



# TREASURY

Strategic Plan 2022–2026



# Strategic Plan Overview



**Goal 1:** Promote Equitable Economic Growth and Recovery



**Goal 2:** Enhance National Security



**Goal 3:** Protect Financial Stability and Resiliency



**Goal 4:** Combat Climate Change



**Goal 5:** Modernize Treasury Operations

# TREASURY

## Strategic Plan 2022–2026



### **About the Cover**

Images on the cover reflect Treasury’s multifaceted mission to build and maintain equitable economic growth at home and abroad, combat national security threats to protect the integrity of the financial system, and manage the U.S. government’s finances and resources effectively.

### **About this Document**

*Treasury Strategic Plan 2022–2026* is a publication of the United States Department of the Treasury. It is maintained by the Office of Strategic Planning and Performance Improvement. For questions, training requests, or additional copies, please email [ospipi@treasury.gov](mailto:ospipi@treasury.gov).

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DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

I am proud to share the Strategic Plan of the Department of the Treasury for Fiscal Years 2022–2026.

There is much we cannot predict about the next four years, but there are certain things we know: The United States will be recovering from one of the most precipitous downturns in our history, the economic crisis caused by the COVID-19 pandemic. At the same time, we will have to address the structural problems that have plagued our economy for decades: the decline in labor force participation, income and racial inequality, and serious underinvestment in crucial public goods like childcare, education, and physical infrastructure. And then there are rising challenges, like climate change, which, left unchecked, will undermine every aspect of our economy from supply chains to the financial system.



America's ability to compete in the latter part of the 21st century depends on how well we meet this collection of challenges. Treasury must play a critical role. The following plan outlines how our Department is readying – and, in some cases, transforming – ourselves to do this. It covers Treasury's priorities for the next four years and underscores our commitment to re-engaging allies and centering equity across mission areas to achieve our goals.

We are now engaged in the most important economic project in recent history: Repairing the broken foundations of our economy, and on top of them, building something stronger and fairer than what came before.

Sincerely,

Janet Yellen  
Secretary of the Treasury

# How to use the Strategic Plan

## What is this Plan, and how do I use it?

The *Government Performance and Results Act Modernization Act of 2010* (GPRAMA) requires federal agencies to publish new strategic plans one year after each presidential inauguration. Treasury’s Strategic Plan for Fiscal Years (FY) 2022–2026 describes long-term goals the agency aims to achieve during this administration.

We organized it into three main parts: **Agency and Mission, Strategic Goals and Objectives, and Accountability Processes**. This is how different audiences can use the Strategic Plan:

Treasury Employees	Treasury Leaders	External Stakeholders and Customers, including the American Public and other Federal agencies
Use as a roadmap to prioritize your work and monitor progress in the context of the Department’s priorities.	Use as an internal decision-making guide to align resources, prioritize activities, and monitor the progress and contributions of your organization in achieving the Department’s strategic priorities.	Use to understand Treasury’s priorities, how we will measure success, and potential areas of partnership.

Within the strategic plan, “goals” articulate broad societal impacts that Treasury aims to achieve, while “strategic objectives” support goals and reflect more focused policy or operational areas where we plan to make significant improvements. We designated accountable officials for each goal and strategic objective. These officials are responsible for overseeing and monitoring progress towards achieving strategic objectives and goals, coordinating with internal and external stakeholders to execute goals and strategic objectives, and delivering status updates and progress reports regularly (for more information on accountability processes, go to page 47). Each strategic objective within this document has a consistent layout and components vital to making this a useful guide for decision-making (for more information on the elements of a Treasury strategic objective, go to page vii).

## Learning Agenda and Evidence-building Capacity Assessment

Consistent with the expectations outlined in the *Foundations for Evidence-based Policymaking Act of 2018* (Evidence Act), Treasury continues its commitment to incorporate data and evidence into Departmental decision-making. For this Strategic Plan, the Department identified a set of research questions that were most pertinent to the new group of strategic objectives. Called a “Learning Agenda,” this set of research questions outlines the activities that Treasury aims to undertake during the next four years to build evidence in these priority areas. Treasury also developed an assessment (Capacity Assessment) to better understand the Department’s ability to build and use evidence. For the full Learning Agenda questions and Capacity Assessment results, see page 49 and the Appendix.

# Elements of a Strategic Objective

This page will help readers navigate the Strategic Plan by identifying the elements of a strategic objective.

- 1. Objective Short Name and Statement** provides the scope of the objective and identifies the specific, measurable, and achievable change the Department aims to make.
- 2. Who's Involved** identifies the lead and supporting Treasury organizations that are responsible for implementing the strategic objective. It also identifies the external partners Treasury intends to collaborate with and the customers Treasury will serve in implementing the objective.
- 3. Why Does This Matter?** makes the case for why Treasury should focus attention on this issue. It describes the scope of the problem, its impact on the American public, Treasury's proposed solutions and role in solving the problem, and the risk if Treasury does not act.
- 4. Desired Outcomes** describes how the Department defines success for the objective. It lists what measures or indicators the Department will internally monitor or externally report to understand whether Treasury is making progress in achieving the strategic objective.
- 5. Cross-cutting Themes** are priorities for the administration that impact multiple goals and objectives.
- 6. Strategies** identify the specific approaches Treasury bureaus and offices will take to achieve and track progress towards the strategic objective.
- 7. Learning Agenda Questions** are research questions that Treasury aims to answer to better understand the subject area and improve the effectiveness and impact of its key programs, policies, and strategies. These questions are further discussed in Treasury's full Learning Agenda, an Appendix to this plan.
- 8. Critical Management Initiatives** are specific priority human capital, data, and information technology (IT) initiatives that the Department needs to implement to effectively execute the identified strategic objectives. These initiatives help drive management priorities, inform enterprise IT, data, and Human Capital plans, and enhance Treasury's capacity for evidence-building activities supporting the Department's priorities.



# Treasury's Mission

Treasury's mission is to maintain a strong economy by promoting conditions that enable equitable and sustainable economic growth at home and abroad, combating threats to, and protecting the integrity of the financial system, and managing the U.S. government's finances and resources effectively.

The nearly 100,000 dedicated Treasury employees strive to maintain integrity and uphold the public trust in all that we do, explore better ways of conducting business through **innovation**, seek **diversity** of thought and **expertise** to inform our decisions, embrace and **adapt** to change, and hold ourselves **accountable** for accomplishing meaningful results for the American public.



Statue of Albert Gallatin, fourth Secretary of the Treasury.



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# About Treasury

## Foundation

After the American Revolution, Congress realized that funding a war without proper infrastructure and financial discipline presented an enormous challenge to our country's economic stability. Out of the necessity to levy and collect taxes and manage the U.S. government's finances, Congress established the Department of the Treasury on September 2, 1789. President George Washington appointed Alexander Hamilton as Treasury's first Secretary. Since then, more than 70 Secretaries have led the Department.

Throughout its history, Treasury has served as the launch point for other federal agencies. For example, the U.S. Postal Service, U.S. Customs Service, Secret Service, Federal Law Enforcement Training Center, and U.S. Coast Guard all were a part of the Department at one time.

## Today's Treasury

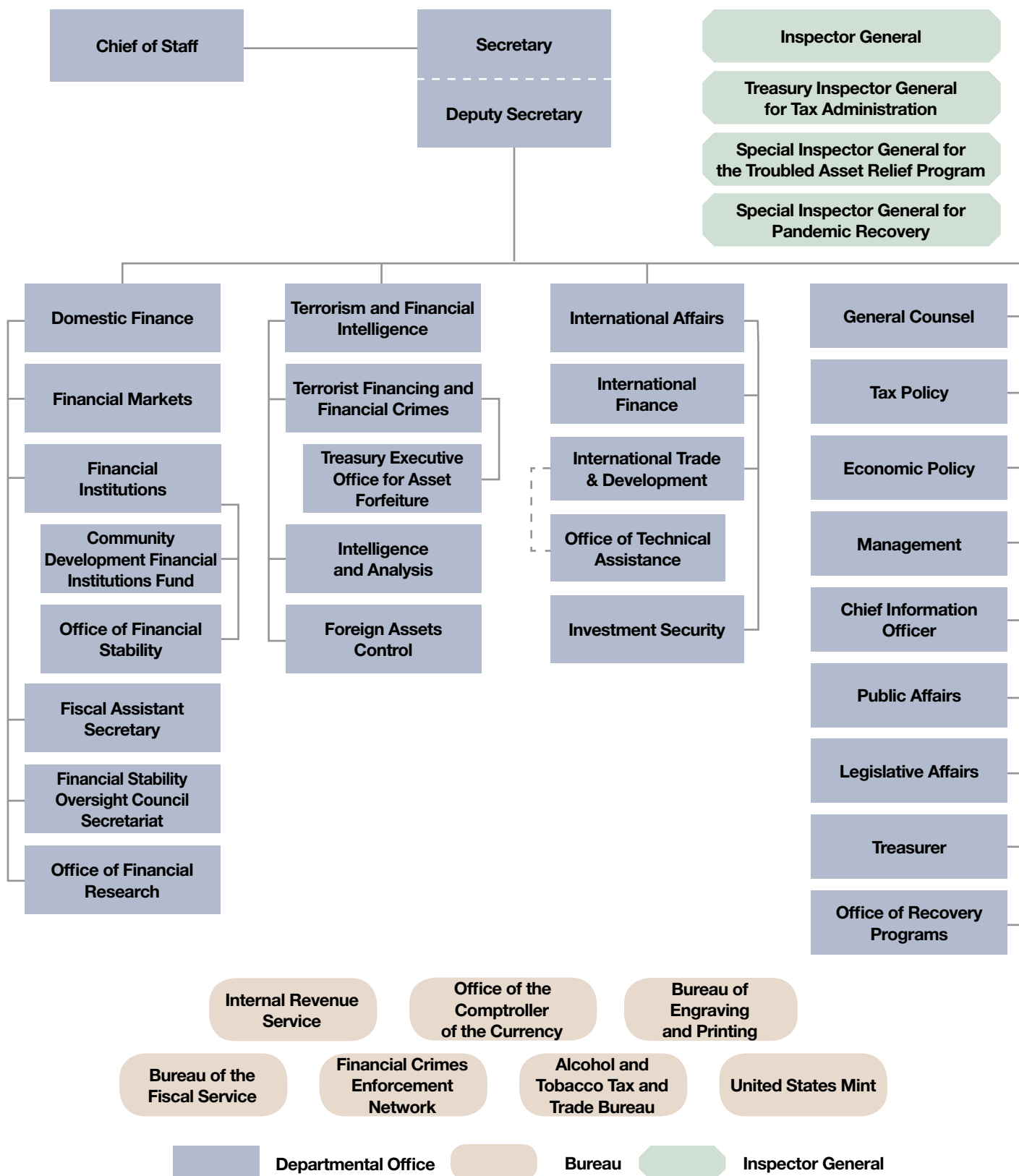
Treasury remains one of the world's premier financial actors, responsible for the nation's debt management, cash production, disbursement of Social Security benefit payments, tax collection, and federal agency financing. As technology and markets have evolved, Treasury has adapted to identify and reduce vulnerabilities in the financial system, preventing abuse by illicit actors. As threats have evolved, the Department employs its national security tools and authorities—including sanctions—to identify, disrupt, and dismantle national security threats and further U.S. foreign policy.

Globally, Treasury represents the U.S. in important economic forums and international financial institutions, including the Group of Seven (G7) and the Group of Twenty (G20), which hold annual summits with heads of state to discuss global economic and foreign policy issues. Treasury has significant responsibility for promoting stability and growth in the global economy via leadership roles in the International Monetary Fund, the World Bank, regional development banks, and other multilateral organizations, such as the Financial Stability Board and the Financial Action Task Force.



# Organizational Structure

Treasury is organized into the Departmental Offices, operating bureaus, and inspectors general. The Departmental Offices primarily formulate policy and oversee the bureaus, which manage major operations.



# Bureau Descriptions

## Bureaus

**The Alcohol and Tobacco Tax and Trade Bureau (TTB):** collects federal excise taxes on alcohol, tobacco, firearms, and ammunition. It enforces and administers laws covering the production, use, and distribution of alcohol and tobacco products.

**The Bureau of Engraving and Printing (BEP):** develops and produces U.S. currency notes, as well as secure documents for government use.

**The Financial Crimes Enforcement Network (FinCEN):** safeguards the financial system from illicit use, combats money laundering, and promotes national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

**The Bureau of the Fiscal Service (Fiscal Service):** promotes financial integrity and operational efficiency by operating the U.S. government’s collections and deposit systems and providing central payment services to the American public on behalf of federal agencies. It also manages the collection of delinquent debt, borrows funds needed to operate the U.S. government through the sale of U.S. Treasury securities, and accounts for the resulting debt. Additionally, it serves as the Quality Service Management Office and establishes standards for core financial management, delivers administrative shared services to federal agencies, provides government-wide accounting and reporting, and incubates and acts as a catalyst for agencies to adopt innovative solutions that improve financial management operations.

**The Internal Revenue Service (IRS):** provides top-quality service to taxpayers by helping them understand and meet their tax responsibilities, administers and enforces the tax code with integrity and fairness, prevents tax fraud, and upholds the Taxpayer Bill of Rights.

**The United States Mint (U.S. Mint):** designs, mints, and issues U.S. circulating coins, as well as numismatic and bullion coins; in addition to striking Congressional gold medals and other medals of national significance. It maintains physical custody and protection of most of the nation’s gold and all of its silver assets.

**The Office of the Comptroller of the Currency (OCC):** charters, regulates, and supervises national banks and federal savings associations, as well as federal branches and agencies of foreign banks, to ensure that they operate safely and soundly, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

Four Inspectors General – the **Office of Inspector General (OIG)**, the **Treasury Inspector General for Tax Administration (TIGTA)**, the **Special Inspector General for the Troubled Asset Relief Program (SIGTARP)**, and the **Special Inspector General for Pandemic Recovery (SIGPR)** – provide independent audits, investigations, and oversight of Treasury and its programs.



# Departmental Office Descriptions

## Departmental Offices

**Domestic Finance (DF):** works to support equitable and sustainable economic growth and financial stability through policies to increase the resilience of financial institutions and markets and financial wellbeing of consumers, and to increase access to credit for small businesses and low-to-moderate income communities. It develops policies and guidance for the Department's activities in financial institutions, federal and municipal debt finance, financial regulation, and capital markets.

**Economic Policy (EP):** reports on economic developments and assists in the determination of appropriate economic policies. It also reviews and analyzes domestic economic issues and financial market developments.

**International Affairs (IA):** protects economic prosperity and national security by fostering the most favorable external environment for sustained jobs and economic growth.

**Tax Policy (TP):** develops tax policies on behalf of the administration. In conjunction with the IRS Office of Chief Counsel, it propagates regulations to clarify the Internal Revenue Code and improve tax compliance, provides revenue estimates for the administration's revenue proposals, and prepares receipt estimates for the Treasury.

**Terrorism and Financial Intelligence (TFI):** marshals the Department's policy, enforcement, regulatory, and intelligence functions to sever the lines of financial support to international terrorists, weapon of mass destruction proliferators, narcotics traffickers, money launderers, and other threats to U.S. national security.

**Office of Recovery Programs (ORP):** oversees programs authorized through the Coronavirus Aid, Relief, and Economic Security (CARES), the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act designed to respond to the economic crisis precipitated by the COVID-19 pandemic.

**Climate Hub:** coordinates Treasury's work to inform, guide, incentivize, and mobilize financial flows for climate mitigation and climate adaptation and supports the broader alignment of the financial system with a path to net-zero emissions by mid-century.

**Office of Management and Chief Financial Officer (ASM):** manages the Department's financial resources and oversees Treasury-wide programs, including human capital, organizational performance, enterprise risk management, information technology, acquisition, diversity issues, and data governance.

Other offices within Departmental Offices include the **General Counsel**, **Legislative Affairs**, **Public Affairs**, **Treasurer**, and **Office of Small and Disadvantaged Business Utilization (OSDBU)**.

# Understanding the Landscape

To shape the Department’s Strategic Plan, Treasury conducted a rigorous scan of its operating environment to identify factors that may impact its strategic priorities and ability to achieve its mission over the next four years. The resulting Strengths, Weaknesses, Opportunities, and Threats (SWOT) assessment reflects the key internal (strengths, weaknesses) and external (opportunities, threats) factors that impact the Department’s operating environment, as well as the level of influence that Treasury has over each factor.

## Stakeholder Engagement

Treasury engaged with internal and external stakeholders to identify ongoing and emerging priorities for the Department. These initial engagement activities resulted in an environmental scan that Treasury leaders used, along with the findings of the Department’s annual strategic review, to identify draft strategic objectives for the new plan. The Deputy Secretary of the Treasury chaired a series of planning sessions with the Department’s senior leaders to further refine these priorities, clarify desired outcomes, and develop strategies to achieve these objectives. In addition to the process described below, Treasury met with Strategic Planning teams of other federal agencies to obtain feedback on draft priorities and conducted a public outreach campaign to gather input from underserved populations on how Treasury can better support them.

SOURCES	DELIVERABLES	FINAL OUTPUTS
<p><b>Leadership interviews:</b> 23 interviews with 64 senior career and bureau leaders</p> <p><b>Feedback</b> from 3 Congressional committees, other federal agencies, and the public</p> <p><b>Treasury documents and reports:</b> ~45 sources including bureau strategic plans, annual reports, Inspector General reports, Human Resource workforce analytics, Strategic Objective Annual Reviews, and Quarterly Performance Reviews</p> <p><b>Planning sessions</b> with Treasury senior leaders</p> <p><b>External articles and research:</b> ~135 sources including other agency strategic plans, think tank articles, academic research</p>	<p><b>Environmental scan, including SWOT assessment and Change Agenda</b></p> <p><b>Treasury Learning Agenda</b></p> <p><b>List of Critical Programs and Projects</b></p> <p><b>Critical Management Initiatives</b></p> <p><b>Research on external factors, upcoming legislation, and party priorities</b></p>	<p><b>Treasury FY 2022–2026 Strategic Plan</b></p> <p>Aligned to Bureau-level, community, council, office strategic plans and priorities</p>

## Understanding the Unique Status of Tribal Governments

As referenced in President Biden’s [Memorandum on Tribal Consultation and Strengthening Nation-to-Nation Relationships](#) executed on January 26, 2021, American Indian and Alaska Native Tribal Nations are sovereign governments recognized under the Constitution of the United States, treaties, statutes, Executive Orders, and court decisions. Treasury is committed to strengthening its relationships with Tribal governments and Indian Country to work to better understand and respond to the needs of Tribal governments regarding agency policies, programs, services, regulations, guidance and other policy statements or actions that have Tribal implications. To further its commitment to recognizing our unique government-to-government relationship with Tribal Nations, Treasury has also adopted an Action Plan for improving its engagement with Tribal governments. (For more information, please see [Treasury’s Tribal Consultation Policy](#) and the [Treasury Action Plan to Improve Tribal Relations](#).) As part of this commitment, Treasury held an initial consultation on the development of the FY 2022–2026 Treasury Strategic Plan and is committed to holding additional consultation once the plan is published and available for Tribal Leaders’ review.

