

**DEPARTMENT OF THE TREASURY
INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE
2013 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).

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I. Introduction and Executive Summary

This report provides an overview of the activities of the Department of the Treasury's Office of Technical Assistance (OTA) for calendar year 2013. The report includes information on program organization, funding, and the process for selecting and implementing projects, describes changes in the program's global footprint, and summarizes project-specific highlights.

For more than 20 years, OTA has helped finance ministries and central banks of developing and transitional countries to strengthen their ability to manage public finances effectively and safeguard their financial sectors. Such assistance is also in the U.S. national interest. Strong economic governance regimes support financial sector stability, growth, and the achievement of broader U.S. foreign policy and national security goals. Developing countries that generate more domestic revenue and manage their resources effectively are less dependent on foreign aid. And governments that develop effective financial sector oversight regimes are valuable partners, including in the global effort to combat money laundering and terrorist financing.

In 2013, OTA supported financial sector strengthening in many regions and countries. In Africa, assistance to develop domestic debt markets and capital markets helped broaden the investor base, thereby reducing the host governments' over-reliance on the commercial banking sector, encouraging real sector lending, and lowering borrowing rates. As one example, in Tanzania, the government began selling longer-dated, 15-year bonds, thereby tapping a wider range of non-bank investors. Another example is OTA's work in the East African Community, helping central banks establish deposit insurance funds, modernize core banking systems, and develop national and regional payments systems. With OTA support, the East African Payments System went "live" in 2013. This integrated, harmonized payment platform will facilitate regional trade and investment, and the development of regional financial markets.

In Asia, OTA neared the successful conclusion of revenue administration projects that have led to more efficient management and higher revenues in Vietnam, Cambodia, and Mongolia. In Latin America, several countries partnered with the United States on successful money laundering investigations and implemented new asset forfeiture and management systems. 2013 also saw the expansion of OTA's Latin American and Caribbean Financial Inclusion Initiative (LACFII), now active in Paraguay, Uruguay, Guatemala, El Salvador, and the Dominican Republic. LACFII has supported financial literacy and the development of regulatory regimes that give underserved populations access to at least basic financial services.

Across all of these regions, a number of countries improved their cash management with the help of an OTA global initiative now in its third year. Better cash management increased transparency and decreased the need for debt issuance in countries as diverse as Zambia and El Salvador.

Demand for OTA assistance continues to grow. In 2013, OTA commenced important new projects in financial reporting, investment budgeting, and cash management in priority countries such as the Philippines and Haiti. OTA started an innovative program with the West African Regional Central Bank to stimulate greater local currency debt issuance throughout the eight-country currency zone. OTA is partnering with the U. S. Department of State's Energy Governance and Capacity Initiative to help nascent energy producing countries improve their ability to manage new petroleum revenues effectively and accountably. OTA also expanded its technical assistance offerings to address the role that money service businesses and non-financial businesses and professions may play in facilitating illicit finance.

In 2013, OTA involvement in Iraq and Afghanistan declined in line with broader U.S. transition efforts in those countries and as projects reached their conclusion. In regions of engagement, OTA maintains a critical eye on existing projects and proactively closes out projects where the host-country counterparts have an insufficient commitment to reform.

OTA is also deepening its own internal reforms. OTA management is on track to complete by the end of 2014 a multi-year overhaul and improvement of its business processes, including financial management, human resources, logistical support, travel, and other areas.

II. Program Organization and Principles

OTA is organized along functional lines, operating in 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; implements comprehensive debt strategies that diversify sources of finance, reduce liability risk and lower debt service burdens; and strengthens enabling environments for private investment, particularly in infrastructure.
- **Banking and Financial Services:** Supports the development of strong financial sectors in which institutions are well-regulated, stable and accessible, serve as efficient intermediaries between savers and investors, and are resistant to criminal activity.
- **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:

