program (Appendix 1).

2. Between 1988¹ and 2000, the Government of Japan contributed more than \$40 million to the ADB-JSP. A total of 1,164 scholarships have been awarded to scholars from 33 member countries. Appendix 2 shows a breakdown of scholarships awarded with details for the 12 countries that had the highest number of scholarship recipients during the last six years. The number of new scholarships awarded annually has grown from 49 in 1988 to 135 in 2000. Women received 335 scholarships. Of the 1,164 scholars, 871 have completed their courses: 19 scholars completed one-year courses, 788 completed master's courses, and 64 completed doctoral programs. Thirty-eight percent majored in science and technology, 35 percent in business and management, and 27 percent in economics. Appendix 3 provides a profile of all scholars and graduates to date, and Appendix 4 provides a profile of the scholars and graduates in 2000. The following table shows annual data on scholarships awarded and completed.

Scholarships Awarded and Completed, 1988- 2000

Status	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Awarded	49	60	73	59	64	79	71	87	127	113	131	116	135	1,164
Completed	0	8	43	46	76	65	58	74	75	81	133	98	114	871

3. Most scholars are attending the Asian Institute of Management (AIM) (245), followed by the Asian Institute of Technology (AIT) with 174; International University of Japan (IUJ) with 102; East-West Center (EWC) with 75; University of Hong Kong (HKU) with 72; University of Sydney (UOS) with 67; the Department of Civil Engineering of the University of Tokyo (UOT) Civil Engineering (Civil Eng) with 66, and National Centre for Development Studies (NCDS) with 63. Appendix 5 shows the scholarships awarded and completed at each of the designated institutions from 1995 to 2000.

II. 2000 PROGRAM AND ACTIVITIES

¹ The academic year of the designated institutions varies; all statistical data in this report are based on calendar years.

A. Scholarship Budget

4. In 2000, the Government of Japan contributed \$5.59 million to the ADB-JSP, a 2.76 percent increase from its \$5.44 million contribution in 1999. A total of 280 scholarships were programmed as against 260 scholarships budgeted in 1999. The audited financial statements of the ADB-JSP as of 31 December 2000 are attached as Appendix 6.

B. Scholarships

5. In 2000, 135 scholarships were awarded to scholars from 22 member countries.² The scholars were mainly from Bangladesh (15); the People's Republic of China and Viet Nam (14 each); Indonesia (13); Nepal (9); Mongolia and Sri Lanka (8 each); India, Myanmar, and the Philippines (6 each); and Bhutan, Cambodia, Lao People's Democratic Republic (PDR), Pakistan, Thailand, and Uzbekistan (4 each). AIM received the largest number of new scholars with 22, followed by AIT with 18; IUJ with 16, HKU and Saitama (SU) Department of Civil and Environmental Engineering (Civil Eng) with 11 each; UOT (Civil Eng) and SU Graduate School of Policy Science (Policy Science) with 10 each, EWC with 8, and UOT School of International Health (Intl Health) and NCDS with 5 each. The other 19 new scholars were distributed among the remaining 8 designated institutions except at the Indian Institute of Technology, Delhi (IITD) and International Rice Research Institute (IRRI), where no new scholars were awarded.

6. Scholarships awarded to women increased from 10 (20 percent) in 1988 to 45 (33 percent) in 2000. About 91 percent of the scholars pursued master's degrees and the remaining 9 percent doctoral degrees. The distribution supports the main thrust of the ADB-JSP, which is to provide scholarships for master's degree courses that take 1-2 years to complete. Of the 135 new scholars, 60 were enrolled in science and technology, 43 in economics, and 32 in business and management. The scholarships awarded and completed in 2000 by institution, gender, program, and field of study are summarized in Appendix 4.

7. In 2000, 114 scholarships were completed, including, 104 master's degree programs, and 10 doctoral programs. Twenty scholars graduated from AIM; 18 from AIT, 10 from IUJ, 8 each from NCDS, HKU, and UOT Civil Eng; 7 from EWC; 6 from UOS, 5 each from SU Civil Eng, University of Melbourne (UOM), and UOT (Intl Health); 4 each from National University of Singapore (NUS) and University of Auckland (UOA); 2 each from IRRI, Lahore University of Management Sciences (LUMS), SU Policy Science. Of the graduates, 50 completed courses in science and technology, 34 in business and management, and 30 in economics. Forty (or 35 percent) of the graduates were women (Appendix 6).

² Including the 137 ongoing scholarships, a total of 272 scholars were attending courses.

C. New Developments and Program Improvements

8. The Program continued to enhance close interaction with the designated institutions and scholars to exchange views and improve understanding of the objectives of the ADB-JSP. Other matters such as implementing guidelines, selection criteria, distribution of scholarships by nationality, and scholarship coverage were also examined. During the year, ADB staff visited NUS and HKU to review recent academic developments and the progress of the ADB-JSP, to explain and clarify procedures and selection criteria, and to obtain feedback on the ADB-JSP from administrators and scholarship recipients. The visits resulted in improved understanding between ADB and the institutions, as well as in the resolution of several outstanding issues.

