

ANNUAL REPORT
ON THE
ASIAN DEVELOPMENT BANK—JAPAN SCHOLARSHIP PROGRAM
1999

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
MESSC	-	Ministry of Education, Science, Sports, and Culture
NCDS	-	National Centre for Development Studies
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 the 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 Asian 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, 16 institutions located in 10 countries within the Region participate in the Program (Appendix 1).

2. Between 1988¹ and 1999, the Government of Japan contributed more than \$34 million to the ADB-JSP. A total of 1,033 scholarships have been awarded to scholars from 31 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 five years. The number of new scholarships awarded annually has grown from 49 in 1988 to 129 in 1998, decreasing to 122 in 1999. Women received 288 scholarships. Of the 1,033 scholars, 764 have completed their courses: 17 scholars completed one-year courses, 691 completed master's courses, and 56 completed doctoral programs. Thirty-seven 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 1999. The following table shows annual data on scholarships awarded and completed.

Scholarships Awarded and Completed, 1988 - 1999

Status	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Awarded	49	60	73	59	64	79	71	87	127	113	129	122	1,033
Completed	0	8	43	46	76	65	58	74	75	81	133	105	764

3. Most scholars are attending the Asian Institute of Management (AIM) (223), followed by the Asian Institute of Technology (AIT) with 156; International University of Japan (IUJ) with 86; East-West Center (EWC) with 67; University of Sydney (UOS) with 65; University of Hong Kong (HKU) with 62; and National Centre for Development Studies (NCDS), the Lahore University of Management Sciences (LUMS) and the Department of Civil Engineering of the University of Tokyo (UOT) Civil Engineering (Civil Eng), with 56 each. Appendix 5 shows the scholarships awarded and completed at each of the designated institutions from 1995 to 1999.

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

II. 1999 PROGRAM AND ACTIVITIES

A. Scholarship Budget

4. In 1999, the Government of Japan contributed \$5.4 million to the ADB-JSP, a 4 percent increase from its \$5.2 million contribution in 1998. A total of 260 scholarships were programmed as against 253 scholarships budgeted in 1998. The audited financial statements of the ADB-JSP as of 31 December 1999 are attached as Appendix 6.

B. Scholarships

5. In 1999, 122 scholarships were awarded to scholars from 21 member countries.² The scholars were mainly from Indonesia (17); Bangladesh and Myanmar (10 each); Kyrgyz Republic and Nepal (9 each); the People's Republic of China and Mongolia (8 each); Cambodia, Philippines, and Viet Nam (6 each); and Sri Lanka and Thailand (5 each). IUJ received the largest number of new scholars with 18, followed by AIT with 16; AIM with 15; EWC and UOS with 8 each; Saitama University (SU) Graduate School of Policy Science (Policy Science) with 7; NCDS and UOT (Civil Eng) with 6 each; and HKU, International Rice Research Institute (IRRI), National University of Singapore (NUS) and SU Department of Civil and Environmental Engineering (Civil Eng) with 5 each. The other 18 new scholars were distributed among the remaining 6 designated institutions.

6. Scholarships awarded to women increased from 10 (20 percent) in 1988 to 43 (35 percent) in 1999. About 95 percent of the scholars pursued master's degrees and the remaining 5 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 122 new scholars, 51 were enrolled in science and technology, 39 in economics, and 32 in business and management. The scholarships awarded and completed in 1999 by institution, gender, program, and field of study are summarized in Appendix 6.

7. In 1999, 105 scholarships were completed, including 1 graduate certificate in commerce, 91 master's degree programs, and 13 doctoral programs. Twenty scholars graduated from AIM; 14 each from AIT and EWC; 8 from NCDS; 7 each from IUJ and UOT (Civil Eng); 6 from UOS; 5 each from LUMS and University of Auckland (UOA), 4 from NUS; 3 each from IRRI, HKU, Thammasat University (TU), and SU (Policy Science); and 1 each from SU (Civil Eng), University of Melbourne (UOM); and UOT (Intl Health). Of the graduates, 38 completed courses in science and technology, 35 in economics, and 32 in business and management. Thirty-three (or 31 percent) of the graduates were women (Appendix 6).