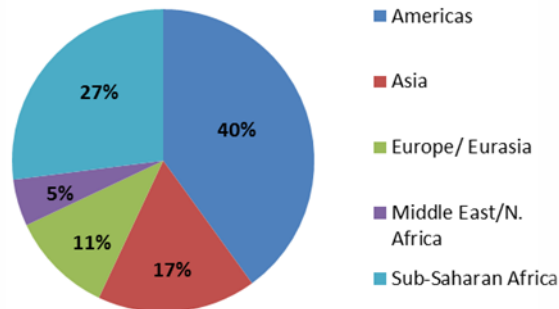
- **OTA supports self-reliance.** OTA provides countries with the knowledge and skills required to move towards financial self-sufficiency—including the capability to generate and better manage their own government finances—and to reduce dependence on international aid. OTA generally follows a three- to five-year project cycle that is aimed at creating maximum impact and exiting when local capacity has been created.
- **OTA is selective.** OTA works with governments that are committed to reform—reform that they design and own—and to using U.S. assistance effectively. Among U.S. agencies involved in foreign aid, OTA was singled out for praise in a report commissioned by the U.S. Department of State and U.S. Agency for International Development (USAID) for supporting country ownership; achieving alignment with host country priorities; managing for development results; and fostering mutual accountability with host country officials. OTA does not engage with a country without a signed bilateral Terms of Reference that sets out the high-level terms and aims of the engagement, followed by a tactical-level work plan 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. OTA advisors introduce sound practices in daily work routines through ongoing mentoring and on-the-job training.

III. Project Allocation and Funding

As of the end of 2013, OTA had 100 projects in 50 countries. Forty percent of OTA's total projects in 2013 were in the Americas, 27 percent in Sub-Saharan Africa, 17 percent in Asia, 11 percent in Europe and Eurasia, and 5 percent in the Middle East and North Africa (*see* chart below). This breakdown represents an increase in the share of OTA projects in Latin America and the Caribbean due primarily to the program's work to support regional security initiatives (*e.g.*, Central America Regional Security Initiative) in partnership with the U.S. Department of State's Bureau of International Narcotics and Law Enforcement (INL). These figures also represent a decline in the share of projects in Asia and the Middle East and North Africa reflecting largely the wind down of OTA's engagements in Afghanistan and Iraq, and very limited engagement in Arab countries in transition because of security constraints.

While the specific number of projects and countries fluctuates from year to year, OTA has focused on providing even deeper assistance to fewer countries. This selective approach recognizes the complex, 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—both simultaneously and in a coordinated way to achieve more convincing results and a stronger overall system.

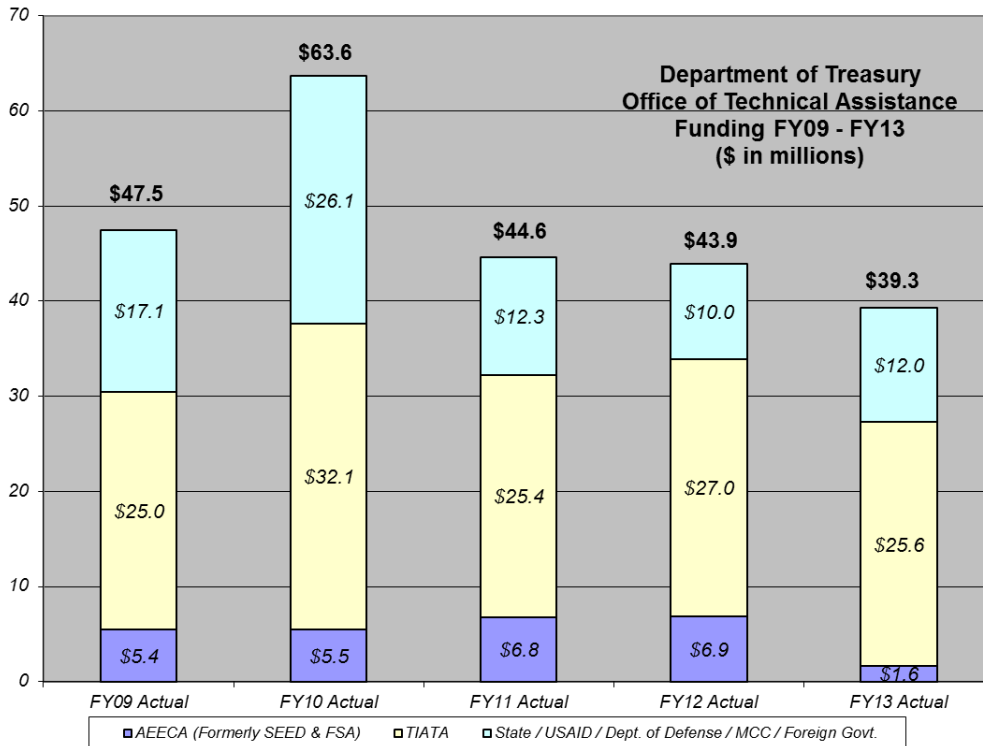
Chart 1 - OTA Projects by Region 2013



OTA received total funding of \$39.3 million in 2013, including funds directly appropriated to the program and transfers from other U.S. agencies. Eighty-six projects, with a combined budget of \$31.518 million, were financed either wholly or partly by OTA’s direct annual appropriation, formally known as “Treasury International Affairs Technical Assistance” or TIATA.