9. NUS and HKU offer very high standards of education in their respective fields master's in business administration at NUS and urban planning and design at HKU). The teaching and research staff who are recruited internationally form a strong team in the provision of high quality postgraduate programs. The impressive facilities such as graduate houses, computer centers, and world class libraries ensure that students can have access to the best learning and research environment. The two universities offer good opportunities to students from neighboring countries. Although the programs at NUS and HKU are functioning smoothly, both institutions face long-running problems of recruitment/enrollment of diversified foreign ADB-JSP scholars. During the visits, ADB staff emphasized the need to recruit and attract more candidates from ADB's smaller DMCs such as Greater Mekong Subregion, Central Asian republics, and the South Pacific countries. ADB further suggested methods of improving the dissemination of information in the institutions and offered ADB assistance through the regional and resident missions.

10. The ADB-JSP continued to strengthen its personal contact with scholars and academic administrators and acquaint them with ADB operations. The ADB-JSP Scholarship Administrator hosted three gathering of scholars at ADB headquarters and selected cities as follows:

Venue	Date	Institutions	No. of Participants
Canberra, Australia	11 March 2000	UOS, NCDS, UOM	43
ADBHQ, Manila	11 August 2000	AIM, IRRI	51
Bangkok, Thailand	10 November 2000	AIT, TU	39

The key officers of these Institutions expressed their strong support for the Program while the ADB-JSP scholars were grateful for the financial assistance accorded to them and indirectly to their home countries, and for the opportunity to pursue higher education and interact with other nationalities. They gave assurances that after completing their studies, they will return to their home countries to help with economic and social development.

11. In 2000, ADB designated the Graduate School of International Development (GSID) of the Nagoya University (NU), in Japan to participate in the Program, bringing the total number of participating institutions to 18. Together with the National Graduate Institute for Policy Studies³

(GRIPS), formerly SU (Policy Science), two new memoranda of agreement were signed in August 2000. These institutions will provide a wider range of institutions and course offerings. The approved fields of study at GRIPS are master's in public policy in economic policy,

³ Although GRIPS is a continuation of SU (Policy Science), the memorandum of agreement between ADB and the institution was amended.

international relations, domestic public administration or development studies. At NU (GSID) the approved fields are master's in international development and master's in international cooperation studies. In addition to these courses, the master's of environmental science for sponsorship at the Institute of Environmental Studies of the University of Tokyo was approved.

12. During 2000, ADB continued to receive many visitors involved with or interested in the ADB-JSP. Visitors came from EWC, Murdoch University, University of New Castle, UOTEng, and UOTEnv. Most of the visitors requested that the number of scholarships be increased, the fields of study be expanded, or that their institution be included in the Program. The ADB-JSP continued to review the average annual cost of scholarship expenditures at the designated institutions with the objective of reducing expenditures to be able to provide more scholarship slots.

13. The ADB-JSP was publicized in newspapers and magazines in selected DMCs, particularly in the Central Asian republics, Bangladesh, Cambodia, Mongolia, Nepal, Philippines, Viet Nam, and the South Pacific DMCs. The designated institutions advertise the ADB-JSP either separately or as part of their overall scholarship programs. The program brochure was updated to include GRIPS and GSID, NU. The JSP brochure and the ADB-JSP website have been effective in attracting potential candidates to apply to the institution and helped diversify the geographic distribution of scholars. The ADB-JSP website was redesigned to include new features such as frequently asked questions, directory of ADB-JSP alumni, annual reports, and the bulletin board.

III. SUMMARY AND CONCLUSIONS

14. The ADB-JSP enjoyed a successful year in 2000, with 135 new scholarships awarded and 137 continuing scholars, for a total of 272 scholars at 17 designated institutions. A total of 114 scholars completed their programs. The ADB-JSP will exert all efforts to keep the Program as one of the most prestigious and successful scholarship programs in the Asia and Pacific Region, as well as one of the most important sources of financial assistance for foreign students. The focus of the ADB-JSP will continue to be on (i) supporting study at the master's level, (ii) improving the nationality and gender distribution among scholars, and (iii) strictly applying the specified procedures in selecting candidates.

15. The ADB-JSP will continue to enhance close interaction with the designated institutions and scholars to exchange views and improve understanding of the program objectives. As a result of the successful gatherings of scholars in Canberra, Manila, and Bangkok, similar receptions are planned in 2001. ADB staff plan to visit selected designated institutions to foster closer coordination and discuss outstanding issues of the ADB-JSP. Efforts will be continued to disseminate information more widely throughout ADB's DMCs.

