

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION

OMB Number 1405-XXX, DS- 4213 “PEPFAR Program Expenditures”

A. JUSTIFICATION

1. The President’s Emergency Plan for AIDS Relief (PEPFAR) was established through enactment of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 (P.L. 108-25), as amended by the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (P.L. 110-293) (HIV/AIDS Leadership Act) to support the global response to HIV/AIDS. In December 2011, President Obama announced an expanded target of supporting 6 million persons on life-saving anti-retroviral treatment by 2013. Treatment and other services for HIV/AIDS are provided by PEPFAR through implementing partners who receive their funds via the US Agency for International Development, the Department of Health and Human Services, the Department of Defense, the Department of Labor, Peace Corps, and the Department of State (DOS). The Office of the US Global AIDS Coordinator (S/GAC) within DOS oversees and coordinates this interagency Presidential initiative. Funding for HIV/AIDS programs under the HIV/AIDS Leadership Act is authorized at approximately \$48 billion over the 5 years from FY2009 through FY2013, and the legislation includes a mandate to report results by defined program areas to OGAC. In particular, the HIV/AIDS Leadership Act authorizes the collection and analysis of program data, including data relevant to program costs, through “program monitoring.” Section 3(11) defines “program monitoring” as the “collection, analysis, and use of routine program data to determine . . . [among other issues] program costs.” Section 101(a)(8) specifies that PEPFAR’s Comprehensive Five-Year Strategic Plan must include “a plan for program monitoring, operations research, and impact evaluation.” Section 104A(d)(4) of the Foreign Assistance Act of 1961, as amended, a provision added to the FAA by section 301(a) of the Leadership Act, authorizes the use of program funds for “program monitoring” and related activities. Finally, FAA Section 104A(f), also added by the Leadership Act, requires an annual report to specified Congressional Committees that includes “a detailed description of program monitoring” including “an analysis of cost-effectiveness models.” Excerpts of these Leadership Act provisions are included in the Statement of Legal Authorities. The data collection is considered mandatory based on the authorities above. Since explicit data reporting requirements are embedded in funding agreements (grants, cooperative agreements, contracts) with the respondents through PEPFAR’s implementing agencies as above, and not all PEPFAR agreements will be amended in 2012 in time for the data call, the collection is voluntary where not covered in agreements in 2012, and from 2013 and thereafter all PEPFAR agreements will contain explicit reporting requirements for these data.

In order to improve program monitoring, the PEPFAR Finance and Economics Work Group proposes to add reporting of expenditures by program area to the current routine reporting of program results for the annual report. Data will be collected from implementing partners, i.e. all entities receiving PEPFAR funds through contracts, grants, and cooperative agreements, in

countries with PEPFAR programs using a standard tool (DS-4213) via an electronic interface. There will be a phased roll out beginning with ten high investment countries which represent 76% of PEPFAR's global budget (South Africa, Viet Nam, Namibia, Mozambique, Tanzania, Kenya, Uganda, Zambia, Nigeria, and Ethiopia). These data will then be analyzed to produce mean and range in expenditures by partner per result/achievement for all PEPFAR program areas. These analyses then feed into partner and program reviews at the country level for monitoring and evaluation on an ongoing basis. Summaries of these data provide key information about program costs under PEPFAR on a global level. Applying expenditure results will improve strategic budgeting, identification of efficient means of delivering services, accuracy in defining program targets, and will inform allocation of resources to ensure the program is accountable and using public funds for maximum impact. Public reporting burden for this collection of information is estimated to average 24 hours per response, including time required for searching existing data sources, gathering the necessary documentation, providing the information and/or documents required, and reviewing the final collection. Annualized costs are all as a result of personnel time and average \$2020 per respondent (range \$20 to \$4000). Respondents do not have to supply this information unless this collection displays a currently valid OMB control number. Comments on the accuracy of this burden estimate and/or recommendations for reducing it, should be sent to: Office of the US Global AIDS Coordinator (S/GAC) U.S. Department of State, SA-29, 2nd Floor, Washington, DC 20522-2920

