

**DEPARTMENT OF THE TREASURY
INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE
2018 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 Treasury Department's Office of Technical Assistance (OTA) for calendar year 2018. The report covers 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 2018, OTA supported financial sector strengthening in many regions and countries. As discussed in greater detail in section VI, OTA projects in Africa (e.g., Cabo Verde), Asia (e.g., Philippines), Latin America (e.g., Honduras), and Eastern Europe (e.g., Ukraine) helped mobilize revenues, deepen domestic bond markets, increase infrastructure finance, strengthen budget systems, improve banking supervision, and combat economic crimes. In 2018, OTA began promising new engagements in Ecuador and Panama; they show good prospects of supporting Treasury's *America Crece* (America Grows), energy framework, and debt transparency initiatives.

OTA's work supports Treasury's strategic goal of promoting financial stability globally. As described in Treasury's Strategic Plan for 2018-2022, OTA provides "technical assistance to enable foreign partner countries to better raise and manage financial resources and protect their financial sectors." This work entails focusing on OTA's five core program disciplines (revenue policy and administration; budget and financial accountability; government debt issuance and infrastructure financing; banking and financial services; economic crimes) as well as high-priority cross-cutting objectives such as domestic resource mobilization, infrastructure finance, expanding access to financial services, strengthening anti-money laundering/combating financing of terrorism (AML/CFT) frameworks, and supporting growth and rising median real incomes. (See Annex 1: U.S. Treasury Strategic Plan 2018-2022.)

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 regimes that are compliant with international standards.

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

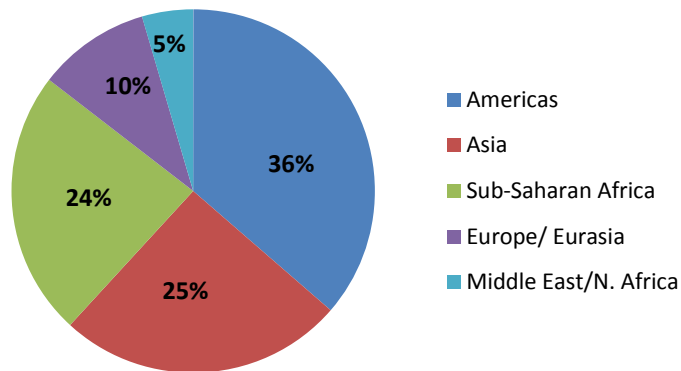
- **OTA supports self-reliance.** OTA provides countries with the knowledge and skills required to move towards financial self-sufficiency—including the capability to generate and better manage their own government finances—and to reduce dependence on international aid. OTA generally follows a three- 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. OTA is recognized 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 2018, OTA had 110 projects in 48 countries. Thirty-six percent of OTA’s total projects in 2018 were in the Americas, 25 percent in Asia, 24 percent in Sub-Saharan Africa, 10 percent in Europe and Eurasia, and 5 percent in the Middle East and North Africa (see chart below). The total number of projects and their regional distribution are consistent with OTA’s footprint in recent years, with a marginal increase in projects in the Americas (e.g., Argentina, Colombia, Dominican Republic) while the share of projects in Sub-Saharan Africa declined slightly as several long standing engagements in that region concluded (e.g., Malawi and Zambia).

OTA strives for depth of engagement and an integrated, multi-discipline approach. This 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 the greatest possible impact. In 2018, out of OTA’s 48 country engagements, 26 involved experts from two or more disciplines.

