

**DEPARTMENT OF THE TREASURY
INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE
2010 REPORT TO CONGRESS**

Section 129 of the Foreign Assistance Act of 1961, as amended, authorizes the establishment of a Department of the Treasury program to provide technical assistance to governments and central banks of developing or transitional countries. This legislation also requires Treasury to prepare and submit this report on the conduct of the Treasury International Affairs Technical Assistance (TIATA) program by Treasury's Office of Technical Assistance (OTA).

TABLE OF CONTENTS

I.	Executive Summary	1
II.	Mission and Background	3
III.	Program Management and Funding	4
IV.	Project Identification and Selection	6
V.	Project Structure	6
VI.	Country Achievements	8
VII.	Other Highlights	10
	A. Financial Crisis Response	10
	B. Afghanistan	11
	C. Iraq	13
	D. Haiti	15
VIII.	New Areas of Emphasis	16
	A. Financial Inclusion	16
	B. Public-Private Partnerships for Infrastructure Finance	17
	C. Oil & Gas Revenue Transparency	18
IX.	2010 Program Evaluation	19
	Annex 1: Strategic Plan 2006-2010	20
	Table A - 2010 Budget Execution Plan	22
	Table B - 2010 Non-TIATA Sources of Funding	26

The Department of the Treasury's Office of Technical Assistance (OTA) is "one of the most powerful repositories of interagency expertise...offering host governments help in everything from drafting budget, tax, and oversight legislation, to undertaking vital, if sensitive, reforms in areas like central banking and increasing financial services for the poor."

- *Leading Through Civilian Power: 2010 Quadrennial Diplomacy and Development Review*, U.S. Department of State

I. Executive Summary

In 2010, the U.S. Department of the Treasury's Office of Technical Assistance began its 20th year of operation by working across five continents to assist countries in the pursuit of efficient revenue collection, well-planned and executed budgets, judicious debt management, sound banking systems, and strong controls to combat corruption and other economic crime. Its advisors worked side-by-side with colleagues in central banks and finance ministries to train staff, implement sound and efficient standard procedures, and collect and analyze management information to improve public financial management.

In addition, OTA continued to serve as a U.S. Government rapid response team for consultation and technical assistance in national security priority and post-disaster countries. Less than three weeks after the January 2010 earthquake in Haiti, at the request of Haiti's Central Bank Governor, Treasury advisors arrived. They conferred with the U.S. Embassy and Haitian Government on emergency public administration needs, such as maintaining the integrity of the banking system and reconstituting the public payments network.

A number of partner governments made significant accomplishments in 2010 with OTA assistance. For example, in Paraguay, customs revenue was up 38% following implementation of a web-based information system for importers. Uganda was able to save an estimated \$500,000 following an advisor's suggestions regarding a government note auction. Similarly, the Zambian Government now saves \$7.2 million a year on banking fees because of reforms in the way it handles cash. A discussion of these and other achievements is included in section VI of this report.

Other highlights of OTA work in 2010 include the following:

Financial Crisis Response. Under plans coordinated with Congress, the Department of State and the U.S. Agency for International Development (USAID), OTA provided assistance to a number of countries suffering from the global financial crisis, including Indonesia, Liberia, Mongolia and Tanzania, which were defined as priority countries in the U.S. Government's response plans. OTA also conducted "rapid-response" interventions in 11 additional countries that met the criteria established by Congress. These projects were designed to produce government expenditure savings, increase revenue, decrease debt, lower costs, facilitate budget adjustments, and promote anti-

corruption measures. For example, OTA provided practical, real-time assistance to the State Bank of Vietnam (SBV) as the government struggled to contain high inflation while maintaining consistent, high economic growth. This assistance improved the SBV's capacity to better understand the objectives of monetary policy, as well as the government and SBV's role in achieving monetary policy objectives. In Liberia, OTA helped the tax administration organize and launch an internal audit unit that identified \$670,000 in revenues generated by government ministries that had not been remitted to the central budget as the law requires. While relatively modest, these revenues were desperately needed by the government during the 2008 financial crisis and subsequent global economic downturn.

Haiti. OTA advisors responded immediately in the aftermath of the earthquake to support revitalization of basic public financial infrastructure. Subsequently, OTA has joined U.S. and international efforts to rebuild and reform Haitian institutions, particularly the tax administration and financial law enforcement. One particularly notable outcome of these efforts was the Haitian Government taking possession of real estate and other assets valued at approximately \$20 million, which were seized from drug dealers as the proceeds of crime. This seizure was executed using legal procedures developed under the OTA engagement which was targeted at improving anti-money laundering measures. OTA is also assisting Haitian authorities in ensuring that unpaid insurance claims can be honored, and is set to begin assistance in the fields of debt management and government budgeting.

Iraq and Afghanistan. In Iraq, with training and other technical assistance provided by OTA, Iraqi local officials and Provincial Reconstruction Teams (PRTs) raised the execution rate for provincial investment spending from 27% of the budget in 2006 to 89% of the budget in 2010. In Afghanistan, the Kabul Bank crisis made an already challenging assistance climate even more difficult and ultimately resulted in the termination of OTA's engagement with the Central Bank in the areas of anti-money laundering/countering the financing of terrorism (AML/CFT) and financial intelligence. Nonetheless, following an expansion of efforts begun the previous year as part of the "civilian surge", OTA assisted the government in the areas of budget formulation and execution, internal audit, revenue administration, and financial crimes investigation.

While the majority of OTA work focuses on developing the fundamental building blocks of government – taxation, budgeting, debt management, banking regulation and financial law enforcement – a number of specialized areas of emphasis developed throughout 2010, including the following:

Infrastructure Finance. Decaying and substandard infrastructure is a key roadblock for developing countries wishing to increase economic growth and improve their citizens' welfare. OTA's Infrastructure Finance Team works to create capacity in concession agencies and ministries to better equip them to handle complex tasks. These include establishing the legal framework for concessions, designing tenders, reaching out to prospective investors and creditors, determining the government's contingent liabilities, and managing long-term contracts for construction projects that can be worth hundreds of

millions of dollars. In 2010, OTA advised Costa Rica's National Concession Agency (CNC) in successfully reaching agreement with a private consortium for the construction and administration of a new terminal at one of the country's two international airports. The new terminal, which is scheduled to be completed in late 2011, is slated to be a model public-private partnership.

Access to Finance. Another key to economic development is ensuring that historically underserved populations have access to loans, savings accounts and other banking services. OTA works with regulators in Latin America and the Caribbean to modify banking standards that place microfinance institutions on a stable financial foundation while allowing them room to grow. In Guatemala, for example, OTA led a commission comprised of officials from the Central Bank and Ministry of Finance in drafting a new law creating the legal infrastructure to allow NGOs to form microfinance institutions that take deposits from the public. In addition, OTA sponsored the first of several meetings of microfinance stakeholders, allowing them to iron out differences and create a consensus on sector-specific interests. OTA is also working in partnership with the U.S. Small Business Administration to assist the Government of Vietnam in strengthening its nascent SME Guarantee fund whose goal is to ensure that more financing is provided to small and medium enterprises, which are the engine for economic growth and job creation.

Taxation of Extractive Industries. OTA advisors work with officials in countries such as Mongolia and Cambodia to ensure that their production sharing agreements and tax legislation are harmonized and comprehensive. These advisors also help to develop the technical capability of auditors to properly review extractive industry tax returns, and understand the nuances of handling depreciation and deductions for exploration costs. For example, Mozambique, with assistance from OTA, completed the first ever audit of a petroleum importer. Through these and similar efforts to strengthen its financial management, a country can maximize the contribution of its natural resources toward its own education and health care needs.

