

**DEPARTMENT OF THE TREASURY  
INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE  
2016 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 2016. 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 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. Additionally, governments that develop effective financial sector oversight regimes are valuable partners in the global effort to combat money laundering and terrorist financing.

In 2016, OTA supported financial sector strengthening in many regions and countries. As discussed in greater detail in section VI, OTA projects in Africa (e.g., Uganda), Asia (e.g., Myanmar), Latin America (e.g., Peru), and the Middle East (e.g., Jordan) helped mobilize revenues, deepen domestic bond markets, increase infrastructure finance, strengthen budget systems, improve banking supervision, and combat economic crimes.

This report includes a special section (VII) on Treasury's technical assistance in the area of financial inclusion – bringing financial services to underserved populations. In 2016, OTA deepened its long-standing financial inclusion engagements in Latin America (Dominican Republic, Guatemala, Mexico, Paraguay, Peru, Uruguay) and expanded its work to include projects in Sub-Saharan Africa (Ghana), with potential engagements emerging in Jamaica, Madagascar, and Tunisia. As discussed further in section VII, OTA focuses its assistance on helping countries to design financial inclusion regimes that are properly regulated and supervised so as to help ensure that financial customers are safe and financial institutions are sound.

In 2016, OTA sustained and in some respects strengthened its engagement in a number of U.S. national security priority countries. In Ukraine, the program maintained its significant technical assistance footprint, providing assistance in a number of inter-related areas: consolidating and recapitalizing the banking sector; enhancing bank supervision capacity and resolution strategies; improving the government's treasury operations, fiscal transparency, and debt/liability management; increasing infrastructure finance; deterring tax corruption; and addressing administrative weaknesses in revenue collection. These engagements are central to the broader goal of strengthening fiscal and financial transparency, accountability, and effectiveness. As described further in section VI of this report, OTA provided particularly timely and critical assistance to the Ukrainian Deposit Guarantee Fund (DGF) and the National Bank of Ukraine (NBU) to help stabilize the country's fragile banking sector.

In Afghanistan, OTA continued its engagement with Afghan authorities in the Ministry of Finance, although progress in establishing a more significant and sustained capacity building presence in 2016 was hampered by security conditions. The program executed a technical assistance mission in March focused on revenue generation and management. At the request of the Ministry, OTA also completed a peer review of the Afghan government's biannual Fiscal Performance Improvement Plans. The program has been able to execute two missions to Kabul in early-2017, one to continue engagement with the Ministry of Finance on budget matters and the second to work with counterparts at FinTRACA, Afghanistan's Financial Intelligence Unit and the Central Bank (DAB) on the anti-money laundering and countering the financing of terrorism (AML-CFT) regime. Since the Cooperation Framework between U.S. Treasury and the Afghan Ministry of Finance was approved in early-2015, OTA has conducted eight missions— with at least one mission by each of the four OTA teams engaged in Afghanistan (budget, economic crimes, banking, and tax).

In 2016, OTA built out its strategic partnership with the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) to assist PEPFAR partner countries in mobilizing, and making more effective and efficient use of, funding to combat HIV/AIDS. Under the partnership, OTA is working to assist finance ministries in developing sustainable funding options and efficient resource mobilization in order to transition to host country management and financing of anti-HIV programs. Technical assistance will also be provided to health ministries to improve health program budget formulation, execution, and reporting.

Recent OTA activities under the PEPFAR partnership include the design of a project in Zambia to support an oversight structure for sustainable finance and resource tracking along with improvements to the underlying public financial management system to support efficient resource allocation. Similarly, an OTA assessment in Uganda resulted in the development of a project to promote efficient resource mobilization and monitoring of HIV/AIDS resources. Treasury also liaised with Finance Ministers from key PEPFAR countries at the Africa Development Bank Annual Meeting, at the Collaborative African Budget Reform Initiative workshop, and through bilateral meetings to raise the awareness of the need for finance ministries to take an active role in developing sustainable funding and lay the groundwork for reduced reliance on donor financing.

