

# DEPARTMENT OF THE TREASURY

Treasury Technical Assistance  
Debt Restructuring

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## Treasury Technical Assistance

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
TTA	18,888	18,848	20,000

The FY 2006 request for Treasury International Affairs Technical Assistance is \$20.0 million. The program provides financial advisors to countries seeking assistance in implementing significant economic reforms, especially during critical periods of transition to market-based economies. The program supports economic policy and financial management reforms, focusing on the functional areas of budget, taxation, government debt, financial institutions, and financial crimes law enforcement.

In FY 2006, it is estimated that \$8.5 million of the request will be used by Treasury Technical Assistance to fund resident and short-term advisor projects to countries combating terrorist finance activity. A large portion of the request will be used for assistance programs in sub-Saharan Africa, supporting economic and financial reforms in countries receiving HIPC debt relief, and other areas of emphasis.

## Debt Restructuring

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
DR	94,440	99,200	99,750

The FY 2006 request is \$99.75 million for bilateral Heavily Indebted Poor Countries (HIPC) and poorest country debt reduction, contribution to the HIPC Trust Fund, and Tropical Forest Conservation Act debt reduction programs.

For the poorest countries, debt reduction provides an incentive to implement macro-economic and structural reforms necessary for economic growth and also frees up resources for poverty reduction efforts. The request would provide funding for the cost of bilateral HIPC and poorest country debt reduction and for additional contributions to the HIPC Trust Fund, which is administered by the World Bank and helps regional development banks and other multilateral institutions to meet their costs of debt relief.

The Tropical Forest Conservation Act (TFCA) received strong bipartisan support and was signed into law in 1998. The program allows for reduction of U.S. concessional debt and redirection of payments in local currency in eligible countries to support programs to conserve tropical forests.