

VII. SEACEN SCHOLARSHIPS

SEACEN Trust Fund and Scholarships

At the Fifth Meeting of the SEACEN Board of Governors in January 1986 in Baguio, Philippines, the Board of Governors discussed the proposal to establish a Trust Fund that would provide scholarships to SEACEN training participants. It was envisioned that the Trust Fund would consist of contributions from member banks and other donors. As agreed at the Meeting, The SEACEN Centre, in consultation with Bank Negara Malaysia, subsequently prepared a detailed proposal on the Trust Fund for the Board of Governors' approval. The SEACEN Trust Fund (STF) Deed was signed at the Seventh SEACEN Board of Governors' Meeting in Singapore on 22 January 1988.

The STF Board of Trustees is entrusted with the administration and management of the STF, including its investment operations. Nevertheless, decisions reached by the Board of Trustees would require the endorsement of the Board of Governors. The Board of Trustees comprises five members with the Governor of Bank Negara Malaysia serving as the Chairman. Three members hold three-year tenure, and comprise a senior official from Bank Negara Malaysia and the Governors of two other SEACEN member central banks/monetary authorities. The latter appointments are based on a rotational basis among the member central banks/monetary authorities. The fifth member of the Board of Trustees is the Executive Director of The SEACEN Centre who is appointed on an ex-officio basis. The STF Secretariat, which is lodged at the International Department, Bank Negara Malaysia, assists the Board of Trustees in the administration of the STF.

The capital base of the STF is derived from contributions from the SEACEN members which started with an initial capital size of RM50,000 in OY 1988/89 and which has grown significantly attributable to contributions, investment income and income derived from SEACEN training fees.

Since 1994, scholarships have been made available to candidates from eligible SEACEN members to attend training courses, seminars or workshops conducted by The SEACEN Centre. At the 27th Meeting in March 2008, the BOG approved the recommendation of the Board of Trustees to raise the per capita GDP eligibility criteria of the scholarships to US\$ 1,500. This is to ensure that more members can benefit from the scholarship scheme.

Under the 'STF Grant and Scholarship Scheme,' candidates from SEACEN member countries with per capita GDP of US\$1,500 per annum² or less are eligible for scholarships. One scholarship is also allocated each year to a candidate from an observer central bank of countries with per capita GDP of less than US\$1,500. Scholarships of up to US\$2,000 each covers the expenses for air travel, accommodation and per diem allowances. The scholarships are financed through the fees collected by The SEACEN Centre from the non-SEACEN members that participate in the Centre's training activities. If the fee-based income proves insufficient to finance the scholarship disbursements, then the income earned from the investment of the STF capital would be used to cover the shortfall.

² Until 2008, the threshold per capita GDP was US\$1,000 per annum

In line with the agreed “STF’s Strategy for the Next 10 Years from OY 2005/06 to OY 2014/15”, the number of scholarships to be awarded during OY 2010/11 – OY2014/15 is to be increased to 13 from 7, of which 12 scholarships will be given to five eligible member banks and one scholarship to the eligible observer central bank, based on the approved per capita GDP eligibility criteria. The amount of each scholarship will be maintained at US\$2,000 and financed by the contribution from The SEACEN Centre derived from course fees which are estimated to be about RM 250,000 by the end of March 2010.

The current members of the STF Board of Trustees as of July 2010 are as follows:

Chairman: **Tan Sri Dato’ Sri Dr. Zeti Akhtar Aziz**
Governor, Bank Negara Malaysia

Trustees: **Haji Mohd. Roselan bin Haji Mohd. Daud**
Permanent Secretary, Ministry of Finance, Brunei Darussalam

Dr. L. Purevdorj
Governor, The Bank of Mongolia

Dato’ Muhammad bin Ibrahim
Deputy Governor, Bank Negara Malaysia

Dr. A.G. Karunasena (Ex-Officio)
Executive Director, The SEACEN Centre

SEACEN Additional Scholarships

In addition to the 7 scholarships, the BOG at its 26th Meeting on 29 July 2007 in Bangkok, decided that member banks with GDP per capita of more than US\$ 1,000 offer 1 more scholarship each of the value of US\$ 2,000. Members with GDP per capita of less than US\$ 1,000 would be eligible to receive these scholarships, enabling them to send additional staff for training in order to strengthen further their internal capacity.

At the 27th Meeting in March 2008, the BOG decided to task The SEACEN Centre to implement the BOG decision to provide the additional scholarships, as well as the implementation plan, which is consistent with the STF criteria and procedure. In line with the new eligibility criteria for STF scholarship, the threshold per capita GDP for the additional scholarships has been raised to US\$ 1,500. In OY 2009/10, the Centre disbursed a total of 11 additional scholarships to eligible member central banks.

For OY 2010/11, the number of contributing member central banks will remain at 11 and the number of receiving member central banks will correspondingly remain at 5 as there has been no change in the per capita GDP threshold of US\$ 1,500.