II. Mission and Background

Effective financial management is a core element of a functioning state. It fosters economic growth and enables a government to provide better services for its citizens. For 20 years, OTA has helped finance ministries and central banks of developing countries to strengthen their capacity to manage public finances.

OTA operates through five major disciplines:

- **Revenue Administration and Policy:** Creates more effective tax administrations that simplify procedures to encourage voluntary compliance on the part of taxpayers, effectively uncover tax evasion, and maintain high standards of fairness and transparency.
- **Budget and Financial Accountability:** Strengthens the effectiveness of ministries of finance, the readability and transparency of budget documents, and the management and expenditure of government resources.

- **Government Debt Issuance and Management:** Provides strategic and technical assistance to develop market-based means of public finance through the issuance of domestic government securities; increases the efficiency of government debt management; and implements comprehensive debt strategies that diversify sources of finance, reduce liability risk and lower debt service burdens.
- **Banking and Financial Services:** Supports the development of sound, robust, well-regulated institutions that meet private sector financing needs.
- **Economic Crimes:** Assists the development and implementation of anti-money laundering and counter terrorist financing regimes that are compliant with international standards.

In providing technical assistance, OTA follows a number of guiding principles:

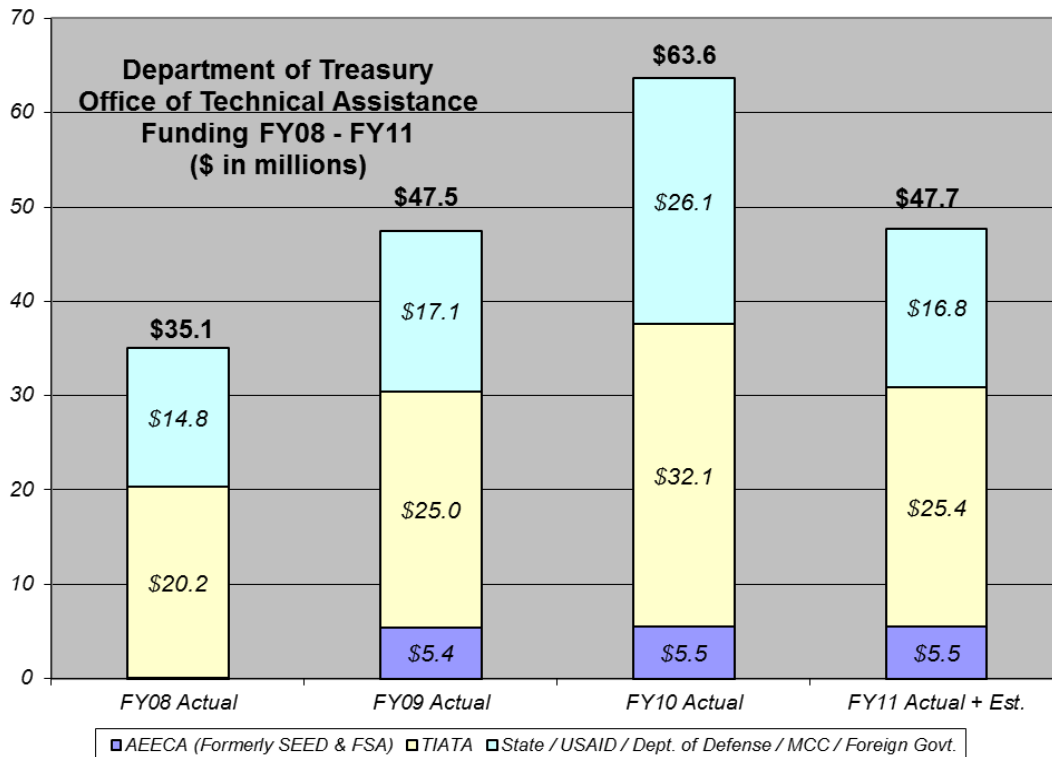
- **OTA advocates self-reliance.** OTA provides countries with the knowledge and skills required to move towards financial self-sufficiency – the capability to generate and better manage their own revenues – and reduce dependence on international aid. OTA generally follows a three to five-year project cycle that is aimed at creating maximum impact and exiting when local capacity is created.
- **OTA works with partners who are committed to reform – reform that they design and own – and use our assistance well.** Among U.S. agencies involved in foreign aid, OTA was singled out for praise in a report commissioned by the State Department and USAID for strengthening host country capacities; supporting country ownership; achieving alignment with host country priorities; managing for development results; fostering mutual accountability with host country officials; and evaluating its own performance. OTA does not engage with a country without a signed bilateral memorandum of understanding (MOU) on the high-level terms and aims of the engagement. This is followed by a tactical-level MOU specifying activities in support of those aims.
- **OTA works side-by-side with counterparts.** OTA engagements are based on close interaction between advisors and working-level partners, whether in a finance ministry, central bank, financial intelligence unit, tax administration or other relevant government agency. Success in building capacity requires not just presenting theory and ideas, but introducing them in actual daily work routines through ongoing mentoring and on-the-job training.

III. Program Management and Funding

As of the end of 2010, OTA had 123 projects in 48 countries (including regional initiatives). While the specific number of projects and countries fluctuates from year to year, OTA has focused on providing more robust assistance to a fewer number of countries. This approach recognizes the systemic nature of public financial management and the importance of engaging with a counterpart government in various disciplines – tax administration, budget execution, debt management, financial sector supervision, and anti-corruption, – simultaneously and in a coordinated way to achieve a stronger overall system.

Funding for OTA projects in 2010 totaled \$63.6 million. Sixty-eight of these projects, with a combined budget of \$28.7 million, were financed either wholly or partly by OTA’s direct annual appropriation, formally known as “Treasury International Affairs Technical Assistance” or TIATA. About a quarter of the projects were in the Americas, 22% were in Asia, 21% in Sub-Saharan Africa, 20% in the Middle East and North Africa, and 12% in Europe and Eurasia.

As the chart below indicates, TIATA is the single largest resource available to OTA for pursuing its mission. In addition to TIATA funding, OTA receives resources from the State Department via Assistance for Europe, Eurasia and Central Asia (AEECA). AEECA resources, however, have declined significantly over the last decade and have remained at a relatively low level in recent years as the countries in these regions have become more self-sufficient and U.S. Government technical assistance less needed. TIATA funding can sometimes be used to co-fund projects with USAID, the Department of State’s Bureau of International Narcotics and Law Enforcement (INL), and other entities.



Notes

1. FY08 funds for AEECA engagements not received by OTA from State until FY09.
2. FY10 TIATA includes \$7.1 million supplemental appropriation for assistance to Haiti.
3. FY11 figures include funds received by OTA as of May 9, 2011, and estimates of future/pending transfers.

OTA also receives funding through occasional supplemental appropriations. In some cases, such as to support engagements in Iraq and Afghanistan, supplemental funds are transferred to OTA from USAID and Department of State. In 2010, OTA received its first supplemental TIATA appropriation (\$7.1 million) as part of the U.S. Government’s

post-earthquake assistance package for the Government of Haiti. Tables A and B at the end of this report provide additional data on OTA funding sources in 2010.

IV. Project Identification and Selection

Requests for technical assistance and information regarding potential projects come from many sources, including U.S. embassies, USAID missions, other Department of the Treasury offices, foreign governments, international organizations such as the International Monetary Fund (IMF) and from OTA advisors already on the ground doing other projects.