## II. Program Organization and Principles

OTA is organized along functional lines, operating in five major disciplines to assist the governments of developing and transition countries:

- **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 all phases of the governmental budget cycle, including budget formulation, execution, monitoring and reporting, Treasury operations, and evaluation.
- **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 AML-CFT 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

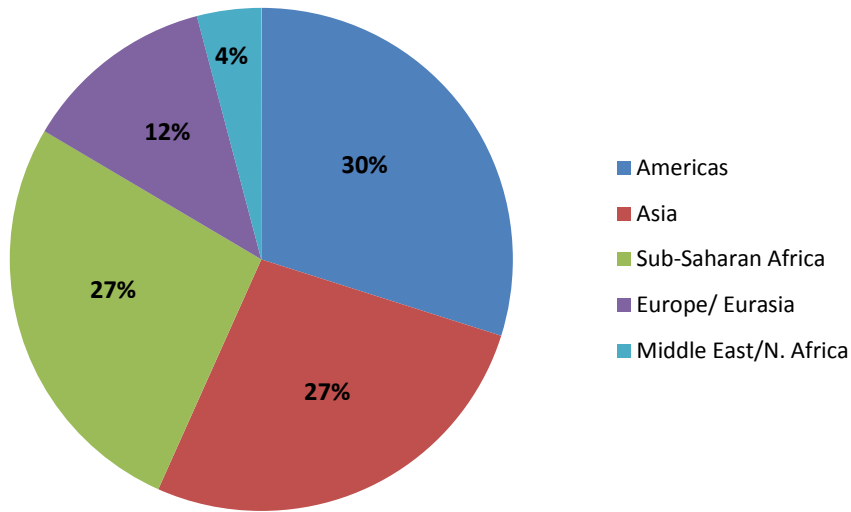
government agency. OTA advisors introduce sound practices in daily work routines through ongoing mentoring and on-the-job training.

### III. Project Allocation and Funding

As of the end of 2016, OTA had 99 projects in 47 countries. Thirty percent of OTA’s total projects in 2016 were in the Americas, 27 percent in Asia, 27 percent in Sub-Saharan Africa, 12 percent in Europe and Eurasia, and four percent in the Middle East and North Africa (*see chart below*).

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.

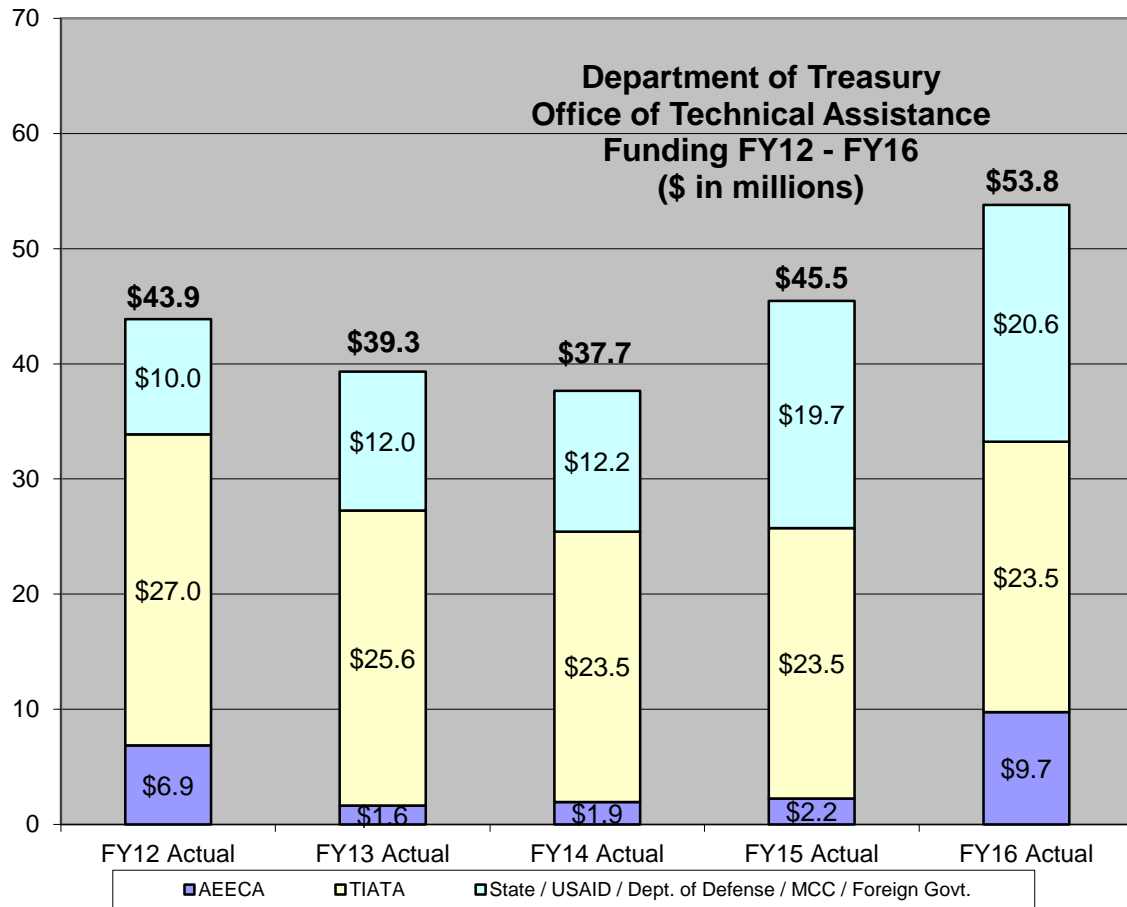
**Chart 1 - OTA Projects by Region 2016**