² Including the 144 ongoing scholarships, a total of 266 scholars were attending courses.

C. New Developments and Program Improvements

8. In 1999, efforts to publicize the ADB-JSP were stepped-up. Advertisement of the ADB-JSP were placed in newspapers and magazines in selected DMCs, particularly in the Central Asian republics,³ Bhutan, Cambodia, Maldives, 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, a major source of information for potential candidates, was distributed widely in all the designated institutions and ADB's regional and resident missions. The brochure and the ADB-JSP web page have been effective in attracting potential candidates to apply to the institution and helped diversify the geographic distribution of scholars.

9. During 1999, ADB continued to receive many visitors involved with or interested in the ADB-JSP. Visitors came from AIT, NCDS, Williams College in the United States, and University College London. 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 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.

10. In December 1999, the ADB-JSP scholarship administrator hosted a gathering of students from the three Japanese ADB-JSP institutions at the Tokai Kouryu-kaikan in Kasumigaseki, Tokyo, Japan. This was the first time that such a gathering was held outside of ADB's Manila headquarters. The aim was to establish personal contact with the scholars and acquaint them with ADB operations. Forty-six scholars and 10 administrators of ADB-JSP attended. Three officers from the Ministry of Finance also attended and four staff from ADB's Japanese Representative Office assisted. The ADB-JSP scholars expressed their appreciation 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 in their economic and social development. Both administrators and scholars suggested that similar meetings be organized regularly.

11. In December 1999, ADB-JSP staff visited the National Graduate Institute for Policy Studies (GRIPS), formerly the SU (Policy Science). SU (Policy Science) had proposed to the Ministry of Education, Science, Sports and Culture (MESSC) of the Japanese Government that the school be established as an independent postgraduate university. Noting its past performance and achievements, MESSC and the Ministry of Finance approved the SU (Policy Science's) proposal, and GRIPS was established in October 1997 with the first students enrolled in April 2000. The scholars that were awarded ADB-JSP scholarships at SU (Policy Science) will be enrolled at GRIPS starting in October 2000. Although GRIPS is the continuation of SU (Policy Science), the memorandum of agreement between ADB and the institution must be amended. The revision is being prepared.

³ The ADB-JSP advertisement was placed in leading newspapers, including *Vecherni Almaty* in Kazakhstan, *Vecherni Bishkek* in the Kyrgyz Republic, *Daidjest Press* in Tajikistan, and *Norodnoye Slovo and Khalq Suzi* in Uzbekistan.

12. In 1996, the ADB designated two additional universities, UOM in Australia and TU in Thailand, to participate in the Program, bringing the total number of participating institutions to 16. To provide more opportunities to qualified candidates, the Government of Japan has agreed to include another Japanese university. Several universities were considered and evaluated, taking into account the suitability of the institution for selection under the Program in accordance with appropriate criteria. The selection of the 17th designated institution will be finalized in early 2000.⁴

III. SUMMARY AND CONCLUSIONS

13. The ADB-JSP continued to be successful in 1999, with 122 new scholarships awarded and 144 continuing scholars, for a total of 266 scholars at 16 designated institutions. A total of 105 scholars completed their programs. The designated institutions recognize that the ADB-JSP is one of the most prestigious and successful scholarship programs in the Asian and Pacific Region, as well as one of the most important sources of financial assistance for foreign students.

14. During the year, the ADB-JSP continued 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 gathering of students in Tokyo, similar meetings will be planned in 2000. Efforts will continue to be made to disseminate information more widely throughout ADB's DMCs, and to increase the number of female candidates in the coming year.