# Risk Appetite

## Risk Appetite

To further understand Treasury’s operating environment, the Office of Risk Management conducted a risk appetite analysis and identified the amount and type of risk Treasury is willing to accept, on a broad level, in pursuit of its goals and objectives. Low appetite means that there is a preference to reduce risk as much as possible through mitigations. Moderate appetite implies that there is a willingness to accept some risks strategically and mitigate all others. Treasury acknowledges that sometimes risks must be accepted to pursue opportunities. The Department integrated thoughtful analysis into strategic planning processes to determine the level of risk that can be accepted and align strategic decisions with the risk appetite.

Treasury has a low risk appetite for conducting fundamental mission activities and critical programs and projects, which include programs or projects that are essential to Treasury’s successful execution of its mission. Failure, interruption, or compromise of these programs and projects could undermine Treasury’s capability to achieve its objectives, severely impact government operations, and result in significant loss of trust in Treasury, Federal Government, U.S. Economy, and National Security by key stakeholders or the public. The Department identifies these critical programs and projects at the goal level (see page 48 for list). Treasury has a moderate risk appetite for taking positive risks to implement and execute Treasury’s long-term goals and specific strategies.

## High-Level Strengths, Weaknesses, Opportunities, and Threats (SWOT) Assessment

		Enhancers (Helpful for achieving objectives)		Inhibitors (Barriers to achieving objectives)	
		STRENGTHS		WEAKNESSES	
Internal Factors	Strong reputation and credibility	Solid foundation of management and operational processes	Powerful authorities	Talent management constraints	Resource limitations
		Demonstrated ability to effectively partner and collaborate	Resilient mission execution	Need to improve coordination and communication, including creating stable feedback loops	
External Factors	Influence efforts on U.S. economic recovery	Restore public confidence in government	Quality and dedicated workforce with a wide variety of expertise	Inconsistent approach to customer experience	Geopolitical shifts and global economic downturn
		Play a critical role in implementing new leadership priorities	Leverage new and emerging technologies	Growing social and economic inequalities	
		Enable more interagency and public-private collaboration	Embrace effective workplace trends	Challenges stemming from changes to U.S. workforce demographics	Rapidly changing operating environment and threat landscape
		OPPORTUNITIES		THREATS	

← LESS →      ← MORE      **influence over/ability to plan for**      MORE →      ← LESS

# Goal Overview

## Goal 1: Promote Equitable Economic Growth and Recovery

The COVID-19 pandemic has exacerbated the pre-existing inequities in America’s economic system and created a slowdown in global trade. Treasury must address systemic issues in the financial system and strengthen economic resiliency for all Americans. The Department must take the lead internationally to partner with foreign countries to advance ambitious policies for equitable global recovery and sustainable growth.

## Goal 2: Enhance National Security

An expanding array of transnational threats, continued instability in weak states, and the malicious use of critical and emerging technologies by adversaries present security concerns for the United States that may impact the integrity of the U.S. financial system, which is foundational to our national security. As foreign and domestic actors threaten American economic and national security, Treasury must apply its tools and strengthen bilateral and multilateral partnerships to defeat these threats and take a leading role in protecting the U.S. and international financial systems from abuse.

## Goal 3: Protect Financial Stability and Resiliency

The COVID-19 pandemic also exposed existing vulnerabilities in the financial system, especially in the nonbank financial sector, and caused additional stress to global and domestic economies. To improve financial resiliency ahead of the next inevitable crisis and reduce associated costs to the economy, Treasury must address vulnerabilities in core financial markets through responsible regulatory reforms. These reforms include improved liquidity risk management and adjustments to financial market infrastructure considering changes in technology and investor demand.

## Goal 4: Combat Climate Change

The United States and the world face a climate crisis and a narrowing window of action to avoid the worst impacts of climate change. At the same time, the transition to a low carbon economy represents a historic economic opportunity for the U.S. and global economy. The U.S. federal government must work alongside our domestic and international partners to respond ambitiously to tackle the challenges of climate change, adapt to an already changing climate, mitigate the risks, and position the global economy for clean and sustainable growth.

## Goal 5: Modernize Treasury Operations

Modernizing Treasury’s operations is critical to achieving Treasury’s mission and strategic priorities. In particular, the Department will focus on a narrow set of enterprise-level improvements that, if made, will improve mission delivery across all organizations and strategic objectives. These include building and retaining a workforce that represents the diverse people and communities the Department serves, enabling the work routines of the future to capitalize on the lessons learned from the pandemic work environment, strengthening decision-making through improved use of data, and increasing trust in government by building consistent customer experiences.

## Cross-cutting Themes

Treasury identified four Cross-cutting Themes that are administration priorities and impact multiple goals and objectives:

- ⊙ Re-engaging Allies
- ⊙ Climate Change
- ⊙ Equity
- ⊙ Customer Experience





# Strategic Plan Crosswalk

		Treasury leads	Treasury supports	Re-engaging Allies	Climate Change	Equity	Customer Experience
Goal 1 Promote Equitable Economic Growth and Recovery	<b>Tax Administration and Policy</b> Enhance tax compliance and service; improve tax policy design.	IRS, TP	TTB, EP	⊙	⊙	⊙	⊙
	<b>Global Economic Leadership</b> Generate sustainable and inclusive global economic growth.	IA	EP, TP, TTB	⊙	⊙	⊙	
	<b>Economically Resilient Communities</b> Promote equitable financial recovery and growth through support and flow of capital to small businesses, households, and underserved communities.	DF, ORP	TTB, OSDDBU, ASM, Fiscal, EP		⊙	⊙	⊙
	<b>Resilient Housing Market</b> Together with HUD and other federal agencies, promote a stable and resilient housing market that expands fair and equitable access to homeownership and affordable rental opportunities and protects taxpayers.	DF	EP, TP, ORP			⊙	⊙
Goal 2 Enhance National Security	<b>Cyber Resiliency of Financial Systems and Institutions</b> Harden assets and systems of Treasury and the broader financial system to promote financial system resiliency.	ASM, DF	All Bureaus/ Offices	⊙			⊙
	<b>Economic Measures to Advance National Security</b> Enhance and protect national security through the application of targeted financial measures and review of certain foreign investments.	TFI, IA	FinCEN	⊙			⊙
	<b>Modernize Sanctions Regime</b> Modernize the development, implementation, enforcement, and maintenance of U.S. sanctions to ensure that sanctions remain a streamlined and effective foreign policy and national security tool.	TFI	IA	⊙			⊙
	<b>Transparency in the Financial System</b> Increase transparency in the domestic and international financial system.	TFI/ FinCEN	IA, IRS	⊙	⊙		⊙
Goal 3 Protect Financial Stability and Resiliency	<b>Financial System Vulnerabilities</b> Identify and address current and emerging vulnerabilities to the stability of the U.S. and global financial systems to support more sustainable and equitable growth.	DF	IA, EP, OCC	⊙	⊙	⊙	
	<b>Resilient Treasury and Municipal Securities Markets</b> Improve the resilience of critical government securities markets to minimize borrowing costs over time and to support the critical roles that these safe assets play in the global financial system.	DF	EP		⊙	⊙	⊙
	<b>Financial Innovation</b> Encourage responsible financial sector innovation.	DF	IA, TFI, FinCEN, Fiscal, Mint, BEP, IRS, TP, OCC	⊙	⊙	⊙	⊙
Goal 4 Combat Climate Change	<b>Global Climate Commitment and Leadership</b> Use U.S. leadership and commitment to significantly enhance global action and mobilize and align financial flows to combat climate change and enhance resilience within the new climate environment.	IA	EP, DF, TP	⊙	⊙	⊙	
	<b>Climate Incentives and Investment</b> Create and promote incentives and policies for the private sector to invest in climate-friendly and resilient projects and activities.	EP	DF, TP, IA, OCC	⊙	⊙	⊙	
	<b>Climate-Related Financial Risks</b> Identify and mitigate key sources of climate-related financial risks to macroeconomy, financial system, investors, governments including federal and subnational exposures, and households, understanding that risks may have disparate impacts on disadvantaged communities.	DF	EP, ASM, TP, IA, OCC	⊙	⊙	⊙	
	<b>Sustainable Treasury Operations</b> Improve Treasury's overall environmental and energy sustainability and invest in Treasury Bureaus' adaptation and resiliency efforts to address climate change impacts on operations and services.	ASM	All Bureaus/ Offices		⊙	⊙	⊙
Goal 5 Modernize Treasury Operations	<b>Recruit and Retain a Diverse and Inclusive Workforce</b> Recruit and retain a diverse workforce that represents communities that Treasury serves.	ASM	All Bureaus/ Offices			⊙	⊙
	<b>Future Work Routines</b> Transform the Department's work routines to support changing mission and workforce needs.	ASM	All Bureaus/ Offices		⊙	⊙	⊙
	<b>Better Use of Data</b> Increase timely access to and use of quality data and other types of evidence to inform decision-making.	ASM	All Bureaus/ Offices		⊙	⊙	⊙
	<b>Customer Experience Practices</b> Mature and embed strong customer experience practices across the Department, establishing Treasury's reputation for consistently positive experiences.	ASM	All Bureaus/ Offices			⊙	⊙



# Tax Administration and Policy

Enhance tax compliance and service; improve tax policy design.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Internal Revenue Service (IRS), Office of Tax Policy (TP)	Alcohol and Tobacco Tax and Trade Bureau (TTB), Economic Policy (EP)	Tax Preparers, Other Federal Agencies, State Tax Administrators, Congress, Security Summit	Taxpayers, Tax Professionals

## Why does this matter?

Fair and impartial administration of the tax code through a more efficient tax system that ensures that we treat all Americans fairly is a key priority for Treasury. Issuing clear and timely guidance, making it easier for taxpayers to submit required forms and filings, will enhance tax compliance. This, coupled with fair and impartial enforcement, will increase revenues for the United States Government to make critical investments for the American people. Promoting awareness and adoption of tax credits and benefits will also improve the lives of millions of Americans and will increase confidence in the federal tax system.

## Desired Outcomes

- Increased voluntary tax compliance
- Improved efficiency and fairness of the tax code
- Reduced tax gap
- Increased awareness of and access to tax benefits
- Improved taxpayer experience

**Cross-cutting Themes** | Re-engaging Allies | Climate Change | Equity | Customer Experience

## IRS CUSTOMER CALLBACK (CCB) SERVICE

**Improving Taxpayer Experience**  
In FY 2020, the second year of CCB service, IRS offered CCB to 1.22 million taxpayers, and 68 percent accepted. This is 10 percentage points above industry averages. Out of 1.22 million callers, 835,000 accepted the callback option

**Time Saved**  
In FY 2020, saved taxpayers 486,000 hours of live hold time

**90% Callback Success Rate**  
In FY 2020, CCB successfully helped taxpayers by allowing them to leave a callback number, disconnect and await their reconnect call with an available agent

**Expanding CCB Service**  
In FY 2021, 40% of IRS toll-free phone service offered CCB. We will continue expanding callback with a goal of 95% of our demand provisioned for callback by FY 2024.

Source: Internal Revenue Service. (2021, February 24). Information Technology (IT) Annual Key Insights Report for Fiscal Year (FY) 2020. Retrieved from <https://www.irs.gov/pub/irs-pdf/p5453.pdf>

Internal Revenue Service. (2020). FY 2020 Customer Experience Cross-Agency Performance Goal Action Plan. Retrieved from <https://www.performance.gov/cx/dashboard/actionplans/2020/2020-hisp-action-plan-treas-irs.pdf>

## Objective 1.1 Strategies

### Strategy 1.1.A IRS, TTB

Modernize tax administration to improve the taxpayer experience and reduce taxpayer burden, delivering responsive service and easy-to-navigate filing requirements for taxpayers.

#### Measures and Indicators of Success:

- ★ Responsive taxpayer service that increases taxpayer access, adoption, trust, and confidence
- ★ Increased percentage of timely delivered capabilities in the IRS Integrated Modernization Business Plan
- ★ Improved service times for refunds/claims
- ★ Increased online filing rates
- ★ Increased filing compliance rates

### Strategy 1.1.B IRS, TTB

Increase audit coverage and strengthen fraud prevention efforts.

#### Measures and Indicators of Success:

- ★ Increased audit coverage for large corporations, partnerships, and high-income/high wealth individuals
- ★ Effective and efficient resolution of audit/cases
- ★ Increased prevention and detection of fraud

### Critical Management Initiatives

- Modernize tax information technology systems while continuing to strengthen cybersecurity protections and build the critical infrastructure needed to enhance taxpayer service and enforcement activities
- Modernize tax policy analytic tools to better inform tax policy decision-making
- Improve the ability for TP and IRS to collaborate through technology
- Review hiring authorities to strengthen the talent pool and improve retention in high-demand skills, including IT and analytics
- Develop and implement a recruitment and hiring strategy to support attracting talent in Historically Underutilized (HU) communities
- Investigate and minimize skills gaps for two Enforcement Mission Critical Occupations (MCOs), Tax Examiner and Customer Service Representatives
- Enhance employee skills sets through systems and processes training

### Strategy 1.1.C IRS, TTB

Increase outreach, education, and compliance tools, particularly in underserved communities, to improve taxpayer awareness and adoption of tax credit/benefits and tax compliance.

#### Measures and Indicators of Success:

- ★ Increased uptake of tax benefits by underserved communities
- ★ Increased outreach through social media and other non-traditional forms of communication

### Strategy 1.1.D TP, EP

Develop and analyze the current tax code as well as proposals that seek to change the tax code.

#### Measures and Indicators of Success:

- ★ Research to assess the level of bias/disparate impacts in the tax code and develop proposals to address any identified inequities
- ★ Proposals to improve tax compliance and taxpayer experience
- ★ Proposals to reform corporate and international corporate taxation
- ★ Proposals to reform individual taxation, including expansions of the child tax credit and the earned income tax credit
- ★ Regulatory work on implementing current tax law

### Learning Agenda Questions

- How can the IRS/TTB address taxpayer needs and preferences to deliver a better taxpayer experience?
- How can the IRS/TTB simplify interactions for taxpayers, such as providing more self-service options, improving processes for filing, responding to audit notices or examinations, correcting returns, and remitting payments?
- How can the IRS/TTB use information reporting, artificial intelligence, data, and advanced analytic techniques to reduce the tax gap, improve compliance, and diminish repeat noncompliance?
- To what extent do barriers and biases in the tax system prevent equity and fairness in the administration and enforcement of the tax code and access to direct payments?

# Global Economic Leadership

Generate sustainable and inclusive global economic growth.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
International Affairs (IA)	Economic Policy (EP), Tax Policy (TP), Alcohol and Tobacco Tax and Trade Bureau (TTB)	Foreign governments, multilateral institutions, civil society organizations, business community	U.S. businesses and workers

## Why does this matter?

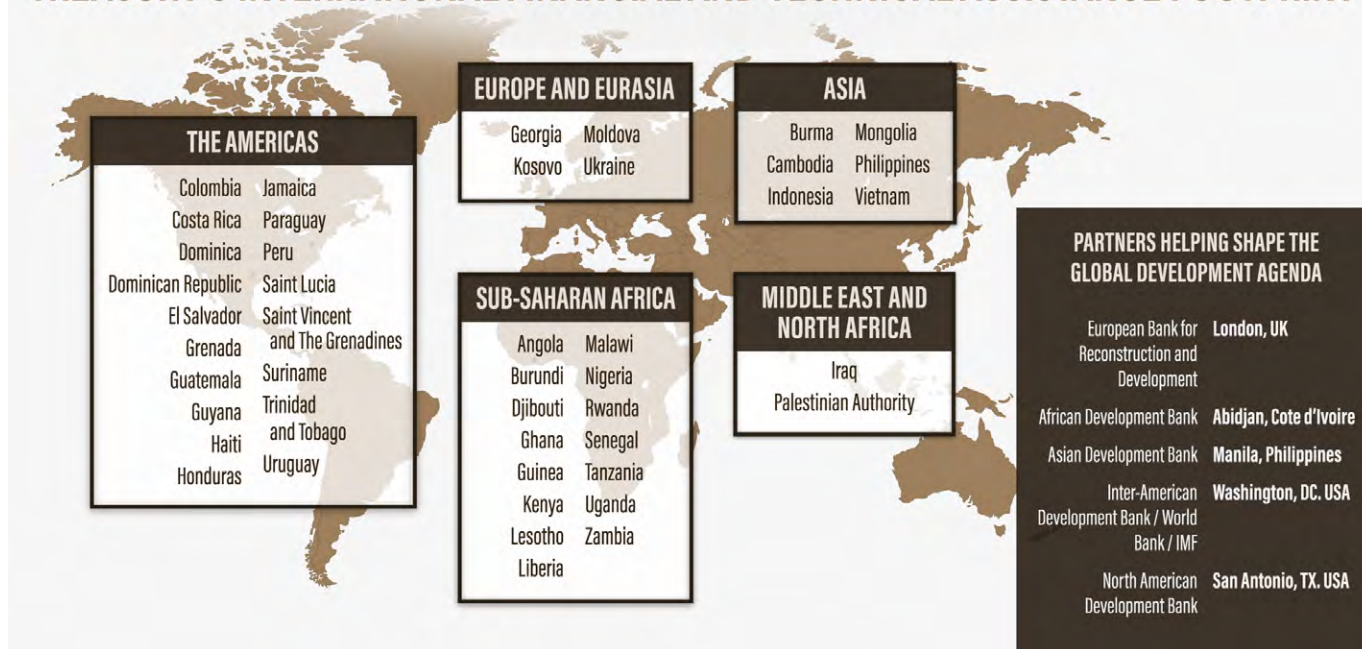
Restoring U.S. leadership in multilateral forums and cooperating with partners to protect, enforce, and improve a rules-based order will strengthen the global economy while at the same time allowing the United States to promote more sustainable and inclusive growth.

## Desired Outcomes

- Restored confidence in U.S. economic policy leadership
- Rapid return to pre-pandemic economic growth trajectories in advanced, emerging, and developing economies
- Improved conditions for more sustainable and inclusive economic growth in all economies
- Increased access to foreign markets for U.S. businesses and workers

**Cross-cutting Themes** | Re-engaging Allies | Climate Change | Equity | Customer Experience

## TREASURY'S INTERNATIONAL FINANCIAL AND TECHNICAL ASSISTANCE FOOTPRINT



Source: U.S. Department of the Treasury. (2021, March 21). Technical Assistance Resources. Retrieved <https://home.treasury.gov/about/offices/international-affairs/technical-assistance/technical-assistance-resources>

# Objective 1.2 Strategies

## Strategy 1.2.A IA, EP, TTB

Support and promote trade policies and practices that level the playing field for U.S. workers and industries, reduce barriers to trade, and develop markets for U.S. goods and services.