OTA received total funding of \$53.8 million in 2016, including funds directly appropriated to the program and transfers from other U.S. agencies. Seventy-six projects, with a combined budget of \$37.7 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 2012-FY 2016**



**Notes**

1. FY12 Assistance for Europe, Eurasia and Central Asia (AECCA) figures include multi-year funding for certain projects.
2. FY12 TIATA figure includes \$1.552 million Overseas Contingency Operations (OCO) funding.
3. FY13 TIATA figure includes \$1.473 million OCO funding. Both TIATA and OCO amounts were subject to sequester.
4. Details may not add to totals due to rounding.

Tables A and B at the end of this report provide additional data regarding the allocation of OTA funding sources in 2016, including funds received as transfers.

**IV. Project Selection and Assistance Delivery**

Two of the most frequently asked questions about OTA’s work are: “How are projects selected?” and “How is assistance delivered?” 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 advisor-based 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 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 in the host country. OTA looks to its host-country counterparts to define project goals from the outset. Experience shows that 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 to the OTA Director and Deputy Assistant Secretary for Technical Assistance Policy. 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. Treasury has found 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. In addition to a resident advisor, a resident project frequently includes the participation of intermittent OTA experts in specialized areas who make short-term visits.

For an intermittent advisor-based project, a group of several 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 advisor-based 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 one 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 projects using a variety of methods, including on-site evaluations by OTA managers, written monthly reports prepared by advisors that describe progress on work plan objectives, and end-of-project reports which provide a final assessment of project outcomes. End-of-project reports are undertaken by an OTA expert other than the project implementer, and are conducted typically within three to six months following the end of the project. The purpose is to better understand the program's longer-term impact. OTA completed four end-of-project reports in 2016.

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. For example, revenue team indicators 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 the evaluation process informs OTA’s understanding of the effectiveness of program engagements, and may include steps either to improve traction and impact, or, in cases where traction and impact are lacking, 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 2016, 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 2016 with an actual score of 3.9, while the actual score for impact was 3.0, below the target but consistent with the program’s historical averages.

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 directly impacted by the program who have an interest in receiving high quality technical assistance, and who in many cases have a basis for comparing OTA assistance with that of other providers. In 2016, OTA received 37 survey responses covering projects in 21 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 2016, 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:

### **Banking and Financial Services**

**Ukraine Stabilizes Banking System.** Suffering from a struggling economy and difficult security situation, nearly half of the banks in Ukraine failed in 2016. To address this challenge, the Ukrainian Deposit Guarantee Fund (DGF) implemented a transformation plan developed with OTA assistance to increase its operational capacity and technical ability in paying insured depositors, liquidating assets, pursuing criminal and civil actions

against owners and others who caused the banks to fail, and centralizing financial and IT operations of failed banks. The transformation increased technical expertise throughout DGF, reduced the span of control of any one executive, established strong operational and IT support for corporate and receivership functions, created a consolidated asset management and liquidation function, and improved internal controls. In part due to these reforms, the DGF was prepared to handle more than one million individual deposit customers as \$2.5 billion was paid out in cash to insured depositors.

OTA also provided strategic advice to the Governor and senior management of the National Bank of Ukraine (NBU) on sector-wide stabilization, including plans to bring commercial banks up to regulatory capitalization standards. The most important aspect of OTA's work at the NBU was advising on the stabilization of the country's largest bank, Privat Bank, culminating in the December 2016 nationalization of the institution. Ongoing assistance is focused on turning the bank back to profitability in order to position it for an eventual re-privatization in the future. OTA is working with the NBU and the Ministry of Finance to develop strategies for Privat and the other three state-owned banks.