⁴ In May 2000, Nagoya University was selected as the new designated institution of ADB-JSP and arrangements for the signing of the memorandum of agreement between the ADB and Nagoya University are being finalized.

APPENDIXES

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2	Scholarships Awarded and Completed — Top 12 Nationalities, 1995 to 1999	7	1, 2
3	Profile of All Scholars and Graduates to Date	8	1, 2
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6	Audited Financial Statements 31 December 1999	12	2, 4

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

**SCHOLARSHIPS AWARDED AND COMPLETED
TOP 12 NATIONALITIES, 1995 TO 1999**

Country	Academic Year										Total			
	1995		1996		1997		1998		1999		1988 to 1999			
	A	C	A	C	A	C	A	C	A	C	A	%	C	%
PRC	15	11	24	13	14	17	15	23	8	11	135	13.1	109	14.3
Nepal	9	8	12	7	14	8	11	14	9	9	101	9.8	77	10.1
Philippines	7	9	12	7	11	10	4	13	6	6	101	9.8	90	11.8
India	7	9	10	13	8	6	6	11	4	6	94	9.1	84	11.0
Pakistan	4	5	11	3	9	4	5	9	4	8	83	8.0	68	8.9
Indonesia	5	7	8	2	6	6	11	7	17	8	82	7.9	53	6.9
Bangladesh	8	5	6	5	7	5	8	8	10	7	72	7.0	51	6.7
Sri Lanka	12	8	6	10	5	3	8	8	5	4	69	6.7	53	6.9
Viet Nam	8	8	12	6	8	6	13	9	6	14	69	6.7	51	6.7
Myanmar	1	0	6	0	5	3	9	5	10	7	34	3.3	18	2.4
Thailand	2	1	1	1	2	2	8	3	5	6	30	2.9	23	3.0
Malaysia	1	1	3	1	3	0	1	5	2	1	26	2.5	18	2.4
Total	87	74	127	75	113	81	129	133	122	105	1,033	100.0	764	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	87	42	129	0	112	17	129	40	55	34	129
1999	79	43	122	0	116	6	122	32	51	39	122
Total	745	288	1,033	10	931	92	1,033	337	417	279	1,033

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	72	33	105	1	91	13	105	32	38	35	105
Total	561	203	764	17	691	56	764	271	284	209	764