For promising requests that are determined to be within the OTA mandate, an on-the-ground assessment is carried out by subject matter experts. Assessment results are shared with potential counterpart management and the embassy. No project begins without an understanding on the part of country officials that project goals are mutually understood and supported. Indeed, counterparts are looked to in defining those project goals in the first instance. In our experience, goals and objectives that are not “owned” by the counterpart country are seldom achieved.

To receive OTA funding, a proposal based on the assessment must be submitted by the managers of each of OTA’s five core disciplines as part of an annual policy-level review. Decisions to initiate new projects, or continue or terminate existing projects, are based on a number of criteria and considerations. They include the need for technical assistance; evidence of counterpart commitment to reform and good use of assistance; whether the project would complement other projects in a particular country or region; the relation of the project to Treasury policy priorities and broader U.S. Government goals; and the availability of funding. In the course of determining the prospects for a given project, OTA consults with other Treasury offices, and other partners and stakeholders such as the State Department and USAID (both in the field, at the embassy level and at the headquarters level in Washington), the International Monetary Fund, World Bank and others.

The number of promising projects typically exceeds available resources. In FY 2010, OTA was able to fund 79% of projects that were considered promising enough to merit careful consideration. The final results of the project selection process are displayed at the end of this report in Table A, 2010 Budget Execution Plan.

V. Project Structure

OTA carries out technical assistance projects based on two basic models: resident and intermittent. A resident project is anchored by an expert advisor living in the counterpart country, typically for a period of several years, and working side-by-side with counterparts in the ministry of finance, central bank, tax administration authority or other government institution. Our experience has been that working directly with the counterpart over a sustained period of time is critical for transferring knowledge and strengthening systems, especially in countries where government capacity is very limited.

A resident project frequently includes, in addition to a resident advisor, the participation of experts in specialized areas who make short-term visits.

For an intermittent project, an advisor or group of advisors typically spend periods of two to three weeks at a time over several years working with counterparts. Between these multi-week direct engagements, the counterparts are expected to carry out planned activities that are directed toward the objectives stated in a mutually-agreed-upon work plan. Between trips, advisors and counterparts are in frequent contact by email and phone. OTA often hires a permanent, full-time program assistant in-country to support the intermittent project.

The central factors controlling whether a resident or intermittent project model is selected include the understanding between the counterpart and the advisor of the nature of the problem to be solved, and the best and most practical solutions to that problem. A project might, for instance, use one intermittent advisor who was in-country for a total of three months over the course of a year. Another intermittent project might use two intermittent advisors who rotated, providing uninterrupted contact with counterparts. Or, several intermittent advisors, each with different technical specialties, might be present at any one time.

There are certain elements common to both resident and intermittent projects. All projects require that advisors carry out their work in the country where the project is located. With few exceptions, such as the occasional study tours to other countries to get first-hand experience of exemplary practice, meetings at international conferences, and regional projects, OTA does not work with non-U.S. government officials outside of the counterpart country. We consider this in-country model to be critical to project success. Working side-by-side in the same workplace as our counterparts is an important element in building trust over time. Often the counterpart organization begins to think of the advisor as “one of us” during the course of a project.

OTA’s small administrative staff in Washington, D.C., is focused on supporting projects in the field (arranging travel, contracting, pay and personnel administration, and providing project oversight).

Once a resident or intermittent project is selected for funding, Terms of Reference (TOR) are worked out with the counterpart and signed. The TOR describes the broad goals of the project and represents a bilateral understanding at the policy level between the U.S. Treasury and the counterpart. Within a short period (normally six to eight weeks) after signing the TOR, a detailed work plan is agreed upon between the advisor assigned to the project and the working-level counterpart. This plan specifies objectives and planned completion dates, and is the primary basis for regular monthly progress reports to headquarters. The monthly reports are shared with counterpart institutions, U.S. Embassy staff, other bureaus and offices in Treasury, and other interested partners such as USAID, the Millennium Challenge Corporation (MCC) and the relevant International Financial Institutions (IFIs). The reports are used as a management tool to oversee the progress of the project in real time and to make any necessary changes. The reports also

form the information base for responses to project queries generated by U.S. Government officials. In addition, supervising officials conduct field visits to meet counterparts and advisors, and review the project's progress, generally on an annual basis.

OTA bears the cost of advisor salary, travel, and personal support and pays for office equipment and a local national program assistant. OTA does not transfer funds or equipment to the counterpart country ministry as a regular part of project delivery. The host institution must provide office space for the advisor in its own headquarters building. It must also provide adequate phone and internet communications.

VI. Country Achievements

As described below, OTA assistance allowed counterpart governments to make significant achievements in 2010.

Paraguay Customs Revenue Rises 38%. A package of reforms supported by OTA resulted in Paraguayan Customs achieving a new collection record of almost \$1.5 billion in 2010, representing an increase of 38% over the previous year. The web-based “single window” information system allows data on imports to be processed and managed in a controlled and standardized environment, reducing opportunities for corruption or miscalculated customs duties. Following OTA training and mentoring, the Paraguayan Customs interdiction unit executed an average of 39 seizures per month, compared to a goal of 26. Over the course of the year, goods worth \$14.5 million were seized in a total of 468 operations.

Angola Prepares Debt Strategy. A key goal of OTA's government debt project in Angola is to assist the country in the development of a strategy that provides a framework for future debt issuance, as well as the capacity to assess its debt sustainability and ensure that there are sufficient revenues to repay principal and interest. OTA advises the inter-ministry task force assigned responsibility for this initiative. The group includes three ministries (Finance, Economy and Planning) and the Central Bank, which work cooperatively. With OTA guidance, the government paid more than half of its outstanding arrears (estimated at \$6.8 billion) to local suppliers and vendors in the second half of 2010. OTA also played an important role in the attainment of Angola's debut sovereign credit ratings (B1/Positive: Moody's and B+/Stable: Standard and Poor's).

Liberia Conducts Internal Review of Tax Administration. OTA supported the creation of an organizational structure, standard operating procedures and annual planning for the Department of Revenue's (DoR) internal audit unit. In November 2010, this unit issued its first ever audit report, which focused on income received by the ministries of sports and posts. A DoR operations manual was prepared and distributed to key managers in order to solicit their comments and build support for clearer and more comprehensive processes and procedures. OTA also developed procedures for handling tax collector cash receipt books (tracking serial numbers and signature specimens, and ensuring physical security) to reduce opportunities for corruption.

Zambian Government Improves Cash Handling. OTA's Budget Team works with the Zambian Ministry of Finance and National Planning to provide technical assistance in supporting the establishment of a modern treasury, and long-range plans to improve the fragmented and inefficient revenue, expenditure, cash management and accounting processes. Consolidation of cash balances in a central pool is facilitating cash flow forecasting, and supporting improved government debt and investment management. As part of the reforms, more than 92% of government employees are now paid electronically, resulting in \$7.2 million in annual savings in banking fees.

Uganda Reduces Interest Payments by \$500,000. In his first month in-country, OTA's advisor observed an unscheduled \$42.5 million government note auction aimed at mopping up excess reserves in the market. Since the average interest rate bid was 11.4%, nearly two percentage points higher than a similar auction a month previously, OTA's advisor recommended accepting only about one-third of the bids at 10.6%. The remaining unsold notes were re-auctioned at 11.15% two weeks later. By following OTA advice, the Government of Uganda will realize savings in interest payments of \$500,000 over the life of the notes. More important than the savings in borrowing costs, the Government agreed to eliminate such unscheduled auctions in the future because of the uncertainty and volatility they cause in the market.