**Peru Prepares to Join Global Payment Network.** Peru was accepted by the Federal Reserve Bank (FRB) of Atlanta as a candidate to join FedGlobal, a network of central banks that allows correspondent banks to connect directly with one another, resulting in remittances being sent and received at lower cost and paid out at wholesale foreign exchange rates. OTA assisted counterparts at the Central Bank of Peru and the Superintendency of Banks (SBS) in defining key elements of the Peruvian interconnectivity strategy and designing a survey for prudentially supervised financial institutions to capture information on remittances, transfers and low-value cross border payments. While final membership in FedGlobal could be years away, the data standards linked to FedGlobal should assist Peruvian banks now in maintaining correspondent banking relations.

### **Revenue Policy and Administration**

**Cambodia Increases Debt Collection.** Implementing OTA recommendations, the Cambodian General Directorate of Taxation (GDT) improved its collection of arrears by 34% to \$84 million in 2016 compared with the previous year. OTA advisors worked with the GDT to optimize and standardize procedures, train staff, and distribute written procedural manuals. GDT headquarters conducted reviews of its field offices to ensure adherence to the improved procedures. In addition, installment agreements for qualified taxpayers are gradually being accepted as a way to resolve tax arrears accounts. The headquarters tax arrears function is carefully monitoring the implementation of installment agreements during their branch office visits.

**Myanmar Supports Large Taxpayer Compliance.** With assistance from OTA, Myanmar's Internal Revenue Department Large Taxpayer Office (LTO) improved voluntary compliance, with amended returns yielding over \$45 million in additional revenue. The increase came about from a combination of improved outreach efforts to

large taxpayers and auditors assimilating knowledge and techniques learned in OTA-led training sessions. The LTO also implemented new tax regimes for specialized industries, including the telecommunications sector which began accounting for commercial tax based on usage starting in April. New revenue collected from Myanmar's three telecommunications companies is estimated to total \$79 million.

**Guatemala Bolsters International Customs Cooperation.** With OTA assistance, Guatemala has established international links for data sharing with the U.S. and Panama. OTA has obtained the cooperation of U.S. Homeland Security Investigations in support of Guatemala's Customs Intelligence Department. Exchange of information has been initiated with the first data of shippers' export declarations information received undergoing analysis to detect fraud, mainly by sub-valuation and changes in classification.

### **Budget and Financial Accountability**

**El Salvador Moves Forward on Far-reaching Revenue Collection Technology Improvements.** With OTA support, in 2016, the General Director of Treasury approved and took initial steps to develop, test, and implement revenue collection technology improvements for income and value-added taxes, fines, and assessed interest, eliminating manual tasks, improving data integrity, and facilitating data sharing. These technology improvements will positively impact more than 1.8 million income and value-added tax declarations annually of which 61% are currently filed offline manually. Daily reconciliations which take between 1 to 3 business days to complete should take between 2 to 3 hours once the improvements are in place. The improved revenue collection system is expected to go-live during the second quarter of 2017. OTA has provided technical assistance on project planning and execution, contingency planning, issue escalation and resolution, and interagency coordination.

**Malawi Bolsters Budgeting Practices.** Working in partnership with OTA, the Malawi Ministry of Finance, Economic Planning, and Development implemented program-based budgeting in all central government institutions, aligning the budget with the government's strategic objectives and improving transparency and accountability. The new budget structure improved the integration of the operating and capital budgets to better reflect the total resources required to deliver government services. In addition, cash forecasting was strengthened by increasing staff capacity and updating the framework for assessing the government's cash requirements, resulting in more reliable estimates of government borrowing requirements and more informed decision making on cash management.

**Mongolia Strengthens Public Financial Management.** Using methodology developed by OTA, Mongolia implemented a program-based budget process to increase fiscal transparency and accountability. OTA trained Ministry of Finance and line ministry staff in program-based budget methodology and supported the government in implementing the new process. Due to ongoing budget shortfalls, the government plans to conduct functional reviews of 15 line ministries using a methodology developed in partnership

with OTA. The functional reviews will focus on opportunities for outsourcing and eliminating duplication of effort and outdated programs and processes.

### **Government Debt and Infrastructure Finance**

**Jordan Reduces Debt-Rollover Risk.** With OTA assistance, the Government of Jordan expanded its domestic debt market issuance and significantly reduced its liability portfolio risk. Working with counterparts in the Ministry of Finance's Public Debt Department, OTA strengthened institutional and staff capacity in debt forecasting, analysis and strategy, as well as public and investor relations. As a result of these efforts, the Ministry initiated a program to extend debt maturities by issuing 7- and 10-year bonds. By year-end, the average maturity of Jordan's debt portfolio exceeded three years compared to the prior 1.7-year average maturity of Jordan's domestic debt portfolio. Additionally, Jordan issued floating rate securities for the first time in 2016 and established a six-month benchmark index to serve as the mechanism for re-pricing floating rate bonds.

