

**DEPARTMENT OF THE TREASURY
INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE
2014 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 2014. 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 25 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 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 2014, OTA supported financial sector strengthening in many regions and countries. As discussed in greater detail in section VI, OTA projects in Africa (e.g., Tanzania and Zambia), Asia (e.g., the Philippines and Indonesia), Latin America (e.g., Guatemala), and the Balkans (e.g., Kosovo) helped mobilize revenues, deepen domestic bond markets, strengthen budget systems, improve banking supervision, and combat financial crimes.

This report includes a special section (VII) on Treasury's technical assistance work in Ukraine. OTA is an important part of the U.S. government's efforts to stabilize the Ukrainian financial sector and implement economic reforms in the wake of Ukraine's political and economic crisis. This is the latest example of OTA's ability to respond quickly to emerging crises in countries where the United States has important foreign policy and national security interests.

In 2014, OTA began to re-engage with Afghanistan as part of the broader U.S. effort to support the new Afghan government. This re-engagement is the latest chapter in OTA's work in Afghanistan, which dates back to the beginning of U.S. involvement in that country after the fall of the Taliban. Treasury participated in the London Conference in December 2014, where President Ghani provided a new strategy for Afghan reconstruction and development. Following the conference, Treasury reached an understanding with the Afghan government on a technical assistance cooperation framework to support capacity building in various areas of public financial management and financial sector oversight. These projects began in early 2015.

II. Program Organization and Principles

OTA is organized along functional lines, operating in five major disciplines:

- **Revenue Policy and Administration:** 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 and Infrastructure Finance:** 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; strengthens enabling environments for private investment; and accelerates the development of financially sound infrastructure projects.
- **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

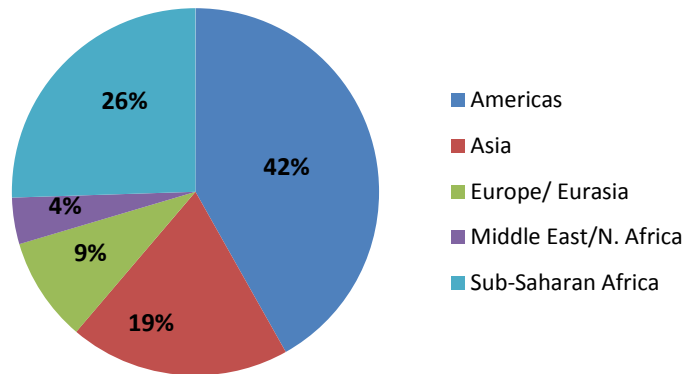
government agency. OTA advisors introduce sound practices in daily work routines through ongoing mentoring and on-the-job training.

III. Project Allocation and Funding

As of the end of 2014, OTA had 99 projects in 42 countries. Forty-two percent of OTA’s total projects in 2014 were in the Americas, 26 percent in Sub-Saharan Africa, 19 percent in Asia, nine percent in Europe and Eurasia, and four percent in the Middle East and North Africa (*see* chart below). This breakdown is largely unchanged from 2013.

While the specific number of projects and countries fluctuates from year to year, OTA has focused on providing more in-depth 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 in a coordinated way to achieve more convincing results and a stronger overall system. For example, in the past year OTA has initiated five new projects in Paraguay to address simultaneously reforms in in the areas of revenue policy and administration, budget, infrastructure finance, banking and deposit insurance, and combatting economic crimes.