### Measures and Indicators of Success:

- ★ Increased access to foreign markets by U.S. businesses
- ★ Identified/addressed technical barriers to trade that have the potential to adversely affect U.S. alcohol exports

## Strategy 1.2.B IA, TP

Promote policies and initiatives (including financing and technical assistance) that support sustainable economic development, address debt vulnerabilities, and reduce inequality globally in key countries and regions.

### Measures and Indicators of Success:

- ★ Effective technical assistance delivered to finance ministries and central banks in developing and transitional countries
- ★ Enhanced effectiveness of international financial institution support to developing countries for pandemic response and sustainable recovery
- ★ Improved Common Framework debt treatments for low-income countries, including enhanced debt transparency and participation by all official bilateral and private creditors
- ★ Supported multilateral forums the U.S. participates in to develop and implement sustainable global tax reforms on minimum taxation and the allocation of business taxing rights
- ★ Increased sharing of information and best practices in tax policy and administration to encourage comparable data collection across countries to promote sustainable economic growth and reduce income inequality

## Strategy 1.2.C IA

Promote exchange rates that reflect underlying economic fundamentals and discourage targeting of exchange rates for competitive purposes.

### Measures and Indicators of Success:

- ★ Reduced foreign exchange intervention among trading partners and greater transparency about intervention

### Learning Agenda Questions

- None identified

### Critical Management Initiatives

- Increase diversity in the applicant pool for Economists and other key Mission Critical Occupations (MCOs) through targeted outreach
- Enable a broader suite of secure collaboration and communication tools for use with interagency, international, and financial institutions to successfully engage counterparts and key stakeholders
- Mature Treasury's data acquisition strategy to access and consolidate the use of business data from commercially provided business sources

# Economically Resilient Communities

Promote equitable financial recovery and growth through support and flow of capital to small businesses, households, and underserved communities.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Domestic Finance (DF), Office of Recovery Programs (ORP)	Alcohol and Tobacco Tax and Trade Bureau (TTB), Office of Small & Disadvantaged Business Utilization (OSDBU), Management, Bureau of the Fiscal Service (Fiscal), Economic Policy (EP)	Small, Minority, and Women-Owned Business (SMWOB) organizations, consumer organizations, other federal agencies, private sector investors in underserved communities	Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs), other community lenders, state, local, and territorial governments, TTB-regulated businesses

## Why does this matter?

The economic impact of COVID-19 will remain long after the public health crisis is resolved. The recovery and growth of the economy must not only address the immediate challenges facing the nation but also address systemic inequities to build an economy that is better than the one that existed before the pandemic. This will, in turn, better prepare the country to be more resilient for future challenges. Treasury seeks to catalyze equitable growth by promoting access to capital and resources for underserved communities, supporting the effective use of those resources, and improving the services that businesses rely on to innovate and expand. Strengthening access to capital and Treasury services will stimulate new opportunities, particularly for underserved communities, which will promote a healthier, more equitable, and resilient economy.

## Desired Outcomes

- Increased capital access and investment in underserved communities, including low- and moderate-income areas and underserved communities
- Increased percentage of financially stable Americans
- Increased recovery, growth, and start-up of small and disadvantaged businesses, including through supplier diversity efforts

**Cross-cutting Themes** | Re-engaging Allies | Climate Change | Equity | Customer Experience

TREASURY RECOVERY PROGRAMS					Total Allocated to Treasury Programs:
At a glance: March 2020 – March 2021					
 <b>CARES Act</b> (March 2020)	Economic Impact Payment I	\$282B	Coronavirus Relief Fund	\$150B	<b>\$975 Billion*</b>
	Direct Loans/Investments	\$500B	Sick & Family Leave	\$10B	
	Aviation Payroll Support I	\$32B			
 <b>Consolid. Approp. ACT</b> (Dec 2020)	Economic Impact Payments II	\$166B	Transportation Services	\$2B	<b>\$221 Billion*</b>
	Emergency Rental Assistance I	\$25B	Emergency Capital Invest	\$9B	
	Aviation Payroll Support II	\$16B	CDFIs Emergency Support	\$3B	
 <b>American Rescue Plan</b> (March 2021)	Economic Impact Payment III	\$402B	Homeowners Assistance Fund	\$10B	<b>\$821 Billion**</b>
	Emergency Rental Assist II	\$22B	State Small Business Credit Initiative	\$10B	
	Aviation Payroll Support III	\$15B	Capital Projects Fund	\$10B	
	State and Local Fiscal Recovery Fund	\$350B	Local Assistance & Tribal	\$2B	

\*: Totals do not reflect amounts rescinded by the Infrastructure Investment and Jobs Act.

\*\* : Total omits the expanded Child Tax Credit, authorized by the American Rescue Plan.

Source: Retrieved from [www.treasury.gov/policy-issues/coronavirus/assistance-for-american-industry](https://www.treasury.gov/policy-issues/coronavirus/assistance-for-american-industry)

# Objective 1.3 Strategies

## Strategy 1.3.A DF, OSDBU, Management, Fiscal

Strengthen and support CDFI, MDIs, and other institutions to increase access to capital and services to individuals and businesses in underserved communities.

### Measures and Indicators of Success:

- ★ Increased net assets and increased median total assets of certified CDFIs
- ★ Increased loans and investments reported by CDFIs in Target Markets
- ★ Increased investment in CDFIs, MDIs, and other institutions that are responsive to economic development needs of underserved communities
- ★ Increased private sector investments in underserved communities by leveraging Treasury investments

## Strategy 1.3.B DF, ORP, EP

Enhance the ability of the federal, state, local, territorial, and Tribal governments to respond to and recover from the economic crisis.

### Measures and Indicators of Success:

- ★ Resources invested in traditionally underserved individuals/communities through relief programs
- ★ Economic growth in underserved communities
- ★ Maintained capacity of state, local, territorial, and Tribal governments
- ★ Stand-up of the Office of Recovery Programs
- ★ Increased public sector hiring/re-hiring
- ★ Evaluated effectiveness of recovery programs

## Strategy 1.3.C TTB

Improve services and enforcement for the alcohol and tobacco industries that Treasury regulates to increase growth and promote fair competition.

### Measures and Indicators of Success:

- ★ Timely issuance of permits/registrations to new and growing businesses
- ★ Timely issuance of label and formula approvals for new alcohol beverage products
- ★ Increased first-time approval rate for permits, labels, and formula applications

### Learning Agenda Questions

- To what extent are American Rescue Plan (ARP) programs being implemented equitably?
- What is the impact of ARP programs on households, businesses, and governments?
- What are the impacts of the Emergency Capital Investment Program, Rapid Response Program, and Minority Lending Programs on CDFIs or MDIs?
- How does the CDFI Fund impact and boost investments in low-income communities in the long term, including Persistent Poverty Counties?

## Strategy 1.3.D DF, ORP

Implement initiatives to help individuals and households prepare for, respond to, and recover from the economic crisis.

### Measures and Indicators of Success:

- ★ Completed analysis with the Financial Literacy and Education Commission to improve consumer financial education and resilience considering climate change
- ★ Increased American households' timely and safe access to tax refunds and other government payments enacted to provide support in response to the economic crisis

## Strategy 1.3.E DF, OSDBU, Management, Fiscal

Strengthen the ability of minority depository institutions and SMWOBs to serve as Treasury suppliers and service providers, including financial agents and contractors.

### Measures and Indicators of Success:

- ★ Increased capacity of MDIs, minority-owned, and women-owned financial and professional services firms to serve as Treasury service providers
- ★ Reduced barriers to SMWOBs to serving as Treasury contractors
- ★ Increased dollars and percentage of contracting with MWOBs of all sizes and across racial/ethnic minority groups
- ★ A Financial Management Quality Management Service Office (FM QSMO) Marketplace that encourages and supports diversity and equity
- ★ Increased small business industrial base and supplier diversity

### Critical Management Initiatives

- Implement a structure and staffing plan to meet ARP programmatic needs
- Modernize IT infrastructure to improve direct services to businesses through online systems, including federal alcohol and tobacco permitting and alcohol beverage labeling approvals
- Implement IT capability to proactively review data for compliance and ability to compare to publicly available data sets
- Coordinate data and information sharing with agencies and external partners
- Leverage hiring flexibilities to attract a diverse talent pool and strengthen partnerships with underserved communities
- Enhance employee skills sets through systems and processes training and review hiring authorities to strengthen the talent pool and improve retention in high-demand skills, including IT and analytics

# Resilient Housing Market

Together with HUD and other federal agencies, promote a stable and resilient housing market that expands fair and equitable access to homeownership and affordable rental opportunities and protects taxpayers.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Domestic Finance (DF)	Economic Policy (EP), Tax Policy (TP), Office of Recovery Programs (ORP)	Lenders, loan servicers, Department of Housing and Urban Development (HUD), other federal agencies, state and local governments, civil rights and housing advocacy groups, investors, developers, industry professionals	Tenants, homebuyers, homeowners

## Why does this matter?

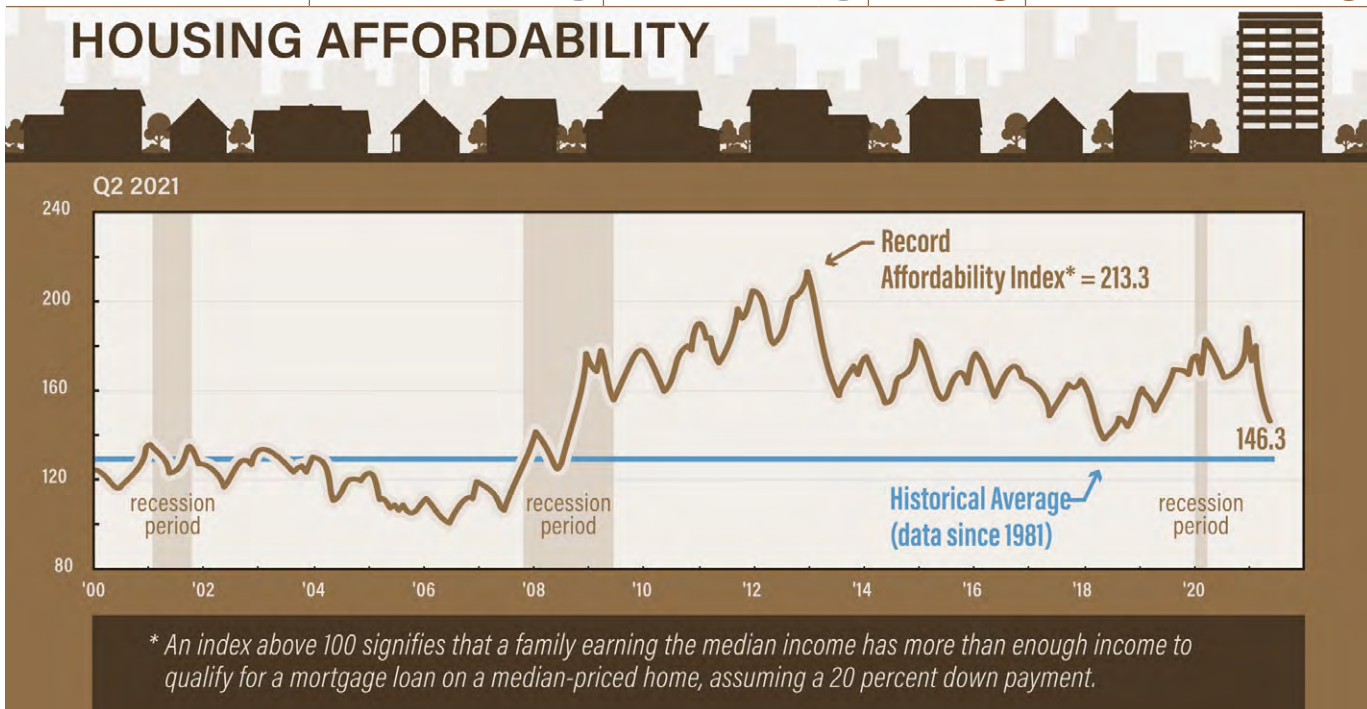
Long-term and cyclical forces hamper the U.S. housing market and constrain access to affordable housing, including pandemic-induced material and labor shortages and high levels of demand leading to record-low inventories. Tight inventories amidst high demand mean rising prices and declining affordability.

Homeownership is a primary way to build wealth, and the racial homeownership gap is a primary driver of the racial wealth gap. Together with HUD and other federal agencies, Treasury seeks to promote the long-term stability of the U.S. housing market through robust and liquid residential finance lending markets and access to sufficient and affordable residential housing opportunities. Treasury has direct equities in housing policy by supporting affordable housing inventory through the Low-Income Housing Credit (LIHTC) and congressionally appropriated and other grant programs and emergency relief funds.

## Desired Outcomes

- Increased supply of residential housing inventory that is affordable for rent and purchase to households across social and economic demographics
- Decreased number of avoidable evictions, housing foreclosures, and housing payment delinquencies for relief beneficiaries
- Increased access to affordable and safe mortgage credit to traditionally excluded groups and decrease in the racial homeownership gap

**Cross-cutting Themes** | Re-engaging Allies  | Climate Change  | Equity  | Customer Experience 



Source: National Association of Realtors (2020, August 12). Housing Affordability Index. Retrieved from <https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index>



# Objective 1.4 Strategies

## Strategy 1.4.A DF

Promote a housing system that provides opportunities for access to stable and affordable housing and creates additional affordable housing supply.

### Measures and Indicators of Success:

- ★ Increased construction and rehabilitation of affordable housing
- ★ Increased investment in affordable rental housing
- ★ Increased number of affordable housing units subsidized
- ★ Reduced racial homeownership gap

## Strategy 1.4.B DF, EP, TP, ORP

Support and implement initiatives and policies that protect homeowners and renters, particularly historically underserved groups, from housing instability, and promote a stable and liquid secondary mortgage market.

### Measures and Indicators of Success:

- ★ Decreased avoidable evictions, foreclosures, and rental and mortgage payment delinquencies relative to total potential households at-risk
- ★ Matched or improved share of delinquent homeowners or renters who are homeowners or renters of color to pre-COVID-19 baseline
- ★ Assessed vulnerabilities in the housing finance ecosystem that may affect mortgage market liquidity, including asset quality and loan performance
- ★ Developed administration positions on Government Sponsored Enterprise (GSE) reform issues to facilitate progress toward a desired future state for the GSEs

## Learning Agenda Questions

- What strategies deployed in the recovery from COVID-19 best prevented evictions and foreclosures? How can we track evictions nationwide?
- What are strategies to reduce production costs or preserve affordable housing while still making it high quality and resilient to climate change?

## Critical Management Initiatives

- Improve access to data to expand policy development and programs designed to increase affordable housing (especially in supply-constrained markets) while reducing rental and mortgage payment delinquencies
- Increase diversity in the applicant pool for economists and other key Mission Critical Occupations (MCOs) through targeted outreach



# Cyber Resiliency of Financial Systems and Institutions

Harden assets and systems of Treasury and the broader financial system to promote financial system resiliency.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Management, Domestic Finance (DF)	International Affairs (IA), Terrorism and Financial Intelligence (TFI), Financial Crimes Enforcement Network (FinCEN), Bureau of the Fiscal Service (Fiscal), Bureau Chief Information Officers (CIOs),	Fiscal Agents, Financial Agents, Financial Institutions, Department of Homeland Security, Federal Bureau of Investigation, and other law enforcement	Financial Regulator Community, Financial Sector

## Why does this matter?

Technology is integral to the financial sector but faces an increasingly diverse and sophisticated array of cyber threats, including from trusted third parties. As the financial industry and federal government rely on information and operational technology and computer networks, which can be vulnerable via the IT supply chain, Treasury must address its own cybersecurity vulnerabilities and demonstrate leadership, ensure operational resiliency, and provide support to, external stakeholders. This will help to ensure that the U.S. and global financial system and Treasury’s infrastructure are hardened against cyber incidents and the Department’s full range of tools is deployed to counter malicious cyber actions. Treasury and the financial services sector face increasing attacks from cyber criminals and state actors attempting to disrupt operations or steal data from sensitive systems. The tactics and procedures used by perpetrators of these incidents are constantly evolving. There is a risk that a cyber-attack could be successful and may seriously affect Treasury and the financial sector. If any of Treasury’s high-value asset systems cannot execute core functions, it could have nationwide and international ramifications.

## Desired Outcomes

- Implementation of the five pillar Treasury strategy to combat ransomware
- Timely and actionable incident coordination across the Department, the U.S. financial services sector, and the U.S. Government
- Effective detection, deterrence, and disruption of malicious cyber activities and improved financial sector ability to identify and take actions against such activities

**Cross-cutting Themes** | Re-engaging Allies  | Climate Change  | Equity  | Customer Experience 

## Treasury Strategy to Combat Ransomware



**PILLAR I:**  
Promote Resilience and Improve Disclosure in the Private Sector



**PILLAR II:**  
Gather, Share, and Analyze Payment Information



**PILLAR III:**  
Take Targeted, Disruptive Actions



**PILLAR IV:**  
Fortify Internal Treasury Defenses



**PILLAR V:**  
Message Efforts and Policy

Source: U.S. Department of the Treasury, Office of Terrorism and Financial Intelligence

## Objective 2.1 Strategies

### Strategy 2.1.A ◊ DF, Fiscal, IA, Bureau CIOs

Engage domestic and international partners to enhance sector cyber hygiene to include resilience, continuity, and emergency preparedness and identify and address technology vulnerabilities, including use of third-party service providers for Treasury infrastructure.

#### Measures and Indicators of Success:

- ★ Full implementation of Executive Order on Improving the Nation's Cybersecurity
- ★ Regular and normalized sharing of threat information and best practices with the financial industry, including Treasury CIOs
- ★ Developed global cybersecurity, operational risk, and emerging technology-related standards
- ★ Effective sharing of indicators of compromise on attack methodologies with private sector partners
- ★ Regular engagement with international partners to coordinate efforts to address operational vulnerabilities

### Strategy 2.1.B ◊ TFI, FinCEN, ASM, IA, DF

Promote cyber hygiene and protect financial infrastructure by leveraging Treasury's existing authorities to detect, deter, and disrupt malicious cyber activities.