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 other agencies, such as the U.S. Department of State as part of the Assistance for Europe, Eurasia and Central Asia (AEECA) program. AEECA resources have declined significantly over the last decade and have remained at a relatively low level in recent years as the countries in these regions become more self-sufficient and U.S. Government technical assistance is needed less.

Chart 2 - OTA Funding by Source FY 2009-FY 2013



Notes

1. FY10 TIATA figure includes a \$7.1 million supplemental appropriation for assistance to Haiti.
2. FY10 figure includes \$9.5 million in one-time supplemental Financial Crisis Rapid Response funding from USAID.
3. FY11 and FY12 AEECA figures include multi-year funding for certain projects.
4. FY12 TIATA figure includes \$1.552 million in Overseas Contingency Operations (OCO) funding.
5. FY13 TIATA figure includes \$1.473 million in OCO funding. Both TIATA and OCO amounts were subjected to sequester.
6. Details may not add to totals due to rounding.

Occasionally, OTA has received funding through supplemental appropriations. In some cases, such as OTA’s work in Iraq and Afghanistan, supplemental funds are transferred to OTA from USAID and the U.S. Department of State. In other cases, supplemental funds may be appropriated directly to OTA, such as the 2010 supplemental TIATA appropriation (\$7.1 million), which was part of the U.S. Government’s post-earthquake assistance package for the Government of Haiti. Tables A, B, and C at the end of this report provide additional data regarding the allocation of OTA funding sources in 2013.

As shown by Table A, TIATA funding has sometimes been used to co-fund projects with USAID and INL. However, OTA has experienced significant decreases in transfers from other U.S. agencies. In 2013, funding received by OTA through interagency transfers declined by 39 percent compared to the average level of funds received in the preceding four years.

IV. Project Identification and Structure

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

For promising requests that are determined to be within the OTA mandate, an on-the-ground assessment is carried out by OTA subject matter experts. Assessment conclusions are shared with the partner government and the U.S. embassy. OTA looks to its host-country counterparts to define project goals from the outset. In our experience, goals and objectives that are not “owned” by the counterpart are seldom achieved.

A project proposal based on the assessment is submitted by the manager of one of OTA’s five core disciplines. Decisions to begin new projects or continue (or terminate) existing projects, are based on criteria and considerations that 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’s policy priorities and broader U.S. Government goals; and the availability of funding. In the course of assessing the prospects for a given project, OTA consults with other Treasury offices, and other partners and stakeholders such as the U.S. Department of State and USAID (both in the field, at the embassy level and at the headquarters level in Washington), the IMF, and the World Bank.

Project Delivery Models. OTA carries out technical assistance through two basic delivery models: a resident advisor-based project and an intermittent advisor-based project. A resident advisor-based 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 officials 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 OTA experts in specialized areas who make short-term visits.

For an intermittent advisor-based project, a group of advisors typically spends a total of 30 to 45 weeks per year over several years, in periods of two to three weeks at a time, working with host-country 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.

Whether a resident or intermittent project model is selected depends on the extent and nature of the problems to be solved, and the most practical solutions to those problems.

Typically a resident advisor will be utilized to cover a single large subject area, such as program budgeting or debt management, that will require several years to complete. An intermittent advisor-based project will use several advisors to cover a multitude of specialized assistance topics, such as audits, arrears collection and strategic planning in tax administration, or financial intelligence unit development, techniques of financial analysis, investigation and prosecution, or asset management, seizure and forfeiture.

Project Documents. Once a resident or intermittent project is selected for funding, Terms of Reference (TOR) are worked out with the counterpart agency and signed. The TOR describe the broad goals of the project and represent a bilateral understanding at the policy level between OTA and the host institution. 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, planned completion dates and deliverables, and is the primary basis for regular monthly progress reports to Treasury 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, and the relevant International Financial Institutions. The reports are used as a management tool to oversee the progress of the project and to make any necessary changes. The reports also form the information base for responses to project queries from 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.

Project Cost Sharing. OTA covers the cost of advisor salary, travel and personal support, and pays for office equipment and a local program assistant. The host institution must provide office space for the advisor in its own headquarters building and adequate phone and internet communications.

OTA's small administrative staff in Washington, D.C., is focused on supporting projects in the field, such as providing project oversight and program management, arranging travel, and performing other administrative functions.

V. Country Achievements

In 2013, OTA partner countries made significant achievements across all five areas of public financial management and financial sector strengthening in which OTA is involved. Notable accomplishments include the following:

Revenue Administration and Policy

Colombia Creates First Revenue Inspector General (IG) in Latin America.