APPENDIXES

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3	Profile of All Scholars and Graduates to Date	8	1, 2
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DESIGNATED INSTITUTIONS

Institution	Location	Date Designated
Asian Institute of Management	Philippines	May 1988
Asian Institute of Technology	Thailand	May 1988
International Rice Research Institute/ University of the Philippines, Los Baños	Philippines	May 1988
University of Sydney	Australia	Jun 1988
East-West Center, University of Hawaii	Hawaii, USA	Aug 1988
Lahore University of Management Sciences	Pakistan	Aug 1988
International University of Japan	Japan	Sep 1988
Indian Institute of Technology, Delhi	India	Dec 1988
National University of Singapore	Singapore	Mar 1989
University of Tokyo	Japan	Mar 1989
University of Hong Kong	Hong Kong, China	Jun 1989
National Centre for Development Studies, Australian National University	Australia	Apr 1990
University of Auckland	New Zealand	Aug 1995
Saitama University	Japan	Aug 1995
Thammasat University	Thailand	Sep 1996
University of Melbourne	Australia	Sep 1996
National Graduate Institute for Policy Studies (formerly the Graduate School of Policy Science, Saitama University)	Japan	Aug 2000 (Sep 1996)
Graduate School of International Development, Nagoya University	Japan	Aug 2000

**SCHOLARSHIPS AWARDED AND COMPLETED
TOP 12 NATIONALITIES, 1995 TO 2000**

Nationality	Academic Year												Total			
	1995		1996		1997		1998		1999		2000		1988 to 2000			
	A	C	A	C	A	C	A	C	A	C	A	C	A	%	C	%
PRC	15	11	24	13	14	17	15	23	8	11	14	10	149	12.8	119	13.7
Nepal	9	8	12	7	14	8	11	14	8	8	9	11	109	9.4	87	10.0
Philippines	7	9	12	7	11	10	4	13	6	6	6	5	107	9.2	95	10.9
India	7	9	10	13	8	6	6	11	4	6	6	4	100	8.6	88	10.1
Indonesia	5	7	8	2	6	6	11	7	16	8	13	12	94	8.1	65	7.5
Pakistan	4	5	11	3	9	4	5	9	4	7	4	5	87	7.5	72	8.3
Bangladesh	8	5	6	5	7	5	8	8	9	7	15	7	86	7.4	58	6.7
Viet Nam	8	8	12	6	8	6	14	9	4	13	14	10	82	7.0	60	6.9
Sri Lanka	12	8	6	10	5	3	9	8	4	4	8	3	77	6.6	56	6.4
Myanmar	1	0	6	0	5	3	10	5	10	6	6	11	41	3.5	28	3.2
Thailand	2	1	1	1	2	2	8	3	5	5	4	5	34	2.9	27	3.1
Mongolia	0	1	3	0	4	0	6	6	7	2	8	7	29	2.5	16	1.8
Total	87	74	127	75	113	81	131	133	116	98	135	114	1,164	100.0	871	100.0

A = Awarded, C = Completed, PRC = People's Republic of China

PROFILE OF ALL SCHOLARS AND GRADUATES TO DATE

Table A3.1: Scholars

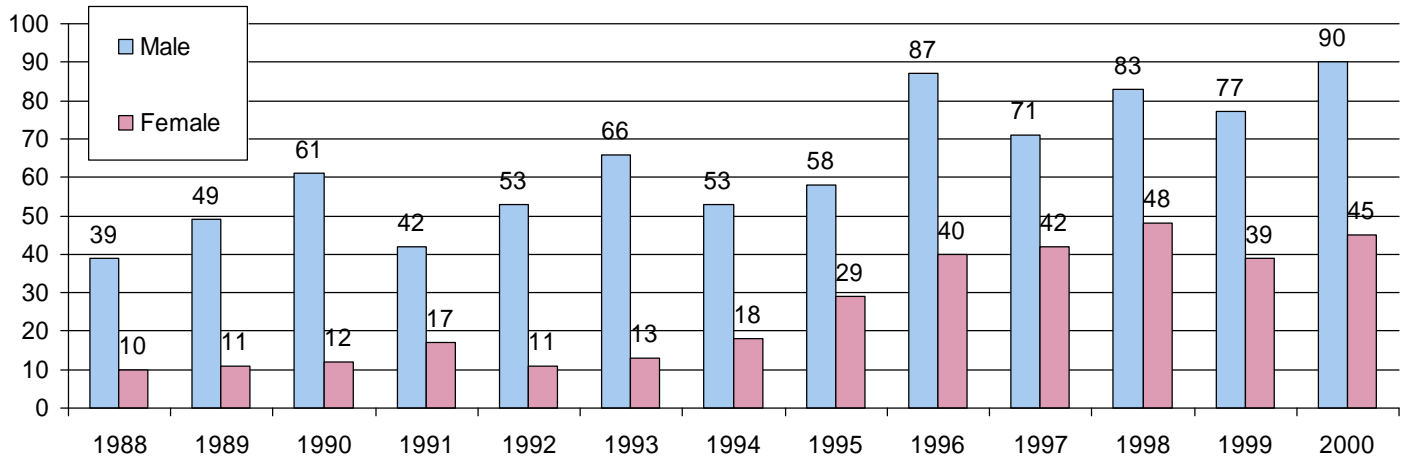
Academic Year	By Gender			By Degree Program				By Field of Study			
	Male	Female	Total	Certificate/ Diploma	Masters	Doctorate	Total	Business & Mgmt	Science & Technology	Economics	Total
1988	39	10	49	0	40	9	49	20	22	7	49
1989	49	11	60	0	47	13	60	23	22	15	60
1990	61	12	73	1	61	11	73	23	32	18	73
1991	42	17	59	0	57	2	59	24	19	16	59
1992	53	11	64	1	63	0	64	25	24	15	64
1993	66	13	79	7	68	4	79	24	32	23	79
1994	53	18	71	1	65	5	71	21	33	17	71
1995	58	29	87	0	83	4	87	27	37	23	87
1996	87	40	127	0	116	11	127	38	53	36	127
1997	71	42	113	0	103	10	113	40	37	36	113
1998	83	48	131	0	113	18	131	40	57	34	131
1999	77	39	116	0	109	7	116	33	46	37	116
2000	90	45	135	0	130	5	135	32	60	43	135
Total	829	335	1,164	10	1,055	99	1,164	370	474	320	1,164