**Uganda Formalizes Fiscal Debt Operations.** As part of an effort to improve Uganda's public debt operations, OTA assisted the Ministry of Finance, Planning and Economic Development in assuming responsibility for domestic debt management from the Bank of Uganda (Central Bank), including by helping the Ministry to establish a Directorate of Debt and Cash Management. These reforms have resulted in domestic borrowings for fiscal purposes being executed in a more competitive, predictable, and efficient manner with required Parliamentary approval.

### **Economic Crimes**

**Myanmar Improves Anti-Money Laundering/Countering the Financing of Terror Measures.** With OTA assistance, the Myanmar Financial Intelligence Unit (MFIU) developed encrypted, machine-readable forms for reporting suspicious transactions or transactions over a certain threshold. This replaced a paper-based reporting system that was onerous and inefficient. The forms were independently reviewed by seven bank reporting entities and their comments were incorporated into the documents. Following revisions, the forms were standardized and adopted and, to date, 13,000 transaction reports have been electronically received and validated. The MFIU also adopted standardized operating procedures on strategic analysis, and tactical targeting and analysis, and moved to a free-standing facility physically independent from the Myanmar Police Force/Ministry of Home Affairs, improving the independence of the MFIU.

**El Salvador Makes Strides in Management of Seized Assets.** With OTA support, the Consejo Nacional de Administracion de Bienes (CONAB), El Salvador's asset management agency, has successfully received and is currently managing 84 real properties, with most of these occupied or granted provisional use by existing government tenants. CONAB also made its first annual distribution of \$264,000 in forfeited funds, all of which were the result of cash seizures. From 2013 to 2016 OTA advised CONAB on standard operating procedures for managing seized assets, such as

for accepting custody of and inspecting property, re-registering seized vehicles, and distributing seized funds to other government agencies.

**Guatemala Makes Progress in Combatting Money Laundering.** Pursuant to a referral from the OTA-supported Guatemalan Financial Intelligence Unit to the International Commission against Impunity in Guatemala (CICIG), 14 individuals were arrested and charged with stealing property from and forcibly displacing local farmers. The operation involved 165 police officers and two helicopters. In a separate case, through close collaboration between the FIU and the Public Ministry, the Guatemalan Government froze more than \$1.2 million in assets belonging to the former Guatemalan President, his daughter, and the former Vice President as part of the La Linea corruption case. From 2010 to 2016, OTA provided training and mentoring on FIU development and prosecution of financial crimes.

**Liberia Conducts First Anti-Money Laundering Exams.** With OTA mentoring, the Central Bank of Liberia (CBL) completed the first Anti-Money Laundering/Countering the Financing of Terror (AML/CFT) compliance examinations of three commercial banks. OTA provided assistance on developing interview questions, particularly follow-up questions, standards for documentation of activities, as well as on the need for advance planning.

## **VII. Special Focus: Financial Inclusion**

Governments, civil society, and private sector actors have elevated the issue of financial inclusion – bringing financial services to underserved populations – to reduce poverty and promote economic growth. OTA is helping countries develop the capacity to move from good intentions to concrete implementation of measures required to bring new financial tools and methods to market.

OTA focuses its efforts on helping countries design policies, implement regulation, improve supervision, and increase local capacities while ensuring that financial customers are safe and financial institutions are sound. To date, OTA advisors have assisted counterparts to develop programs to supervise niche institutions, such as microfinance enterprises, into existing banking laws, issue regulations on agent banking, introduce simplified savings accounts, foster mobile financial services and other electronic payments, promote consumer protection and financial education, and create prototypes for secured transactions.

Traditional banks typically cannot justify spending the capital needed to build brick and mortar facilities in remote areas. Efforts then focus on how an agent network can be created, with decisions needing to be made on how formal the relationship will be, and what kind of oversight will be exercised and by whom. One key element is developing a registry of agents, allowing for the identification of agents that represent more than one business, and to facilitate fraud prevention.

OTA's financial inclusion efforts are branching out beyond the program's initial work in Latin America (Dominican Republic, Guatemala, Mexico, Paraguay, Peru, Uruguay) and now include engagements in Sub-Saharan Africa (Ghana), with other opportunities emerging in Jamaica, Madagascar, Sierra Leone, and Tunisia.

In Ghana, OTA has worked with the Bank of Ghana's (BOG) payment systems oversight unit to strengthen its capacity to regulate e-money issuers (EMIs) and other emerging payment systems. Specifically, OTA has helped the BOG to develop an online data portal for the automatic submission of monthly supervisory reports by EMIs, replacing the manual submission of Excel workbooks. OTA has also assisted the BOG to develop software requirements for the creation of a unified national agent registry, an essential tool for the effective supervision of agent networks.