#### Measures and Indicators of Success:

- ★ Effective reporting from financial institutions related to cyber incidents and impactful analysis thereof shared with financial supervisors and, where applicable, law enforcement and other stakeholders
- ★ Increased exchange of financial intelligence through financial intelligence units on malicious cyber activities or suspected crimes
- ★ Consistently received robust reporting of cybersecurity/ransomware payments

### Strategy 2.1.C ◊ DF, Fiscal, Management, Bureau CIOs

Upgrade, secure, and scale technology resources to effectively support Treasury's current role in national security matters.

#### Measures and Indicators of Success:

- ★ Hardened Treasury's internal systems to protect high-value assets and data from malicious cyber actions and breaches of trusted third parties
- ★ Implemented a 120-day plan to upgrade defenses
- ★ Updated Treasury High-Value Asset threat assessments
- ★ Developed resiliency plans to address cyber events, including improved communication protocols for all Treasury components
- ★ Increased cloud development and creation of centralized data lakes supporting national security and cyber security

#### Learning Agenda Questions

- How can Treasury strengthen its situational awareness of cybersecurity threats in the financial sector and encourage greater industry participation in the Office of Cybersecurity and Critical Infrastructure Protection (OCCIP) initiatives?

#### Critical Management Initiatives

- Enable and improve real-time and near real-time data reporting to strengthen Treasury's incident coordination and expedient response to threat actors
- Develop strategies specific to zero-trust, cloud migration, and multi-factor authentication
- Implement Executive Order 14028: Improving the Nation's Cybersecurity
- Consolidate enterprise-level commercial data products
- Conduct studies of the Treasury workforce that support cyber and Financial Institution Reform and Recovery Enforcement Act (FIRREA) work to mitigate areas of risk (e.g., pay and skills development)

# Economic Measures to Advance National Security

Enhance and protect national security through the application of targeted financial measures and review of certain foreign investments.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Terrorism and Financial Intelligence (TFI), International Affairs (IA)	Financial Crimes Enforcement Network (FinCEN)	National Security Council, Federal Financial Regulators, other federal agencies, Intelligence Community, Federal Law Enforcement Agencies, other CFIUS member agencies, Foreign Partners	The private sector, U.S. policy makers, National Security Community, U.S. and Foreign partners

## Why does this matter?

A secure economy strengthens U.S. national security. Treasury will assertively address threats to U.S. national security and strategic interests posed by criminal elements, foreign adversaries, and certain foreign investments. Treasury must apply its policy, intelligence, regulatory, and enforcement authorities and tools in a strategic and integrated way to ensure that Treasury identifies actors engaged in illicit activities or efforts to otherwise undermine U.S. interests. Treasury must deny them the ability to use the U.S. and international financial systems to advance their objectives. Treasury can coordinate this work with foreign governments and multilateral institutions to make the international financial system a hostile environment for illicit financing and threats to U.S. interest. Moreover, the U.S. remaining an attractive, open, and secure investment environment is paramount to U.S. national security, innovation, and a strong economy. To address national security risks arising from certain foreign investments, Treasury must leverage Committee on Foreign Investment in the United States (CFIUS) authorities, processes, and tools in coordination with interagency and, as appropriate, international partners.

## Desired Outcomes

- Protected the U.S. and international financial systems from abuse by identifying and disrupting the financing of threats to national security
- Ensured covered foreign investments in the United States (including covered real estate transactions) do not give rise to unresolved national security risks and collaborated with allies and partners on investment screening to protect against transnational risks posed by certain foreign investments
- Advanced the Administration's foreign policy and national security priorities, using financial measures in concert with allies and partners wherever possible

**Cross-cutting Themes** | Re-engaging Allies  | Climate Change  | Equity  | Customer Experience 

## FINANCIAL SYSTEM RISKS MITIGATION TOOLKIT



Source: U.S. Department of the Treasury, Office of Terrorism and Financial Intelligence

## Objective 2.2 Strategies

### Strategy 2.2.A ◊ TFI, FinCEN, IA

Deploy Treasury’s financial tools and authorities strategically and efficiently to protect the U.S. and international financial systems from abuse while guarding against undermining these measures through overuse or misuse.

#### Measures and Indicators of Success:

- ★ Coordinated, maximally effective financial disruption actions that advance U.S. foreign policy priorities using policy, intelligence, regulatory, and enforcement tools
- ★ Foreign counterparts join the United States in bilaterally or multilaterally coordinated actions, both public and private, that disrupt the illicit generation, movement, storage, or investment of funds that expand the disruptive impact beyond that which would have been achieved unilaterally

### Strategy 2.2.B ◊ TFI, IA, FinCEN

Engage and support allies and partners on strategies to combat illicit finance threats and address vulnerabilities in their financial systems, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), and sanctions regimes.

#### Measures and Indicators of Success:

- ★ As a result of efforts to build and strengthen bilateral and multilateral partnerships and prioritize information sharing, partners take proactive measures, either domestically or multilaterally, to respond to threats to the U.S. and collective security
- ★ U.S. membership in international organizations, such as the Financial Action Task Force (FATF), furthers positive advancement of international standards—including those governing new and innovative technologies—that help address vulnerabilities in the global financial system and therefore enhances U.S. national security

### Strategy 2.2.C ◊ IA

Institutionalize and continuously strengthen: the processing of covered transactions to ensure that the Committee addresses national security risks; and the monitoring and enforcement of CFIUS national security agreements.

#### Measures and Indicators of Success:

- ★ Institutionalized processes and procedures that continue to facilitate the rigorous and timely review of CFIUS cases to ensure the Committee addresses national security risks arising from covered transactions

- ★ Accelerated timelines for identification and processing of covered transactions that have not been voluntarily filed with CFIUS (“non-notified transactions”)
- ★ Robust oversight of CFIUS national security agreements and efficient termination of any determined to no longer be necessary to address identified national security risks
- ★ Timely responses and resolutions to issues that arise during continuous monitoring of mitigation agreements
- ★ Timely remediation and appropriate enforcement of apparent breaches of mitigation agreements

### Strategy 2.2.D ◊ IA

Engage and support foreign allies and partners to support their efforts to establish or enhance investment screening regimes.

#### Measures and Indicators of Success:

- ★ Deepened international engagement that further promotes and supports the adoption and development of effective national security investment screening regimes
- ★ Improved situational awareness of allies and partners about risks arising from certain foreign investments that may threaten shared national security interests
- ★ Established and enhanced information sharing mechanisms, channels, and procedures with allies and partners to share best practices and foreign investment trend information

### Learning Agenda Questions

- What would best facilitate cross-Treasury coordination on policy issues that leverage all Treasury tools and authorities to advance national security objectives?

### Critical Management Initiatives

- Strengthen national security through strategic improvements in the recruitment and retention of targeted Mission Critical Occupations (MCOs)
- Ensure that standard, common cybersecurity platforms are effectively upgraded, secured and scaled for Department-wide use inclusive of Treasury’s current role in national security matters
- Improve the use of data and data technologies (AI/ML) to conduct monitoring of the U.S. and international financial systems, quickly identify illicit actors, and mitigate their risk to the financial infrastructure

# Modernize Sanctions Regime

Modernize the development, implementation, enforcement, and maintenance of U.S. sanctions to ensure that sanctions remain a streamlined and effective foreign policy and national security tool.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Terrorism and Financial Intelligence (TFI)	International Affairs (IA)	National Security Council, National Economic Council, Federal Financial Regulators, other Federal agencies, Intelligence Community, Federal Law Enforcement Agencies, Foreign Partners	The private sector, U.S. policy makers, National Security Community, U.S. and Foreign partners

## Why does this matter?

Sanctions are a key tool for the U.S. government to address critical national security and foreign policy threats. For this tool to be effective and fit to purpose for years to come, the authorities and processes used for the deployment of sanctions should be continuously reviewed and updated to address emerging challenges. Further, Treasury must effectively leverage its sanctions workforce across the Department, addressing recruitment and retention of high-skilled talent to meet the data and analytical needs required to support the growing array of work in the sanction's arena.

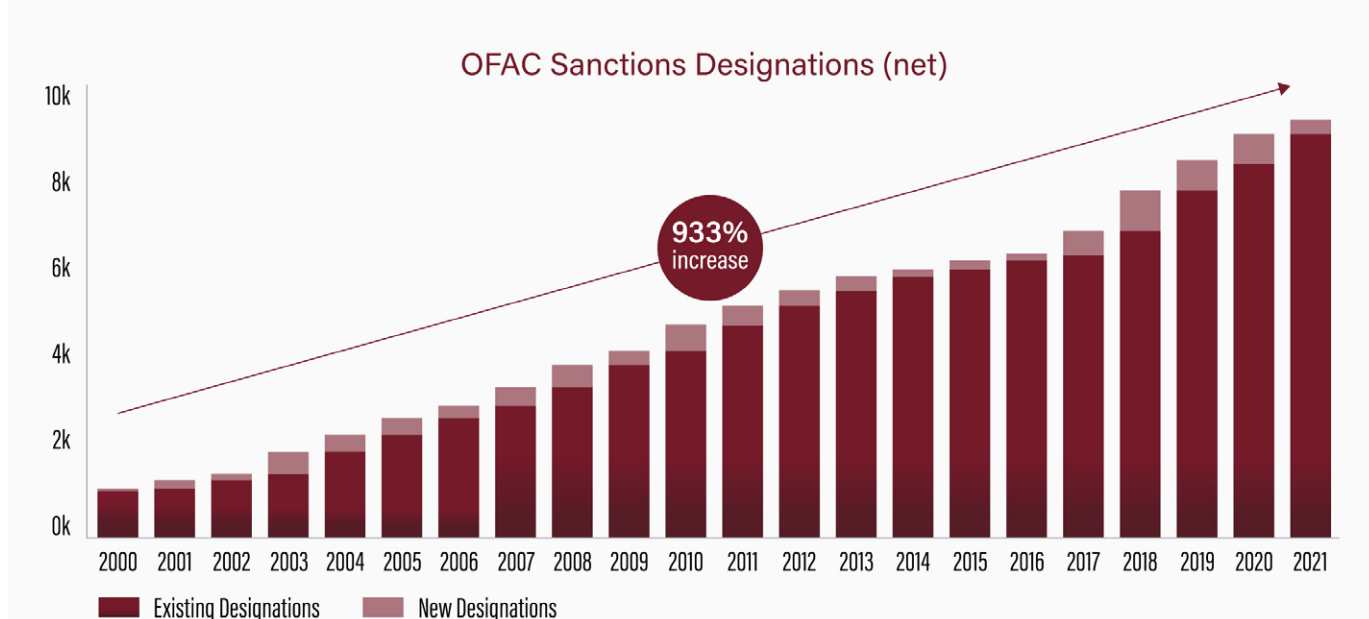
If Treasury does not commit to using the most updated analytic and collaborative technologies, it may not be able to stay abreast of, or effectively respond to, increasing stakeholder demands. This includes the ability to analyze complex financial and Bank Secrecy Act (BSA) data to identify emerging threats, identify new trends, and support national security events.

## Desired Outcomes

- Deploy sanctions effectively to achieve priority national security, foreign policy, and economic policy objectives
- The United States maintains the longstanding ability to use sanctions as a policy tool
- Meaningfully address collateral consequences, including impacts to humanitarian trade and aid delivery internationally

**Cross-cutting Themes** | Re-engaging Allies  | Climate Change  | Equity  | Customer Experience 

## Sanction Use Has Increased Over the Last 20 Years



Source: U.S. Department of the Treasury. (2021, October). The Treasury 2021 Sanctions Review. Retrieved from <https://home.treasury.gov/system/files/136/Treasury-2021-sanctions-review.pdf>

## Objective 2.3 Strategies

### Strategy 2.3.A ◊ TFI

Conduct comprehensive sanctions review and implement recommendations designed to promote a warranted, strategic, and judicious use of sanctions.

#### Measures and Indicators of Success:

- ★ The targeting of illicit actors and/or entities is maximized to disrupt illicit financial activity while minimizing broad spillovers through appropriate licensing, communications, and coordination activities
- ★ Developed analytical construct to evaluate sanctions programs and key sanctions actions systematically and consistently
- ★ Implemented recommendations in the sanctions review

#### Learning Agenda Questions

- How can Treasury best measure the effectiveness of its sanctions policies and leverage those insights to design and implement effective sanctions policies in the future?

### Strategy 2.3.B ◊ TFI, IA

Modernize and strengthen internal Treasury, United States government, and international coordination and engagement on sanctions to enhance their effectiveness.

#### Measures and Indicators of Success:

- ★ Updated TFI structure, mission, and strategy to keep pace with increased reliance on sanctions as a foreign policy and national security tool
- ★ Further develop and share Treasury's sanctions expertise with key interagency and international partners
- ★ Expanded Treasury's external engagement and outreach on sanctions

#### Critical Management Initiatives

- Identify and acquire developmental activities to strengthen sanctions expertise and capabilities
- Effectively upgrade, secure, and scale standards for use of classified resources across the Department to support Treasury's current role in national security matters

# Transparency in the Financial System

Increase transparency in the domestic and international financial system.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Terrorism and Financial Intelligence (TFI), Financial Crime Enforcement Network (FinCEN)	International Affairs (IA), Internal Revenue Service (IRS)	Federal Functional Regulators, Department of Justice, Law Enforcement Agencies, Foreign Partners, Financial Institutions, Non-Governmental Organizations	The private sector, National Security Community, U.S. and Foreign partners

## Why does this matter?

Illicit proceeds are equaling an estimated two percent of U.S. gross domestic product (GDP) flow through the U.S. financial system each year. Permitting illicit actors to benefit from the stability and security of the U.S. financial system weakens financial transparency, distorts markets, and hurts ordinary Americans. Financial technology is growing and transforming the financial industry landscape, which is interconnected at a global level. Rapid evolution and adoption of new technologies can yield economic and social benefits and present new potential for illicit financial activity. To protect the integrity of markets and of the global financial framework, Treasury must increase transparency in the domestic and international financial systems to aid the detection of illicit financial activity.

U.S. financial institutions' resources may not be leveraged to their fullest potential due to a strict check-the-box compliance approach from internal auditors. This may detract from their ability to enhance the effectiveness of their Bank Secrecy Act/Ant-Money Laundering (BSA/AML) programs and report robust, contextual, and timely information on the highest priority threats to support investigations.

## Desired Outcomes

- Successful implementation of the Anti-Money Laundering Act of 2020, including the Corporate Transparency Act (which requires the establishment of a beneficial ownership reporting regime) and a regulatory review of the BSA's implementing regulations
- Increased access to beneficial ownership information by law enforcement and other authorized users significantly improving the ability to mitigate illicit finance risk
- Strengthened supervision, including through additional resourcing of supervisory staff, of money services businesses (MSBs) and depository institutions lacking a federal functional regulator
- A U.S. and international financial system better positioned to detect, disrupt, and deter corruption

**Cross-cutting Themes** | Re-engaging Allies | Climate Change | Equity | Customer Experience



Source: Polaris. (2019). 2019 Data Report: The U.S. National human Trafficking hotline. U.S. State Department. (2021, June). Trafficking in Persons Report. U.S. Department of Justice. (2021, March). Drug Enforcement Administration National Drug Threat Assessment. Federal Bureau of Investigation. (2020). Internet Crime Report 2020.



## Objective 2.4 Strategies

### Strategy 2.4.A ◊ TFI, FinCEN, IRS

Strengthen and adapt the AML/CFT regulatory framework to collect the beneficial ownership information, fully cover real estate transactions, and address emerging challenges and evolving regulatory requirements.

#### Measures and Indicators of Success:

- ★ Implementation of AML Act requirements, including the creation of a fully funded and functioning beneficial ownership database
- ★ Effective AML/CFT regulation for virtual currency and service providers
- ★ Updated regulatory framework for real-estate to effectively cover cash transactions

### Strategy 2.4.B ◊ IA, TFI, FinCEN, IRS

Engage domestic and international partners to develop and implement financial transparency standards, enhance anticorruption efforts, and expand financial access and inclusion.

#### Measures and Indicators of Success:

- ★ Improved information sharing on illicit finance with foreign partners, including finance ministries and financial intelligence units
- ★ Effective global implementation of international AML/CFT standards and reduction of regulatory arbitrage through multilateral organization and bilateral engagement

### Strategy 2.4.C ◊ TFI, FinCEN, IRS

Publish AML/CFT priorities, risk assessment, and national illicit finance strategy to address priority threats.

#### Measures and Indicators of Success:

- ★ Timely publication of money laundering, terrorist financing, and proliferation risk assessments and national illicit finance strategy

### Strategy 2.4.D ◊ TFI, FinCEN

Publish national AML/CFT priorities to inform risk-based supervision.

#### Measures and Indicators of Success:

- ★ Issue updated national AML/CFT Priorities under the AML Act of 2020, as needed and no later than every four years after June 30, 2021 (the date of publication of the first national AML/CFT Priorities)

### Strategy 2.4.E ◊ TFI, FinCEN

Support adoption of digital identification to strengthen the ability of financial institutions to identify and verify the identity of customers in line with their customer due diligence obligations in order to dissuade criminals from using U.S. financial institutions, curb fraud in government programs, and reduce compliance costs for U.S. financial institutions.

#### Measures and Indicators of Success:

- ★ Increased adoption of digital identification by government, private sector, and individuals

#### Learning Agenda Questions

- How will developments in digital assets and other Fintech innovations affect illicit finance threats?

#### Critical Management Initiatives

- Modernize secure collaboration, conferencing, and facilities/space resource management leveraging commodity IT and shared services applications
- Improve data sharing and enhanced data infrastructure to more effectively identify threat actors and detect, disrupt, and deter abuse of the U.S. and international financial systems

# Financial System Vulnerabilities

Identify and address current and emerging vulnerabilities to the stability of the U.S. and global financial systems to support more sustainable and equitable growth.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Domestic Finance (DF)	International Affairs (IA), Economic Policy (EP), Office of the Comptroller of the Currency (OCC)	Financial Stability Oversight Council (FSOC) member agencies, Financial Stability Board (FSB) members	U.S. consumers, investors, workers, and businesses; the financial sector

## Why does this matter?

Sustainable and equitable economic growth requires a resilient financial system. The economic well-being of Americans depends on the financial system's ability to provide capital to businesses and individuals, provide vehicles for savings, and allow for the intermediation of financial transactions even in the face of adverse events. The 2008 economic crisis and the 2020 COVID-related market disruptions demonstrate that financial system vulnerabilities, if left unaddressed, can take stress in the financial system and transmit it to the real economy. Treasury will work with its domestic and international partners, including members of the Financial Stability Oversight Council (FSOC) and the Financial Stability Board (FSB), to coordinate and improve collective actions to mitigate threats to financial stability.