Table A3.2: Graduates

Academic Year	By Gender			By Degree Program				By Field of Study			
	Male	Female	Total	Certificate/ Diploma	Masters	Doctorate	Total	Business & Mgmt	Science & Technology	Economics	Total
1989	6	2	8	0	5	3	8	0	6	2	8
1990	33	10	43	0	42	1	43	20	15	8	43
1991	39	7	46	0	44	2	46	19	15	12	46
1992	57	19	76	0	66	10	76	26	32	18	76
1993	49	16	65	1	54	10	65	22	24	19	65
1994	48	10	58	1	53	4	58	23	19	16	58
1995	67	7	74	1	73	0	74	28	28	18	74
1996	56	19	75	6	67	2	75	26	28	21	75
1997	48	33	81	3	74	4	81	31	22	28	81
1998	86	47	133	4	122	7	133	44	57	32	133
1999	67	31	98	1	86	11	98	30	36	32	98
2000	74	40	114	2	102	10	114	34	51	29	114
Total	630	241	871	19	788	64	871	303	333	235	871

Figure A3.1: Scholarships by Gender

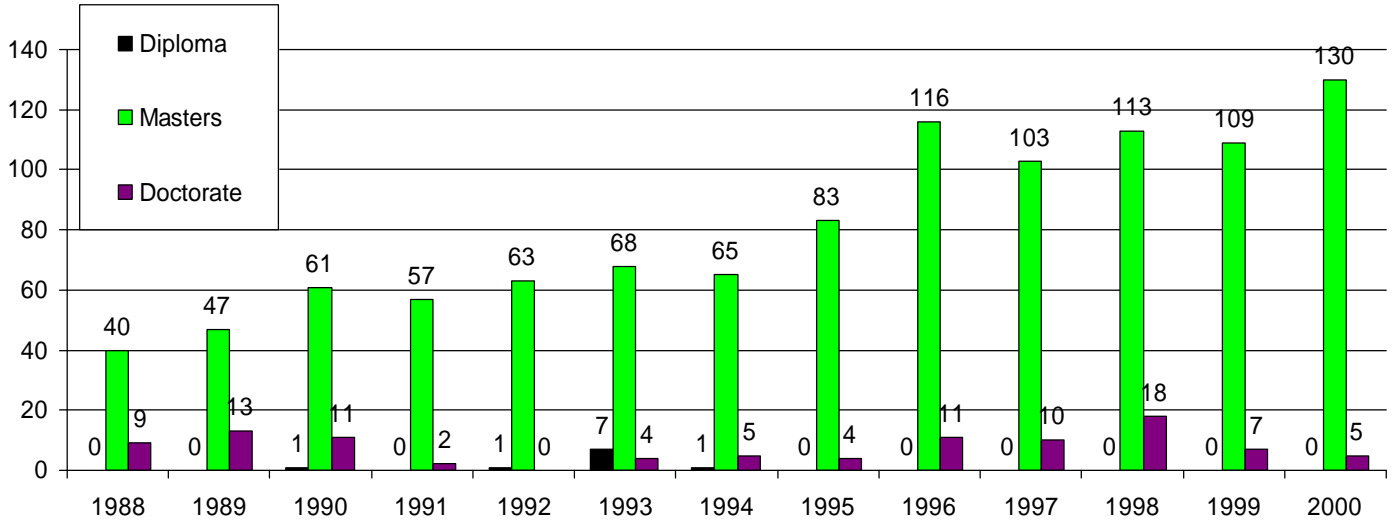
No. of Scholars



Academic Year

Figure A3.2: Scholarships by Degree Program

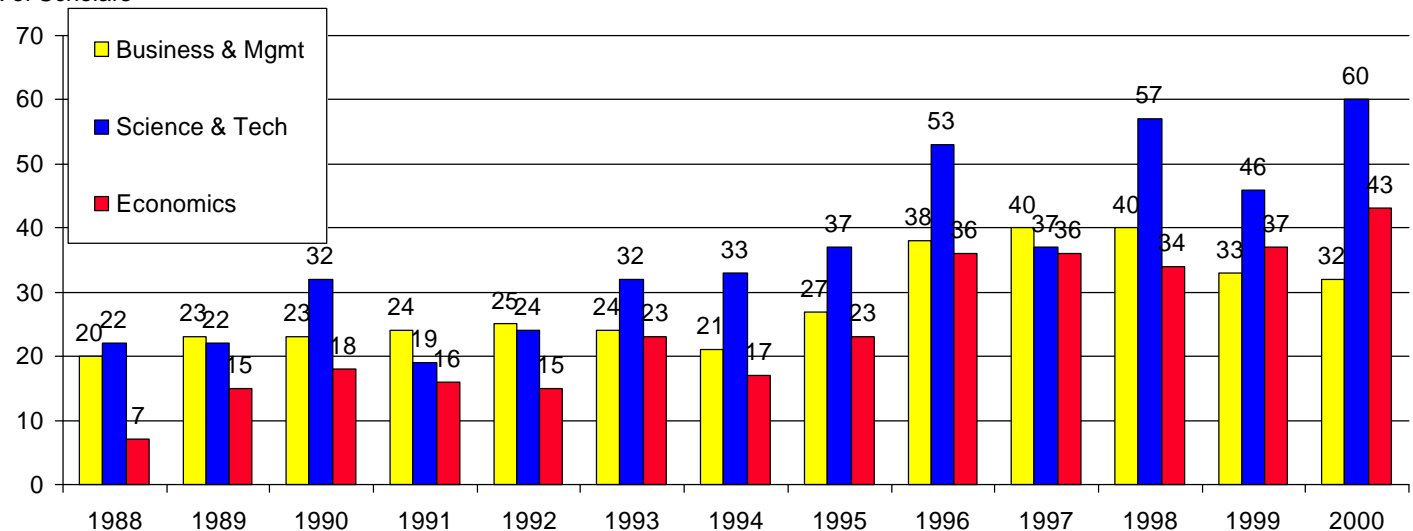
No. of Scholars



Academic Year