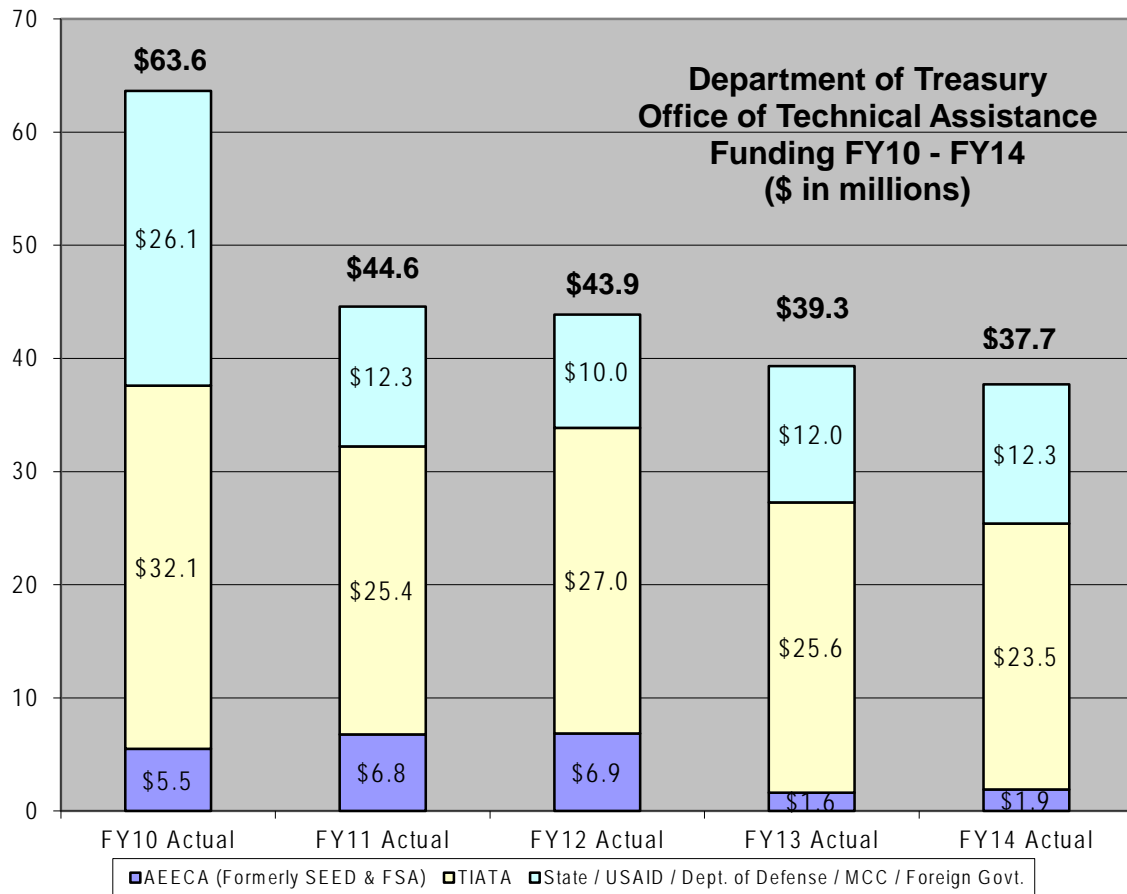
Chart 1 - OTA Projects by Region 2014



OTA received total funding of \$37.7 million in 2014, including funds directly appropriated to the program and transfers from other U.S. agencies. Eighty-seven projects, with a combined budget of \$38.4 million, were financed either wholly or partly by OTA’s direct annual appropriation, formally known as “Treasury International Affairs Technical Assistance” or TIATA. TIATA is a multi-year appropriation, which allows OTA to fund projects through a combination of new and carryover funds.

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, United States Agency for International Development, the Millennium Challenge Corporation, and host country governments.

Chart 2 - OTA Funding by Source FY 2010-FY 2014



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 Assistance for Europe, Eurasia, and Central Asia (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 for 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 and B at the end of this report provide additional data regarding the allocation of OTA funding sources in 2014.

As shown by Table A, TIATA funding is in some cases used to co-fund projects with other USG agencies. In the case of the Economic Crimes and Revenue teams’ work in Burma, TIATA funds were used to initiate activities and allowed OTA to quickly respond

to unfolding events while details of an inter-agency agreement were negotiated with USAID. Similarly, OTA used TIATA resources to provide rapid response assistance to Ukraine in 2014 in advance of resources being provided by the Department of State for a sustained OTA engagement.