Chart 1 - OTA Projects by Region 2018



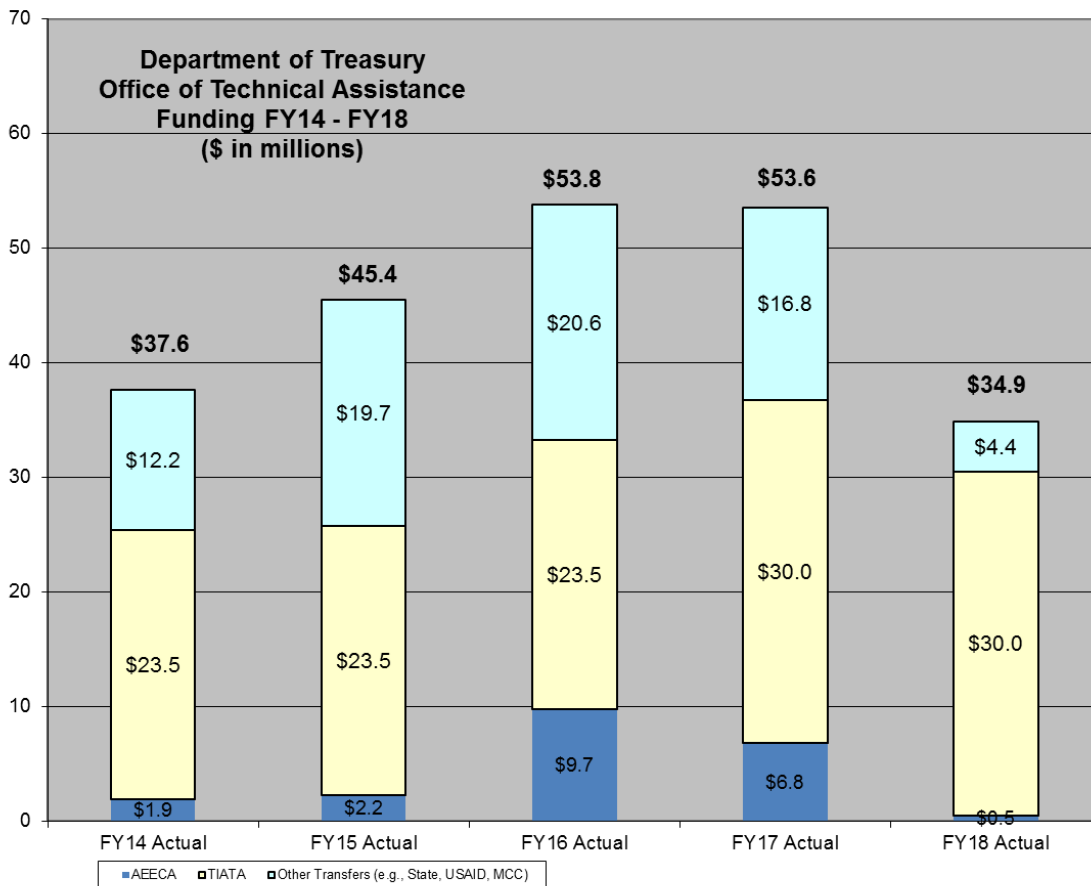
OTA received total funding of \$34.9 million in 2018, including funds directly appropriated to the program and transfers from other U.S. agencies. OTA’s direct annual appropriation, formally known as “Treasury International Affairs Technical Assistance” or TIATA, financed either wholly or partly a total of 105 projects, with a combined budget of \$48.2 million. 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 FY 2018, Congress appropriated \$30 million in TIATA resources. This level of funding helped to offset the decline in inter-agency transfers (see below) and enabled the program to maintain, and in some cases, initiate engagements in

priority assistance areas, including AML/CFT, spurring domestic resource mobilization, and increasing access to finance.

In addition to TIATA funding, OTA receives resources from other agencies, such as the U.S. Department of State and the United States Agency for International Development. Funding transferred to OTA from other agencies in 2018 totaled \$4.9 million, a decline of \$18.7 million, or 79%, from the previous year (2017). This decline is due in part to timing, as funds that were planned to be transferred to OTA in FY 2018, including funding from the State Department for OTA projects in Ukraine, Kosovo, and Moldova were delayed into FY 2019. The program continues to monitor closely the level of funding it receives—both TIATA and transfers from other agencies—to ensure that it is sufficient to sustain the current level of technical assistance OTA delivers globally and to respond to new and emerging priorities.

Chart 2 - OTA Funding by Source FY 2014-FY 2018



Notes

1. AEECA refers to State Department Assistance for Europe, Eurasia, and Central Asia. AEECA funding includes multi-year funding for certain projects.
2. 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 2018, including funds received as transfers.

Program Management

Program management is the set of management and administrative activities and related costs that OTA requires to effectively develop, deliver, and oversee technical assistance to partner countries globally. These costs, which are largely associated with OTA's headquarters management and administrative functions, include compensation for program office management and staff; headquarters office facility and maintenance, utilities, and other services (e.g., computer, telephone and internet, supplies); procurement and financial management services; and office and information systems security. These program management expenses are funded by twenty percent (20%) of all funds the program receives, whether via direct appropriation (TIATA) or inter-agency transfer.

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?" Project selection is a process that typically begins with a request for Treasury technical assistance as outlined below 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 OTA determines to be within their mandate, an on-the-ground assessment is carried out by OTA subject matter experts. The OTA subject matter expert shares the conclusions 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.

The manager of one of OTA's five core disciplines submits a project proposal based on the assessment 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 OTA selects a resident or intermittent advisor-based project model 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 OTA selects a resident or intermittent project for funding, Terms of Reference (TOR) are worked out with the counterpart agency and signed by a policy-level official from the counterpart government and Treasury's DAS for Technical Assistance Policy. 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. OTA uses the reports 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 monitors project performance 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. An OTA expert other than the project implementer undertakes end-of-project reports, which 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 seven end-of-project reports in 2018.