Figure A3.3: Scholarships by Field of Study

No. of Scholars



Academic Year

PROFILE OF SCHOLARS AND GRADUATES FOR ACADEMIC YEAR 2000

Table A4.1: Scholars

Designated Institution	By Gender			By Degree Program				By Field of Study			
	Male	Female	Total	Diploma	Masters	Doctorate	Total	Business & Mgmt	Science & Technology	Economics	Total
AIM	15	7	22	0	22	0	22	9	0	13	22
AIT	15	3	18	0	18	0	18	2	16	0	18
EWC	5	3	8	0	6	2	8	4	2	2	8
IITD	0	0	0	0	0	0	0	0	0	0	0
IRRI	0	0	0	0	0	0	0	0	0	0	0
IUJ	10	6	16	0	16	0	16	5	0	11	16
LUMS	2	1	3	0	3	0	3	3	0	0	3
NCDS	3	2	5	0	4	1	5	1	0	4	5
NUS	3	1	4	0	4	0	4	4	0	0	4
SU, Civil Eng	8	3	11	0	11	0	11	0	11	0	11
SU, Policy Science	6	4	10	0	10	0	10	0	0	10	10
TU	3	0	3	0	3	0	3	0	1	2	3
UOA	1	3	4	0	4	0	4	1	2	1	4
HKU	6	5	11	0	11	0	11	0	11	0	11
UOM	1	1	2	0	2	0	2	1	1	0	2
UOS	1	2	3	0	3	0	3	2	1	0	3
UOT, Civil Eng	9	1	10	0	8	2	10	0	10	0	10
UOT, Intl Health	2	3	5	0	5	0	5	0	5	0	5
Total	90	45	135	0	130	5	135	32	60	43	135