Following recommendations and assistance from OTA, Colombia has instituted the first IG for revenue issues in Latin America, creating a body tasked with investigating corruption and rooting out systemic weaknesses in the tax and social security

administrations. The new IG could serve as an exemplar in the region. OTA provided feedback on the organizational structure, as well as on the scope of authority of the investigation and internal audit departments. It also advised on the set-up of administrative functions such as information technology (IT) and public affairs, in addition to providing investigation training. Internal audit can look at processes — uncovering risks, failures, and inefficiencies — as well as organizational effectiveness as measured against established benchmarks. One of the first internal audits that the IG agency conducted looked at the tax administration’s ability to handle implementation of a new social welfare tax. The audit showed that, in fact, the tax administration did not have the informational and other infrastructure necessary to support implementation of the new tax. In addition, demonstrating the interplay between internal audit and investigation, the audit showed that an IT official had shut down firewalls for several days, leaving the system vulnerable to unauthorized access. The information led to an investigation, which resulted in the firing of the official.

Budget and Financial Accountability

Honduras Improves Procurement Practices. A government-owned Honduran hospital lowered its costs by 54% on its first purchase of medical supplies under a procurement system designed with the help of OTA. OTA worked closely with the national purchasing office, the health ministry, and hospitals to create a request for bids for a range of medical supplies, providing examples of U.S. and World Bank procurement documents, discussing pros and cons of various approaches, and reviewing drafts of bid documents. This approach allows for hospitals to purchase supplies on an as-needed basis at fixed prices that are considerably lower than if they were spot-purchased. Cost savings are expected to continue as the procurement system is utilized by other state institutions.

Government Debt Issuance and Management

Indonesia Improves Bond Rating. In early 2013, Indonesia was awarded its second investment-grade rating. In issuing its rating, Moody’s Investors Services cited a number of factors including the presence of policy buffers and tools that address financial vulnerabilities. OTA worked with the Finance Ministry’s Debt Management Organization to formulate and implement debt management policies and strategies that reinforced a continued improvement in Indonesia’s sovereign credit rating. For example, there was a focus on developing demand for long-dated securities in order to reduce refinancing risk. Another example was work on the procedures for implementing the Bond Stabilization Framework, which has provided a safety valve during several periods of market volatility.

Banking and Financial Services

East African Community (EAC) Moves Towards Payment System. A key aspect of the EAC economic agenda is the integration of the national payment systems, known as the East African Payments System (EAPS), which will allow the five member states to effectively and efficiently make cross-border payments, facilitating movement of goods,

services, and capital. With OTA help, three of the five EAC countries have implemented national payment systems with common standards, which enable an integrated cross border system. Final implementation of an integrated system, however, is predicated on each of the five member countries meeting all of the prerequisites for EAPS. Burundi does not yet have a modern payments system that could link into EAPS, while the Bank of Tanzania (central bank) lacks a modern core banking system, the system upon which all other IT functions (including the national payments system) operate. In 2013, OTA successfully launched technical assistance engagements with the aim of assisting the central banks in acquiring and implementing a modern payments system (Burundi) and core banking system (Tanzania). This will clear major impediments and provide a clearer path toward EAC financial integration.

Economic Crimes

Costa Rica Seizes \$21.5 Million in Money Laundering Case. Costa Rican prosecutors and investigators successfully coordinated with U.S. authorities to take down an online money transfer business operating from Costa Rica. Described by U.S. prosecutors as the largest money laundering prosecution in history, Liberty Reserve operators allegedly laundered approximately \$6 billion in illicit proceeds. Costa Rican prosecutors froze approximately \$21.5 million deposited in local banks as well as other assets linked to this complex international money laundering operation. OTA provided guidance to Costa Rican regulatory authorities and training for investigators and prosecutors, and brokered cooperation between Costa Rican and U.S. law enforcement authorities, all of which was critical to the swift seizure of bank accounts as Liberty Reserve operators attempted to transfer its assets out of Costa Rica.

VI. Special Initiatives

This section focuses on two special initiatives being undertaken by OTA: clean energy investment and infrastructure finance.

A. Clean Energy in Indonesia.

OTA is accelerating the Indonesian State Electricity Company's (PLN) shift away from overreliance on expensive and dirty diesel generators by improving the investment climate for independently-owned clean energy projects.

The electric company operates 4,000 isolated power networks across the country's myriad islands. Since many of those grids rely solely on diesel, the cost of generation in those areas is up to four times higher than the average electricity rate charged to the consumer. As a result, the Indonesian electricity subsidy, totaling \$9.5 billion in 2011, is a huge burden on the national budget. Switching to cheaper (and cleaner) sources of energy will help ease this financing burden.