OTA closely monitors the level of "traction," or the degree to which changes in partner governments' behavior occur as a result of OTA assistance (e.g., the number of foreign officials who are taking an active role in pursuing change, or interim deliverables that are on time or ahead of schedule). OTA also measures "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.

For 2018, 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. The targets reflect a reasonable expectation of project traction and impact taking into consideration the inherent challenges of achieving a meaningful engagement with foreign partners that leads to tangible outcomes. OTA exceeded performance goals for traction in 2018 with an actual score of 3.8. OTA's impact score declined slightly to 3.0, but is in line with historical averages. (See rating scale below for additional explanation of the meaning of these scores.)

OTA Traction and Impact Evaluation Rating Scale

Traction

5 – Advisors have regular and frequent meetings with counterparts. Counterparts display high levels of involvement. There is an excellent professional relationship between the advisor and the counterpart. Schedules are kept. Counterparts take the initiative to advance the project work. There is a great deal of energy and activity devoted to this objective.

3 – While there is interaction and involvement in working on this objective, more focus and activity would be desirable and is probably possible. For good and valid reasons the specific project objective does not have a high priority for the counterparts at the present time, but some important and worthwhile efforts are being made. The project is doing well but could do better on this objective.

1 – There is little if any involvement or activity generated around this objective. It may be that the objective has been delayed, suspended, or otherwise given low priority. Though this may change in the future, for the time period covered by this evaluation this objective is dormant.

Impact

5 – This objective has been completed and/or is having a noticeable and positive effect. The work being accomplished makes a difference that all involved in the project recognize and value. The project is making substantive and substantial differences that can be verified by any observer who understands the technical nature of this work.

3 – Though the effects of this objective are unmistakable and positive, the objective was designed to achieve more than has been done to date.

1 – There has been little if any substantive achievement or change as a result of work on this objective. It may be because little work has been done to date; because what has been done has been inadequate; or because what was done failed.

Use the numbers **4** and **2** to indicate levels of Traction and Impact between 5 and 3, or 3 and 1, if that best reflects the professional assessment of the evaluator.

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 affected 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 2018, OTA received 41 survey responses covering projects in 28 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.

OTA is in the process of enhancing its evaluation regime in accordance with the Foreign Aid Transparency and Accountability Act of 2016 (FATAA). The proposed

enhancements would include an independent (third-party) evaluation of projects after the completion of the second year of technical assistance activities and 6-12 months after project activities cease. The evaluations will provide objective insights into projects that would allow for course-corrections and inform both ongoing and planned engagements. For example, an evaluation of a project in the budget area may measure the extent to which the project helped to enhance transparency, accountability, and control over financial resources through the implementation of a new budget classification system. Results of evaluations will be made available to the public.

VI. Achievements

As described in the previous section, Treasury measures the results of technical assistance on a project-by-project basis, ranging from engagements that meet or in some cases exceed project objectives, to those that underperform, or result in little or no improvement. On the latter, projects can fall short of expectations for a variety of reasons: limited absorption capacity by recipients, a change in host-country leadership, difficulty in establishing a good working relationship between the advisor and his/her counterpart, a lack of commitment to reform, or reform fatigue. OTA conducts quarterly reviews of project progress. For projects with less than satisfactory progress, OTA may curtail or end the projects earlier than expected. On average, OTA curtails or ends early 4-5 projects, roughly 6% of TIATA-funded projects, per year.

By contrast, OTA projects are successful when the foreign counterparts—at both the technical and policy level—are committed to reform and to using Treasury technical assistance well. In 2018, several OTA partner countries demonstrated such commitment and made significant achievements with OTA assistance. Notable accomplishments include the following:

Banking and Financial Services

Ukraine Implements Distressed Loan Sales. One of the most important aspects of strengthening Ukraine's banking sector, and in turn the overall economy, has been to sell the assets of failed banks. Ukraine's Deposit Guarantee Fund (DGF), with OTA support, successfully implemented a bulk sales process for loans taken over from bank failures that were precipitated by the country's 2014 political and economic crisis. Starting in the last quarter of 2018, the DGF sold 419 loans valued at \$790 million by balance (principal plus interest accrued) through three successful bulk sales with international loan sale advisors, resulting in the return of these assets to the private sector at a market price and substantial recovery of funds to the government. In addition, these sales have attracted European and US investors, and have created a secondary market in purchasing, collecting, and servicing distressed debt. This process is the first successful state bulk sales program in Central and Eastern Europe since the early 2000s and is the culmination of five years of sustained engagement by OTA.