Table A4.2: Graduates

Designated Institution	By Gender			By Degree Program				By Field of Study			
	Male	Female	Total	Diploma	Masters	Doctorate	Total	Business & Mgmt	Science & Technology	Economics	Total
AIM	15	5	20	0	20	0	20	10	0	10	20
AIT	9	9	18	0	18	0	18	1	17	0	18
EWC	5	2	7	0	4	3	7	3	1	3	7
IITD	0	0	0	0	0	0	0	0	0	0	0
IRRI	1	1	2	0	2	0	2	0	2	0	2
IUJ	4	6	10	0	10	0	10	4	0	6	10
LUMS	2	0	2	0	2	0	2	2	0	0	2
NCDS	6	2	8	0	7	1	8	2	0	6	8
NUS	3	1	4	0	4	0	4	4	0	0	4
SU, Civil Eng	3	2	5	0	5	0	5	0	5	0	5
SU, Policy Science	2	0	2	0	2	0	2	0	0	2	2
TU	0	0	0	0	0	0	0	0	0	0	0
UOA	2	2	4	0	4	0	4	1	2	1	4
HKU	7	1	8	0	8	0	8	0	8	0	8
UOM	4	1	5	0	5	0	5	3	2	0	5
UOS	3	3	6	0	6	0	6	4	0	2	6
UOT, Civil Eng	8	0	8	0	2	6	8	0	8	0	8
UOT, Intl Health	0	5	5	0	5	0	5	0	5	0	5
Total	74	40	114	0	104	10	114	34	50	30	114

A = awarded; C = completed; AIM = Asian Institute of Management; AIT = Asian Institute of Technology; EWC = East-West Center; HKU = University of Hong Kong; IITD = Indian Institute of Technology, Delhi; IRRI = International Rice Research Institute; IUJ = International University of Japan; LUMS = Lahore University of Management Sciences; NCDS = National Centre for Development Studies; NUS = National University of Singapore; SU, Civil Eng = Department of Civil and Environmental Engineering, Saitama University; SU, Policy Science = Graduate School of Policy Science, Saitama University; TU = Thammasat University; UOA = University of Auckland; UOM = University of Melbourne; UOS = University of Sydney; UOT, Civil Eng = Department of Civil Engineering, University of Tokyo; UOT, Intl Health = School of International Health, University of Tokyo.

**SCHOLARSHIPS AWARDED AND COMPLETED
BY DESIGNATED INSTITUTION, 1995 TO 2000**

Designated Institution	Academic Year												Total			
	1995		1996		1997		1998		1999		2000		1988 to 2000			
	A	C	A	C	A	C	A	C	A	C	A	C	A	%	C	%
AIM	17	17	22	19	21	20	25	24	15	20	22	20	245	21.0	213	24.5
AIT	20	13	15	16	15	13	15	18	16	14	18	18	174	14.9	150	17.2
IUJ	10	4	12	7	7	8	10	12	18	7	16	10	102	8.8	65	7.5
EWC	3	5	9	2	15	8	7	6	8	14	8	7	75	6.4	58	6.7
HKU	6	7	11	6	3	1	10	10	4	3	11	8	72	6.2	49	5.6
UOS	10	3	7	7	5	7	7	6	7	6	3	6	67	5.8	50	5.7
UOT, Civil Eng	7	3	7	5	8	5	6	7	6	7	10	8	66	5.7	47	5.4
NCDS	3	3	16	6	5	4	8	9	7	7	5	8	63	5.4	46	5.3
LUMS	5	4	5	3	6	4	3	4	4	5	3	2	59	5.1	45	5.2
NUS	3	8	6	3	4	8	5	4	5	4	4	4	51	4.4	44	5.1
IRRI	3	5	5	1	0	0	2	4	5	3	0	2	37	3.2	28	3.2
IITD	0	2	2	0	1	3	4	2	0	0	0	0	35	3.0	20	2.3
SU, Civil Eng	0	0	10	0	1	0	5	9	5	1	11	5	32	2.7	15	1.7
SU, Policy Science	0	0	0	0	5	0	4	4	5	2	10	2	24	2.1	8	0.9
UOA	0	0	0	0	9	0	5	7	3	0	4	4	21	1.8	11	1.3
UOM	0	0	0	0	6	0	7	7	4	1	2	5	19	1.6	13	1.5
UOT, Intl Health	0	0	0	0	1	0	5	0	2	1	5	5	13	1.1	6	0.7
TU	0	0	0	0	1	0	3	0	2	3	3	0	9	0.8	3	0.3
Total	87	74	127	75	113	81	131	133	116	98	135	114	1,164	100	871	100

A = awarded; C = completed; AIM = Asian Institute of Management; AIT = Asian Institute of Technology; EWC = East-West Center; HKU = University of Hong Kong; IITD = Indian Institute of Technology, Delhi; IRRI = International Rice Research Institute; IUJ = International University of Japan; LUMS = Lahore University of Management Sciences; NCDS = National Centre for Development Studies; NUS = National University of Singapore; SU, Civil Eng = Department of Civil and Environmental Engineering, Saitama University; SU, Policy Science = Graduate School of Policy Science, Saitama University; TU = Thammasat University; UOA = University of Auckland; UOM = University of Melbourne; UOS = University of Sydney; UOT, Civil Eng = Department of Civil Engineering, University of Tokyo; UOT, Intl Health = School of International Health, University of Tokyo.