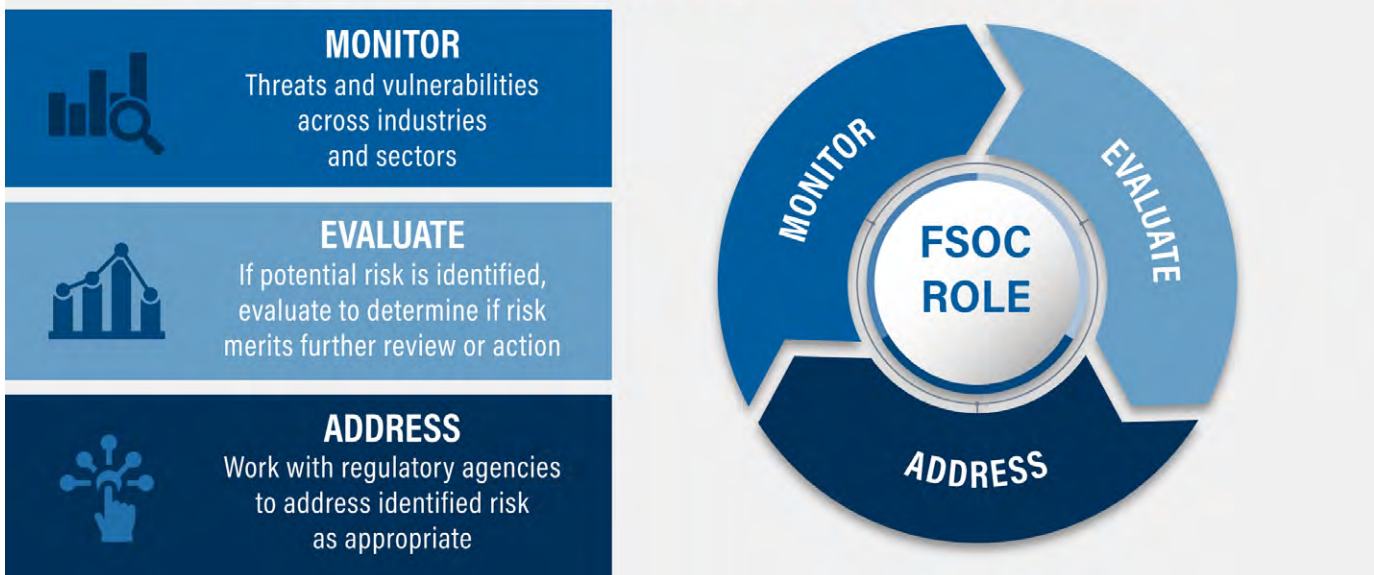
This objective focuses on Treasury's role in monitoring and addressing financial risks domestically and internationally. Treasury will also encourage responsible financial innovation and identify and mitigate climate-related financial risks, addressed in objectives 3.3 and 4.3, respectively.

## Desired Outcomes

- The financial system continues to facilitate the flow of credit, efficient payments, and allocation of risk without significant disruptions in periods of stress
- Domestic and global financial vulnerabilities monitored and proactively addressed
- Risks of unintended financial market fragmentation and unlevel playing field mitigated
- New and growing threats to financial stability addressed, with a focus on risks from climate change and digital assets
- Aligned regulatory framework to innovations in the marketplace to reduce risks to consumers and investors and the financial system

**Cross-cutting Themes** | Re-engaging Allies | Climate Change | Equity | Customer Experience

## FSOC ROLE IN ADDRESSING VULNERABILITIES



Source: U.S. Department of the Treasury, Financial Stability Oversight Council

## Objective 3.1 Strategies

### Strategy 3.1.A DF, IA

Make nonbank financial intermediation more resilient.

#### Measures and Indicators of Success:

- ★ Completion of reviews by FSOC working groups of nonbank financial intermediation activity and issuance of recommendations, if needed, to improve the resilience of market practices
- ★ Achievement of key milestones in the FSB's Non-Bank Financial Intermediation roadmap

### Strategy 3.1.B DF, IA, EP, OCC

Regularly assess cyclical vulnerabilities and possible actions to mitigate risks to financial stability.

#### Measures and Indicators of Success:

- ★ Monitored critical cyclical financial vulnerabilities to identify emerging risks to financial stability and to inform discussions by Treasury and financial regulators
- ★ Incorporated identified cyclical vulnerabilities into the FSOC annual report and made recommendations to regulators or Congress to address vulnerabilities as appropriate

### Strategy 3.1.C IA

Advance U.S. interests in financial regulation and stability, including the promotion of global financial stability and a level playing field, in international forums and with foreign counterparts.

#### Measures and Indicators of Success:

- ★ Provided leadership on U.S. priorities, such as the effects of COVID-19 on the financial sector, non-bank financial intermediation, cyclical vulnerabilities, and operational resilience, at the FSB, G7, G20, Organization for Economic Co-operation and Development (OECD), and other international forums, to identify potential vulnerabilities in the global financial system and address through cooperation on recommended policies, standards, or other actions
- ★ Advancement of U.S. objectives on financial regulation and stability directly with key international counterparts, including through Treasury-led bilateral and regional dialogues
- ★ Assessment of global financial sector vulnerabilities, including through the FSB, to identify risks to the financial system

#### Learning Agenda Questions

- To what extent did nonbank financial firms and activities contribute to market stress in March 2020?
- What additional data and analytical methods could we use to improve the monitoring of cyclical vulnerabilities?

#### Critical Management Initiatives

- Expand the use of data and modern data technologies by the DF, IA, and the Office of Financial Research (OFR) to improve monitoring of the U.S. and global financial systems, promote timely identification and mitigation of risks
- Recruit additional staff and target training to develop additional expertise related to monitoring potential risks to financial stability, including emerging areas such as digital assets and cyber

# Resilient Treasury and Municipal Securities Markets

Improve the resilience of critical government securities markets to minimize borrowing costs over time and support the critical roles that these safe assets play in the global financial system.

## Who's Involved


Treasury Lead	Treasury Supports	External Partners	Customers
Domestic Finance (DF)	Economic Policy (EP)	U.S. Securities and Exchange Commission (SEC), Federal Reserve Board, Federal Reserve Bank of New York, Commodity Futures Trading Commission, municipal market regulators	Municipal securities issuers, investors, infrastructure providers

## Why does this matter?

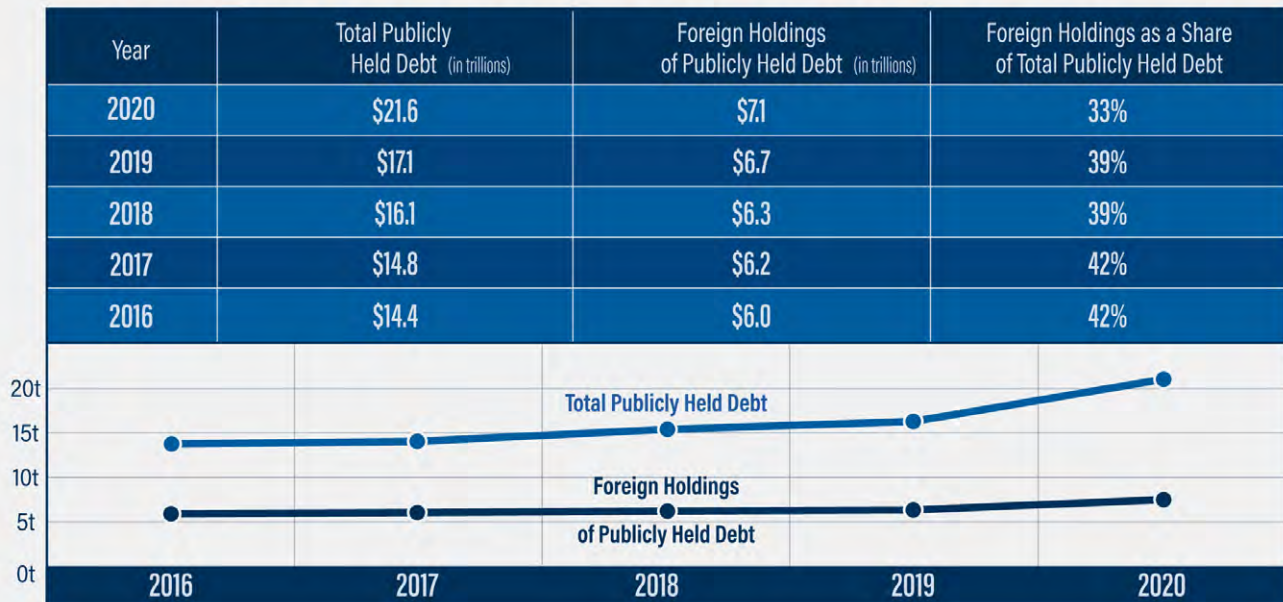
Treasury and municipal securities markets have evolved significantly as the industry, regulatory environment, trading practices, and investor demands have changed. Some elements have not kept pace, raising risks that these critical markets are vulnerable to stresses, which could have significant consequences for economic growth and financial stability. Treasury can help mitigate vulnerabilities by supporting developments that improve the resilience of these markets to stresses and reducing government borrowing costs over time. With Federal, State, and local government debt now exceeding \$32 trillion, ensuring that these markets remain resilient and support all other priorities outlined in this plan, including equity and climate change, is a critical component of sound fiscal policy.

## Desired Outcomes

- Treasury securities markets remain deep and liquid and prove to be resilient to stress
- Improved data accessibility and quality for the official sector and public
- Efficient and stable municipal bond market

**Cross-cutting Themes** | Re-engaging Allies  | Climate Change  | Equity  | Customer Experience 

## ESTIMATED OWNERSHIP OF U.S. TREASURY SECURITIES



Source: The Federal Reserve, Haver analytics

## Objective 3.2 Strategies

### Strategy 3.2.A DF, EP

Evaluate structural changes in the Treasury securities markets and make recommendations to make it more resilient to future disruptions, promoting the central role of U.S. Treasury securities in global finance.

#### Measures and Indicators of Success:

- ★ Identification and communication of policy recommendations to improve Treasury market resilience
- ★ Implementation of recommended improvements
- ★ Improved quality of Treasury market analysis

### Strategy 3.2.B DF, EP

Evaluate structural changes in the municipal securities market and make recommendations to promote greater efficiency, liquidity, and transparency.

#### Measures and Indicators of Success:

- ★ Increased market monitoring to understand the causes and effects of changes in municipal bondholder composition and municipal bond market volatility and liquidity
- ★ Collaboration with municipal market regulators to improve disclosures, including climate-related financial risks, and reduce transaction costs
- ★ Identification of fiscal policy and tax policy recommendations to improve the municipal bond market to spur investment in public infrastructure

#### Learning Agenda Questions

- How can Treasury improve its analysis of these evolving markets, and how should it consider various tradeoffs when making recommendations to improve their resiliency?

#### Critical Management Initiatives

- Fill gaps in access to commercial data and increase data collection by the Office of Financial Research (OFR)
- Modernize and make more resilient the systems used to finance the U.S. government

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# Financial Innovation

Encourage responsible financial sector innovation.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Domestic Finance (DF)	International Affairs (IA), Terrorism and Financial Intelligence (TFI), Financial Crimes Enforcement Network (FinCEN), Bureau of the Fiscal Service (Fiscal), U.S. Mint, Bureau of Engraving and Printing (BEP), Internal Revenue Service (IRS), Office of Tax Policy (TP), Office of the Comptroller of the Currency (OCC)	Financial regulators, Financial Stability Board (FSB) members, Fiscal and Financial Agents, Consumer Advocates, Congress	Consumers, Investors, Federal Agencies, Financial Firms

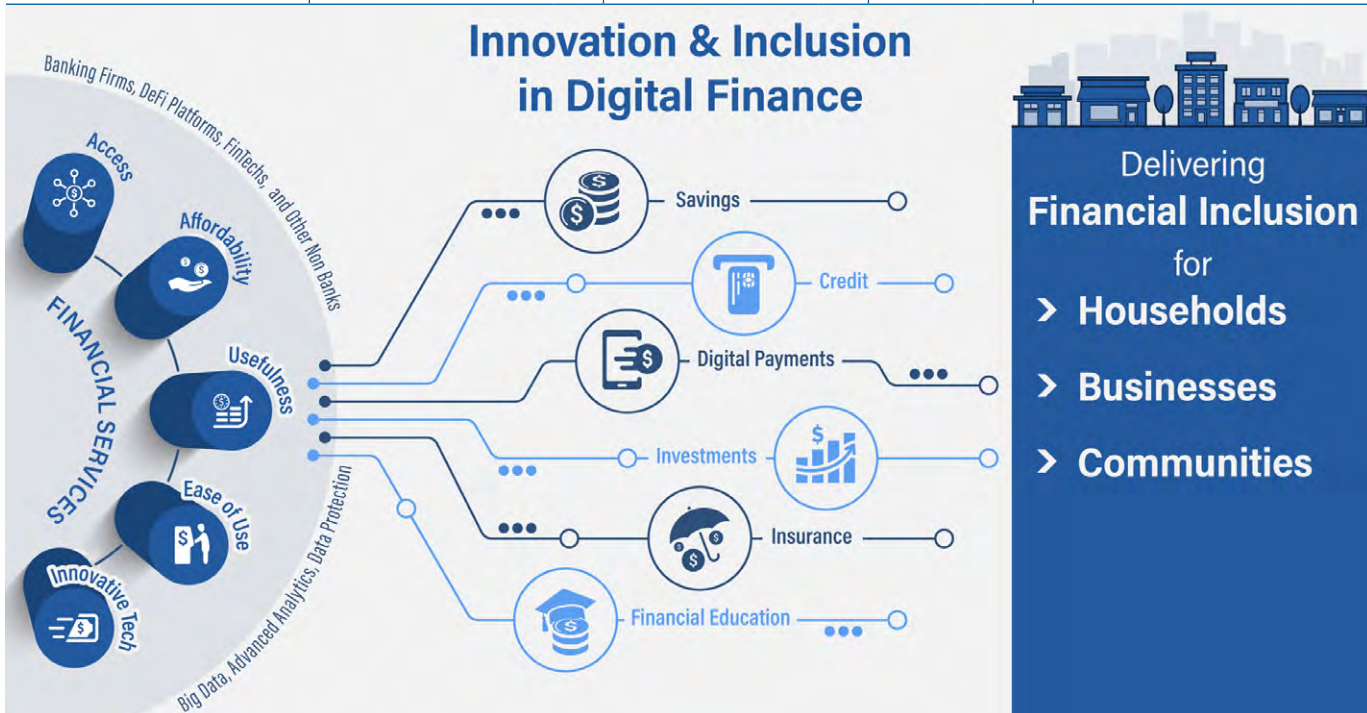
## Why does this matter?

Treasury seeks to promote a financial system that delivers inclusive access to financial services that effectively meet the needs of market participants while maintaining financial stability and market integrity. Emerging financial technologies have accelerated aspirations for a more equitable and inclusive financial system. Many innovations in digital finance (e.g., digital currency) remain nascent, with risks and benefits yet to be assessed. But the Department can and should do more to reach those whose financial needs remain unmet by the financial services sector. Expanding access to digital financial services (payments, credit, saving, insurance) is a key component to increasing financial inclusion, domestically and internationally. Treasury should encourage the responsible use of innovative financial technology, both across the financial sector and in its own programs, to deliver affordable and secure financial services that better serve consumers and small businesses. Failing to do so could result in financial regulation becoming unresponsive to the needs and expectations of the public. Similarly, Treasury can improve its own financial activities by leveraging private sector technology to better execute federal financial management services, secure U.S. currency from counterfeiting, and deliver payments to the public. Treasury's commitment to transition to electronic payments from physical payments (e.g., checks) has the potential to advance both its financial inclusion and net-zero carbon goals.

## Desired Outcomes

- Coordinated policies that encourage financial innovation in digital finance while mitigating risks to consumers and the financial system
- Increased access to digital financial services for underserved consumers and small businesses
- Improved efficiency and effectiveness of federal payments and collections
- Effective engagement through international forums that enhance the availability of financial services and the stability and integrity of the financial system

**Cross-cutting Themes** | Re-engaging Allies | Climate Change | Equity | Customer Experience



Source: U.S. Department of the Treasury, Office of Domestic Finance

## Objective 3.3 Strategies

### Strategy 3.3.A DF, IA, TP, TFI, FinCEN

Develop and execute a framework to address the potential risks, benefits, and challenges presented by digital assets and related platforms.

#### Measures and Indicators of Success:

- ★ Development of a strategy for a coordinated U.S. approach to overseeing the development of digital assets (e.g., digital currency) and related platforms
- ★ Engagement with the public, international counterparts, and other stakeholders on how best to realize the possible benefits of digital assets while minimizing the potential risks to consumers and the financial system
- ★ Promotion of policy approaches internationally that foster a level playing field and mitigate risks of regulatory arbitrage

### Strategy 3.3.B DF, Fiscal, IA, TP, OCC

Engage with the private sector, academia, and other official sector stakeholders to promote financial sector innovations that advance financial inclusion and enhance the financial system.

#### Measures and Indicators of Success:

- ★ Advocacy of policies that facilitate the delivery of digital financial services (e.g., payments, credit, savings, insurance) that meet the needs of underserved consumers and small businesses
- ★ Advancement of a comprehensive data strategy that enables consumers to access and share their financial data securely

### Strategy 3.3.C Fiscal, IRS

Modernize and digitize federal financial management processes, including payment integrity, and expand awareness of, access to, and use of innovative technologies within the government.

#### Measures and Indicators of Success:

- ★ Increased electronic Federal payments and collections
- ★ Increased adoption and improved use of federal shared services
- ★ Expanded transparency and the use of financial data for decision-making in federal financial management
- ★ Reduced improper payments

### Strategy 3.3.D BEP, Mint

Strengthen currency security measures to prevent currency counterfeiting while meeting Federal Reserve Bank orders and diversifying representation on our national currency.

#### Measures and Indicators of Success:

- ★ Increased the effectiveness and diversity of currency security measures
- ★ Milestones for re-design of the nation's currency met

#### Learning Agenda Questions

- How are we currently using artificial intelligence, machine learning models and alternative data in financial services (e.g., underwriting), and what further guidance, oversight, or regulation might be necessary to enable innovation that better serves and protects consumers?
- How can Treasury improve the delivery of government payments to hard-to-reach populations (e.g., unbanked)?
- What are the risks and opportunities regarding the use of technology by financial institutions (regtech) and by the official sector (suptech) to conduct compliance and oversight functions?