Revenue Policy and Administration

Burma Audits Construction Industry. Due to the high visibility of the construction sector in Burma, as well as the opportunities for tax revenues to be lost in the nexus between contractor and subcontractors, the construction industry is a prime candidate for a tax compliance improvement plan. In 2018, a team of auditors from the Internal Revenue Department's (IRD) Large Taxpayer Office and Medium Taxpayer Office began implementing a compliance improvement plan, identifying 22 firms that did not file taxes, or had indicators of under-reported earnings. Using improved risk management concepts, field research, audit case development, informational meetings, and interview techniques imparted by OTA, the compliance improvement teams are registering the non-filing firms, and correcting taxpayer misinformation, setting the stage for the newly registered businesses to then file and pay at the taxpayer offices. OTA will work with the IRD to transfer compliance risk management concepts piloted in the construction sector to other specialized industries, allowing the IRD to target additional revenue sources, bring delinquent taxpayers into the fold, and ensure a level playing field where all companies are meeting their taxpayer obligations.

Dominican Republic Investigates Tax Fraud. OTA's partnership with the Dominican Republic's Dirección General de Impuestos Internos (DGII) has advanced the institution's investigation and prosecution of tax fraud and tax evasion cases. Following the creation of the DGII Tax Crimes and Anti-Money Laundering Unit, OTA helped develop an investigations operational manual, documenting a structured investigative approach and trained tax crimes investigators in case and investigation management. Since the completion of the new unit, DGII has received 205 allegations and initiated 104 investigations. In March 2018, the DGII Tax Crimes unit made its first arrest of a tax preparer for tax fraud involving an estimated loss of \$8.2 million. The Tax Crimes Unit has submitted six investigations to the DGII Legal Division for potential prosecution of individuals alleged to have evaded taxes of as much as \$21 million.

Budget and Financial Accountability

Honduras Decreases Payment Arrears. In an important initiative to improve transparency and efficiency in public finances, the Honduran Treasury, with OTA assistance under a Millennium Challenge Corporation (MCC) Threshold Program, implemented a system that selects invoices (from vendors who provided goods or services to the government) to pay based on a set of objective criteria, such as due date and class of expenditure. The system selects the oldest unpaid invoices for the class of expenditure that is scheduled to be paid based upon a published calendar. This system has reduced the opportunity for government officials to solicit bribes to get invoices paid and creates an environment where vendors have confidence that payments will occur in a fair and objective manner. The Government of Honduras is now tracking and limiting the payment arrears as required by its fiscal responsibility law. Since the beginning of the Threshold Program, arrears in payments to vendors based on MCC indicators have gone from 2.2% of GDP in 2014 to 1.1% of GDP in 2017. While final GDP numbers are not available for 2018, the absolute value of arrears has continued to decline.

Ukraine Institutionalizes Medium Term Budgeting. With OTA assistance, Ukraine developed and approved amendments to its Budget Code in 2018 to allow for the implementation of medium-term budget planning. The amendments included modifications to the national budget calendar, addition of specific fiscal rules, and strengthening responsibilities of budget managers. When fully implemented, the transition to medium-term budgeting will reinforce fiscal discipline, facilitate informed policymaking and better monitoring of expenditure commitments, and improve predictability in planning and executing the budget. OTA also assisted in the development of changes to a Ministry of Finance order setting out the methodology for fiscal impact calculations of proposed legislation.

Government Debt and Infrastructure Finance

Philippines Launches Online Bond Auctions. In August 2018, the Philippine Bureau of the Treasury launched the National Registry of Scriptless Securities, an electronic government security auction platform and central securities depository system, to replace an outdated and fragmented system that required significant manual processing. The registry will allow the Government of the Philippines to manage its government debt operations more efficiently, securely, and transparently. OTA advisors have been working with the Philippine Treasury on the conceptualization and implementation of the registry since 2014.

Philippines Develops Green Investing. With OTA assistance, the Philippines Securities & Exchange Commission (SEC) has become a leader among the Association of Southeast Asian Nations (ASEAN) capital market regulators in promoting green finance, which involves engaging traditional capital markets in creating and distributing a range of financial products and services that deliver both investable returns and environmentally positive outcomes. Working closely with the Malaysian Securities Commission, the Philippines SEC spearheaded the adoption of ASEAN Green Bond Standards as a way to attract foreign capital and develop its own domestic market. The Philippines' effort to appeal to global sustainable investors, capitalize on its growing renewables industry, and spur investment in resilient infrastructure that can sustain severe weather events has been successful. Since 2016, the country has executed seven green transactions totaling \$1.33 billion.