Mozambique Conducts First Audit of Petroleum Imports. OTA guided a team of tax administration officials in Mozambique as it conducted the first-ever audits of petroleum importers. After a preliminary review of import volumes and inventories, the team prioritized firms according to potential deficiencies in fuel tax payment. Though the company with the largest deficiency was the ultimate target, a compliant importer was selected for the first audit as a confidence-building measure for the auditors. An OTA advisor provided step-by-step procedures, techniques, guidelines and report formats, and helped the team plan the audit, conduct the onsite inspection and perform an analysis of results.

Mekong Delta Addresses Money Laundering. The OTA Mekong Delta Project is assisting Vietnam, Cambodia and Laos in navigating the process for updating their anti-money laundering standards and avoiding sanctions that would prevent them from fully participating in the international financial system. All three countries have undergone evaluations by the Asia Pacific Group, which identified broad-based and serious deficiencies in their countries' anti-money laundering and counter terrorist financing regimes. The countries are in need of assistance to build the capacity of their financial intelligence units and, to a lesser extent, develop the legal and regulatory frameworks necessary for implementing an effective regime. In cooperation with the IMF and the United Nations Office of Drug Control, OTA has been providing training and mentoring on asset seizure, financial intelligence and analysis, and related issues.

Nigeria Implements Time Management System for Tax Officials. The Nigerian Federal Inland Revenue Service is rolling out the first stage of an audit management information system developed with the assistance of OTA. The first stage is an auditor time reporting system, which captures data on both individual and office-wide productivity. A pilot was successfully implemented in Abuja area offices and will now

be expanded to all offices in the Lagos Region. A pilot for the second stage of the system, which will collate information on closed audits, was approved. Initial implementation is in the three offices in the Abuja Region that audit tax returns. Future stages of the project will utilize data from these efforts to create an annual audit plan and improve the selection of tax returns in order to maximize revenue yield.

Indonesia Modernizes Tax Return Processing. In December 2010, OTA completed its project with Indonesia's tax administration to create a modern facility for automated scanning and processing of tax returns. OTA helped the counterpart automate tax collections; made recommendations to improve facility layout, workflow and staffing; and redesigned taxpayer forms to support the pilot document processing center. Processes developed at this facility will be used as a model to establish processing centers in three other cities. The goal is to have 80% of all taxes filed electronically by 2013.

Guatemala Human Rights Investigators Receive Training. OTA provided mentoring and training for a number of specialized Guatemala investigative law enforcement units, as well as Guatemalan officials seconded to the International Commission Against Impunity, a joint initiative between the government and the UN aimed at investigating and deterring human rights violations. The training will improve their ability to investigate financial angles in criminal investigations.

Vietnam Receives High-Level Central Bank Assistance. OTA provided advice on high-level legal, strategic and policy issues to the State Bank of Vietnam. The OTA advisor was the only non-Vietnamese individual in attendance at five different meetings where the draft Law on the State Bank of Vietnam and the Law on Credit Institutions were discussed. These two laws were passed by the Assembly and signed into law by Vietnam's President in June 2010.

VII. Other Highlights

A. Financial Crisis Response

The global financial crisis of recent years has been characterized by the freezing up of credit on the capital markets and within banking systems, difficulty in rolling over domestic and external debt, and widespread bank failures. Low income countries, in contrast, have primarily been affected by so called second order effects such as reduced revenue and rising unemployment due to the fall-off in international trade. Recognizing these effects, Congress appropriated funds for debt relief and "rapid response" technical assistance to countries hit hard by the crisis.

Throughout the course of 2010, under this project OTA provided assistance to 15 countries – Burkina Faso, Indonesia, Jamaica, Kenya, Lesotho, Liberia, Malawi, Moldova, Mongolia, Mozambique, Nigeria, Rwanda, Tanzania, Thailand and Vietnam, based on selection criteria established by Congress and plans developed by the State Department, USAID, Treasury and other agencies. The projects were designed to produce

savings, increase revenue, decrease debt, lower costs, facilitate budget adjustments and promote anti-corruption measures.¹ Examples of financial crisis projects include:

Vietnam Bolsters Monetary Policy. The Banking Team's monetary policy intermittent advisor to the State Bank of Vietnam (SBV) provided practical, real-time assistance as Vietnam struggles to contain high inflation while maintaining consistent, high economic growth. The OTA advisor improved the SBV's capacity to understand the objectives of monetary policy, as well as both the government and central bank's role in achieving monetary policy objectives.

Moldova Prepares for Bank Resolution. Although the small nation of Moldova was largely insulated from the first order effects of the global financial crisis, its banking system was wholly ill-prepared for the failure of one or more medium sized banks. The OTA Banking Team provided technical assistance to improve the National Bank of Moldova's capacity both to adequately detect problems early enough to take corrective action and, if necessary, to resolve and liquidate a failed bank. Banking Team advisors provided training to bank supervision staff and worked jointly with the staff to develop a failed bank resolution manual.

Burkina Faso Improves Revenue Forecasts. The global financial crisis made it critical for Burkina Faso to get better control of its revenues. Previously, the various revenue collecting agencies could not provide consistent revenue numbers and forecasting was at a very basic level. With the assistance of a resident OTA advisor, the Ministry of Economy and Finance was able to systematize the data and forecasts, and create an overarching 2012-14 medium term forecast which for the first time incorporated scenarios providing a range of potential outcomes.

B. Afghanistan

Following a significant expansion of its efforts begun the previous year, in 2010 OTA continued to support U.S. Government policy to create a firm foundation for the Afghan state by strengthening institutions that reduce opportunities for corruption, collect and properly account for revenues, and act as reliable international partners in the fight against terrorist financing. Broadly, there was progress in supporting Afghan efforts to strengthen public financial management and setbacks in the banking sector. Significant progress was made in linking provinces to the national budgeting system and instituting internal audit procedures in the Ministry of Finance. By contrast, projects with the central bank were brought to a halt in the first quarter of 2011 due to the Kabul Bank issue.

In addition to its longer term technical assistance projects, OTA was asked to provide ad hoc help as the Kabul Bank episode crystallized. A quick response team comprised of OTA banking advisors was deployed to Afghanistan in August 2010 to assist the central

¹ Technical assistance for developing countries impacted by the worldwide financial crisis was funded pursuant to section 1105 of the Supplemental Appropriations Act, 2009. In total, OTA received \$10.197 million in financial crisis supplemental funds via transfer from USAID beginning in early 2010.

bank in its efforts to address the crisis. The team presented the central bank governor with a plan designed to assume control of and resolve Kabul Bank, which was placed in conservatorship that month. OTA provided recommendations aimed at developing alternative scenarios to ensure that the payment system function that had been served by Kabul Bank was not disrupted. As the year played out, however, differences emerged with the Government of Afghanistan over the actions necessary to resolve the banking sector issues and the utility of Treasury advisors in the central bank. As a result, OTA did not renew two capacity building projects with the central bank in the areas of anti-money laundering/countering the financing of terrorism (AML/CFT) and financial intelligence.

In the financial supervision area, OTA efforts were focused on development of AML/CFT policies and examination procedures for the formal and informal financial sectors. This included the development of AML/CFT policy and examination procedures for foreign exchange dealers and other non-bank financial institutions, as well as NGOs. In 2010, two OTA advisors also worked with their Afghan counterparts with the goal of strengthening the country's financial intelligence unit, FinTRACA, improving financial supervision, and building capacity in the area of financial crimes investigations. In working with FinTRACA, OTA's efforts were focused on providing advanced training and mentoring in analytical capacity; expanding implementation of cross-border currency reporting requirements – currently only in effect at Kabul International Airport – to all border crossings in Afghanistan; and implementing electronic transaction reporting by money service providers (hawaladars). With OTA assistance, Afghan authorities were able to license and register more than 200 money services providers in Kabul. These hawaladars have approximately 300 licensed branches throughout Afghanistan. OTA efforts were also validated with the admission of FinTRACA into the Egmont Group of financial intelligence units.