#### Critical Management Initiatives

- Refine the current knowledge management tools and templates, and implement knowledge management processes for prioritized Mission Critical Occupations (MCOs)
- Promote and expand the use of data and modern analytic technologies (e.g., Artificial Intelligence/ Machine Learning) for modeling, monitoring, and assessing risk
- Expand Treasury's capabilities for secure collaboration with academic institutions and other non-federal entities

# Global Climate Commitment and Leadership

Use U.S. leadership and commitment to significantly enhance global action and mobilize and align financial flows to combat climate change and enhance resilience within the new climate environment.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
International Affairs (IA)	Economic Policy (EP), Domestic Finance (DF), Office of Tax Policy (TP)	Federal partners (e.g., National Security Council, National Economic Council, Department of State, Securities and Exchange Commission, Federal Reserve), International Financial Institutions, Foreign Governments, Private Sector	Domestic and international investors, institutions, and partner governments

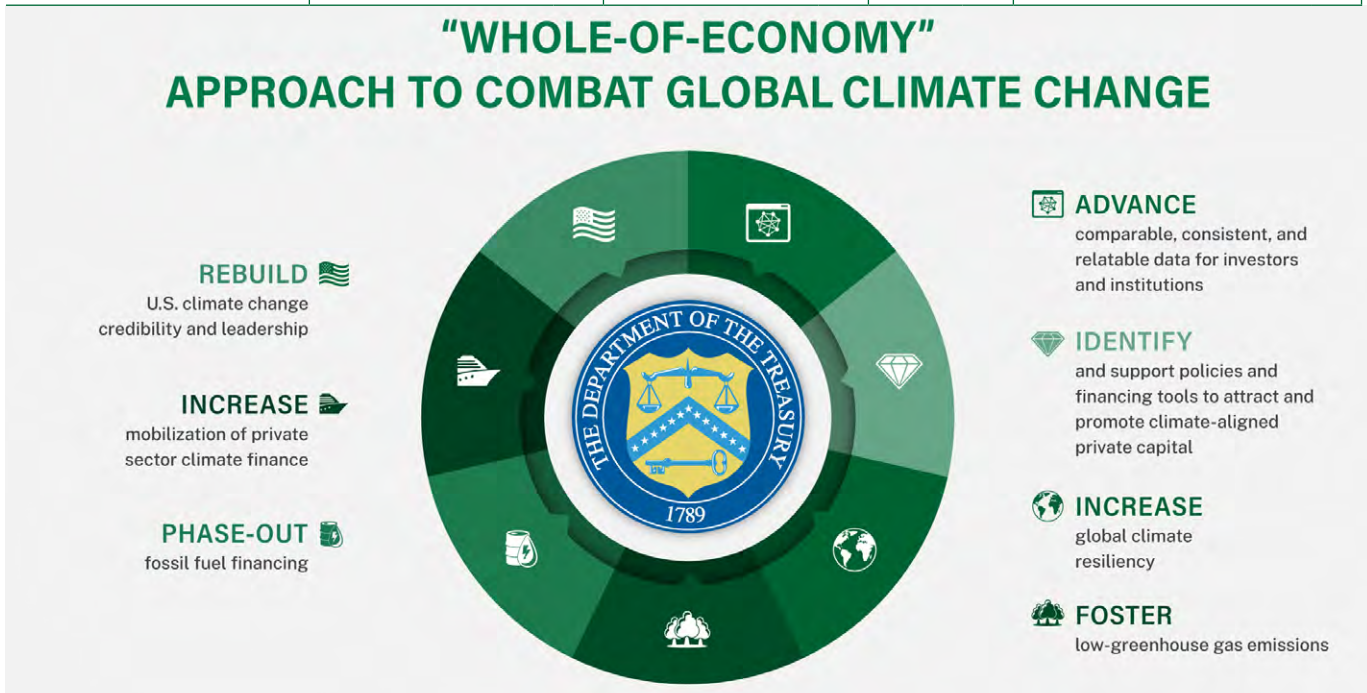
## Why does this matter?

Climate change is an economic, financial, humanitarian, and national security issue. Failure to take swift steps to address its impacts will be devastating to the global community. Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, requires international engagement to go together with domestic action to address climate change. Recognizing the potential future effects of climate change, an already changing climate, and the need to act swiftly, Treasury must ambitiously re-engage with international partners, both bilaterally and multilaterally, to act and put the world on a sustainable climate pathway. Further, Treasury must demonstrate global leadership through international and domestic efforts, integrating and coordinating approaches to a global financial policy that combats climate change.

## Desired Outcomes

- Global reduction of greenhouse gas emissions
- Increased alignment of financial flows consistent with the goals of the Paris Agreement
- Increased public and private sector resiliency to the impacts of climate change
- Promoted comparable, consistent, and reliable measures to improve quantification, and any necessary mitigation, of climate-related financial risks domestically and internationally
- Advanced information transparency of comparable, consistent, and reliable data to inform domestic and international investors and institutions that enable them to identify and assess opportunities and gauge climate risks

**Cross-cutting Themes** | Re-engaging Allies | Climate Change | Equity | Customer Experience



Source: U.S. Department of the Treasury, Office of International Affairs



## Objective 4.1 Strategies

### Strategy 4.1.A IA, EP

Integrate climate considerations across all multilateral (G7, G20, FSB) and bilateral partnerships and into regional and country macroeconomic surveillance.

#### Measures and Indicators of Success:

- ★ Rebuilt U.S. climate change credibility and leadership
- ★ Number of U.S.-led initiatives adopted through international forums
- ★ Increased global climate resiliency
- ★ Relative increase in Treasury's engagement on climate adaptation in multilateral and plurilateral forums
- ★ Enabled investment in low-greenhouse gas emission technologies

### Strategy 4.1.B IA, TP

Promote global efforts to phase-out public finance of carbon-intensive fossil fuels by scaling back support for international investments in carbon-intensive projects and setting an example by eliminating domestic subsidies.

#### Measures and Indicators of Success:

- ★ International public financial institutions to phase-out fossil fuel financing in all but exceptional cases, including at the multilateral development banks (MDBs), export credit policy significantly rotating away from fossil fuels, and continued commitments from MDBs on climate ambition.

#### Learning Agenda Questions

- None identified

### Strategy 4.1.C IA, DF

Engage private sector, international organizations, and international counterparts to identify, support, implement, and improve international coordination on policies and tools for increasing climate-aligned investment opportunities and financial flows.

#### Measures and Indicators of Success:

- ★ Engagement of international financial institutions and U.S. bilateral finance institutions to identify and enhance financial instruments to increase mobilization of private sector climate finance through interventions at the multilateral development bank boards and bilaterally
- ★ Engagement of international counterparts and other relevant stakeholders to identify and support policies and financing tools to attract and promote climate-aligned private capital
- ★ Advance comparable, consistent, and reliable data to inform domestic and international investors and institutions so that they can identify and assess opportunities and gauge climate risks while promoting financial stability

#### Critical Management Initiatives

- Identify, assess, and leverage quality climate data to build scorecards that track the conversion of fossil fuel financing to other sustainable energy options and provide investors with data-based climate investment decisions for domestic and international institutions
- Increase access to Treasury data assets and leverage the use of analytics to improve quantification and mitigation of climate-related financial risks
- Enable a broader suite of secure collaboration and communication tools with interagency, international, and financial institutions to successfully engage counterparts and key stakeholders

# Climate Incentives and Investment

Create and promote incentives and policies for the private sector to invest in climate-friendly and resilient projects and activities.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Economic Policy (EP)	Domestic Finance (DF), Tax Policy (TP), International Affairs (IA), Office of the Comptroller of the Currency (OCC)	Congress, National Climate Advisor (NCA), Special Presidential Envoy for Climate (SPEC), Department of Energy, Department of Transportation, Environmental Protection Agency, state and local governments	Private sector

## Why does this matter?

Financial incentives create powerful indicators of societal values. Promoting the flow of capital toward clean/renewable investments and away from carbon-intensive investments is critical to meet the ambitious climate targets the Administration has set and help support a more resilient and climate-forward economy. At the same time, we need to ensure that investments are designed to protect the economy from the impacts of climate change to the extent feasible. These investments should help protect communities adversely impacted by the transition away from fossil fuels.

## Desired Outcomes

- Removed tax incentives to produce and use fossil fuels and increased incentives for climate-friendly production
- Supported economic development in domestic and international communities adversely impacted by energy transitions
- Increased tools to help identify climate-aligned investments at home and abroad, including analysis of the potential role of green bonds

**Cross-cutting Themes** | Re-engaging Allies | Climate Change | Equity | Customer Experience



Source: U.S. Department of the Treasury, Office of Economic Policy

## Objective 4.2 Strategies

### Strategy 4.2.A EP, DF, IA, OCC

Strengthen collaboration with domestic and international partners on promoting climate investment incentive policies.

#### Measures and Indicators of Success:

- ★ Increased sharing of consistent, comparable, and reliable information to investors to make well-informed decisions to support sustainable investments
- ★ Increased number of tools developed to help investors identify climate-aligned investments at home and abroad
- ★ Coordinated efforts with international partners on implementing and measuring greenhouse gas reduction approaches

### Strategy 4.2.B TP, EP

Promote tax incentives to stimulate investment in climate friendly projects and activities.

#### Measures and Indicators of Success:

- ★ Increased private investment in climate-aligned projects and activities domestically, internationally, and in Tribal Nations
- ★ Increased use of renewable energy credits by industry
- ★ Eliminated federal fossil fuel subsidies
- ★ Supported domestic border carbon adjustment mechanism or similar measures

### Strategy 4.2.C DF, EP

Leverage federal resources to support the transition to climate friendly projects and activities.

#### Measures and Indicators of Success:

- ★ Spurred innovation, commercialization, and deployment of clean energy technologies and infrastructure
- ★ Economic revitalization of coal, oil, and gas-reliant communities

#### Learning Agenda Questions

- How does Treasury ensure climate policies protect communities disproportionately impacted by climate-related risk?

#### Critical Management Initiatives

- Improve accessibility, quality, and use of data and analytics by leveraging shared enterprise data management platform services to enable investor-informed, climate-aligned investment decisions
- Identify and attract the skills needed to support climate incentive and investment activity as needed (temporary/surge)

# Climate-Related Financial Risks

Identify and mitigate key sources of climate-related financial risks to the macroeconomy, financial system, investors, governments including federal and subnational exposures, and households, understanding that risks may have disparate impacts on disadvantaged communities.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Domestic Finance (DF)	Economic Policy (EP), Management, Tax Policy (TP), International Affairs (IA), Office of the Comptroller of the Currency (OCC)	Congress, National Climate Advisor (NCA), Special Presidential Envoy for Climate (SPEC), Department of Energy, Department of Transportation, Environmental Protection Agency, state and local governments	Domestic and international investors and institutions

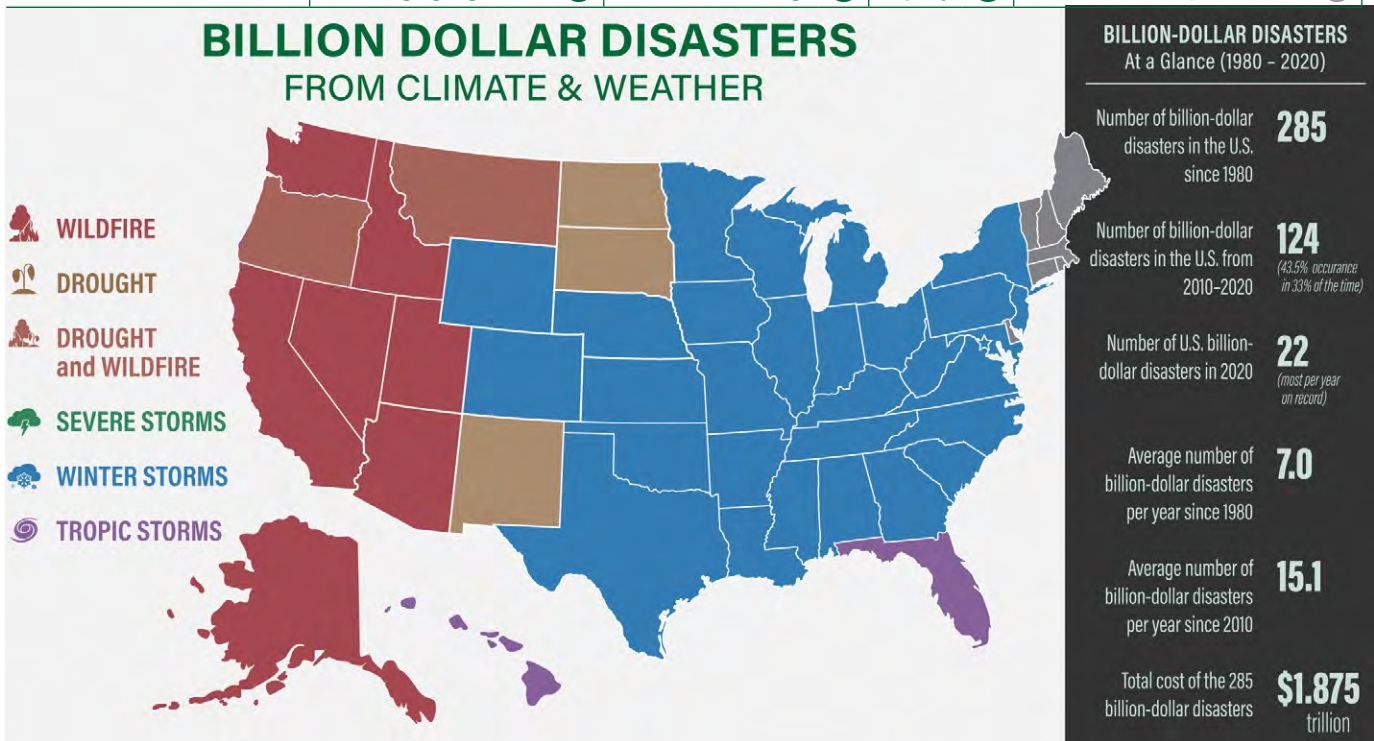
## Why does this matter?

Climate-related financial risks may affect financial stability and the broader economy, but there are challenges in assessing such risks and in evaluating the need to mitigate such risks. Executive Order 14030, Climate-Related Financial Risk, calls for action across the Executive Branch to assess and mitigate such risks in coordination with the independent financial regulatory agencies. Necessary steps include developing and executing approaches to measure and monitor impacts on the financial sector, government, businesses, and households. Addressing these issues will ensure that investors and institutions can appropriately gauge climate-related investment risks and opportunities and that such risks are not amplified by adverse developments within the financial sector or government budget. In addition, as the Department engages with partners to implement activities to combat climate change, Treasury must ensure that such policies do not disparately impact low-income and communities of color.

## Desired Outcomes

- Effective measurement, mitigation, and reporting of climate-related financial risks faced by the financial sector
- Effective measurement, mitigation, and reporting of climate-related financial risks associated with Treasury programs or activities
- Households and communities have robust tools and resources to understand how climate-related risks may impact their financial well-being and mitigate such risks, especially among low-income and historically underserved communities.

Cross-cutting Themes | Re-engaging Allies | Climate Change | Equity | Customer Experience



Source: NOAA National Centers for Environmental Information (NCEI) (2021). U.S. Billion-Dollar Weather and Climate Disasters. Retrieved from <https://www.ncdc.noaa.gov/billions/>

## Objective 4.3 Strategies

### Strategy 4.3.A 🌐 DF, EP, OCC, IA

Improve the use of data in assessing climate-related financial risks.

#### Measures and Indicators of Success:

- ★ Effective production of data and measurement of climate-related financial risks and appropriate related steps to ensure financial stability and risk management by impacted entities and households in the face of such risks
- ★ In international forums, promotion of comparable, consistent, and reliable approaches to the measurement and mitigation of climate-related financial risks, in a manner consistent with U.S. approaches

### Strategy 4.3.B 🌐 DF, IA

Promote awareness of climate-related financial risks and action to address identified vulnerabilities associated with such risks.

#### Measures and Indicators of Success:

- ★ Enhanced reporting on climate-related financial risks facing the financial sector, the economy, and the government in official-sector reports
- ★ Developed processes across financial regulatory agencies to identify vulnerabilities and take action to mitigate such vulnerabilities
- ★ Increased Treasury engagement and federal policy development on the insurance sector and climate-related financial risks
- ★ In international forums and with foreign counterparts, promoted robust approaches to financial risk identification and mitigation to foster global financial stability and a level playing field

### Strategy 4.3.C 🌐 Management, DF

Assess climate-related financial risks to Treasury programs and activities, working with other agencies to incorporate climate-related risks into near-term and long-term budgeting.

#### Measures and Indicators of Success:

- ★ A coordinated interagency approach to the measurement and mitigation of climate-related financial risks in federal government programs and activities
- ★ Effective measurement of climate-related financial risks associated with Treasury programs or activities

### Strategy 4.3.D 🌐 DF, EP, TP

Assess and address impacts of climate-related financial risks and associated policies on households and communities in general, with a particular focus on low-income and communities of color.

#### Measures and Indicators of Success:

- ★ Assessed and developed strategies that prevent low-income and communities of color from being adversely and disparately impacted by climate-related financial risks or policies designed to mitigate such risks
- ★ Improved information and tools to allow low-income and communities of color to better understand and manage climate-related financial risks they face
- ★ Reported on the potential for disruptions for private insurance coverage in U.S. regions vulnerable to climate change impacts

#### Learning Agenda Questions

- None identified

#### Critical Management Initiatives

- Establish a plan to identify, assess, improve, and use data to build metrics that track climate-related financial risks and measure impacts of those risks on low-income households and disadvantaged communities
- Apply the United States Digital Service standards/ Integrated Digital Experience Act requirements to Treasury.gov to promote transparency around climate-related financial risks

# Sustainable Treasury Operations

Improve Treasury’s overall environmental and energy sustainability and invest in Bureaus’ adaptation and resiliency efforts to address climate change impacts on operations and services.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Management	Bureau Operations (Facilities, Fleet, Procurement, Logistics, Sustainability, and Energy Management) community, Internal Revenue Service (IRS), Bureau of Engraving and Printing (BEP), U.S. Mint, Bureau of the Fiscal Service (Fiscal), Alcohol and Tobacco Tax and Trade Bureau (TTB), Financial Crimes Enforcement Network (FinCEN), Departmental Offices (DO), Bureau procurement community	Federal Chief Sustainability Officer (CSO) and CSO Steering Committee, Council on Environmental Quality, Federal Energy Management Program, General Services Administration (GSA), Office of Management and Budget (OMB)	Renewable energy sector, climate-vulnerable populations and sectors, government organizations (federal, state, local)

## Why does this matter?

Global warming, sea level rise, more intense and frequent major weather events, and disruptions to energy availability are impacting Treasury’s mission, facilities, operations, and services. To address these impacts, Treasury must improve mitigation efforts to reduce its greenhouse gas (GHG) emissions, while adapting to a changing environment by making its facilities, operations, and critical supply chains more resilient to climate disruptions. Treasury needs to improve the workforce’s knowledge and awareness of climate change, the science that supports climate policies, and the means to address the impacts of climate change on Treasury’s mission and operations.