Economic Crimes

Argentina Issues Order to Freeze Funds. Argentina's Financial Intelligence Unit (UIF) issued a freeze order requiring financial institutions in Argentina to restrain any funds associated with individuals or entities that the UIF had determined were connected to the Barakat Clan, a transnational criminal organization operating in the tri-border area of Argentina, Brazil and Paraguay. Since 2016, OTA has provided significant assistance to the UIF and other anti-money laundering/countering the financing of terrorism stakeholders in Argentina, which contributed to the UIF's ability to successfully issue the freeze order.

Cabo Verde Formalizes Currency Declaration Requirements. Government of Cabo Verde stakeholders in late-2018 began to conduct routine interagency investigative operations premised on the existence of newly implemented cross-border currency declaration requirements that were developed with OTA assistance and are consistent with international standards. As part of this effort, and based on OTA recommendations, Cabo Verde is making currency declaration forms available for download on social media platforms and agency websites, including the Ministry of Finance homepage, and also to entering and departing passengers at immigration booths. Formal protocols between law enforcement agencies have also been established by Cabo Verdean authorities to address the post-collection handling of currency declaration forms to ensure their effective use as financial intelligence.

Goal 2 • Objective 2.3

Foreign Technical Assistance

Provide technical assistance to enable foreign partner countries to better raise and manage financial resources and protect their financial sectors.



External Stakeholders

- Department of State
- U.S. Agency for International Development
- Millennium Challenge Corporation
- International Financial Institutions
- Development Banks
- Partner Countries

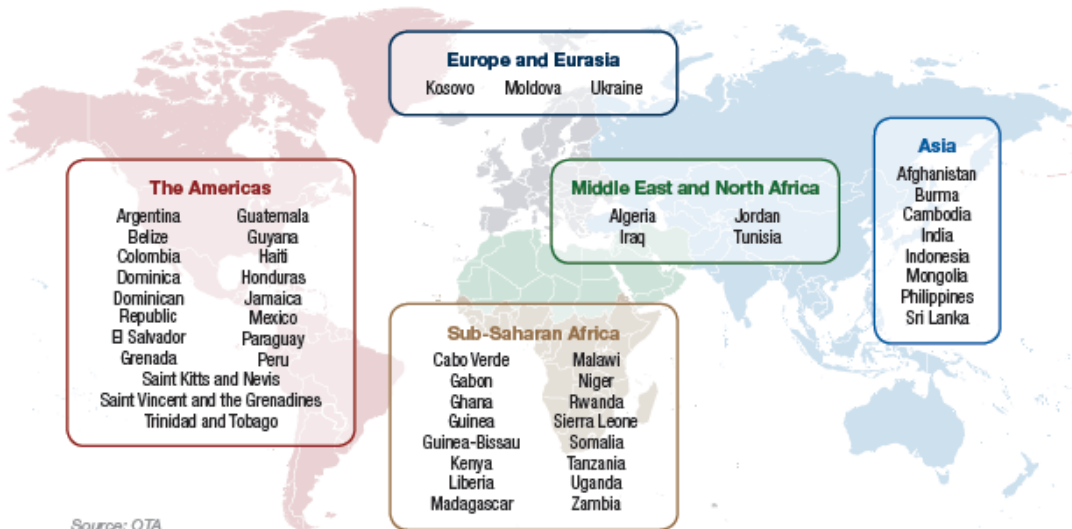
Desired Outcomes

Strongly engaged partner countries with increased capability to raise and mobilize domestic resources (resulting in decreased reliance on foreign aid); Attainment of strong, abuse-resistant financial sectors that promote economic growth.

Why Does This Matter?

Treasury's Office of Technical Assistance (OTA) directly assists developing and transition countries that have demonstrated strong commitment to reforming public financial management and strengthening their financial sectors. This work encourages prosperity and stability in other parts of the world and supports broader U.S. government economic and national security objectives – such as reducing corruption – while helping to create more stable international markets for U.S. exports.

Treasury's Technical Assistance Footprint



Objective 2.3 Strategies

Strategy 2.3.A • International Affairs

Maintain strong focus on core technical assistance areas (revenue policy and administration; budget and financial accountability; government debt issuance and management; banking and financial services; economic crimes).

Measures and Indicators of Success:

- Engagement of partner countries in programs
- Number of projects in core technical assistance areas

Strategy 2.3.B • International Affairs

Emphasize high priority issues such as domestic resource mobilization, infrastructure finance, expanded access to financial services, and Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) frameworks.