Other OTA efforts in financial crimes investigation, revenue collection, and budgeting, which were not connected to the central bank, continued to move forward. In late August 2010, the Afghan Finance Minister issued a directive on internal audit processes which had been developed by OTA and the Ministry of Finance Internal Audit Department (IAD). In September, OTA advisors and the IAD Director General conducted entry conference meetings with the heads of internal audit at the ministries of rural development, transportation, health, and energy and water, to explain the process and to finalize the audit schedule. OTA advisors worked closely with IAD auditors to plan, implement, and evaluate the internal audits, and to assess the internal audit departments in each of the four ministries to ensure that they are working at full capacity. One audit was completed in December, whereas the other three were completed in the first quarter of 2011. The audits reviewed the revenue collection processes from start to finish and generated recommendations for improvement. Follow-up in 2011 focuses on reviewing whether the ministries took action on the recommendations.

In the financial crimes investigation area, OTA efforts were focused on developing the capacity of Major Crimes Task Force investigators to conduct financial crimes investigations; continuing to build a cadre of competent financial analysts within this task

force's intelligence unit through the mentoring of four dedicated investigators; and establishing and implementing investigative policies and procedures, case management techniques and strategic investigative plans. With OTA assistance, the task force initiated several corruption/financial crimes investigations of high-level targets. A prosecutor froze a bank account containing more than \$180,000 belonging to a public sector employee.

On the budgeting side, OTA's Budget and Financial Accountability project focused on advancing changes in the Afghan Government's accounting procedures and the reporting of financial information. This effort comprised a comprehensive review and revision of the government accounting and administrative manual. Financial information is captured using the new financial management system. With the inclusion of the province of Nuristan, all 34 provinces are now connected, resulting in stronger budgetary control, improved timeliness of financial reporting, and improved information flow between central and local government.

OTA also organized a series of five workshops for the Deputy Finance Minister, key Ministry of Finance departments and the supreme audit institution. These workshops produced the Public Finance Management Roadmap ratified at the 2010 Kabul Conference on Afghanistan – an outstanding instance of senior MoF management collaboration and cooperation.

On the revenue side, OTA worked closely with the Ministry of Transport and Civil Aviation to develop a uniform policy in the assessment and collection of fees at Kabul International Airport, and to strengthen sanctions for non-compliance. In 2010, the Ministry agreed with OTA's recommendation to increase the over-flight fee and will introduce a new security fee, assessed at \$5 per passenger. The additional revenue is critical to improve airport facilities and transportation infrastructure throughout the country.

C. Iraq

In Iraq, the environment for providing sustained, side-by-side technical assistance continued to be extremely challenging because of security constraints. Nonetheless, OTA worked with Iraqi counterparts in an effort to raise standards and build capacity in banking supervision, tax collection, government budgeting, and law enforcement directed at financial crimes. Working with a technical advisory committee, OTA helped to complete an information technology solution for a project that allows the Central Bank of Iraq to receive and analyze financial information from member banks. In the past reporting entities sent information to the Central Bank in a variety of media formats. Once received, the Bank had used a time-consuming and error-prone mix of manual and semi-automated operations to process and analyze the data. The main business objective for the project is to streamline and automate the process.

OTA assisted in identifying problem bank issues and recommended corrective action. Implementation of the recommendations by the Central Bank of Iraq was slow as staff develops experience and training and political considerations are resolved. OTA was able

to assist private banks to obtain new international correspondent relationships and partner with international financial institutions. OTA was also able to encourage international financial institutions to expand their direct involvement in the country. High level advice was provided to the Governor of the Central Bank on the conduct of monetary policy.

OTA's tax project is designed to increase revenue, expand the tax base, and reduce corruption by working with the General Commission of Taxes, which is part of the Ministry of Finance. Specific objectives are to implement a system of voluntary compliance and self-assessment for tax form receipt; reduce opportunities for employee corruption; improve general tax return audit capacity; strengthen audit skills for large taxpayer entities; develop audit capacity for petroleum industry taxpayers; and to establish transparent, risk-based audit selection criteria.

In 2010, OTA assisted the tax administration in delivering compliance classes for the large taxpayer office and managers from the main Baghdad branches; conducted a workshop on processing of returns and audit selection; and took first steps in re-activating a previously abandoned IT system. Specialized classes on delinquent collections, taxpayer service, large case management, audit selection, and criminal investigation were delivered. Despite progress, access to counterparts remains a challenge. Security constraints limit the technical assistance delivery methodology employed by OTA: day-to-day practitioner-led and outcome-focused.

OTA efforts also extend to assisting the Government of Iraq in improving measures against money laundering, terrorist financing, corruption and other financial crimes. In this regard, Iraqi officials were encouraged to strengthen their legal framework as well as the implementation of those laws. Technical assistance towards these goals consisted of training and mentoring financial analysts, regulatory supervision staff, law enforcement investigators and prosecutors. Particular attention was given to the recovery of stolen assets associated with corruption offenses.

OTA's budget project in Iraq focused on implementation of the Government of Iraq's Public Finance Management action plan. Although activities in the plan are not anticipated to be fully implemented until 2011, OTA, together with advisors from USAID and DFID, assisted the Ministry of Finance and the Council of Representatives in improving the budget preparation process, establishing accountability and information sharing for the expenditure processes, and improving transparency.

The Ministry of Finance has undergone efforts to improve the budget preparation and execution processes. These improvements included: expanding the membership of the budget strategy committee and the preparation of the documentation for the budget strategy; preparing an accounting manual that documents existing accounting practices and the chart of accounts; formulating a multi-year budget strategy; and improving reporting on budget preparation and implementation from the Ministry of Finance to the membership of the Council of Representatives.

The budget project provided trainings and technical assistance to Iraqi local officials and Provincial Reconstruction Teams (PRTs) to help raise the execution rate for provincial investment spending from 27% of budget in 2006 to 89% of budget in 2010.

Provincial investment spending increased from \$510 million out of a budget of \$1.87 billion in 2006 to \$1.95 billion out of a budget of \$2.2 billion in 2010. OTA also provided technical assistance to the Ministry of Finance, in coordination with the World Bank, to help the GoI produce a three-year budget strategy (2011-2013) that included recommended budget ceilings by ministry and provided the basis for the 2011 approved budget.

Despite these and other accomplishments, the project continued to struggle with the Iraqi elections, lack of a post-election government, and continued bombings at the Ministry of Finance buildings where Iraqi budget and accounting staff work. OTA anticipates that the government of Iraq will continue to improve its fiscal accountability and budget processes. Progress, however, will be slow and difficult if problems caused by an unstable environment continue.

D. Haiti

Less than three weeks after the January 2010 earthquake, OTA advisors responded to a request from the Haitian Government and the U.S. Embassy for expert assistance on reconstituting basic public financial infrastructure. Subsequently, OTA has joined U.S. and international efforts to rebuild and reform Haitian institutions, particularly the tax administration, budgeting and debt bodies, and law enforcement. In various visits later in 2010, OTA conducted a damage assessment of counterpart institutions, and reviewed their plans for reconstruction and reform. Significant technical assistance has begun in 2011.