OTA is working with the PLN to create standardized agreements under which the company agrees to purchase output from independently-owned power plants. Operations

at the PLN are currently decentralized, and the regional offices have the authority to sign agreements with the power producers, creating inconsistencies and increased risks to the developer, government, and PLN. Some mini-hydro projects reached agreement with the PLN but remain stalled due to lack of financing. Project developers and banks do not understand each other's requirements and constraints.

Under the auspices of its Infrastructure Finance Team, OTA is addressing the inconsistencies and different standards that are applied to such agreements. The focus is mainly on the issues of risk distribution and security of the contract, with the aim of making the contract, and therefore the project, attractive to developers, banks, and investors. To address these issues, OTA is working with the PLN to provide recommendations for the development of a standard agreement for mini-hydro (projects under 10 megawatt), which will then be made available to PLN regional offices.

B. Harnessing Infrastructure Finance for Economic Development

Basic infrastructure, such as transportation (airports, ports, and roads), public safety and health facilities (jails, hospitals, waste management), and energy, is critical to a country's economic development and quality of life. OTA helps governments build capacity to design, negotiate, and execute financially viable infrastructure projects, particularly those utilizing the public-private partnership (PPP) model. Equally important, OTA helps governments to understand and plan for a project's contingent financial liabilities.

In **Costa Rica**, OTA is providing technical assistance on a full-time basis to the country's agency for PPP development. OTA played a substantial role in the project to modernize the tourist gateway airport at Liberia. The airport's first year of operation exceeded expectations and the development process serves as a learning model for future projects. Current projects where OTA is engaged include the major Caribbean port at Moín, and the nearby private-initiative transshipment port.

In **El Salvador**, OTA is providing intensive support for the country's most important infrastructure project: modernization and expansion of the principal international airport. In the initial modernization phase, OTA provided valuable input to assist the negotiation of a \$58 million securitized financing. In addition, OTA is advising the airport's holding company on a hedging strategy to mitigate the risk of previously contracted volatile yen financing. OTA was instrumental in the vetting of candidates for the airport's Master Plan consultant. The study is currently being reviewed, and OTA expects to help the government evaluate and determine the best financing and execution model to proceed with the expansion project.

OTA's resident advisor in **Peru** is building a solid advisory relationship with ProInversion, the Peruvian institution responsible for investment promotion and PPP infrastructure projects. The scale and number of projects in Peru's infrastructure development pipeline exceed that of other countries receiving OTA assistance. The Executive Director of ProInversion has noted the utility of OTA advice on implementing best international practices in the selection of consultants and fair compensation terms at

contract termination. Currently, the resident advisor is assisting ProInversion with seven projects in various stages of development. The advisor also works closely with the Ministry of Economy and Finance to ensure proper recognition and accounting for contingent liabilities arising from PPPs.

In **Uruguay**, OTA advisors are advising the Corporacion Nacional para el Desarrollo (CND), the national PPP agency, and other stakeholder ministries that are responsible for implementing the country's first PPP project, a jail. CND and the Ministry of the Economy and Finance (MEF) have asked OTA to evaluate the potential risks to the Ministry of Interior (MOI) of the financial and economic conditions offered by the three project finalists. The concern is that, during the life of the PPP contract, the "financial and economic equilibrium" could change from the government's original assumptions, which in turn could prompt the concessionaire to require an unfavorable change in the defined availability payments made by the MOI. OTA is attempting to help the government mitigate those risks by assisting in drafting suitable contractual clauses. In addition, OTA is delivering small group training sessions to CND, MEF and the MOI to raise awareness of project and process risks and their appropriate allocation, PPP lessons learned from other countries, and fiscal accounting issues.

VII. Program Evaluation and Monitoring

OTA evaluates its projects using a variety of methods, including on-site evaluations by OTA managers and written monthly reports prepared by advisors that describe progress against work plan objectives. In 2012, OTA placed a renewed emphasis on evaluating the outcome of concluded engagements through end-of-project reports. These reports are independent – undertaken by someone in OTA other than the project implementer – and are conducted typically within three to six months following the end of OTA's assistance activities. The purpose is to better understand the program's longer-term impact. OTA completed 17 end-of-project reports in 2012 as part of an effort that year to address a backlog of close out reports. The program completed two additional end-of-project reports in 2013.