IV. Project Selection and Assistance Delivery

Two of the most frequently asked questions about OTA's work are: "How do you decide which projects to conduct?" and "How do you deliver your assistance?" As described further below, project selection is a process that typically begins with a request for Treasury technical assistance and is informed by a careful assessment of a project's potential for impact and success. Assistance is delivered via a resident or intermittent project model, or a combination of both. Project documentation – in particular agreed Terms of Reference and progress reports – is a vital part of the assistance architecture.

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 (in the field, at the embassy level and at the headquarters level in Washington), the IMF, and the World Bank.

Assistance 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. Such visits and reviews are conducted, generally, on an annual basis.

V. Program Evaluation and Monitoring

One of the most important managerial functions in any assistance program is to monitor and evaluate individual projects and the overall program. 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. Starting 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 six end-of-project reports in 2014.

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 2014, the baseline targets for OTA’s traction and impact were set, using 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 in 2014 with an actual score of 3.7, while the actual score for impact was 2.9, below the target but consistent with the program’s historical averages. The program’s ability to achieve greater impact in a given country often has been hampered 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.

In addition to the traction and impact evaluation, OTA surveys country counterparts (policy and working-level counterparts in the host country) who have worked first-hand with OTA advisors. The survey is valuable as it provides direct feedback from those outside of the program who have an interest in receiving high quality technical assistance, and who in many cases have a basis for comparing assistance programs. In 2014, OTA received 42 survey responses covering projects in 22 countries. The results indicate that, within the respondent countries, project objectives are being met and assistance is making an important contribution to strengthening institutional capacity.

VI. Achievements

In 2014, 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 Policy and Administration

Tanzania Improves Audit of International Tax Transactions. The Tanzanian Revenue Authority (TRA) improved its ability to audit complex international tax issues, particularly those involving cross border transactions between a multinational company and its related subsidiary, commonly referred to as transfer pricing. Using the skills developed with OTA support, TRA auditors proposed changes in tax assessments amounting to \$48 million in two cases involving international transactions, as well as a third case involving determination of whether a foreign company had a permanent establishment in Tanzania. While the assessments are proposed and have yet to be resolved in subsequent administrative and judicial proceedings, they nonetheless represent a significant advancement in this complex technical audit area. OTA provided assistance to TRA on conducting an audit, establishing guidelines for exchanging information with foreign tax authorities, and documenting audit findings.

Zambia Strengthens Coordination on Corruption Investigations. Improved cooperation brokered by OTA between the Zambia Revenue Authority's (ZRA) internal affairs and internal audit units resulted in the identification of the loss of significant fees from transport operators. In May 2014, the internal audit unit (similar to the Government Accountability Office in the United States) compared records of the ZRA and of the road safety agency regarding tax certificates for minibuses operators. A number of discrepancies were found, including issuance of certificates by unauthorized employees, and the loss of up to \$166,000 in fees that were not turned over to the ZRA. The internal audit unit referred the findings to the internal affairs unit, following both working-level cooperation and a formal written agreement, resulting in the suspension of seven employees. While the amount of money at stake in this specific case is relatively small, the demonstration effect of a strengthened internal audit unit should pay far greater dividends in terms of deterring corrupt activities.

Budget and Financial Accountability

Philippines Implements New Payroll System. The Philippines' Department of Budget and Management and the Department of Finance's Bureau of the Treasury have partnered with OTA to design and implement a new payroll and human resources system. The centralized payroll and human resource system will be used by all national government agencies, covering an estimated workforce of two million. In 2014, OTA assisted its Philippine counterparts in successfully procuring a software system and engaging consultants to support the system implementation. Assistance also has focused on adopting improved controls, using position budgeting to decrease the number of "ghost" and redundant employees, and ensuring that payment is made only to authorized workers.