In March 2010, OTA was able to continue its longstanding contribution to a joint effort between the international community and Haiti to rewrite the country's archaic criminal code. While the final form of the legislation will ultimately be up to the Haitian drafters, during the workshop OTA's legal advisor and his international counterparts were able to provide background on modern concepts such as pretrial release, plea bargaining, and alternative sentencing. OTA's emphasis is on proper delineation of financial crimes and criminal tax offenses.

Likewise, OTA advisors resumed efforts to help build Haiti's capacity to address the investigation of financial crime, money laundering, asset seizure and forfeiture by a number of specialized units focusing on financial intelligence, financial crimes investigation, and anti-drugs. Following start-up technical assistance from OTA, the anti-drug unit *Bureau d'Administration du Fonds Special de lutte la Drogue* (BAFOS) was able to conduct the first-ever auction of seized assets in Haiti in April 2010, followed by additional sales in June and September.

More than \$20 million in real estate and other assets has been confiscated from drug dealers and money launderers in Haiti under BAFOS procedures and turned over to the Government for its use. This property is especially important because of destruction of considerable Government office space in the earthquake. Until BAFOS began operation in 2010, there were no procedures for confiscation of assets of drug dealers or money launderers. BAFOS works closely with the Haitian financial intelligence and

investigation units to document ownership of the assets and obtain legal approval from the courts for confiscation.

Examiners at Haiti's Central Bank have been trained in detecting anti-money laundering violations when examining banks and other entities such as credit unions. Gambling establishments, exchange houses and wire transfer establishments are in the process of being given instructions on how to provide transaction reports to the government.

VIII. New Areas of Emphasis

A. Financial Inclusion

The images we have of microfinance are indelible – a Colombian coffee farmer seeking to borrow a few hundred dollars to purchase this season's fertilizer or a Guatemalan basket weaver needing a bridge loan of just \$50 for another bundle of dyed reeds. Microfinance is still that grassroots movement, but it is growing beyond its small scale origins. The sums involved are getting larger, and success requires new sources of capital. And while the larger international microfinance organizations are generally run as nonprofits, the same does not necessarily apply to domestic organizations.

Within this field, some of the broad challenges that the OTA Banking Team is helping address include:

- How to adapt existing bank regulations to ensure that they do not discourage banks from reaching down to the micro-entrepreneur (the downscaling challenge).
- How to ensure that successful microfinance institutions are able to transform into regulated ones after they reach a certain size or start mobilizing deposits from the public (the upscaling challenge). What disclosure and reporting requirements should apply, and how should they be examined.
- How to fill the regulatory void created by the existence of a large and diverse population of nongovernmental organizations (NGOs) and microfinance institutions that are too small to be regulated under the supervisory regime applicable to larger financial institutions, but still pose potential challenges tied to the absence of minimum corporate governance standards, or the lack of financial and managerial transparency.

While microfinance is the better known term, the most accurate term to describe the goal ahead may be “financial inclusion” – the process of providing financial services in a convenient and affordable manner to individuals with no previous access to such services. OTA's Latin America and Caribbean Financial Inclusion Initiative (LACFII) was formed to provide advice on regulatory issues and has been operating in Guatemala, El Salvador, the Dominican Republic, Jamaica and other countries.

Given the remarkable successes achieved by Peru in addressing the sector's challenges — such as seeing banks merge with microfinance institutions to create more vertically integrated entities — the OTA team partnered in 2010 with Peru's Superintendency of

Banks to jointly provide advice to other countries in the region. The Dominican Republic and Guatemala are two countries that have already benefited from access to such services. In Guatemala, OTA sponsored the first of several meetings of microfinance stakeholders, allowing them to iron out differences and create a consensus on sector-specific interests. In addition, OTA led a commission which drafted a new law creating the legal infrastructure to allow NGOs to create a supervised financial institution with the capacity to intermediate deposits from the public under prudential regulation. The law adheres to international best practices for microfinance institutions. This new type of for-profit corporation will be under the supervision of the Superintendent of Banks.

B. Public-Private Partnerships for Infrastructure Finance

With a projected budget deficit of 5% and extensive infrastructure needs, Costa Rica is an ideal customer for the familiar but now revitalized idea of creating Public-Private Partnerships (PPP) to finance and build infrastructure which is critical for economic development. To that end, in 2010 OTA's Infrastructure Finance Team advised Costa Rica's National Concession Agency (CNC) as it successfully finalized an agreement with a private consortium to build and operate a new terminal at the Liberia Airport, one of the country's two international airports. OTA assistance ranged from design aspects, which led to a more efficient use of the terminal space, to the financial structure of the project, which resulted in the CNC rejecting floating rate financing and negotiating a 12 year attractive fixed rate. OTA also advised the CNC regarding organization and staffing matters and defined for the Ministry of Finance the appropriate accounting for guarantees and contingencies, which will assure transparent national accounting and budgeting for public-private partnerships.

OTA's work in Costa Rica was done in partnership with the Chilean Government. Through its Ministry of Public Works and International Cooperation Agency, Chile has been one of the leaders in the PPP field in the past 20 years. They have successfully navigated the learning curve, and therefore have much experience to offer as a complement to OTA's assistance.

In addition to working in Costa Rica, OTA's Infrastructure Finance Team has a presence in Kenya as well as India. Treasury's high-level U.S.- India Economic & Financial Partnership features a PPP working group. In that capacity, OTA participates in policy discussions with Ministry of Finance and Reserve Bank of India on topics such as instruments for raising long-term funds and successful PPP models.

Properly executed, a PPP (also known as Build-Operate-Transfer scheme, BOT, or a variation thereof) shifts more of the risk of a project to the private sector, and creates incentives for on-time and on-budget construction that is built to a high standard as the concession will need to be maintained over a 25-30 year period. In the current budget environment, the advantage of a PPP being able to deliver its own financing also becomes increasingly clear. As projects are designed, OTA provides independent feedback — essentially a reality check — on key elements such as project design, financing structures and management of contingent liabilities. These areas are critical for

attracting multiple bidders at the outset, and for ensuring a viable project going forward. In the negotiation process, OTA also can provide good offices to broker better communication between concessionaires and government. Often relations between the two sides are affected by politics and miscommunication, and OTA can help them get back on track.

In the longer term, the Infrastructure Finance Team is working to build capacity in concession agencies and infrastructure ministries so that they are better equipped to handle the complex tasks inherent in any construction project that can be worth hundreds of millions of dollars. OTA helps the agencies and ministries define their organizational structures, create employee profiles, and design competitive compensation ranges. Concession agencies also need to know how to hire, fund, and manage outside consultants as it is simply not possible for a complete range of expertise to be maintained in-house.

C. Oil & Gas Revenue Transparency

OTA is assisting countries like Cambodia and Mongolia to help them establish mechanisms for transparency well before their emerging energy sources are exploited in the next few years. OTA is helping these countries review and harmonize their energy revenue legislation, develop implementing regulations, and enhance the procedures and abilities of auditors to ensure they have the skills to sort through complex technical issues and properly review oil and mineral industry tax returns.

In 2010, OTA guided a team of tax administration officials in Mozambique as its government conducted the first-ever audits of petroleum importers. One key step is in breaking down the communication barriers between government bodies in order to create a joint task force with a wide variety of expertise for monitoring extractive industry revenue. In Mozambique's case, this involved the tax administration and customs entities, assisted by the national road fund.

After a preliminary review of import volumes and inventories, the team prioritized firms according to potential deficiencies in fuel tax payments. Though the company with the largest deficiency was the ultimate target, a compliant importer was selected for the first audit as a confidence-building measure for the auditors. An OTA advisor provided step-by-step procedures, techniques, guidelines and report formats, and helped the team plan the audit, conduct the onsite inspection, and perform an analysis of results.