In Guatemala, work has focused on registration of nonprofit microfinance institutions. The non-governmental organization sector in Guatemala has traditionally been opaque with no mechanism to separate nonprofit microfinance institutions from other entities such as foundations, associations, and NGOs. The registry, which came online at the end of last year, will bring transparency to an area which currently lingers in a compliance gray area.

Data from the registry will be compared to benchmarks calculated annually specifically for Guatemala with the help of risk rating experts. Once data is analyzed, microfinance institutions will be classified in tiers according to their level of performance, governance capacities, capacity, and financial stability. The institutions are then given advice on how to improve their weaknesses to be promoted into a higher tier, which can lead them being eligible for additional sources of funding. Guatemala's efforts to promote financial inclusion have paid off. Points of access rose from 8 per 10,000 inhabitants in 2009 to 16.6 in 2015, covering 99% of all municipalities across the country.

Looking ahead to 2017, OTA plans to initiate a project in Jamaica to assist the authorities to bring simplified bank services to remote regions. Plans are underway to facilitate basic account creation for recipients of government benefits to enable such disbursements to go digital. Other work envisioned includes measures to enable and oversee more mobile payments and to increase the footprint of service locations in remote areas through better use of agents and ATMs. OTA is also poised to begin technical assistance partnerships with the Government of Madagascar and Tunisia as those countries seek to develop a broader and more robust program dedicated to financial inclusion. OTA expects the coming year to be very busy as jurisdictions who signed the 2011 Maya Declaration, a statement of principles regarding the development of financial inclusion policy, seek technical assistance to turn vision into reality.

**STRATEGIC PLAN 2016-2020**  
**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 OTA's mission.

**Table A****2016 TIATA Budget Execution Plan**

Projects Funded By FY 2016 Treasury International Affairs Technical Assistance (TIATA) Appropriation

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
<b>LATIN AMERICA AND CARIBBEAN</b>					
1 Argentina	CRME	Intermittent	\$ -	\$ 381,250	\$ 381,250
2 Belize	CRME	Intermittent	\$ -	\$ 56,310	\$ 56,310
3 Colombia	BDGT	Intermittent	\$ -	\$ 131,250	\$ 131,250
4 Colombia (Infrastructure Finance)	DEBT	Intermittent	\$ -	\$ 610,917	\$ 610,917
5 Dominican Republic	DEBT	Intermittent	\$ -	\$ 44,553	\$ 44,553
6 Dominican Republic 02	BDGT	Resident	\$ -	\$ 577,378	\$ 577,378
7 El Salvador	BANK	Intermittent	\$ -	\$ 7,574	\$ 7,574
8 El Salvador	BDGT	Resident	\$ -	\$ 839,192	\$ 839,192
9 Honduras	DEBT	Resident	\$ -	\$ 596,774	\$ 596,774
10 Paraguay	BDGT	Resident	\$ -	\$ 621,619	\$ 621,619
11 Paraguay	RVNU	Project Coordinator + Intermittents	\$ -	\$ 545,712	\$ 545,712
12 Paraguay (Infrastructure Finance)	DEBT	Resident	\$ -	\$ 603,651	\$ 603,651
13 Peru	BANK	Resident	\$ -	\$ 685,662	\$ 685,662
14 Peru	CRME	Resident	\$ 137,447	\$ 421,568	\$ 559,015
15 Peru (Infrastructure Finance)	DEBT	Intermittent	\$ -	\$ 285,211	\$ 285,211
<b>Subtotal Latin America and Caribbean</b>			<b>\$ 137,447</b>	<b>\$ 6,408,621</b>	<b>\$ 6,546,068</b>