Additionally, OTA provided support for the adoption of new civil service policies to simplify and harmonize payroll administration. While the project is still in the implementation stage, when the new system is up and running across the government it is expected to result in significant savings of scarce public resources.

Vietnam Adopts Accounting Standards. The Vietnamese Ministry of Finance with OTA support is implementing International Public Sector Accounting Standards (IPSAS) to improve the transparency, quality, and comparability of its financial reporting. In 2014, Vietnam developed a new chart of accounts to bring the government's financial management framework in compliance with international standards, drafted changes to national laws and regulations to harmonize them with the IPSAS, and supported the development of a standardized financial reporting template to be used by all spending units within the government.

Government Debt and Infrastructure Finance

Indonesia Supports Financial Sustainability of Renewable Energy. One of Indonesia's fiscal and environmental policy goals is to reduce subsidies for fossil fuel energy, while increasing private sector investment in renewable energy. With funding from the Department of State's Office of Global Climate Change, OTA is helping Indonesia's State Electricity Company (PLN) overcome barriers to renewable energy development and to build its project finance capabilities. OTA support has increased PLN's capacity to prioritize renewable energy projects for accelerated implementation, execute project development phases from feasibility studies to project construction, and ensure proper accounting and reporting of project contingencies. The project also focuses on implementing a market outreach program to potential investors and creditors, and fostering improved communications among government agencies and donor groups. PLN achievements include implementing its first commercial scale solar photovoltaic project procurement program and developing and negotiating its first wind power project contract.

Philippines Deepens Bond Market. The Philippine Government has an ambitious program to develop a liquid government securities market. As part of this initiative, OTA is helping implement critical structural reforms, including improving financial infrastructure and overcoming regulatory, tax, and structural obstacles. These obstacles have traditionally blocked the development of a well-functioning market that will allow bonds to be used as collateral for loans. As a result of collaboration with OTA, the Bureau of the Treasury publicly announced the launch of a market that will allow participants to quote "buy" and "sell" prices for government securities, thereby boosting liquidity. With OTA's help, the Bureau of the Treasury is also making solid progress in upgrading its aging information system infrastructure, including government securities market registry, clearing, and settlement systems.

Banking and Financial Services

Kosovo Bolsters Insurance Industry Oversight. The Central Bank of Kosovo, with OTA support, implemented new insurance sector examination policies and procedures that have resulted in audit findings and the imposition of penalties. Taken together, these actions have bolstered the credibility of the Central Bank in overseeing the growing insurance sector. For example, Central Bank insurance auditors discovered and documented that an insurance company had completed several illegal insurance policy transactions and discovered that more than 60% of the company's outstanding claims were over 12 months old, exceeding the limit for processing claims. As a result, the company and its management were fined heavily and ordered to comply with the law on such transactions.

Indonesia Develops Cost-effective Ways to Resolve Problem Banks. Treasury technical assistance began working with the Indonesian Deposit Insurance Corporation (IDIC) in 2010 after local banking problems emerged in the wake of the global financial crisis. With OTA support, IDIC has worked closely with the Parliament to develop new methods for addressing failing banks in a cost-effective way through purchase and assumption of liabilities. The IDIC also developed an early warning system (EWS) to identify problem banks more quickly and facilitate intervention. Shortly after implementing the EWS, IDIC coordinated with Indonesia's banking supervision body to take prompt corrective action to deal with a bank's liquidity issues that had been identified by the IDIC. To further strengthen Indonesia's capacity to identify such problems, OTA provided on-site examination training for IDIC staff with a focus on loan classification and valuation, and the development of a procedural manual. While there have been no commercial bank failures since 2010, IDIC has greatly improved its capacity to effectively resolve potential crises.

Economic Crimes

Cambodia Strengthens Financial Crime Investigation. Based on OTA recommendations and assistance, Cambodia's Minister of Justice issued an instruction requiring that parallel financial investigations be conducted for all crimes that generate significant proceeds, resulting in a deeper level of collaboration between the Financial Intelligence Unit (FIU) and law enforcement agencies. As a consequence, there has been an increase in the quality and quantity of investigations and prosecutions of financial crimes, including those related to corruption offenses.