Figure A3.1: Scholarships by Gender

No. of Scholars

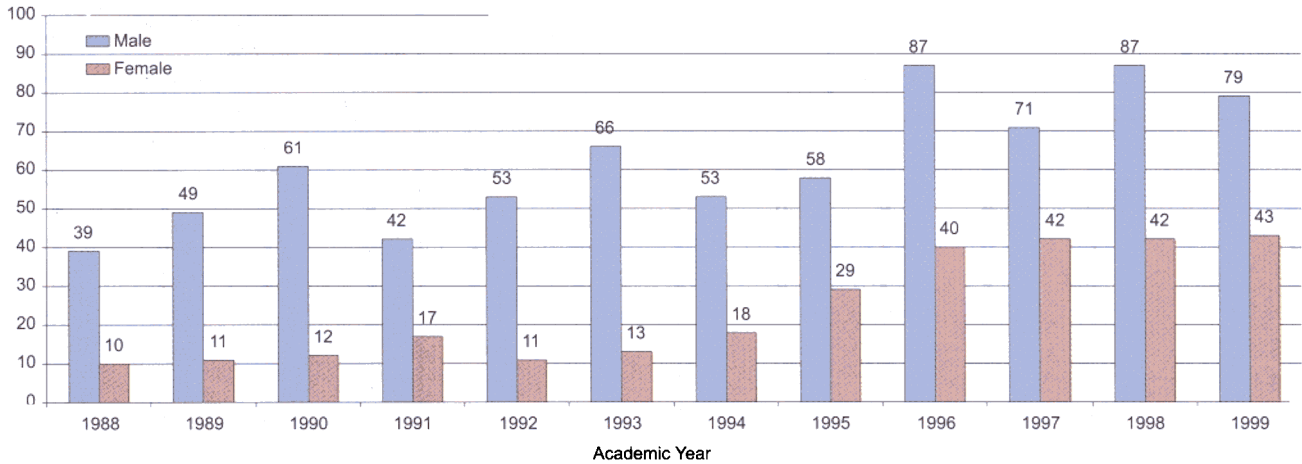


Figure A3.2: Scholarships by Degree Program

No. of Scholars

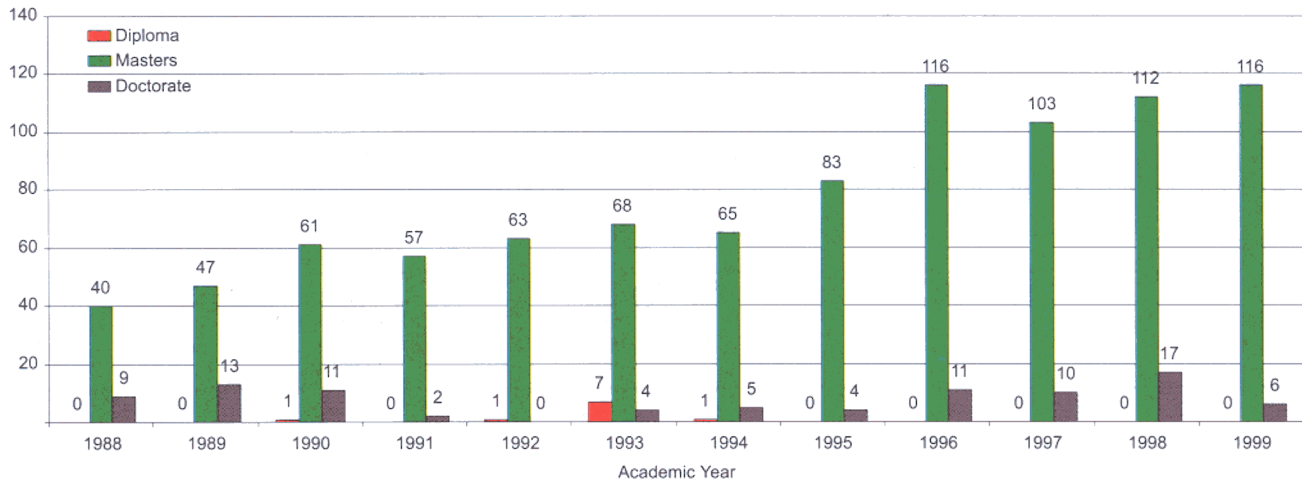
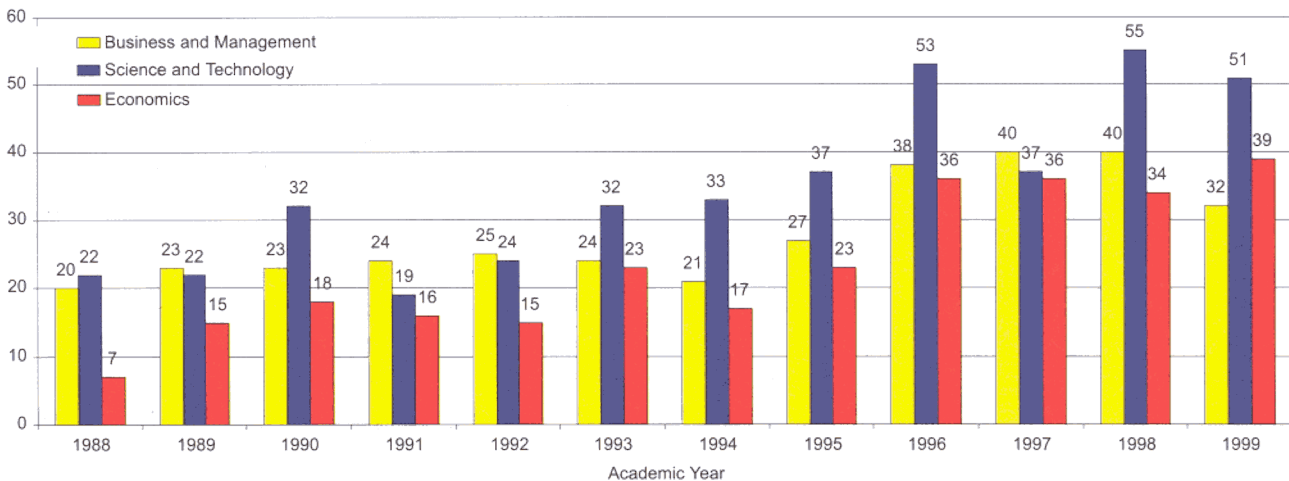