		<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
	<b>ASIA</b>					
16	Burma	BDGT	Intermittent	\$ 275,000	\$ 87,500	\$ 362,500
17	Burma	CRME	Intermittent	\$ 259,228	\$ 291,955	\$ 551,183
18	Burma	RVNU	Resident	\$ -	\$ 1,100,481	\$ 1,100,481
19	Cambodia	BANK	Resident + Intermittent	\$ -	\$ 1,000,262	\$ 1,000,262
20	Cambodia	RVNU	Project Coordinator + Intermittents	\$ -	\$ 527,024	\$ 527,024
21	Cambodia	CRME	Resident	\$ -	\$ 133,797	\$ 133,797
22	India	DEBT	Intermittent	\$ -	\$ 137,985	\$ 137,985
23	India 02	DEBT	Intermittent	\$ -	\$ 292,606	\$ 292,606
24	Indonesia	BDGT	Resident	\$ -	\$ 870,000	\$ 870,000
25	Indonesia (Infrastructure Finance)	DEBT	Resident + Intermittent	\$ -	\$ 792,045	\$ 792,045
26	Mongolia	BDGT	Resident	\$ -	\$ 599,352	\$ 599,352
27	Mongolia	DEBT	Resident	\$ -	\$ 528,464	\$ 528,464
28	Mongolia	RVNU	Project Coordinator + Intermittents	\$ -	\$ 667,534	\$ 667,534
29	Philippines	BDGT	Resident	\$ -	\$ 15,931	\$ 15,931
30	Philippines	DEBT	Resident	\$ -	\$ 658,401	\$ 658,401
31	Philippines (Infrastructure Finance)	DEBT	Resident	\$ -	\$ 795,441	\$ 795,441
32	Philippines	BANK	Resident	\$ -	\$ 947,177	\$ 947,177
33	Southeast Asia (Infrastructure Finance)	DEBT	Resident	\$ -	\$ 345,188	\$ 345,188
34	Sri Lanka	DEBT	Resident	\$ -	\$ 400,759	\$ 400,759
35	Vietnam	BDGT	Resident	\$ -	\$ 682,990	\$ 682,990
	<b>Subtotal Asia</b>			<b>\$ 534,228</b>	<b>\$ 10,874,892</b>	<b>\$ 11,409,120</b>
		<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
	<b>Europe and Eurasia</b>					
36	Moldova	RVNU	Resident	\$ -	\$ 267,181	\$ 267,181
	<b>Subtotal Europe and Eurasia</b>			<b>\$ -</b>	<b>\$ 267,181</b>	<b>\$ 267,181</b>

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>	
<b><u>SUB-SAHARAN AFRICA</u></b>						
37	Cabo Verde	CRME	Intermittent	\$ 1,210,389	\$ 38,964	\$ 38,964
38	Djibouti	BDGT	Intermittent	\$ -	\$ 119,399	\$ 119,399
39	Ethiopia	RVNU	Resident	\$ -	\$ 192,875	\$ 192,875
40	Ghana 02	BANK	Intermittent	\$ -	\$ 396,895	\$ 396,895
41	Ghana	BDGT	Resident	\$ 172,780	\$ 126,000	\$ 298,780
42	Guinea-Bissau	RVNU	Intermittent	\$ -	\$ 462,198	\$ 462,198
43	Kenya	DEBT	Resident	\$ -	\$ 620,023	\$ 620,023
44	Liberia	CRME	Intermittent	\$ -	\$ 345,095	\$ 345,095
45	Liberia	RVNU	Project Coordinator + Intermittents	\$ 70,661	\$ 146,582	\$ 217,243
46	Malawi	RVNU	Project Coordinator + Intermittents	\$ -	\$ 239,220	\$ 239,220
47	Malawi	BDGT	Intermittent	\$ 158,701	\$ 95,000	\$ 253,701
48	Niger	RVNU	Project Coordinator + Intermittents	\$ -	\$ 614,611	\$ 614,611
49	Nigeria	BANK	Intermittent	\$ -	\$ 16,566	\$ 16,566
50	Regional East Africa	BANK	Resident + Intermittent	\$ -	\$ 1,093,608	\$ 1,093,608
51	Rwanda	DEBT	Resident	\$ -	\$ 662,469	\$ 662,469
52	Rwanda	RVNU	Project Coordinator + Intermittents	\$ -	\$ 586,196	\$ 586,196
53	Senegal / Guinea	DEBT	Intermittent	\$ -	\$ 129,002	\$ 129,002
54	Tanzania	BDGT	Resident	\$ -	\$ 951,750	\$ 951,750
55	Tanzania (Infrastructure Finance)	DEBT	Resident	\$ -	\$ 722,308	\$ 722,308
56	Tanzania (Infrastructure Finance) 02	DEBT	Resident	\$ 472,829	\$ 335,672	\$ 808,501
57	Tanzania	RVNU	Project Coordinator + Intermittents	\$ 147,970	\$ 562,821	\$ 710,791
58	Uganda	BDGT	Resident	\$ -	\$ 564,509	\$ 564,509
59	Uganda	DEBT	Resident + Intermittent	\$ -	\$ 510,327	\$ 510,327
60	WAEMU Regional Securities Agency	DEBT	Resident	\$ -	\$ 570,932	\$ 570,932
61	Zambia	RVNU	Project Coordinator + Intermittents	\$ -	\$ 614,172	\$ 614,172
<b>Subtotal Sub-Saharan Africa</b>				<b>\$ 2,233,330</b>	<b>\$ 10,717,194</b>	<b>\$ 12,950,524</b>