Guatemala Prosecutes Complex Money Laundering Case. In October 2014, a three-judge panel ruled that a criminal organization operating through a shell import/export company had laundered more than \$48 million in Guatemala. The ringleader and seven other currency exchange operators located on the border with Mexico were sentenced to six to ten years in prison for money laundering. OTA helped to strengthen the financial intelligence, analytic, and investigative capabilities of the Guatemalan Financial Intelligence Unit, all of which contributed to the development of this case. OTA also worked closely with the Public Ministry to help prosecutors understand and manage financial crimes cases, including how to utilize information from the FIU and other

sources, and how to present financial crimes cases in court. OTA also facilitated interagency coordination among the FIU, Public Ministry, and U.S. and Mexican law enforcement counterparts, to fully develop the case.

VII. Spotlight on Ukraine

Shortly after the fall of the Yanukovich administration in early 2014, the interim Ukrainian government requested Treasury technical assistance as part of the U.S. government's rapid response. Over the ensuing months, OTA initiated a range of projects to stabilize the banking sector and strengthen government finances.

One of the greatest risks during the transition was Ukraine's shaky financial sector. OTA expertise was sought to help manage problem bank resolution and to create a more sustainable public debt portfolio. Through intense, intermittent engagements with senior management of the National Bank of Ukraine (NBU), Deposit Guarantee Fund (DGF), and Ministry of Finance (MoF) in the areas of banking supervision, government fiscal operations, and debt and liability management, OTA advisors were a key component of the broader U.S. strategy to support the Ukrainian government.

A key focus of OTA's engagement early on was improved communication between the NBU and the DGF. Better communication has helped ensure that the DGF was quickly made aware of banks that were at risk of being deemed insolvent by the NBU. This was particularly important as a significant number of banks were being closed and remanded to the DGF. Without proper coordination between the NBU and DGF, asset erosion would have increased the cost of problem bank resolution. OTA also assisted in developing and implementing a valuation methodology for the assets of failed banks to facilitate their auction.

In addition, OTA helped the NBU formulate an overall strategy for strengthening the financial sector, including a bank recapitalization program. OTA continues to provide assistance in this area with the goals of eliminating insolvent banks, creating incentives for healthy banks to resume providing credit to the economy, and improving the capacity of bank supervisors to assess reports submitted by financial institutions.

As part of the initial rapid response, OTA also assisted the Ministry of Finance to address debt sustainability challenges and meet significant government financing requirements. With OTA support, the MoF undertook an analysis of existing debt and liability management processes and focused its efforts on strengthening fiscal operations. OTA also advised the MoF on non-fiscal operations to mitigate the risks inherent in government guarantees and contingent liabilities for state owned enterprises and other entities. This partnership with the MoF in the debt area, along with OTA's banking sector support to the NBU and DGF, is ongoing.

While the Government of Ukraine still faces many financial challenges, OTA's initial response was important in helping to limit the negative impact of Ukraine's financial crisis. The response also laid the groundwork for a robust, ongoing Treasury technical assistance engagement aimed at implementing fiscal and financial sector reforms under

International Monetary Fund (IMF) and World Bank programs, promoting economic growth, and fighting corruption. Going forward OTA will initiate additional engagements in Ukraine in the areas of infrastructure finance and development, Treasury cash management, and tax administration. Altogether, OTA expects to have three full time advisors engaged in Kiev and four intermittent advisor-based technical assistance projects.

OTA is coordinating its work in Ukraine closely with the World Bank, IMF, European Bank for Reconstruction and Development, and USAID. Along with these and other U.S. and international stakeholders, OTA will continue to be an important part of the efforts to stabilize the Ukrainian economy and implement economic reforms with the goal of building a foundation for sustainable post-crisis economic growth.