Figure A3.3: Scholarships by Field of Study

No. of Scholars



PROFILE OF SCHOLARS AND GRADUATES FOR THE ACADEMIC YEAR 1999

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	12	3	15	0	15	0	15	5	0	10	15
AIT	8	8	16	0	16	0	16	0	16	0	16
EWC	2	6	8	0	7	1	8	5	2	1	8
IITD	2	0	2	0	2	0	2	0	2	0	2
IRRI	3	2	5	0	3	2	5	0	5	0	5
IUJ	14	4	18	0	18	0	18	8	0	10	18
LUMS	4	0	4	0	4	0	4	4	0	0	4
NCDS	1	5	6	0	5	1	6	1	1	4	6
NUS	4	1	5	0	5	0	5	4	0	1	5
SU, Civil Eng	3	2	5	0	5	0	5	0	5	0	5
SU, Policy Science	5	2	7	0	7	0	7	0	0	7	7
TU	3	0	3	0	3	0	3	0	2	1	3
UOA	2	1	3	0	3	0	3	0	1	2	3
HKU	4	1	5	0	5	0	5	0	5	0	5
UOM	4	0	4	0	4	0	4	1	3	0	4
UOS	2	6	8	0	8	0	8	4	1	3	8
UOT, Civil Eng	6	0	6	0	4	2	6	0	6	0	6
UOT, Intl Health	0	2	2	0	2	0	2	0	2	0	2
Total	79	43	122	0	116	6	122	32	51	39	122

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	12	8	20	0	20	0	20	8	0	12	20
AIT	7	7	14	0	14	0	14	2	12	0	14
EWC	7	7	14	0	12	2	14	8	3	3	14
IITD	0	0	0	0	0	0	0	0	0	0	0
IRRI	1	2	3	0	2	1	3	0	3	0	3
IUJ	7	0	7	0	7	0	7	1	0	6	7
LUMS	5	0	5	0	5	0	5	5	0	0	5
NCDS	6	2	8	0	4	4	8	0	1	7	8
NUS	4	0	4	0	4	0	4	4	0	0	4
SU, Civil Eng	0	1	1	0	1	0	1	0	1	0	1
SU, Policy Science	2	1	3	0	3	0	3	0	0	3	3
TU	3	0	3	0	3	0	3	0	2	1	3
UOA	3	2	5	0	4	1	5	1	2	2	5
HKU	3	0	3	0	3	0	3	0	3	0	3
UOM	0	1	1	0	1	0	1	0	1	0	1
UOS	6		6	1	4	1	6	3	2	1	6
UOT, Civil Eng	6	1	7	0	3	4	7	0	7	0	7
UOT, Intl Health		1	1	0	1	0	1	0	1	0	1
Total	72	33	105	1	91	13	105	32	38	35	105

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.