## Desired Outcomes

- Reduced GHG emissions from government operations
- Increased resiliency of Treasury’s facilities and operations to the impacts of climate change
- Establishment of procurement policies and processes that prioritize climate change considerations in purchasing decisions
- Establishment of a Department-wide climate literacy program to increase climate change knowledge and expertise

**Cross-cutting Themes** | Re-engaging Allies | Climate Change | Equity | Customer Experience

## SUSTAINABLE TREASURY OPERATIONS



By the end of FY 2026, all Treasury owned and operated facilities will be utilizing electricity that is sourced from 100% renewable energy.



By the end of FY 2023, Treasury's climate literacy program will have reached 100% of its training audience with its informational products, department-wide.



By the end of FY 2026, 100% of Treasury's non-exempt fleet will be Electric Vehicles (EVs), subject to General Services Administration (GSA) Fleet program availability.



By the end of FY 2022, Treasury will establish an approved conversion plan for its law enforcement fleet that maintains bureaus' mission capability.

Source: U.S. Department of the Treasury, Office of Management

## Objective 4.4 Strategies

**Strategy 4.4.A** Management, Bureau Operations (Facilities, Fleet, Sustainability, and Energy Management) community

Use the Department of the Treasury's purchasing power to reduce greenhouse gas emissions across Treasury's operations.

### Measures and Indicators of Success:

- ★ Increased use of electrical energy produced by renewable sources (e.g., solar, wind, and hydroelectric), including increased utilization of Renewable Energy Credits (RECs) for Treasury owned and delegated facilities
- ★ Treasury's vehicular fleet transitioned to electric vehicles (EVs)

**Strategy 4.4.B** Management, Bureau Operations (Facilities, Fleet, Sustainability, and Energy Management) community

Adapt and make more resilient the Department's real property portfolio to address the impacts of climate change.

### Measures and Indicators of Success:

- ★ Completed climate-vulnerability assessments of all Treasury facilities and establishment of a plan to address each significant-risk situation either through adaptation or relocation, as appropriate
- ★ A resilient real property portfolio for contending with the impacts of climate change

**Strategy 4.4.C** Management, Bureau Procurement Community

Transform Treasury's procurement policies and processes to consistently prioritize climate change considerations in purchasing decisions.

### Measures and Indicators of Success:

- ★ Established procurement policies and processes that prioritize climate change considerations in purchasing decisions, including support to disadvantaged communities and sources more heavily impacted by climate change
- ★ Established contingency plans for sustaining critical supply chains for operational mission requirements (e.g., materials needed for currency and coinage production, personal protective equipment, alternate power suppliers, etc.)

**Strategy 4.4.D** Management, Bureau Operations (Facilities, Fleet, Sustainability, and Energy Management) community, IRS, Fiscal, TTB, FinCEN, DO, Mint, BEP

Increase climate change knowledge and expertise.

### Measures and Indicators of Success:

- ★ Establishment and implementation of a Treasury-wide climate literacy program
- ★ Reduced knowledge/expertise gap for climate-related positions

### Learning Agenda Questions

- How can Treasury most effectively build capacity and climate literacy for climate adaptation and sustainable operations?
- Which professional communities of interest and organizations should we prioritize for rebuilding climate change expertise?
- What investments do we need to make to address Treasury's climate vulnerabilities, and how much will it cost?

### Critical Management Initiatives

- Improve and use secure enterprise-wide data collection systems and analyses, coupled with performance measures, to aid in transparency and data/performance-based decision-making
- Identify and address both immediate and long-term staffing needs for the Replacement BEP Production Facility
- Review and assess policies and practices surrounding remote work and telework to determine potential cost savings achievable through leased office space reductions and the estimated associated reductions in carbon emissions by the end of FY2026
- Identify and acquire or develop the critical skills needed to support climate change through recruitment and learning

# Recruit and Retain a Diverse and Inclusive Workforce

Recruit and retain a diverse workforce that represents communities that Treasury serves.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Management	Bureau Human Resource Officers (HROs), Bureau Diversity and Inclusion (D&I) community, Bureau Equal Employment Opportunity (EEO) Officers	Office of Personnel Management (OPM), Office of Management and Budget (OMB), Equal Employment Opportunity Commission (EEOC), external recruitment partners and resources	Treasury employees and contractors, potential applicants

## Why does this matter?

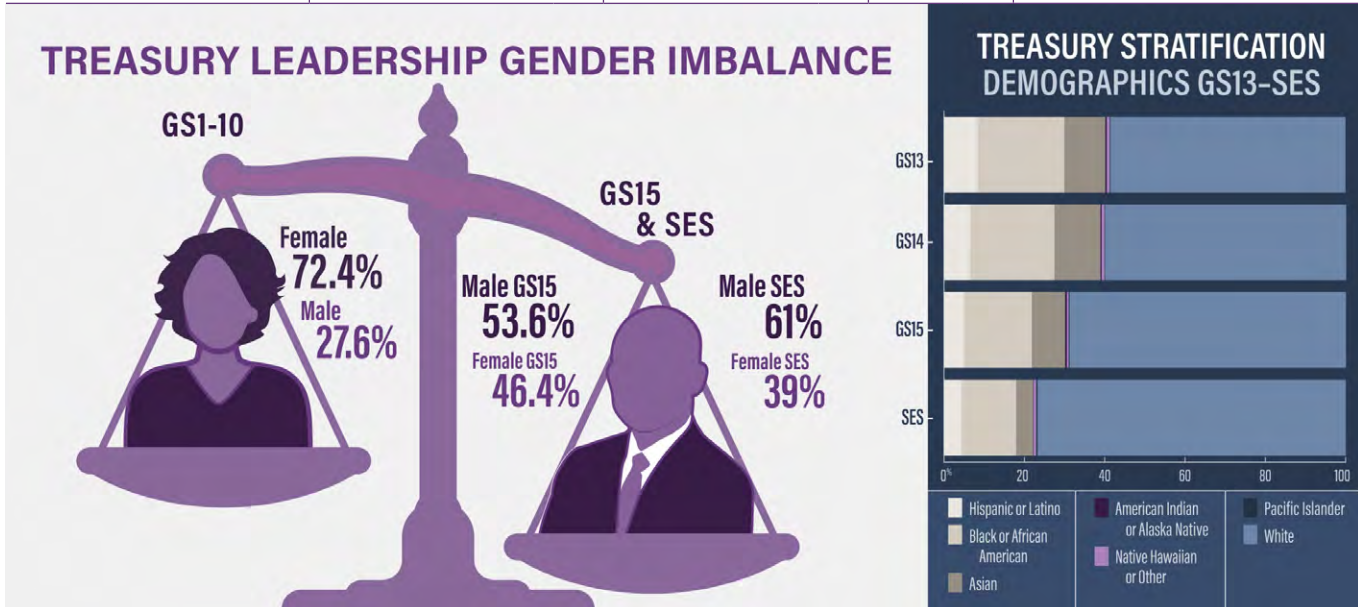
Employment opportunities and leadership roles within the Department must represent the American people, including with respect to race, ethnicity, religion, gender identity, sexual orientation, age, and disability. In addition to ensuring Treasury can conduct its mission effectively and equitably, Treasury’s efforts to become a more diverse and inclusive organization will also aid in fostering creativity, innovation, productivity, and higher levels of employee engagement.

To accomplish this, the Treasury requires an increased focus on developing a diverse pipeline for hiring and promotions and investing in training and development opportunities to improve retention and inclusion in the Treasury workforce. Various levels of funding and varied maturity levels in strategic human capital management across Treasury and its bureaus, combined with human resources challenges in the face of accelerating changes to mission and skill requirements, could lead to an erosion of Treasury’s mission capability. Investing in recruitment and employee development while creating a modernized environment (physical, virtual, and cultural) that best supports the workforce, will advance efforts to retain top talent and enable employees to focus on the accomplishment of Treasury’s mission.

## Desired Outcomes

- Increased demographic representation to ensure the Treasury workforce reflects the diversity of the people we serve
- Improved representation of minorities, the disabled, and women in senior/upper level and executive positions and in Mission Critical Occupations (MCOs) where they are underrepresented
- Make Treasury more accessible to our workforce and to the communities we serve
- Advancement of equity in the employee lifecycle
- Increased use of personnel authorities to enhance diversity in the Treasury workforce

**Cross-cutting Themes** | Re-engaging Allies 🎯 | Climate Change 🎯 | Equity 🎯 | Customer Experience 🎯



Source: U.S. Department of the Treasury, Office of Management



## Objective 5.1 Strategies

**Strategy 5.1.A** ☆ Management, Bureau HROs, EEOs, and D&I Officers

Employ measures to reach previously inaccessible talent.

### Measures and Indicators of Success:

- ★ Increased number of paid internships that provide a viable career path
- ★ Investment in recruitment strategies for outreach to underrepresented communities
- ★ Increased awareness of and the number of remote positions/opportunities

**Strategy 5.1.B** ☆ Management, Bureau HROs, EEOs, and D&I Officers

Identify and mitigate sources of bias in selection and promotion processes.

### Measures and Indicators of Success:

- ★ Increased diversity in the selection of candidates at all levels (including senior/upper level and executives)
- ★ Increased equity in employment patterns (Diversity Equity and Inclusion scorecard)
- ★ Increased use of competency assessments
- ★ Increased hiring and retention of persons with disabilities

**Strategy 5.1.C** ☆ Management, Bureau HROs, EEOs, and D&I Officers

Demonstrate leadership commitment to promote a culture of inclusion, diversity, and equity.

### Measures and Indicators of Success:

- ★ Improved equity and inclusion Federal Employee Viewpoint Survey scores
- ★ Adequately resourced Diversity Equity Inclusion & Accessibility (DEIA) functions throughout Treasury
- ★ Identified managerial competencies around DEIA, development of training

**Strategy 5.1.D** ☆ Management, Bureau HROs, EEOs, and D&I Officers

Provide a modern, equitable, and inclusive work experience.

### Measures and Indicators of Success:

- ★ Increased accessibility of telework and remote work flexibilities
- ★ Expanded training and career development opportunities, including those that promote diversity

### Learning Agenda Questions

- How can Treasury increase representation concerning its public-facing call-center workforce?
- To what extent has increased diversity in management and leadership positions influenced organizational performance or improved employees' sense of inclusion?

### Critical Management Initiatives

- Enhance adoption of enterprise-wide IT platforms and shared service applications to provide a consistent employee experience across the Department
- Expand and improve the use of data and data technologies to assess employee perception more regularly, and model impacts of policy and organizational changes on equity, inclusion, and diversity efforts

# Future Work Routines

Transform the Department's work routines to support changing mission and workforce needs.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Management	Treasury Leadership, Bureau Chief Information Officers (CIOs), and Human Capital Officers (HCOs)	National Treasury Employees' Union (NTEU), Office of Personnel Management	Treasury Employees, Treasury and Bureau leadership

## Why does this matter?

The convergence of the COVID-19 pandemic and climate crisis has resulted in a critical decision point for Treasury about its long-term physical, IT, and human capital infrastructure. As the pace of change accelerates and Treasury plays a growing role in responding to national crises – foreseen and unforeseen – the agency must increase its agility, flexibility, and resilience.

How we work together is changing. Failure to support and empower the workforce will stifle the innovation needed to transform and meet the evolving needs of our customers. Technology advances can enable a more distributed and diverse workforce that can access the best talent anywhere and provide a more sustainable and resilient infrastructure. Treasury will also need to evolve its culture and provide equitable access to best-in-class tools, training, and facilities. To achieve this integrated vision, Treasury must modernize the Department's workplace infrastructure and work routines to meet a "whole person" culture, maintain competitiveness, and enable a "new normal" for an engaged and inclusive workforce of the future.

## Desired Outcomes

- Improved Treasury and bureau Federal Employee Viewpoint Survey (FEVS) results and resulting rankings against other agencies
- A seamless experience for the workforce through modern IT and physical infrastructure
- Improved organizational resilience and flexibility to increase responsiveness to changing customer needs and future crises

**Cross-cutting Themes** | Re-engaging Allies 🎯 | Climate Change 🎯 | Equity 🎯 | Customer Experience 🎯



Source: U.S. Department of the Treasury, Office of Management

## Objective 5.2 Strategies

**Strategy 5.2.A** ☆ Management, Bureau heads, deputies, CIOs, and HCOs

Equip the workforce with the skills, competencies, and flexibility to succeed in the future.

### Measures and Indicators of Success:

- ★ Expanded use of telework and remote work
- ★ Developed core competencies (e.g., data, customer experience, project management) required for an agile and flexible workforce
- ★ Established a mature workforce and succession planning capability

**Strategy 5.2.B** ☆ Management, Bureau CIOs and HCOs

Transform work routines to meet changing customer and employee needs by fostering a culture of innovation and continuous improvement.

### Measures and Indicators of Success:

- ★ Empowered employees and leaders (FEVS)
- ★ Treasury recognized as an innovation leader in government (e.g., Rank Awards, Sammys)
- ★ Matured program management, change management, and process improvement capabilities (bureau PM/CM/CPI maturity)
- ★ Increased use of formal reskilling programs to meet emerging talent needs

**Strategy 5.2.C** ☆ Management, Bureau CIOs and HCOs

Modernize the physical and virtual workplace to provide an improved employee experience.

### Measures and Indicators of Success:

- ★ Equipped employees with effective collaboration tools and spaces
- ★ Built a flexible, modern, and efficient shared office spaces
- ★ A dynamic culture of inclusion and teamwork for in-person, remote, and hybrid teams (FEVS)
- ★ Designed a consistent, efficient, and high-quality employee experience that allows employees to focus on the mission
- ★ Improved coordination of employee technology, facility, and people investments

### Learning Agenda Questions

- How are our customers' needs changing, how are employee needs changing, and how do you foster innovation and collaboration in a hybrid organization?

### Critical Management Initiatives

- Enhance adoption of enterprise-wide commodity IT platforms and shared service applications to provide a consistent employee experience
- Expand the use of existing data and data collection systems to assess impacts of future work routines on employee sentiment, and gauge strategies to enhance collaboration amongst employees and between the customers and communities they serve

# Better Use of Data

Increase timely access to and use of quality data and other types of evidence to inform decision-making.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Management	Data Governance Board, Data Advisory Council, Bureau CDOs, Bureau of the Fiscal Service	CDO Council, Data Sharing partners (other agencies), Fiscal Agents, Office of Management and Budget	Treasury components, Federal partners, Policy/research institutions

## Why does this matter?

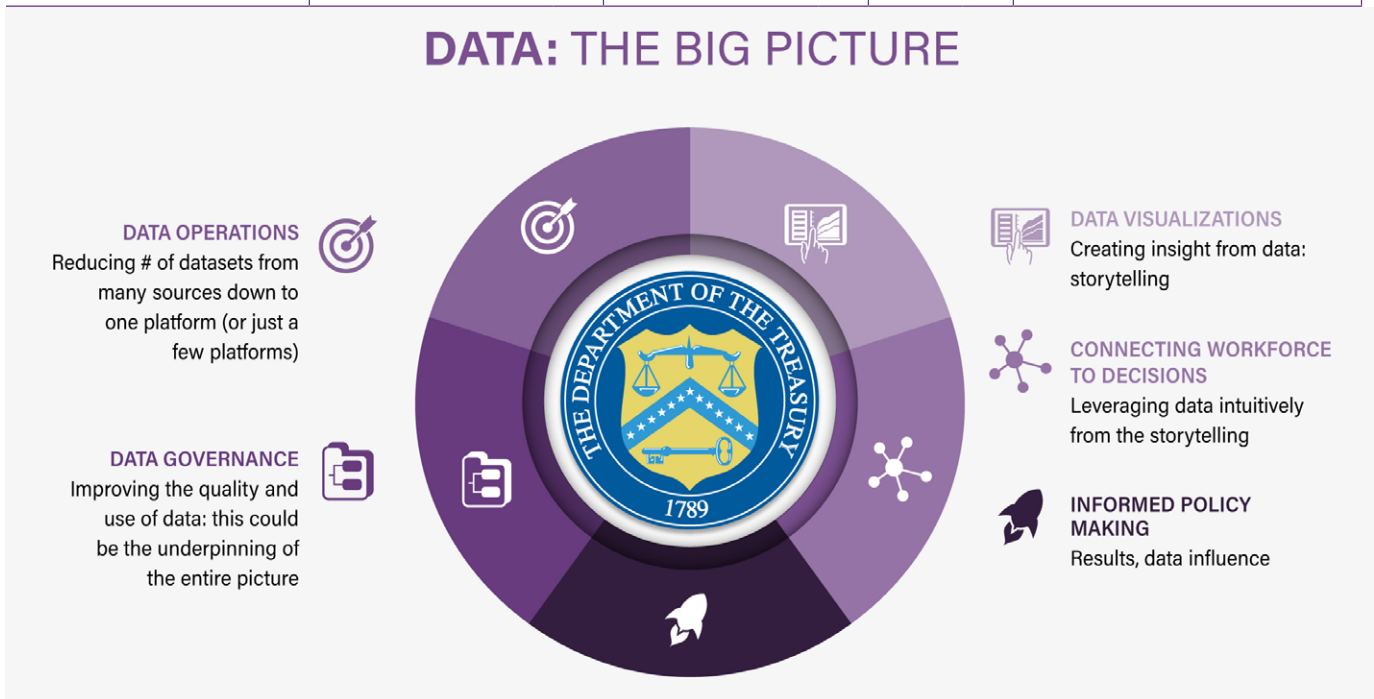
Treasury seeks to fully unlock the value of its data for mission, service, and the public good. The Foundations for Evidence-Based Policymaking Act of 2018 required agencies to assess the agency’s data maturity and capacity for evidence-building. Treasury identified many “pockets of excellence” through these assessments, where evidence generated through research, evaluations, analysis, and statistical activities is routinely used to inform decision-making. However, silos, inconsistent data standards, and resource constraints make it difficult to share data across components of the Department and with other federal partners.

Treasury’s ability to support critical decisions across mission areas and detect emerging issues with data may be impeded by a lack of data accessibility and reliability, inability to successfully use and interpret the data, or capability to process or analyze data. Treasury must strengthen its data infrastructure, data governance, and analytic capabilities within its workforce to develop and maintain a culture where Treasury generates high-quality data products and evidence that are easy to consume and share.

## Desired Outcomes

- Increased data sharing between Treasury components and with other federal partners
- Adopted an enterprise data governance to improve data sharing, accessibility, and quality
- Improved data literacy to establish the skills necessary to use data and derive common meaning from its use

**Cross-cutting Themes** | Re-engaging Allies 🎯 | Climate Change 🎯 | Equity 🎯 | Customer Experience 🎯



Source: U.S. Department of the Treasury, Office of Management

## Objective 5.3 Strategies

### Strategy 5.3.A ☆ Management, Data Governance Board, Bureau CDOs

Strengthen Treasury's ability to develop and use high-quality data through enterprise data governance and adoption of data standards.