On the policy side, OTA is working with the Cambodian tax administration to improve its legislation and ensure that it is harmonized with the production sharing agreement with Chevron. Extractive industries generally require specialized tax legislation to deal with unique situations such as deductions for exploration costs and mine closing costs.

Starting at the end of 2010, OTA joined efforts with the State Department's Energy Governance and Capacity Initiative, which is aimed at improving financial management in countries such as Papua New Guinea that are on the cusp of receiving large amounts of

oil or mineral revenue, but that also face challenges such as low governmental capacity and poor infrastructure.

IX. 2010 Program Evaluation

In 2010, OTA completed the eighth year of its program evaluation process. The effort continues to yield sound and encouraging results. The 2010 targets for program traction (the degree to which technical assistance projects bring about changes in counterpart behavior) and impact (the extent to which technical assistance project objectives contribute to achievement of Terms of Reference goals) were set at 3.6, and 3.1 respectively, on a 5-point scale. Actual scores were 3.5 for traction, and 3.0 for impact. During 2010, OTA joined the U.S. Government's efforts to provide assistance to a selected group of developing countries hard-hit by the global financial crisis. These projects did not begin until half-way through the fiscal year and low scores for projects in those countries were the norm (average 1.9 for traction, and average 1.6 for impact). The effect of a large number of countries beginning under very difficult conditions accounted for the slight decline in scores, and is not expected to be part of any future pattern. Considering this, the overall program evaluation results were positive. Narrative descriptions of country project performance are annually collected along with the numerical ratings.

In 2009, a customer survey instrument was designed to collect information directly from country counterparts who have worked first-hand with OTA advisors. Teams use the surveys as an additional point of information on both project focus and customer perception of success. Results from these surveys continue to be sought to better understand challenges that projects face around the globe. Results from the surveys do support the highly favorable praise OTA has received anecdotally over the years. In 2010, the OTA Revenue Administration and Policy team surveyed project counterparts in Bosnia-Herzegovina and Afghanistan. All responses noted that expectations were exceeded and that major contributions had been made to strengthening professional capacity of staff in the respective organizations and their institutional capacity as well.

A welcome source of organizational evaluation always comes from other organizations with professional understanding of development assistance. In 2010, OTA received recognition from two separate Department of State-sponsored reports for its expertise and program design. In its Quadrennial Diplomacy and Development Review, the State Department named OTA as "one of the most powerful repositories of interagency expertise...offering host governments help in everything from drafting budget, tax, and oversight legislation, to undertaking vital, if sensitive, reforms in areas like central banking and increasing financial services for the poor." Separately, in a report commissioned by the State Department and USAID covering U.S. Government agency understanding and implementation of the Paris Declaration on Aid Effectiveness, the case study on OTA stated: "Clearly, the OTA assistance program is well aligned with most of the Paris Declaration principles—arguably as much so as any other donor program."

STRATEGIC PLAN 2006-2010
U.S. DEPARTMENT OF THE TREASURY
OFFICE OF TECHNICAL ASSISTANCE

Mission. The mission of the Treasury Department’s technical assistance program, managed by the Office of Technical Assistance (OTA), is to support the development of strong financial sectors and sound public financial management in countries where assistance is needed and there is a strong commitment to reform.

OTA pursues this mission in support of the Treasury Department’s overall mission “to promote the conditions for prosperity and stability in the United States and encourage prosperity and stability in the rest of the world” as well as broader U.S. Government international objectives, such as increasing transparency and accountability, reducing corruption, and strengthening the development of market-based policies and practices.

Vision. OTA aims to build upon its reputation as a high-quality provider of financial sector technical assistance and policy advice. It intends to be recognized as the provider of choice wherever its multi-disciplinary assistance model best addresses country needs and Treasury or U.S. Government objectives.

The foundation of OTA’s program will continue to reside in five core disciplines – Revenue Administration and Policy; Budget and Financial Accountability; Government Debt Issuance and Management; Banking and Financial Services; and Economic Crimes, complemented by the ability to support other aspects of financial sector strengthening.

Values

- OTA will continue to place the highest priority on capacity building and developing country self-sufficiency.
- OTA exits countries when project objectives are accomplished or if country commitment to reform is not sustained.
- OTA program engagements are distinguished by flexibility, selectivity and responsiveness.
- OTA recognizes that its core strength lies in the dedication, adaptability and expertise of its advisors.

Programmatic Goals

- Encourage depth of engagement and an integrated, multi-discipline approach. Where circumstances warrant, deeper, stronger, more comprehensive engagements may improve the prospects for material impact.
- Encourage an approach that targets geographic regions and common financial or economic problems. Look for opportunities to place advisors in countries with common needs by virtue of location, financial structure (e.g. significant dependence upon donor revenue), or dislocations (e.g. highly affected by extractive industry income).

- Provide specialized multi-discipline programs and rapid response teams to support key Treasury and U.S. Government priorities.
- Recruit, retain and support a cadre of advisors that manifests OTA's tradition of excellence.
- Continue to strengthen OTA coordination within Treasury and with other parts of the U.S. Government.
- Enhance awareness of Treasury's technical assistance program.
- Ensure that OTA's management systems fully support the achievement of our mission.

Table A

2010 Budget Execution Plan*Projects Funded By FY 2010 Treasury International Affairs Technical Assistance (TIATA) Appropriation*

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>	
<u>LATIN AMERICA AND CARIBBEAN</u>						
1	Argentina	ENF	Intermittent	\$ -	\$ 48,887	\$ 48,887
2	Colombia	TAX	Project Coordinator + Intermittents	\$ -	\$ 406,068	\$ 406,068
3	Costa Rica	GDIM	Resident	\$ -	\$ 468,828	\$ 468,828
4	Costa Rica	ENF	Resident	\$ 125,000	\$ 430,163	\$ 555,163
5	Dominican Republic	GDIM	Resident	\$ -	\$ 553,038	\$ 553,038
6	El Salvador	FIT	Intermittent	\$ -	\$ 145,294	\$ 145,294
7	El Salvador	GDIM	Resident	\$ -	\$ 556,557	\$ 556,557
8	El Salvador	ENF	Resident	\$ -	\$ 147,611	\$ 147,611
9	Guatemala	BUD	Resident	\$ -	\$ 666,443	\$ 666,443
10	Guatemala	GDIM	Resident	\$ -	\$ 523,307	\$ 523,307
11	Guatemala	TAX	Project Coordinator + Intermittents	\$ -	\$ 450,637	\$ 450,637
12	Guatemala (Regional LACFII)	FIT	Resident	\$ -	\$ 712,000	\$ 712,000
13	Guatemala	ENF	Resident	\$ 125,000	\$ 516,629	\$ 641,629
14	Haiti	TAX	Project Coordinator + Intermittents	\$ -	\$ 102,289	\$ 102,289
15	Honduras	BUD	Resident	\$ -	\$ 736,053	\$ 736,053
16	Honduras	GDIM	Resident	\$ -	\$ 539,657	\$ 539,657
17	Honduras	TAX	Project Coordinator + Intermittents	\$ 160,000	\$ 673,602	\$ 833,602
18	Honduras	ENF	Resident	\$ -	\$ 489,055	\$ 489,055
19	Infrastructure Finance Team	GDIM	Intermittent	\$ -	\$ 671,726	\$ 671,726
20	Paraguay	BUD	Resident	\$ 600,000	\$ 205,882	\$ 805,882
21	Paraguay	ENF	Intermittent	\$ -	\$ 65,326	\$ 65,326
22	Uruguay	FIT	Resident + Intermittent	\$ -	\$ 500,000	\$ 500,000
23	Uruguay	GDIM	Intermittent	\$ -	\$ 98,110	\$ 98,110
24	Uruguay	ENF	Intermittent	\$ -	\$ 307,184	\$ 307,184
Subtotal Latin America and Caribbean				\$ 1,010,000	\$ 10,014,346	\$ 11,024,346