OTA also utilizes a formal project evaluation to measure project performance. The evaluation focuses on the level of "traction" (the degree to which changes in behavior occur—*e.g.*, officials take an active and participative role in pursuing change, interim deliverables are on or ahead of schedule), and "impact" (the extent to which the objectives are actually achieved) for each technical assistance project. The level of traction and impact is measured by OTA advisors and headquarters staff according to specific indicators that are relevant to each of the five OTA financial disciplines. Revenue team indicators, for example, include adoption of modern functional processes and procedures, and adequacy of investigation and adjudication of internal conduct matters by the tax agency. The outcome of this evaluation process informs OTA's thinking about the effectiveness of program engagements, and may include steps either to improve traction and impact, or, in cases where that does not happen, to terminate projects. The setting of annual baseline targets and measuring results against those

targets are done in accordance with Office of Management and Budget guidance on program evaluations.

For 2013, the baseline targets for OTA's traction and impact were set on a 5-point scale (with 5 representing the highest possible traction and impact) at 3.6 and 3.1, respectively. OTA's performance goal for traction was exceeded with an actual score of 3.8, while the actual score for impact was 3.0, just below the target but consistent with the program's historical averages. The program's ability to achieve greater impact in a given country has been hampered in part by declining funding, which inhibits OTA from investing more resources to broaden the scope of engagements and tackle the host country's problems in a more robust and systematic way. For example, OTA might be successful in working with its host country counterparts to increase tax collections through improved administration, but a lack of program resources prevents OTA from helping to ensure that the revenues are properly budgeted and accounted for, thereby diminishing the overall potential impact of the reforms.

STRATEGIC PLAN 2011-2015
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 aims to be recognized as the provider of choice wherever its multi-disciplinary assistance model best addresses country needs and 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 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**2013 TIATA Budget Execution Plan**

Projects Funded By FY 2013 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 CARRIBBEAN</u>					
1	Colombia	TAX	Project Coordinator + Intermittents	\$ -	\$ 385,551
2	Costa Rica	ECRIMES	Resident	\$ 252,592	\$ 580,791
3	Costa Rica (Infrastructure Finance)	GDIM	Resident	\$ 170,851	\$ 316,474
4	Dominican Republic	GDIM	Intermittent	\$ -	\$ 38,568
5	Dominican Republic 01	BUD	Resident	\$ 107,094	\$ 261,915
6	Dominican Republic 02	BUD	Resident	\$ 283,791	\$ 287,187
7	Dominican Republic 03	BUD	Intermittent	\$ 56,611	\$ 56,611
8	El Salvador	BUD	Resident	\$ -	\$ 531,574
9	El Salvador	GDIM	Resident	\$ -	\$ 482,224
10	El Salvador	BANK	Intermittent	\$ -	\$ 77,568
11	El Salvador (Infrastructure Finance)	GDIM	Intermittent	\$ -	\$ 52,592
12	El Salvador Regional Financial Inclusion (CAFTA and DR)	BANK	Resident	\$ 90,591	\$ 143,129
13	Guatemala	BUD	Resident	\$ -	\$ 437,422
14	Guatemala	GDIM	Resident	\$ -	\$ 498,562
15	Guatemala	TAX	Project Coordinator + Intermittents	\$ -	\$ 218,454
16	Guatemala	ECRIMES	Resident	\$ 251,776	\$ 462,008
17	Honduras	BUD	Resident	\$ -	\$ 491,052
18	Honduras	GDIM	Resident	\$ -	\$ 533,362
19	Honduras	ECRIMES	Resident + Intermittent	\$ 361,053	\$ 529,500
20	Peru	ECRIMES	Resident	\$ -	\$ 62,322
21	Peru (Infrastructure Finance)	GDIM	Resident	\$ -	\$ 686,140
22	Regional LACFII	BANK	Resident/Regional	\$ -	\$ 586,648
23	Uruguay	BANK	Intermittent	\$ -	\$ 217,487
Subtotal Latin America and Caribbean				\$ 1,574,359	\$ 7,937,141
					\$ 9,511,500