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 and Infrastructure Finance, 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**2014 TIATA Budget Execution Plan**

Projects Funded By FY 2014 Treasury International Affairs Technical Assistance (TIATA) Appropriation

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>	
LATIN AMERICA AND CARIBBEAN						
1	Colombia	RVNU	Project Coordinator + Intermittents	\$ -	\$ 288,842	\$ 288,842
2	Costa Rica (Infrastructure Finance)	DEBT	Intermittent	\$ -	\$ 291,644	\$ 291,644
3	Dominican Republic	DEBT	Intermittent	\$ -	\$ 189,357	\$ 189,357
4	Dominican Republic 01	BDGT	Resident	\$ -	\$ 20,977	\$ 20,977
5	Dominican Republic 02	BDGT	Resident	\$ 84,856	\$ 551,385	\$ 636,241
6	El Salvador	BANK	Intermittent	\$ -	\$ 331,695	\$ 331,695
7	El Salvador	BDGT	Resident	\$ -	\$ 473,286	\$ 473,286
8	El Salvador	DEBT	Resident	\$ -	\$ 147,350	\$ 147,350
9	El Salvador (Infrastructure Finance)	DEBT	Resident	\$ -	\$ 497,147	\$ 497,147
10	El Salvador	CRME	Resident	\$ 828,376	\$ 365,311	\$ 1,193,687
11	Guatemala	BDGT	Resident	\$ -	\$ 205,033	\$ 205,033
12	Guatemala	CRME	Resident	\$ 902,540	\$ 333,543	\$ 1,236,083
13	Guatemala	DEBT	Resident	\$ -	\$ 228,978	\$ 228,978
14	Honduras	BDGT	Resident	\$ -	\$ 242,685	\$ 242,685
15	Honduras	CRME	Resident	\$ 169,462	\$ 364,221	\$ 533,683
16	Honduras	DEBT	Resident	\$ -	\$ 640,901	\$ 640,901
17	Paraguay	BDGT	Resident	\$ -	\$ 588,165	\$ 588,165
18	Paraguay	RVNU	Project Coordinator + Intermittents	\$ -	\$ 504,384	\$ 504,384
19	Paraguay (Infrastructure Finance)	DEBT	Intermittent	\$ -	\$ 86,590	\$ 86,590
20	Peru (Infrastructure Finance)	DEBT	Resident	\$ -	\$ 517,232	\$ 517,232
21	Peru	CRME	Resident	\$ -	\$ 635,491	\$ 635,491
22	Latin America and Caribbean Financial Inclusion Initiative (LAFII)	BANK	Resident/Regional	\$ -	\$ 1,149,750	\$ 1,149,750
23	Uruguay (Infrastructure Finance)	DEBT	Resident	\$ -	\$ 19,554	\$ 19,554
Subtotal Latin America and Caribbean				\$ 1,985,234	\$ 8,673,521	\$ 10,658,755