SCHOLARSHIP AWARDED AND COMPLETED BY DESIGNATED INSTITUTION, 1995 TO 1999

Institution	Academic Year										Total			
	1995		1996		1997		1998		1999		1998 to 1999			
	A	C	A	C	A	C	A	C	A	C	A	%	C	%
AIM	17	17	22	19	21	20	25	24	15	20	223	21.6	193	25.3
AIT	20	13	15	16	15	13	15	18	16	14	156	15.1	132	17.3
EWC	3	5	9	2	15	8	7	6	8	14	67	6.5	51	6.7
IITD	0	2	2	0	1	3	4	2	2	0	37	3.6	20	2.6
IRRI	3	5	5	1	0	0	2	4	5	3	37	3.6	26	3.4
IUJ	10	4	12	7	7	8	10	12	18	7	86	8.3	55	7.2
LUMS	5	4	5	3	6	4	3	4	4	5	56	5.4	43	5.6
UOS	10	3	7	7	5	7	7	6	8	6	65	6.3	44	5.8
UOT, Civil Eng	7	3	7	5	8	5	6	7	6	7	56	5.4	39	5.1
UOT, Intl Health	0	0	0	0	1	0	5	0	2	1	8	0.8	1	0.1
NUS	3	8	6	3	4	8	5	4	5	4	47	4.5	40	5.2
HKU	6	7	11	6	3	1	10	10	5	3	62	6.0	41	5.4
NCDS	3	3	16	6	5	4	7	9	6	8	56	5.4	39	5.1
SU, Civil Eng	0	0	10	0	1	0	5	9	5	1	21	2.0	10	1.3
SU, Policy Science	0	0	0	0	5	0	4	4	7	3	16	1.5	7	0.9
UOA	0	0	0	0	9	0	5	7	3	5	17	1.6	12	1.6
TU	0	0	0	0	1	0	3	0	3	3	7	0.7	3	0.4
UOM	0	0	0	0	6	0	6	7	4	1	16	1.5	8	1.0
Total	87	74	127	75	113	81	129	133	122	105	1,033	100	764	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 1999 AND 1998**



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REPORT OF INDEPENDENT AUDITORS

Asian Development Bank – Administrator of the Japan Scholarship Program

In our opinion, the accompanying statement 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 1999 and 1998, 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. 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 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 1999 and cumulative to 31 December 1999 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.

PricewaterhouseCoopers L.L.P.

19 May 2000

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

**STATEMENT OF FINANCIAL POSITION
31 December 1999 and 1998
(Expressed in United States Dollars - Note B)**

	<u>1999</u>	<u>1998</u>
ASSETS		
CASH IN BANK	2,753,419	2,761,234
ADVANCES TO DESIGNATED INSTITUTIONS	<u>769,516</u>	<u>769,659</u>
TOTAL ASSETS	<u><u>3,522,935</u></u>	<u><u>3,530,893</u></u>
 LIABILITIES AND NET ASSETS		
ACCOUNTS PAYABLE AND OTHER LIABILITIES	15,676	98,402
UNDISBURSED COMMITMENTS (Note C)	3,398,608	3,077,249
NET ASSETS (Note B)	<u>108,651</u>	<u>355,242</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>3,522,935</u></u>	<u><u>3,530,893</u></u>

The notes on pages 7 to 8 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 1999 and 1998

(Expressed in United States Dollars - Note B)

	<u>1999</u>	<u>1998</u>
CONTRIBUTIONS (Note B)	<u>5,440,089</u>	<u>5,228,000</u>
REVENUE:		
Interest earned on bank account	180,576	158,880
Interest income on investments	-	18,340
Miscellaneous income (loss)	<u>3,821</u>	<u>(1,292)</u>
TOTAL CONTRIBUTIONS AND REVENUE	<u>5,624,486</u>	<u>5,403,928</u>
SCHOLARSHIP DISTRIBUTIONS (Note B)	5,975,847	5,714,340
EXPENSES:		
Administrative expenses	51,152	117,240
Advertisement cost	12,530	17,712
Other	<u>10,565</u>	<u>1,889</u>
TOTAL SCHOLARSHIP DISTRIBUTIONS AND EXPENSES	<u>6,050,094</u>	<u>5,851,181</u>
CONTRIBUTIONS AND REVENUE SHORT OF SCHOLARSHIP DISTRIBUTIONS AND EXPENSES	(425,608)	(447,253)
EXCHANGE GAIN - Net (Note B)	<u>179,017</u>	<u>142,248</u>
DECREASE IN NET ASSETS	(246,591)	(305,005)
NET ASSETS, BEGINNING OF THE YEAR	<u>355,242</u>	<u>660,247</u>
NET ASSETS, END OF THE YEAR	<u><u>108,651</u></u>	<u><u>355,242</u></u>