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
<u>ASIA</u>					
24	Burma	BUD	Intermittent	\$ - \$ 105,256	\$ 105,256
25	Burma	ECRIMES	Intermittent	\$ - \$ 149,192	\$ 149,192
26	Burma	GDIM	Intermittent	\$ - \$ 30,588	\$ 30,588
27	Burma	TAX	Intermittent	\$ - \$ 174,714	\$ 174,714
28	Cambodia	BANK	Resident + Intermittent	\$ - \$ 718,075	\$ 718,075
29	Cambodia	BUD	Resident	\$ - \$ 373,618	\$ 373,618
30	Cambodia	TAX	Project Coordinator + Intermittents	\$ - \$ 623,976	\$ 623,976
31	Cambodia	ECRIMES	Resident	\$ - \$ 583,558	\$ 583,558
32	Indonesia	BANK	Intermittent	\$ - \$ 550,756	\$ 550,756
33	Indonesia	GDIM	Resident	\$ - \$ 495,123	\$ 495,123
34	Mongolia	GDIM	Resident	\$ - \$ 776,224	\$ 776,224
35	Mongolia	TAX	Project Coordinator + Intermittents	\$ - \$ 511,110	\$ 511,110
36	Mongolia	BUD	Resident	\$ - \$ 876,837	\$ 876,837
37	Nepal	BANK	Intermittent	\$ - \$ -	\$ -
38	Philippines	BUD	Resident	\$ - \$ 493,958	\$ 493,958
39	Philippines	TAX	Intermittent	\$ 250,000 \$ 39,986	\$ 289,986
40	Thailand	BANK	Intermittent	\$ - \$ 32,400	\$ 32,400
41	Vietnam	BANK	Resident + Intermittent	\$ - \$ 346,026	\$ 346,026
42	Vietnam	BUD	Resident	\$ - \$ 802,880	\$ 802,880
43	Vietnam	ECRIMES	Intermittent	\$ - \$ 163,745	\$ 163,745
44	Vietnam	GDIM	Intermittent	\$ - \$ 222,739	\$ 222,739
45	Vietnam	TAX	Project Coordinator + Intermittents	\$ - \$ 426,980	\$ 426,980
Subtotal Asia				\$ 250,000 \$ 8,497,742	\$ 8,747,742
<u>MIDDLE EAST AND NORTH AFRICA</u>					
	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
46	Morocco	ECRIMES	Resident	\$ - \$ 65,007	\$ 65,007
47	Palestinian Authority	ECRIMES	Resident	\$ - \$ 600,144	\$ 600,144
Subtotal Middle East and North Africa				\$ - \$ 665,151	\$ 665,151

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>	
<u>SUB-SAHARAN AFRICA</u>						
48	Angola	ECRIMES	Resident	\$ -	\$ 608,512	\$ 608,512
49	Angola	GDIM	Resident	\$ 275,000	\$ 580,364	\$ 855,364
50	Botswana	ECRIMES	Resident	\$ -	\$ 104,411	\$ 104,411
51	Cote D'Ivoire	BUD	Resident	\$ -	\$ 6,905	\$ 6,905
52	Ghana	BANK	Resident + Intermittent	\$ -	\$ 755,740	\$ 755,740
53	Ghana	BUD	Resident	\$ 320,680	\$ 319,235	\$ 639,915
54	Ghana	ECRIMES	Intermittent	\$ 234,135	\$ 221,873	\$ 456,008
55	Ghana	TAX	Project Coordinator + Intermittents	\$ -	\$ 513,542	\$ 513,542
56	Kenya	BUD	Resident	\$ -	\$ 615,586	\$ 615,586
57	Lesotho	TAX	Project Coordinator + Intermittents	\$ -	\$ 248,114	\$ 248,114
58	Liberia	TAX	Project Coordinator + Intermittents	\$ 41,685	\$ 216,389	\$ 258,074
59	Malawi	TAX	Project Coordinator + Intermittents	\$ -	\$ 235,294	\$ 235,294
60	Nigeria	BANK	Resident	In Kind	\$ 676,110	\$ 676,110
61	Nigeria	TAX	Project Coordinator + Intermittents	In Kind	\$ 243,210	\$ 243,210
62	Regional East Africa EAC IFT Initiative (Kenya and Tanzania)	GDIM	Resident	\$ -	\$ 89,983	\$ 89,983
63	Regional East Africa (Kenya, Rwanda, Burundi)	GDIM	Resident	\$ -	\$ 513,714	\$ 513,714
64	Regional East Africa (Kenya, Uganda, Rwanda, Burundi)	BANK	Resident + Intermittent	\$ -	\$ 785,102	\$ 785,102
65	Rwanda	BANK	Intermittent	\$ -	\$ 92,094	\$ 92,094
66	Senegal	GDIM	Resident	\$ -	\$ 635,125	\$ 635,125
67	South Africa	BUD	Intermittent	\$ -	\$ 100,676	\$ 100,676
68	Tanzania	GDIM	Resident	\$ -	\$ 601,275	\$ 601,275
69	Tanzania	TAX	Project Coordinator + Intermittents	\$ 444,992	\$ 85,154	\$ 530,146
70	Uganda	GDIM	Resident	\$ -	\$ 440,788	\$ 440,788
71	Zambia	BUD	Resident	\$ -	\$ 685,434	\$ 685,434
72	Zambia	TAX	Project Coordinator + Intermittents	\$ -	\$ 663,081	\$ 663,081
Subtotal Sub-Saharan Africa				\$ 1,316,492	\$ 10,037,710	\$ 11,354,202