Measures and Indicators of Success:

- Engagement of partner countries in programs
- Number of projects emphasizing high priority issues

Recent Foreign Technical Assistance Success Stories

Ukraine took steps to stabilize its banking sector, including resolution of the country's largest and most systemically important bank in 2016.

Burma created the government's first Large Taxpayer Office as part of a joint Treasury-International Monetary Fund project to strengthen tax administration and improve domestic resource mobilization. In 2016, the office improved voluntary compliance and amended returns yielded more than \$13 million in additional revenue.

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

2018 TIATA Budget Execution Plan

Projects Funded by FY 2018 Treasury International Affairs Technical Assistance (TIATA) Appropriation

<u>LATIN AMERICA AND CARIBBEAN</u>	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
1 Argentina	BANK	Resident + Intermittent	\$ -	\$ 794,343	\$ 794,343
2 Argentina	BDGT	Intermittent	\$ -	\$ 122,625	\$ 122,625
3 Argentina	CRME	Resident	\$ -	\$ 759,747	\$ 759,747
4 Argentina (Infrastructure Finance)	DEBT	Resident	\$ -	\$ 608,973	\$ 608,973
5 Argentina	RVNU	Intermittent	\$ -	\$ 215,578	\$ 215,578
6 Colombia IFT	DEBT	Intermittent	\$ -	\$ 171,181	\$ 171,181
7 Colombia IFT 02	DEBT	Resident	\$ -	\$ 706,702	\$ 706,702
8 Colombia	RVNU	Intermittent	\$ -	\$ 128,483	\$ 128,483
9 Dominican Republic (Financial Inclusion)	BANK	Intermittent	\$ -	\$ 246,613	\$ 246,613
10 Dominican Republic (Financial Stability)	BANK	Intermittent	\$ -	\$ 148,673	\$ 148,673
11 Dominican Republic	CRME	Intermittent	\$ -	\$ 218,156	\$ 218,156
12 Dominican Republic	RVNU	Project Coordinator + Intermittents	\$ -	\$ 544,391	\$ 544,391
13 Dominican Republic 02	BDGT	Resident	\$ -	\$ 65,479	\$ 65,479
14 ECCB-Saint Kitts	CRME	Intermittent	\$ -	\$ 144,102	\$ 144,102
15 El Salvador	BDGT	Resident	\$ -	\$ 445,465	\$ 445,465
16 Guatemala (Financial Inclusion)	BANK	Intermittent	\$ -	\$ 57,665	\$ 57,665
17 Guyana	RVNU	Project Coordinator + Intermittents	\$ 113,877	\$ 395,888	\$ 509,765
18 Honduras	BDGT	Intermittent	\$ -	\$ 71,847	\$ 71,847
19 Honduras	DEBT	Intermittent	\$ -	\$ 403,025	\$ 403,025
20 Jamaica (Financial Inclusion)	BANK	Intermittent	\$ -	\$ 226,619	\$ 226,619
21 Jamaica (Deposit Insurance)	BANK	Intermittent	\$ -	\$ 135,305	\$ 135,305
22 Jamaica	BDGT	Resident	\$ -	\$ 584,359	\$ 584,359
23 Mexico (Financial Inclusion)	BANK	Intermittent	\$ -	\$ 175,324	\$ 175,324
24 Panama	DEBT	Intermittent	\$ -	\$ 69,228	\$ 69,228

25 Paraguay (Financial Inclusion)	BANK	Intermittent	\$ -	\$ 196,895	\$ 196,895
26 Paraguay (Financial Stability)	BANK	Intermittent	\$ -	\$ 178,768	\$ 178,768
27 Paraguay (Deposit Insurance)	BANK	Intermittent	\$ -	\$ 135,509	\$ 135,509
28 Paraguay	BDGT	Resident	\$ -	\$ 912,700	\$ 912,700
29 Paraguay	CRME	Resident	\$ -	\$ 801,977	\$ 801,977
30 Paraguay	RVNU	Project Coordinator + Intermittents	\$ -	\$ 128,892	\$ 128,892
31 Paraguay	DEBT	Resident	\$ -	\$ 555,529	\$ 555,529
32 Paraguay IFT	DEBT	Resident	\$ -	\$ 543,238	\$ 543,238
33 Peru (Financial Inclusion)	BANK	Resident	\$ -	\$ 539,769	\$ 539,769
34 Peru (Deposit Insurance)	BANK	Intermittent	\$ -	\$ 165,192	\$ 165,192
35 Peru	CRME	Intermittent	\$ -	\$ 563,983	\$ 563,983
36 Peru IFT	DEBT	Intermittent	\$ -	\$ 362,187	\$ 362,187
37 Peru	RVNU	Intermittent	\$ -	\$ 241,283	\$ 241,283
38 Saint Vincent and the Grenadines	CRME	Intermittent	\$ -	\$ 143,891	\$ 143,891
39 Trinidad & Tobago	BANK	Intermittent	\$ -	\$ 76,278	\$ 76,278
40 Uruguay (Deposit Insurance)	BANK	Intermittent	\$ -	\$ 108,724	\$ 108,724
41 Uruguay (Financial Inclusion)	BANK	Intermittent	\$ -	\$ 72,911	\$ 72,911
Subtotal Latin America and Caribbean			\$ 113,877	\$ 13,167,497	\$ 13,281,374