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
ASIA					
25	Cambodia	BUD Resident	\$ -	\$ 586,382	\$ 586,382
26	Cambodia	FIT Resident	\$ -	\$ 800,000	\$ 800,000
27	Cambodia	TAX Intermittent	\$ -	\$ 407,508	\$ 407,508
28	India	ENF Intermittent	\$ -	\$ 200,015	\$ 200,015
29	India	GDIM Intermittent	\$ -	\$ 65,882	\$ 65,882
30	Indonesia	FIT Resident	\$ -	\$ 376,471	\$ 376,471
31	Indonesia	GDIM Resident	\$ 271,023	\$ 271,023	\$ 542,046
32	Indonesia	TAX Project Coordinator + Intermittents	\$ -	\$ 446,871	\$ 446,871
33	Mongolia	GDIM Intermittent	\$ -	\$ 70,588	\$ 70,588
34	RegANE (Mekong Regional)	ENF Resident	\$ -	\$ 669,857	\$ 669,857
35	Vietnam	FIT Resident + Intermittent	\$ -	\$ 685,000	\$ 685,000
36	Vietnam	GDIM Intermittent	\$ -	\$ 179,709	\$ 179,709
37	Vietnam	TAX Project Coordinator + Intermittents	\$ -	\$ 604,166	\$ 604,166
Subtotal Asia			\$ 271,023	\$ 5,363,472	\$ 5,634,495

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
MIDDLE EAST AND NORTH AFRICA					
38	Algeria	ENF Intermittent	\$ -	\$ 226,913	\$ 226,913
39	Algeria	FIT Resident	\$ -	\$ 745,000	\$ 745,000
40	Algeria	TAX Intermittent	\$ 165,000	\$ 681,093	\$ 846,093
41	Egypt	ENF Intermittent	\$ -	\$ 31,719	\$ 31,719
42	Jordan	ENF Resident	\$ -	\$ 438,835	\$ 438,835
43	Morocco	ENF Resident	\$ -	\$ 583,890	\$ 583,890
44	Palestinian Monetary Authority	ENF Intermittent	\$ -	\$ 206,523	\$ 206,523
Subtotal Middle East and North Africa			\$ 165,000	\$ 2,913,973	\$ 3,078,973

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
<u>SUB-SAHARAN AFRICA</u>					
45	Angola	GDIM Resident	\$ -	\$ 789,753	\$ 789,753
46	Angola	TAX Resident + Intermittent	\$ -	\$ 802,251	\$ 802,251
47	Botswana	ENF Resident	\$ -	\$ 507,580	\$ 507,580
48	Ghana	BUD Resident	\$ -	\$ 586,600	\$ 586,600
49	Ghana	GDIM Resident	\$ 248,697	\$ 248,697	\$ 497,394
50	Ghana	ENF Resident	\$ -	\$ 458,359	\$ 458,359
51	Lesotho	ENF Intermittent	\$ -	\$ 168,344	\$ 168,344
52	Liberia	TAX Intermittent	\$ -	\$ 118,000	\$ 118,000
Regional East Africa (Kenya, Uganda, Rwanda, Burundi)					
53		GDIM Resident	\$ -	\$ 600,123	\$ 600,123
54	Senegal	GDIM Resident	\$ -	\$ 564,005	\$ 564,005
55	Tanzania	GDIM Resident	\$ -	\$ 605,488	\$ 605,488
56	Uganda	GDIM Resident	\$ -	\$ 586,312	\$ 586,312
57	Zambia	BUD Resident	\$ -	\$ 543,000	\$ 543,000
Subtotal Sub-Saharan Africa			\$ 248,697	\$ 6,578,512	\$ 6,827,209
	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
<u>SENIOR AND REGIONAL ADVISORS</u>					
58	Regional Global Advisor	BUD Resident	\$ -	\$ 526,594	\$ 526,594
59	Regional LAC Advisor: US-based	FIT Full-time TDY	\$ -	\$ 235,685	\$ 235,685
60	Regional LAC Advisor: US-based	ENF Full-time TDY	\$ -	\$ 355,474	\$ 355,474
61	Regional Africa/Middle East Advisor	ENF Full-time TDY	\$ -	\$ 328,157	\$ 328,157
62	Regional Global Advisor: US	FIT Full-time TDY	\$ -	\$ 308,235	\$ 308,235
63	Regional Global Advisors: US	TAX Full-time TDY (2)	\$ -	\$ 527,256	\$ 527,256
64	Senior Advisor: US	GDIM Full-time TDY	\$ -	\$ 346,773	\$ 346,773
Subtotal Senior and Regional Advisors			\$ -	\$ 2,628,174	\$ 2,628,174

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA * **</u>	<u>Total</u>
OTHER FUNDED ACTIVITIES					
65	<i>Worldwide Cash Management</i>	<i>BUD Intermittent</i>	\$ -	\$ 205,882	\$ 205,882
66	<i>Financial Crisis -- Rapid Response</i>	<i>FIT Intermittent</i>	\$ -	\$ 600,000	\$ 600,000
67	<i>Global FIU Analytical Training</i>	<i>ENF Resident</i>	\$ -	\$ 262,133	\$ 262,133
68	<i>Money Service Businesses</i>	<i>ENF Intermittent</i>	\$ -	\$ 135,635	\$ 135,635
Subtotal Other Funded Activities			\$ -	\$ 1,203,650	\$ 1,203,650
GRAND TOTAL			\$ 1,694,720	\$ 28,702,127	\$ 30,396,847

Notes

* TIATA figures do not include \$7.1 million supplemental appropriation for assistance to Haiti.

** TIATA figures include carryover of prior year TIATA funds.

Table B

2010 Non-TIATA Sources of Funding*Treasury International Affairs Technical Assistance (TIATA)*

Purpose	Source	Transfer Category	Amount
Financial Crisis Rapid Response - Global	USAID	632(a)	\$9,547,000
Assistance for Europe, Eurasia and Central Asia (AEECA)	State	632(a)	\$5,483,000
Technical Assistance to Government of Iraq	State	632(b)	\$3,827,000
Technical Assistance to Government of Afghanistan	State	632(a)	\$3,465,000
Technical Assistance to Government of Mexico	State/INL	632(b)	\$2,254,956
Technical Assistance to Government of Paraguay (MCC)	USAID	632(b)	\$2,203,019
Technical Assistance to Government of Afghanistan	USAID	632(b)	\$1,450,000
Technical Assistance to Government of Lebanon	USAID	632(b)	\$1,372,494
Central America Regional Anti-Money Laundering Project	State/INL	632(b)	\$500,000
Technical Assistance to Government of Haiti	State/INL	632(b)	\$450,000
Technical Assistance to Government of Algeria	USAID	632(b)	\$400,000
Technical Assistance to Government of Saudi Arabia	Treasury-TFI	632(b)	\$207,787
Technical Assistance to Government of Ecuador	State/INL	632(b)	\$150,000
Technical Assistance to Government of Madagascar	Govt. of Madagascar	n/a	\$124,561
Technical Assistance to Government of Jamaica	Govt. of Jamaica	n/a	\$99,074
TOTAL			\$31,533,891