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
<u>SENIOR ADVISORS</u>					
73	Senior Advisor (LAC/MENA)	BANK	\$ -	\$ 314,317	\$ 314,317
74	Senior Advisor (AFR/EUR)	BANK	\$ -	\$ 444,321	\$ 444,321
75	Senior Advisor (FIN STB)	BANK	\$ -	\$ 323,051	\$ 323,051
76	Senior Advisor: 1	BUD	\$ -	\$ 476,444	\$ 476,444
77	Senior Advisor: (Business Process Redesign)	BUD	\$ -	\$ 122,853	\$ 122,853
78	Senior Advisor: 1	ECRIMES	\$ -	\$ 359,124	\$ 359,124
79	Senior Advisor: 2	ECRIMES	\$ -	\$ 260,359	\$ 260,359
80	Senior Advisor	GDIM	\$ -	\$ 351,876	\$ 351,876
81	Senior Advisor	TAX	\$ -	\$ 485,479	\$ 485,479
Subtotal Senior Advisors			\$ -	\$ 3,137,824	\$ 3,137,824
	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
<u>OTHER FUNDED ACTIVITIES</u>					
82	Cash Management	BUD/GDIM	Full-time TDY	\$ -	\$ 432,038
83	Deposit Insurance	BANK	Intermittent	\$ -	\$ 223,646
84	Global FIU Development	ECRIMES	Full-time TDY	\$ -	\$ 222,512
85	Infrastructure Finance Team	GDIM	Intermittent	\$ -	\$ 157,220
86	Natural Resources Audit	TAX	Full-time TDY	\$ 82,672	\$ 207,946
Subtotal Other Funded Activities			\$ 82,672	\$ 1,243,362	\$ 1,326,034
GRAND TOTAL			\$ 3,223,523	\$ 31,518,931	\$ 34,742,454

Notes

1. TIATA figures include carryover of prior year TIATA funds.
2. Figures include program management (15% of total).
3. Excludes Overseas Contingency Operations (OCO) funds (see Table B).
4. OTA Team abbreviations: BUD = Budget and Financial Accountability; ECRIMES = Economic Crimes; BANK = Banking and Financial Services; GDIM = Government Debt Issuance and Management; TAX = Revenue Administration and Policy.

Table B

**2012/13 Overseas Contingency Operations (OCO) Budget Execution Plan
Projects Funded By FY 2012/13 OCO Funding**

Country	Team	OCO Amount
Bur m a	BUD	\$ 8,758
Bur m a	TAX	\$ 79,980
Djib outi	BUD	\$ 556,060
Lib ya	BANK	\$ 10,298
Lib ya	BUD	\$ 21,975
Tunisia	BANK	\$ 60,033
Yem en	BANK	\$ 117,647
Yem en	ECRIMES	\$ 31,221
Unallocated		\$ 666,029
TOTAL		\$ 1,552,000

Notes

1. Figures include program management (15% of total).
2. Unallocated includes amounts previously obligated.

Table C**2013 Non-TIATA Sources of Funding**

Treasury International Affairs Technical Assistance (TIATA)

<u>Purpose</u>	<u>Source</u>	<u>Transfer Category</u>	<u>Amount</u>
Technical Assistance to Government of Iraq	State Economic Support Fund	632(b)	\$4,700,000
Technical Assistance to Government of Afghanistan	State	632(b)	\$2,418,000
Assistance for Europe, Eurasia and Central Asia	State/USAID/EBRD	632(a); 632(b)	\$1,902,175
Energy Governance Capacity Initiative	USAID	632(b)	\$1,475,000
Technical Assistance to MENA	Office of Program Management - Ministry of Interior	632(b)	\$727,967
Technical Assistance to Government of Indonesia	State	632(b)	\$650,000
Pathways to Prosperity	State	632(b)	\$620,000
Technical Assistance to Government of Dominican Republic	USAID	632(b)	\$461,503
Technical Assistance to Government of Ghana	USAID	632(b)	\$320,680
Technical Assistance to Government of Philippines	MCC	632(b)	\$250,000
Caribbean Basin Security Initiative	State/INL	632(b)	\$108,706
Technical Assistance to Government of Cambodia	CDC	632(b)	\$50,000
TOTAL			\$13,684,031