<u>ASIA</u>	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
42 Burma 01	BDGT	Intermittent	\$ -	\$ 257,651	\$ 257,651
43 Burma	CRME	Intermittent	\$ -	\$ 526,030	\$ 526,030
44 Burma	RVNU	Resident + Intermitent	\$ -	\$ 1,084,997	\$ 1,084,997
45 Cambodia	BANK	Resident	\$ -	\$ 92,843	\$ 92,843
46 Cambodia (Financial Stability)	BANK	Intermittent	\$ -	\$ 110,996	\$ 110,996
47 Cambodia 02	BDGT	Intermittent	\$ 324,842	\$ 371,066	\$ 695,908
48 India 02 IFT	DEBT	Intermittent	\$ -	\$ 492,386	\$ 492,386
49 Indonesia 02	BDGT	Resident	\$ -	\$ 939,292	\$ 939,292
50 Indonesia IFT	DEBT	Resident	\$ -	\$ 678,988	\$ 678,988
51 Maldives	DEBT	Intermittent	\$ -	\$ 31,250	\$ 31,250
52 Mongolia	DEBT	Resident	\$ -	\$ 105,386	\$ 105,386
53 Mongolia 02 IFT	DEBT	Intermittent	\$ -	\$ 83,822	\$ 83,822
54 Mongolia	BDGT	Resident	\$ -	\$ 376,450	\$ 376,450
55 Mongolia	CRME	Resident + Intermittent	\$ -	\$ 802,941	\$ 802,941
56 Nepal	BANK	Intermittent	\$ -	\$ 268,052	\$ 268,052
57 Papua New Guinea	RVNU	Intermittent	\$ -	\$ 253,530	\$ 253,530
58 Philippines	DEBT	Intermittent	\$ -	\$ 316,218	\$ 316,218
59 Philippines	BANK	Resident + Intermittent	\$ -	\$ 329,509	\$ 329,509
60 Philippines IFT	DEBT	Resident	\$ -	\$ 734,726	\$ 734,726
61 Southeast Asia IFT	DEBT	Resident	\$ -	\$ 348,781	\$ 348,781
62 Sri Lanka	BANK	Resident + Intermittent	\$ -	\$ 419,770	\$ 419,770
63 Sri Lanka	RVNU	Project Coordinator + Intermittent	\$ -	\$ 551,450	\$ 551,450
64 Vietnam	BDGT	Resident	\$ -	\$ 53,665	\$ 53,665
Subtotal Asia			\$ 324,842	\$ 9,229,799	\$ 9,554,641

<u>EUROPE AND EURASIA</u>	<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
65 Kosovo	BANK	Intermittent	\$ 94,337	\$ 126,198	\$ 220,535
66 Moldova	RVNU	Resident	\$ 46,616	\$ 253,750	\$ 300,366
67 Ukraine	BANK	Intermittent	\$ 222,371	\$ 1,003,789	\$ 1,226,160
68 Ukraine 02	DEBT	Intermittent	\$ 1,009,250	\$ 125,000	\$ 1,134,250
69 Ukraine	RVNU	Intermittent	\$ 205,261	\$ 375,000	\$ 580,261
			\$ 1,577,835	\$ 1,883,737	\$ 3,461,572