		<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
	ASIA					
24	Afghanistan	BANK	Intermittent	\$ -	\$ 58,824	\$ 58,824
25	Afghanistan	BDGT	Intermittent	\$ -	\$ 58,824	\$ 58,824
26	Afghanistan	CRME	Intermittent	\$ -	\$ 58,824	\$ 58,824
27	Afghanistan	DEBT	Intermittent	\$ -	\$ 58,824	\$ 58,824
28	Burma	BDGT	Intermittent	\$ -	\$ 173,033	\$ 173,033
29	Burma	CRME	Intermittent	\$ 492,865	\$ 118,764	\$ 611,629
30	Burma	RVNU	Resident	\$ 952,135	\$ 465,987	\$ 1,418,122
31	Cambodia	BANK	Resident + Intermittent	\$ -	\$ 694,550	\$ 694,550
32	Cambodia	BDGT	Intermittent	\$ -	\$ 221,477	\$ 221,477
33	Cambodia	RVNU	Project Coordinator + Intermittents	\$ -	\$ 694,588	\$ 694,588
34	Cambodia	CRME	Resident	\$ -	\$ 813,121	\$ 813,121
35	India	BANK	Intermittent	\$ -	\$ 291,212	\$ 291,212
36	Indonesia	BANK	Intermittent	\$ -	\$ 477,632	\$ 477,632
37	Indonesia	DEBT	Resident	\$ 346,880	\$ 41,988	\$ 388,868
38	Mongolia	BDGT	Resident	\$ -	\$ 640,207	\$ 640,207
39	Mongolia	DEBT	Resident	\$ -	\$ 753,880	\$ 753,880
40	Mongolia	RVNU	Project Coordinator + Intermittents	\$ -	\$ 603,885	\$ 603,885
41	Philippines	BDGT	Resident	\$ -	\$ 554,560	\$ 554,560
42	Philippines	DEBT	Resident	\$ -	\$ 535,551	\$ 535,551
43	Philippines	BANK	Intermittent	\$ -	\$ 156,943	\$ 156,943
44	Vietnam	BANK	Intermittent	\$ -	\$ 128,023	\$ 128,023
45	Vietnam	BDGT	Resident	\$ -	\$ 717,586	\$ 717,586
46	Vietnam	RVNU	Project Coordinator + Intermittents	\$ -	\$ 410,744	\$ 410,744
	Subtotal Asia			\$ 1,791,880	\$ 8,729,027	\$ 10,520,907
		<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
	EUROPE AND EURASIA					
47	Ukraine	BANK	Intermittent	\$ -	\$ 543,914	\$ 543,914
48	Ukraine	BDGT	Intermittent	\$ -	\$ 17,830	\$ 17,830
49	Ukraine	DEBT	Intermittent	\$ 21,649	\$ 105,251	\$ 126,900
50	Ukraine	RVNU	Intermittent	\$ -	\$ 27,750	\$ 27,750
	Subtotal Asia			\$ 21,649	\$ 694,745	\$ 716,394

		<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
	MIDDLE EAST AND NORTH AFRICA					
51	Palestinian Authority	CRME	Resident	\$ -	\$ 489,255	\$ 489,255
	Subtotal Middle East and North Africa			\$ -	\$ 489,255	\$ 489,255
		<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
	SUB-SAHARAN AFRICA					
52	Angola	DEBT	Resident	In-kind	\$ 647,333	\$ 647,333
53	Angola	BANK	Intermittent	\$ -	\$ 270,228	\$ 270,228
54	West Africa Regional (BCEAO)	DEBT	Resident	\$ -	\$ 560,352	\$ 560,352
55	Djibouti	BDGT	Intermittent	\$ -	\$ 318,376	\$ 318,376
56	Ghana	BANK	Intermittent	\$ -	\$ 106,117	\$ 106,117
57	Ghana	BDGT	Resident	\$ 232,577	\$ 371,832	\$ 604,409
58	Ghana	CRME	Intermittent	\$ -	\$ 376,846	\$ 376,846
59	Ghana	RVNU	Resident + Intermittent	\$ -	\$ 927,636	\$ 927,636
60	Kenya	BDGT	Resident	\$ -	\$ 247,424	\$ 247,424
61	Kenya	DEBT	Resident	\$ -	\$ 601,222	\$ 601,222
62	Lesotho	RVNU	Project Coordinator + Intermittents	\$ -	\$ 201,545	\$ 201,545
63	Liberia	RVNU	Project Coordinator + Intermittents	\$ -	\$ 366,834	\$ 366,834
64	Malawi	RVNU	Project Coordinator + Intermittents	\$ -	\$ 551,045	\$ 551,045
65	Nigeria	BANK	Intermittent	\$ -	\$ 487,632	\$ 487,632
66	Nigeria	RVNU	Project Coordinator + Intermittents	\$ -	\$ 57,510	\$ 57,510
67	Regional East Africa	BANK	Resident + Intermittent	\$ -	\$ 1,191,632	\$ 1,191,632
68	Rwanda and Burundi	DEBT	Resident	\$ -	\$ 608,669	\$ 608,669
69	Senegal / West Africa Regional	DEBT	Full-time TDY	\$ -	\$ 474,476	\$ 474,476
70	Tanzania	DEBT	Resident	\$ -	\$ 617,374	\$ 617,374
71	Tanzania	RVNU	Project Coordinator + Intermittents	\$ 343,751	\$ 206,235	\$ 549,986
72	Uganda	DEBT	Resident + Intermittent	\$ -	\$ 788,299	\$ 788,299
73	Zambia	BANK	Intermittent	\$ -	\$ 122,737	\$ 122,737
74	Zambia	RVNU	Project Coordinator + Intermittents	\$ -	\$ 763,555	\$ 763,555
	Subtotal Sub-Saharan Africa			\$ 576,328	\$ 10,864,909	\$ 11,441,237