The notes on pages 7 to 8 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 1999 and 1998

(Expressed in United States Dollars - Note B)

	<u>1999</u>	<u>1998</u>
OPERATING ACTIVITIES:		
Contributions received	5,440,089	5,228,000
Interest on investments received	-	20,320
Interest earned on bank account	180,576	158,880
Miscellaneous income (loss)	3,821	(1,292)
Scholarship distributions	(5,475,328)	(5,096,790)
Expenses paid and other	<u>(156,973)</u>	<u>(68,618)</u>
Net cash (used in) provided by operating activities	(7,815)	240,500
INVESTING ACTIVITIES:		
Net cash withdrawn from time deposits		<u>2,490,415</u>
NET (DECREASE) INCREASE CASH	(7,815)	2,730,915
CASH, BEGINNING OF THE YEAR	<u>2,761,234</u>	<u>30,319</u>
CASH, END OF THE YEAR	<u><u>2,753,419</u></u>	<u><u>2,761,234</u></u>
 RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:		
Decrease in net assets	(246,591)	(305,005)
Adjustments to reconcile decrease in net assets to net cash (used in) provided by operating activities:		
Increase in undisbursed commitments	321,359	1,232,726
Decrease (increase) in advances to designated institutions	143	(757,424)
(Decrease) increase in accounts payable and other liabilities	(82,726)	68,223
Decrease in accrued revenue	-	<u>1,980</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u><u>(7,815)</u></u>	<u><u>240,500</u></u>

The notes on pages 7 to 8 form an integral part of the financial statements.

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

**STATEMENT OF SCHOLARSHIP DISTRIBUTIONS
For the Year Ended 31 December 1999 and
Cumulative to 31 December 1999
(Expressed in United States Dollars - Note B)**

<u>DESIGNATED INSTITUTION</u>	<u>Distributions During 1999</u>	<u>Cumulative Distributions to 31 December 1999</u>
Asian Institute of Management	793,621	5,748,969
Asian Institute of Technology	334,474	3,219,033
International Rice Research Institute	132,143	1,138,863
University of Sydney	243,739	2,030,769
Lahore University of Management Sciences	93,280	1,357,727
East-West Center	338,829	3,187,867
International University of Japan	838,422	4,423,111
Indian Institute of Technology Delhi	60,000	448,620
University of Tokyo	821,250	4,434,348
National University of Singapore	106,702	1,100,304
University of Hongkong	553,294	2,854,664
National Center for Dev't. Studies	428,994	2,650,274
Saitama University	754,737	1,954,836
University of Auckland	217,236	591,608
University of Melbourne	229,537	580,079
Thammasat University	29,589	87,131
TOTAL	<u>5,975,847</u>	<u>35,808,203</u>

The notes on pages 7 to 8 form an integral part of the financial statements

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

**NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1999 and 1998**

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 1999 were US\$ 34,474,089.

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 1999 based on current costs is US\$ 2,877,412 (US\$ 2,263,091 – 1998).

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 1999 the total number of annual scholarships awarded for academic years 1988-1989 through 1999-2000 was one thousand thirty three (1,033) . As of 31 December 1998 the total number of annual scholarships awarded was nine hundred fourteen (914) . 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 1999 totaled US\$ 3,398,608 (US\$ 3,077,249 – 1998).