#### Measures and Indicators of Success:

- ★ Development and implementation of data standards and governance policy, including lexicon and guidance
- ★ Increased number of data sets under data stewardship
- ★ Increased number of active evidence-building projects directly supporting Learning Agenda

### Strategy 5.3.B ☆ Management, Data Governance Board, Bureau CDOs

Improve Treasury's data infrastructure by modernizing Treasury's legacy systems, advancing the use of secure cloud services, and harnessing new and emerging technologies.

#### Measures and Indicators of Success:

- ★ Increased number of legacy data interfaces modernized
- ★ Increased number of database functions automated by Robotic Process Automation (RPA)

### Strategy 5.3.C ☆ Management, Data Governance Board, Bureau CDOs

Strengthen analytic capabilities across Treasury's workforce by improving data literacy.

#### Measures and Indicators of Success:

- ★ Increased number of employees who complete data literacy training
- ★ Increased number of data scientists hired
- ★ Strengthened enterprise-level data analysis capabilities (people, tools, and systems) among Treasury workforce

#### Learning Agenda Questions

- How can we combine Treasury's debt portfolio data with disaggregated demographic data to inform equity assessments?
- What are ways to improve data collection, use, and sharing to improve Treasury's ability to deliver services and make programmatic and policy decisions more equitably?

### Strategy 5.3.D ☆ Management, Data Governance Board, Bureau CDOs

Advance equity in Treasury's programs and services by increasing access to data that can be used to assess and measure equity and inform program policy and decision-making.

#### Measures and Indicators of Success:

- ★ Increased number of publicly shared datasets, including federal financial data on [usaspending.gov](https://usaspending.gov), and utilization by external partners and customers
- ★ Creation of standard data-sharing agreements and quantity of datasets shared
- ★ Increased number of datasets managed under common platforms
- ★ Creation and utilization of an equity database used for assessing equity

### Strategy 5.3.E ☆ Management, Data Governance Board, Fiscal, Bureau CDOs

Increase quality, sharing, and use of financial data with the U.S. public to promote transparency, equity, and accountability in federal spending.

#### Measures and Indicators of Success:

- ★ Improved the publication of data on [USA Spending.gov](https://USA Spending.gov) utilizing user research
- ★ Increased in the number of new datasets made available to the public through [Fiscaldata.treasury.gov](https://Fiscaldata.treasury.gov)
- ★ Number of datasets centrally warehoused for use by other management applications (e.g., for dashboarding or Technical Business Management (TBM))

#### Critical Management Initiatives

- Develop an integrated data and analytics workforce plan to strategically attract, train, and retain individuals with data and analytical skills
- Mature and enforce the adoption of enterprise-wide commodity IT platforms, shared service applications, and integration tools
- Implement an enterprise metadata catalog solution to provide a searchable inventory of Treasury's available data
- Mature Treasury's data sharing and acquisition strategy to reduce cost and improve access through the consolidated use of data between Treasury components, with other federal agencies, and from commercially available sources

# Customer Experience Practices

Mature and embed strong customer experience practices across the Department, establishing Treasury’s reputation for consistently positive experiences.

## Who's Involved

Treasury Lead	Treasury Supports	External Partners	Customers
Management	Internal Revenue Service (IRS), Alcohol and Tobacco Tax and Trade Bureau (TTB), Bureau of the Fiscal Service (Fiscal), Bureau of Engraving and Printing (BEP), U.S. Mint, Chief Information Officer (CIO), Process Improvement, and Customer Experience (CX) Communities	Fiscal Agents, Office of Management and Budget, Federal agencies	Federal agencies, business/financial sector, taxpayers, tax community partners

## Why does this matter?

Treasury provides many critical services to the American people—from Main Street to Wall Street—and federal agencies. Treasury has been designated (beginning in FY 2022) as a federal High Impact Service Provider due to the scale and impact of its public-facing services. For example, in 2020, the Internal Revenue Service (IRS) processed returns from 240 million individuals and businesses and assisted 60 million customers on the phone or in person. The Bureau of the Fiscal Service disbursed 88 percent of all federal government payments, including IRS tax refunds, Social Security benefits, and Veteran’s benefits. When the agency provides a modern, efficient customer experience, it increases Americans’ trust in government. When it develops cumbersome regulations or fails to deliver programs equitably, it negatively impacts perceptions of government services. According to the American Customer Satisfaction Index, the Federal Government ranks among the bottom of all industries in the United States in customer satisfaction – which leaves plenty of room for improvement.

Treasury therefore must create a culture that focuses on the customer, leveraging the latest research and modern approaches to improving customer experience to improve its overall capabilities and practices. Failure to do so reduces program effectiveness and disrupts the efforts of other federal agencies we serve to better serve their customers.

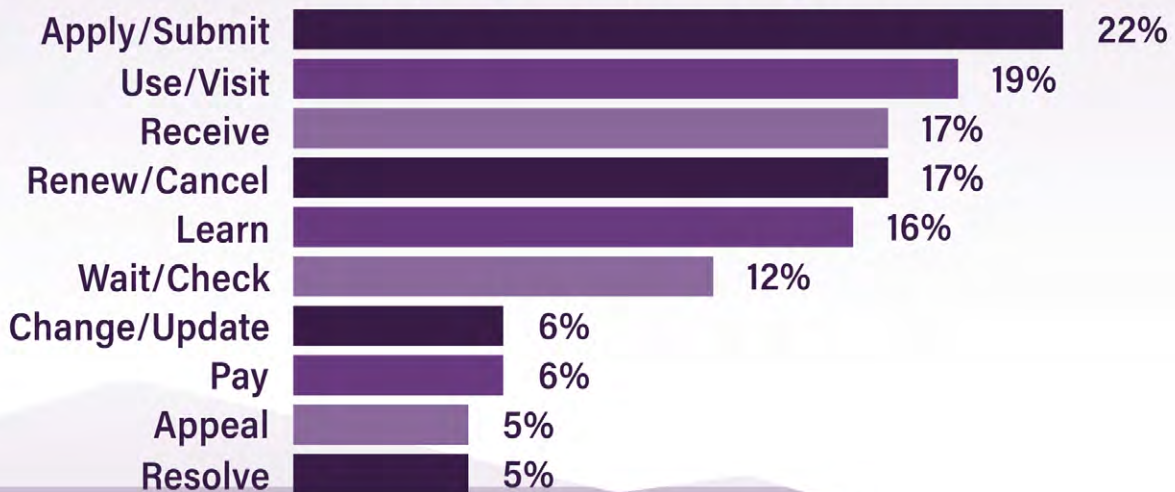
## Desired Outcomes

- Improved customer experience for all Treasury high impact services/journeys
- High impact services/journeys identified and optimized to improve timeliness and quality services
- Timely collection of customer feedback/data
- Increased percentage of high impact services/journeys that have dedicated human-centered design/process improvement teams that are using customer-focused methods

**Cross-cutting Themes** | Re-engaging Allies 🎯 | Climate Change 🎯 | Equity 🎯 | Customer Experience 🎯

## JOURNEYS THAT MATTER

Ten most common journey archetypes globally in order of importance to customers



Source: McKinsey and Company. (2018). Public Sector Journey Benchmark Survey.

## Objective 5.4 Strategies

**Strategy 5.4.A** ☆ Management, Bureau Heads, Deputies, and Customer Experience Leaders

Establish and communicate a Department-wide customer experience (CX) vision.

### Measures and Indicators of Success:

- ★ Common customer experience vision and language used across Treasury bureau strategy and planning/budget documents
- ★ Active engagement by all bureaus in communities of practice

**Strategy 5.4.B** ☆ Bureau CX Leaders, Chief Data Officers, and Performance/Planning Officers

Use advanced analytic tools, research methods, and outreach to better understand Treasury customers and potential disparate impacts.

### Measures and Indicators of Success:

- ★ Percentage of bureaus that have defined the core CX/Service Delivery (SD) performance measures to monitor continuously and have identified the data sources for each core measure
- ★ Percentage of data elements collected that are needed to create a comprehensive view of the customer to run enterprise-wide analytics
- ★ Percentage of high impact services/journeys that have developed customer feedback loops and close to real-time data collection
- ★ Baseline satisfaction (CSAT), trust, and level of effort (ease) across high impact services

**Strategy 5.4.C** ☆ Management, Bureau CX Leaders

Create and update an inventory of high-impact services/journeys annually to enable a 360 view of the customer and prioritize service improvements across all of Treasury's customers.

### Measures and Indicators of Success:

- ★ Creation of a library of high impact services/journeys and customer personas
- ★ Data integration across bureaus for common/shared journeys and customers

**Strategy 5.4.D** ☆ Management, Bureau CX, Process Improvement, Program Management Improvement, and CIO Leaders

Put the customer at the center of improvements across high-impact services/journeys using human-centered design and continuous process improvement.

### Measures and Indicators of Success:

- ★ Finalized program management policy that integrates CX expectations for Treasury programs
- ★ Percentage of high impact services/journeys defined, aligned to critical programs list, evaluated for IT Modernization, and with dedicated service delivery/process improvement teams that are using customer-focused continuous improvement methods
- ★ Increased number of process improvement events conducted
- ★ Increased number of certified practitioners (Lean Six Sigma, Service Design, Project/Program Management, Business Process Management)

### Learning Agenda Questions

- What are effective strategies for serving hard-to-reach customers, particularly those who lack access to reliable internet, banks/financial institutions, and the credentials required to verify their digital identity?
- What is the right beacon metric for measuring customer experience for the Department?

### Critical Management Initiatives

- Provide training and career paths within Treasury on Customer Experience and Continuous Process Improvement (CPI) skills
- Explore tailored role-based performance standards or definitions of success for employees and leaders
- Adopt human-centered design practices into agile development processes, including IT, across the Department
- Apply United States Digital Service standards/Integrated Digital Experience Act (IDEA) requirements to all public-facing websites

# Tracking Progress

## Tracking Progress

The *Government Performance and Results Act of 1993* (GPRA) and the *GPRA Modernization Act of 2010* established the need for agencies to identify performance goals, report progress against targets, and conduct data-driven reviews. These practices serve two key purposes for stakeholders within and outside the organization: to assess the organization’s health and impact and inform decision-making and strategy (including effective resource allocation). Treasury’s strategic framework was developed to meet these two purposes and support best-in-class organizational performance practices to help achieve the Department’s strategic objectives. This framework also integrates statutory requirements established by the *Federal Information Technology Acquisition Reform Act* (FITARA), the *Program Management Improvement Accountability Act* (PMIAA), and the *Foundations for Evidence-Based Policymaking Act of 2018* (Evidence Act).

Treasury’s quarterly organizational performance reviews (described in the table below) provide a regular forum for open dialogue and coordination between Department and bureau and office leadership, bringing together different perspectives to set and align priorities, identify, and solve problems, review performance goals, and drive evidence-based decisions and results.

To enhance accountability and ensure the strategic plan serves as a guide for decision-making throughout the Department, Treasury senior leadership designated goal leads and objective leads responsible for overseeing and monitoring progress towards the desired outcomes in the Strategic Plan. Throughout the quarterly review cycle outlined below, these senior accountable officials will provide Treasury leadership with an update on progress and areas where assistance is needed to meet priorities. These sessions will also inform course corrections and annual updates to the strategic plan.

### Treasury’s Annual Organizational Performance Review Cycle

	Fall	Winter	Spring	Summer
Focus	Bureau Performance and Priorities	Strategic Objective Annual Review (SOAR)	Cross-cutting challenges; Critical Programs	Budget
Goals/Outcomes	<ul style="list-style-type: none"> <li>Review prior fiscal year’s performance at bureau/office level</li> <li>Recognize successes</li> <li>Set priorities for the year ahead</li> <li>Identify shortfalls/risks; accountability; assess organizational health</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate progress towards strategic goals and objectives (incl. progress of critical programs and projects)</li> <li>Identify/validate Treasury priorities or strategic shifts</li> <li>Outline potential topics for OMB annual review</li> </ul>	<ul style="list-style-type: none"> <li>Issue-based sessions: deep dive on cross-cutting issues, identify near-term improvement strategies</li> <li>Program-based sessions: check in on critical programs/ projects identified in the SOAR that need Treasury leadership attention</li> </ul>	<ul style="list-style-type: none"> <li>Align funding to priorities, performance impacts, and risk mitigation</li> <li>Strengthen IT acquisition, budgeting, and accountability</li> <li>Identify efficiencies and redundancies in request</li> <li>Check in on health and update list of critical programs/projects based on budget requests</li> </ul>



# Integrating Planning and Learning

## Linking to Other Planning Processes

Treasury aligns its strategic objectives to the President’s Management Agenda to respond to the management priorities of the Administration. To enable effective implementation across the Department, Treasury aligns its Strategic Plan with bureau strategic plans and enterprise-wide management plans, including the Treasury Information Technology Strategic Plan and Human Capital Operating Plan. Additionally, Treasury’s strategic planning and human capital teams work together to enhance employees’ understanding of how individual performance commitments align to organizational priorities.

Treasury also identifies Agency Priority Goals (APGs), which are priorities that the Department wants to accomplish within two years. The Department also publicly reports APG progress quarterly on Performance.gov and tracks progress during quarterly reviews. Treasury also reports annual strategic progress through its Annual Performance Plan and Report (APP/R), which is included in the annual President’s Budget. Treasury aligns resource and strategic priorities through the Annual Performance Plan and Report, Agency Financial Report, and Annual Evaluation Plan to create an integrated and evidence-based organizational performance and accountability framework.

## Treasury Critical Programs and Projects for FY 2022–2026 Strategic Plan

The *Program Management Improvement Accountability Act of 2016* (PMIAA) requires agencies to conduct annual portfolio reviews to improve program outcomes and program/project management practices. Treasury’s enterprise-level program and project portfolios correspond to the goals in the Strategic Plan. The Department identified the following critical programs and projects to include in the annual portfolio reviews, which are integrated into the quarterly review cycle. Since this is Treasury’s first round of PMIAA implementation, a guiding principle for the Department is to start small and expand the scope based on lessons learned. This list reflects the most critical programs and projects from a select number of bureaus and policy offices. The insights gained from the first round of implementation will enable the Department to scale up to include additional critical programs and projects in the future.

Goal	Program	Project
Goal 1: Promote Equitable Economic Growth and Recovery	<ul style="list-style-type: none"> <li>• IRS Modernization</li> <li>• Emergency Rental Assistance</li> <li>• Homeowner Assistance Fund</li> <li>• State and Small Business Credit Initiative</li> <li>• Coronavirus State and Local Fiscal Recovery Fund</li> <li>• Capital Projects Fund</li> <li>• CDFI Fund Minority Lending Program</li> </ul>	
Goal 2: Enhance National Security	<ul style="list-style-type: none"> <li>• Cyber and Crypto-currency Threat Programs</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficial Ownership Database</li> </ul>
Goal 3: Protect Financial Stability and Resiliency	<ul style="list-style-type: none"> <li>• Circulating Coin Production</li> <li>• New Family of Notes: Security Feature Development and Currency Design</li> <li>• Financing Modernization</li> </ul>	<ul style="list-style-type: none"> <li>• Facilities: New DC Production Facility and Western Currency Facility Expansion/Update</li> </ul>
Goal 5: Modernize Treasury Operations	<ul style="list-style-type: none"> <li>• Continuous Process Improvement (CPI) Capability Building</li> </ul>	<ul style="list-style-type: none"> <li>• Data Infrastructure Improvement</li> <li>• Departmental Coordination of Diversity, Equity, Inclusion, Accessibility</li> </ul>

# Integrating Planning and Learning

## Advancing Racial Equity and Support for Underserved Communities

Treasury is committed to advancing equity through its policies and programs and engaging regularly with diverse communities to ensure the Department's programs create opportunity in underserved communities. In 2021, Treasury conducted an equity assessment and developed an Equity Action Plan to identify and remove barriers hindering equal access to Treasury's programs and services, the Nation's financial systems, and the Department's procurement and contracting opportunities. Recognizing the importance of establishing an accountability framework for equity goals and the critical role advancing equity plays in Treasury's mission, Treasury aligned this Equity Action Plan with the Department's FY 22-26 Strategic Plan.

Equity is identified as a cross-cutting theme in 15 of 19 objectives in the Treasury FY 22-26 Strategic Plan as summarized on page 8. Strategies to mitigate long-term disparities in economic outcomes and promote equitable growth as well as measures to track progress towards these objectives are embedded throughout the plan. The accountability framework described on page 47 is Treasury leadership's primary tool for ensuring progress is being made towards the Department's priorities, including those outlined in the Equity Action Plan. Treasury has begun incorporating discussions of equity in mission areas and operations into the department's quarterly performance review (QPR) and budget formulation processes.

## Evidence and the Strategic Plan

Treasury strives to instill a data-driven and learning culture into the Department's routines and organizational processes. The previously outlined accountability cycle highlights how we integrate performance measurement and data analysis into operational decision-making and strategic management processes. Treasury uses evidence to strengthen the Departmental budget cycle and identify priority investments to help Treasury achieve its goals. The Evidence Act requires agencies to develop a Multi-year Learning Agenda and Capacity Assessment, which Treasury has included as appendices to this Strategic Plan.

## Learning Agenda

The Learning Agenda is Treasury's multi-year strategic evidence-building plan and focuses the Department's attention on the evidence needed to implement the FY 2022–2026 Strategic Plan. Treasury will produce evidence that informs high priority operational and mission strategic issues in executing the Learning Agenda. During the strategic planning process, Treasury leaders identified areas where Treasury seeks to learn more about a topic/issue or lacks the necessary evidence base to make decisions or understand the impact. For each Strategic Objective, the "Learning Agenda Questions" section identifies the priority questions that make up Treasury's Learning Agenda. The Learning Agenda Appendix further determines the nature and timing of planned activities and the data, tools, methods, and analytic approaches that Treasury will employ to answer each priority question.

## Capacity Assessment

Concurrent to developing the Strategic Plan, Treasury also assessed its capacity to build and use evidence generated through research, analysis, evaluation, and statistical activities. This capacity assessment highlights Treasury's strengths and opportunities to grow capacity through increased investment in and attention to the Department's staffing, funding, infrastructure, and processes. Treasury seeks to strengthen its evidence capacity through the Critical Management Initiatives identified for each Strategic Objective. While these initiatives do not address all gaps in evidence capacity across Treasury's components, they represent the human capital, IT, and data infrastructure needs critical to achieving the priorities laid out in the Strategic Plan and Learning Agenda.



# Annual Updates

Use this pocket folder to hold  
annual update sheets.