		<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
	SENIOR ADVISORS					
75	Senior Advisor (AFR/EUR)	BANK		\$ -	\$ 399,400	\$ 399,400
76	Senior Advisor (LAC/MENA)	BANK		\$ -	\$ 359,533	\$ 359,533
77	Senior Advisor	BDGT		\$ -	\$ 358,068	\$ 358,068
78	Senior Advisor (Business Process Redesign)	BDGT		\$ -	\$ 119,686	\$ 119,686
79	Senior Advisor I	CRME		\$ -	\$ 278,046	\$ 278,046
80	Senior Advisor II	CRME		\$ -	\$ 306,754	\$ 306,754
81	Senior Advisor	DEBT		\$ -	\$ 349,181	\$ 349,181
82	Senior Advisor	RVNU		\$ -	\$ 452,329	\$ 452,329
	Subtotal Senior Advisors			\$ -	\$ 2,622,997	\$ 2,622,997
	OTHER FUNDED ACTIVITIES					
83	Cash Management	BDGT	Full-time TDY	\$ -	\$ 373,266	\$ 373,266
84	Deposit Insurance	BANK	Intermittent	\$ -	\$ 635,160	\$ 635,160
85	Global Financial Stability	BANK	Full-time TDY	\$ -	\$ 431,353	\$ 431,353
86	Global Operations and Information Technology	BANK	Intermittent	\$ -	\$ 208,828	\$ 208,828
87	Infrastructure Finance Team	DEBT	Intermittent		\$ 314,275	\$ 314,275
	Subtotal Other Funded Activities			\$ -	\$ 1,962,882	\$ 1,962,882
	GRAND TOTAL			\$ 4,375,091	\$ 34,037,336	\$ 38,412,427

Notes

1. TIATA figures include carryover of prior year TIATA funds.
2. Figures include program management (15% of total).
3. OTA Team abbreviations: BDGT = Budget and Financial Accountability; CRME = Economic Crimes; BANK = Banking and Financial Services; DEBT = Government Debt and Infrastructure Finance; RVNU = Revenue Administration and Policy.

Table B**2014 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 for the CARSI region	State INL	632(b)	\$3,000,000
Technical Assistance to Government of Honduras	MCC	632(b)	\$2,928,169
Technical Assistance to Government of Haiti	State INL/USAID	632(b)	\$2,770,000
Assistance for Europe, Eurasia and Central Asia	State/Government of Kosovo	632(b)	\$2,113,779
Technical Assistance to Government of Burma	USAID	632(b)	\$1,700,000
Technical Assistance to Government of Paraguay	State INL	632(b)	\$719,701
Technical Assistance to Government of Afghanistan	State	632(b)	\$399,000
Technical Assistance to MENA	Office of Program Management - Ministry of Interior	632(b)	\$312,366
Technical Assistance to Government of Guatemala	MCC	632(b)	\$212,523
Technical Assistance to Government of Guinea	USAID	632(b)	\$79,325
TOTAL			\$14,234,863