**JAPAN SCHOLARSHIP PROGRAM
(ASIAN DEVELOPMENT BANK -
ADMINISTRATOR)**

**FINANCIAL STATEMENTS
31 DECEMBER 2000 AND 1999**



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REPORT OF INDEPENDENT AUDITORS

Asian Development Bank – Administrator of the Japan Scholarship Programme

In our opinion, the accompanying statements of financial position and the related statements of activity and changes in net assets and of cash flows present fairly, in all material respects, in terms of United States dollars, the financial position of the Japan Scholarship Program (Asian Development Bank – Administrator) at 31 December 2000 and 1999, and the results of its activities and changes in net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles in the United States. These financial statements are the responsibility of the Administrator's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards in the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying statement of scholarship distributions for the year ended 31 December 2000 and cumulative to 31 December 2000 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

Boston, Massachusetts
19 March 2001

JAPAN SCHOLARSHIP PROGRAM
(ASIAN DEVELOPMENT BANK - ADMINISTRATOR)

STATEMENT OF FINANCIAL POSITION

31 December 2000 and 1999

(Expressed in United States Dollars - Note B)

	<u>2000</u>	<u>1999</u>
ASSETS		
CASH IN BANK	2,769,677	2,753,419
ADVANCES TO DESIGNATED INSTITUTIONS	<u>919,005</u>	<u>769,516</u>
TOTAL ASSETS	<u><u>3,688,682</u></u>	<u><u>3,522,935</u></u>
 LIABILITIES AND NET ASSETS		
ACCOUNTS PAYABLE AND OTHER LIABILITIES	29,995	15,676
UNDISBURSED COMMITMENTS (Note C)	3,560,709	3,398,608
NET ASSETS (Note B)	<u>97,978</u>	<u>108,651</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>3,688,682</u></u>	<u><u>3,522,935</u></u>

The notes on pages 6 to 7 form an integral part of the financial statements.

**JAPAN SCHOLARSHIP PROGRAM
(ASIAN DEVELOPMENT BANK - ADMINISTRATOR)**

**STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
For the Years Ended 31 December 2000 and 1999
(Expressed in United States Dollars - Note B)**

	<u>2000</u>	<u>1999</u>
CONTRIBUTIONS (Note B)	<u>5,590,182</u>	<u>5,440,089</u>
REVENUE:		
Interest earned on bank account	293,007	180,576
Miscellaneous income	<u>3,999</u>	<u>3,821</u>
	<u>297,006</u>	<u>184,397</u>
TOTAL CONTRIBUTIONS AND REVENUE	<u>5,887,188</u>	<u>5,624,486</u>
SCHOLARSHIP DISTRIBUTIONS (Note B)	<u>5,455,216</u>	<u>5,975,847</u>
EXPENSES:		
Administrative expenses	34,479	51,152
Advertisement cost	20,890	12,530
Other	<u>23,355</u>	<u>10,565</u>
	<u>78,724</u>	<u>74,247</u>
TOTAL SCHOLARSHIP DISTRIBUTIONS AND EXPENSES	<u>5,533,940</u>	<u>6,050,094</u>
CONTRIBUTIONS AND REVENUE IN EXCESS (SHORT) OF SCHOLARSHIP DISTRIBUTIONS AND EXPENSES	353,248	(425,608)
EXCHANGE (LOSS) GAIN - Net (Note B)	<u>(363,921)</u>	<u>179,017</u>
DECREASE IN NET ASSETS	(10,673)	(246,591)
NET ASSETS, BEGINNING OF THE YEAR	<u>108,651</u>	<u>355,242</u>
NET ASSETS, END OF THE YEAR	<u><u>97,978</u></u>	<u><u>108,651</u></u>

The notes on pages 6 to 7 form an integral part of the financial statements.

**JAPAN SCHOLARSHIP PROGRAM
(ASIAN DEVELOPMENT BANK - ADMINISTRATOR)**

STATEMENT OF CASH FLOWS

For the Years Ended 31 December 2000 and 1999

(Expressed in United States Dollars - Note B)

	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions received	5,590,182	5,440,089
Interest earned on bank account	293,007	180,576
Miscellaneous income	3,999	3,821
Scholarship distributions	(5,806,525)	(5,475,328)
Expenses paid and other	(64,405)	(156,973)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	16,258	(7,815)
CASH, BEGINNING OF THE YEAR	<u>2,753,419</u>	<u>2,761,234</u>
CASH, END OF THE YEAR	<u><u>2,769,677</u></u>	<u><u>2,753,419</u></u>

**RECONCILIATION OF DECREASE IN NET ASSETS TO
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:**

Decrease in net assets	(10,673)	(246,591)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Increase in undisbursed commitments	162,101	321,359
(Increase) decrease in advances to designated institutions	(149,489)	143
Increase (decrease) in accounts payable and other liabilities	14,319	(82,726)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>16,258</u></u>	<u><u>(7,815)</u></u>

The notes on pages 6 to 7 form an integral part of the financial statements.