SUB-SAHARAN AFRICA	Team	Advisor Category	Co-Financing	TIATA	Total
70 Botswana	BDGT	Resident	\$ -	\$ 996,003	\$ 996,003
71 Cameroon	RVNU	Project Coordinator + Intermittents	\$ -	\$ 497,964	\$ 497,964
72 Cote D'Ivoire	BDGT	Resident	\$ -	\$ 891,961	\$ 891,961
73 Cote D'Ivoire	DEBT	Resident	\$ -	\$ 861,726	\$ 861,726
74 Cote D'Ivoire	RVNU	Project Coordinator + Intermittents	\$ 173,686	\$ 669,400	\$ 843,086
75 Gambia	BDGT	Resident	\$ -	\$ 852,017	\$ 852,017
76 Gambia	RVNU	Project Coordinator + Intermittents	\$ -	\$ 322,939	\$ 322,939
77 Guinea-Bissau	RVNU	Intermittent	\$ -	\$ 498,644	\$ 498,644
78 Kenya	BANK	Intermittent	\$ -	\$ 157,148	\$ 157,148
79 Kenya	DEBT	Resident	\$ -	\$ 749,646	\$ 749,646
80 Liberia	CRME	Intermittent	\$ -	\$ 322,219	\$ 322,219
81 Madagascar (Financial Inclusion)	BANK	Resident + Intermittent	\$ -	\$ 1,139,343	\$ 1,139,343
82 Madagascar	BDGT	Resident	\$ 45,614	\$ 260,426	\$ 306,040
83 Madagascar	DEBT	Resident	\$ -	\$ 796,113	\$ 796,113
84 Malawi 01	BDGT	Resident	\$ -	\$ 188,181	\$ 188,181
85 Namibia (IFT)	DEBT	Resident	\$ 166,499	\$ 250,071	\$ 416,570
86 Niger	RVNU	Project Coordinator + Intermittents	\$ -	\$ 978,674	\$ 978,674
87 Rwanda	RVNU	Project Coordinator + Intermittents	\$ -	\$ 796,944	\$ 796,944
88 Rwanda	DEBT	Resident	\$ -	\$ 670,074	\$ 670,074
89 Senegal	BDGT	Resident	\$ -	\$ 953,146	\$ 953,146
90 Sierra Leone (Financial Inclusion)	BANK	Resident + Intermittent	\$ -	\$ 1,182,714	\$ 1,182,714
91 Sierra Leone	CRME	Intermittent	\$ -	\$ 314,245	\$ 314,245
92 Uganda	BDGT	Resident	\$ -	\$ 437,938	\$ 437,938
93 Uganda IFT	DEBT	Resident	\$ -	\$ 673,457	\$ 673,457
94 WAEMU Regional Securities Agency	DEBT	Resident	\$ -	\$ 717,282	\$ 717,282
95 Zambia 02	BANK	Intermittent	\$ -	\$ 456,371	\$ 456,371
Subtotal Sub-Saharan Africa			\$ 385,799	\$ 16,634,646	\$ 17,020,445

SENIOR ADVISORS						
96	Senior Advisor AFR/EUR	BANK		\$ -	\$ 514,597	\$ 514,597
97	Senior Advisor Financial Inclusion	BANK		\$ -	\$ 485,548	\$ 485,548
98	Senior Advisor	BDGT		\$ -	\$ 464,069	\$ 464,069
99	Senior Advisor Cash Management	BDGT		\$ -	\$ 477,180	\$ 477,180
100	Senior Advisor I	CRME		\$ -	\$ 447,750	\$ 447,750
101	Senior Advisor II	CRME		\$ -	\$ 374,486	\$ 374,486
102	Senior Advisor	DEBT		\$ -	\$ 456,617	\$ 456,617
103	Senior Advisor IFT	DEBT		\$ -	\$ 436,395	\$ 436,395
104	Senior Advisor	RVNU		\$ -	\$ 890,066	\$ 890,066
Subtotal Senior Advisors				\$ -	\$ 4,546,708	\$ 4,546,708
OTHER FUNDED ACTIVITIES						
		<u>Team</u>	<u>Advisor Category</u>	<u>Co-Financing</u>	<u>TIATA</u>	<u>Total</u>
105	International Tax	RVNU		\$ -	\$ 348,118	\$ 348,118
Subtotal Other Funded Activities				\$ -	\$ 348,118	\$ 348,118
GRAND TOTAL				\$ 2,402,353	\$ 45,810,505	\$ 48,212,858

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

2018 Non-TIATA Sources of Funding

Treasury International Affairs Technical Assistance (TIATA)

Purpose	Source	Transfer Category	Amount
Assistance for Europe, Eurasia and Central Asia	State	632(b)	\$489,650
Technical Assistance to the Government of Cambodia	USAID	632(b)	\$84,000
Technical Assistance to the Government of Jordan	USAID	632(b)	\$515,381
Technical Assistance to Government of Mongolia	State	632(b)	\$104,495
Technical Assistance to Government of Sri Lanka	State	632(b)	\$766,000
Technical Assistance to Government of Trinidad and Tobago	State	632(b)	\$200,000
Technical Assistance for Energy Governance and Capacity Building (Albania)	State	632(b)	\$569,223
Technical Assistance to for Domestic Resource Mobilization (Ghana, Kenya)	USAID	632(b)	\$2,144,000
TOTAL			\$4,872,749