	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
<b>SENIOR ADVISORS</b>					
62 Senior Advisor (AFR/EUR)	BANK		\$ -	\$ 410,530	\$ 410,530
63 Senior Advisor (LAC/MENA)	BANK		\$ -	\$ 337,042	\$ 337,042
64 Senior Advisor (Global Financial Inclusion)	BANK		\$ -	\$ 379,047	\$ 379,047
65 Senior Advisor	BDGT		\$ -	\$ 380,703	\$ 380,703
66 Senior Advisor I	CRME		\$ -	\$ 392,752	\$ 392,752
67 Senior Advisor II	CRME		\$ -	\$ 449,979	\$ 449,979
68 Senior Advisor	DEBT		\$ -	\$ 366,790	\$ 366,790
69 Senior Advisor (Infrastructure Finance)	DEBT		\$ -	\$ 459,916	\$ 459,916
70 Senior Advisor	RVNU		\$ -	\$ 937,778	\$ 937,778
<b>Subtotal Senior Advisors</b>			<b>\$ -</b>	<b>\$ 4,114,537</b>	<b>\$ 4,114,537</b>
<b>OTHER FUNDED ACTIVITIES</b>					
	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
71 Cash Management	BDGT	Full-time TDY	\$ -	\$ 433,413	\$ 433,413
72 Deposit Insurance	BANK	Intermittent	\$ -	\$ 618,462	\$ 618,462
73 Global Financial Inclusion	BANK	Full-time TDY	\$ -	\$ 610,539	\$ 610,539
74 Global Financial Stability	BANK	Full-time TDY	\$ -	\$ 387,354	\$ 387,354
75 Global FIU Development	CRME	Intermittent	\$ -	\$ 288,151	\$ 288,151
76 Global AML/CFT Preventative	CRME	Intermittent	\$ -	\$ 118,025	\$ 118,025
<b>Subtotal Other Funded Activities</b>			<b>\$ -</b>	<b>\$ 2,455,944</b>	<b>\$ 2,455,944</b>
<b>GRAND TOTAL</b>			<b>\$ 2,905,005</b>	<b>\$ 34,838,369</b>	<b>\$ 37,743,374</b>

Notes

1. TIATA figures include carryover of prior year TIATA funds.
2. Figures include program management (20% 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.
4. Co-funding amounts may reflect funds intended for more than one year.

**Table B****2016 Non-TIATA Sources of Funding**

Treasury International Affairs Technical Assistance (TIATA)

<b>Purpose</b>	<b>Source</b>	<b>Transfer Category</b>	<b>Amount</b>
Assistance for Europe, Eurasia and Central Asia	State	632(b)	\$8,398,687
Technical Assistance in collaboration with PEPFAR	State PEPFAR	632(b)	\$4,186,390
Technical Assistance to Government of Guatemala and Cote D'Ivoire	MCC	632(b)	\$2,195,899
Technical Assistance to Government of Afghanistan	USAID/State	632(b)	\$2,178,437
Technical Assistance to Government of Sri Lanka	State	632(b)	\$2,000,000
Technical Assistance to the Government of Tunisia	State	632(b)	\$1,500,000
Technical Assistance to Governments of Somalia and Iraq	State	632(b)	\$1,460,031
Technical Assistance to Government of Ukraine	State	632(b)	\$1,350,000
Technical Assistance to Government of Cambodia	USAID	632(b)	\$1,173,000
Technical Assistance to Government of Cabo Verde	State INL	632(b)	\$1,026,455
Technical Assistance to the Government of Algeria	State	632(b)	\$1,000,000
Technical Assistance to the Government of Madagascar	USAID	632(b)	\$998,083
Technical Assistance to the Government of Jordan	USAID	632(b)	\$915,383
Technical Assistance for Energy Governance and Capacity Building	State	632(b)	\$675,000
Technical Assistance to the Government of Ghana	USAID	632(b)	\$464,768
Technical Assistance to the Government of Sierra Leone	State	632(b)	\$436,250
Technical Assistance for the Eastern Caribbean Basin region	State CBSI	632(b)	\$324,354
Technical Assistance to MENA	Office of Program Management - Ministry of Interior	632(b)	\$17,177
<b>TOTAL</b>			<b>\$30,299,913</b>