**JAPAN SCHOLARSHIP PROGRAM
(ASIAN DEVELOPMENT BANK-ADMINISTRATOR)**

**NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2000 and 1999**

A. GENERAL

The Japan Scholarship Program (the "Program") was established in April 1988 by agreement between the Government of Japan and the Asian Development Bank (the "Bank"), whereby the Government of Japan agreed to make contributions and the Bank agreed to act as administrator. The cumulative contributions made since inception up to 31 December 2000 were US\$ 40,064,271.

The Program is intended to offer an opportunity to selected individuals from developing member countries with a public or private sector background to undertake further studies at national or international institutions renowned for their programs in management, technology or any development-related field.

B. SUMMARY OF SIGNIFICANT POLICIES

Presentation of Financial Statements - Accounting for scholarship distributions is recognized in the financial statements using the commitment method. Under the commitment method of accounting, the full educational costs of approved scholars for the entire academic year are recorded. The financial statements show the net assets available for future commitments, subject to contingent liability as noted below (see Scholarship Distributions).

Functional Currency and Reporting Currency - The functional and reporting currency of the Program is the United States dollar. The financial statements of the Program are expressed in United States dollars.

Translation of Currencies - Assets and liabilities in currencies other than United States dollars are translated at the applicable rates of exchange at the end of a reporting period. Revenue, scholarship distributions, and expense amounts in currencies other than United States dollars are translated for each semi-monthly period at the applicable rates of exchange at the beginning of each period; such practice approximates the application of average rates in effect during the period. Exchange gains or losses on currency transactions between United States dollars and other currencies are included in revenue and expenses.

Contributions by the Government of Japan are included in the financial statements from the date indicated by the Government of Japan that funds are expected to be made available. Such contributions and the net assets of the Program are restricted for the payment of scholarships and direct and identifiable expenses incurred by the Bank in the administration of the Program.

Scholarship Distributions relating to the current academic year are recognized in the financial statements of the Program at the commencement date of the approved scholarship. Upon completion of the scholarship, any undisbursed amounts are recorded as a reduction in scholarship distributions and undisbursed commitments.

The extension of the scholarship for the second or third year of the Program is conditional on the scholar maintaining a satisfactory level of performance as determined by the concerned institution. Such commitments are not reflected in the financial statements. The contingent liability for the scholars enrolled as of 31 December 2000 based on current costs is US\$ 3,163,385 (US\$ 2,877,412 – 1999).

Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the end of the year and the reported amounts of income and expenses during the year. The actual results could differ from those estimates.

C. SCHOLARSHIPS AWARDED AND UNDISBURSED COMMITMENTS

As of 31 December 2000 the total number of annual scholarships awarded for academic years 1988-1989 through 2000-2001 was one thousand one hundred sixty four (1,164) . As of 31 December 1999 the total number of annual scholarships awarded was one thousand thirty three (1,033). The selected scholars are enrolled in designated national or international institutions located in those member countries of the Bank with which the Bank has an agreement. Undisbursed commitments for scholarships under the Program as of 31 December 2000 totaled US\$3,560,709 (US\$ 3,398,608 – 1999).

**JAPAN SCHOLARSHIP PROGRAM
(ASIAN DEVELOPMENT BANK - ADMINISTRATOR)**

**STATEMENT OF SCHOLARSHIP DISTRIBUTIONS
For the Year Ended 31 December 2000 and
Cumulative to 31 December 2000
(Expressed in United States Dollars - Note B)**

DESIGNATED INSTITUTION	Distributions During 2000	Cumulative Distributions to 31 December 2000
Asian Institute of Management	545,430	6,294,399
Asian Institute of Technology	281,301	3,500,334
International Rice Research Institute	88,168	1,227,032
University of Sydney	81,394	2,112,163
Lahore University of Management Sciences	93,467	1,451,195
East-West Center	163,238	3,351,105
International University of Japan	1,307,916	5,731,027
Indian Institute of Technology Delhi	24,417	473,036
University of Tokyo	1,076,903	5,511,251
National University of Singapore	103,907	1,204,212
University of Hongkong	173,308	3,027,971
National Center for Development Studies	268,153	2,918,427
Saitama University	511,918	2,466,754
University of Auckland	149,131	740,739
University of Melbourne	144,098	724,176
Thammasat University	17,562	104,693
National Graduate Institute for Policy Studies	424,905	424,905
TOTAL	5,455,216	41,263,419