2. The data will be collected from all entities (non-governmental organizations, universities, contractors, multilateral organizations, host nation government departments) that receive funds through the PEPFAR program. These entities receive their funds through contracts, grants, or cooperative agreements with the US government implementing agencies under PEPFAR listed in #1 above. The data collected will be used to improve program efficiency and strategic budgeting. Making these expenditure data available on a routine basis for all PEPFAR programs and activities will increase the information available for strategic budget planning, increase accountability for implementing partners, and maximize the impact of PEPFAR resources on global HIV/AIDS. Prior to initiating routine expenditures reporting, PEPFAR conducted pilot data collections in eight countries. The current Paperwork Reduction Act (PRA) approval process, which includes this Federal Register Notice and public comment, will bring the data collection into compliance with Office of Management and Budget (OMB) regulations. The pilots did provide significant inputs into the data collection form and the process and the experience obtained will reduce burden and maximize the usefulness of the data collection. Data obtained in the pilots have been used to inform PEPFAR programming at several levels. For example, data on unit costs for HIV treatment by province in one country were used to re-allocate funds to reach areas with the highest numbers of persons in need. Data on PEPFAR expenditures on personnel by program area were used in another country in discussions with the host nation government in planning a transition of these staff to the host nation human resources system. These data promote program management using expenditures linked to results and thus maximizing value for investment of public funds.

3. Data will initially be collected via email distribution of a standard spreadsheet (DS-4213 PEPFAR Program Expenditures; OMB-1405-XXXX). Creation of a web-based interface for data collection is in progress. In 2012, the form will be downloaded as an Excel spreadsheet, completed, and uploaded back to the same secure website <https://pepfarpromis/promis>. The

spreadsheet is a significant improvement on the tools used in the pilot activities as it utilizes drop menus, automatic collation of totals, and data quality checks which make the form smaller and easier to use. In subsequent years there will be an electronic interface that will mirror the spreadsheet format and data elements will not change. Public comment and OMB approval will be sought on the web-based interface in accordance with the PRA prior to data collection in 2013. The data collection roll out is starting in 2012 in order to demonstrate fiscal accountability for funds under PEPFAR in response to increasing requests for such documentation by Congress, the Government Accountability Office, and the Office of Management and Budget. Additional urgency for initiation in 2012 comes from the impending evaluation of PEPFAR in early 2013 for reauthorization. It is essential that PEPFAR is able to document specifics on costs for delivering services and obtaining results, and demonstrate systematic monitoring of partner performance and efforts to maximize efficient use of public funds. The expenditure analysis will ensure that reauthorization is based on the best data possible and allocations to program areas are appropriate for real costs of providing services in PEPFAR-funded programs.

4. While PEPFAR partners report program results as stipulated in their funding agreements, these results are not matched to their program expenditures. For this data collection, average expenditures and the range across partners and geographic areas will be calculated for each unit outcome or result. These types of analyses are critical to partner management, accountability, and strategic budgeting, and are not possible without collection of these additional expenditure data. The standard financial reports used for funding mechanisms (grants, cooperative agreements, contracts) only report aggregate totals which are not useful for program planning and there are no systems which can link expenditures to outputs. Furthermore, alignment of expenditures to outputs is not widely utilized in monitoring global health programs but can provide key information for evaluating implementation.

5. There will be no impact to small business. Small non-governmental organizations or local government entities in the host nations will complete the data collection if they receive PEPFAR funds. These entities will receive in-country orientation to the data collection and form. There will be virtual technical assistance available by phone or email throughout the data collection period by members of the PEPFAR Finance and Economics Work Group. In addition, a contracted accounting firm will have representatives on the ground during the data collection for two weeks to conduct in-person assistance for the process and clarification of any issues. There is no cost to these entities for the technical assistance. While they will expend effort to complete the data collection, this is also a capacity building exercise for these entities as reporting of expenditures is often required in monitoring and reports for assistance funds from international donors.

6. President Obama, in his World AIDS Day speech December 1, 2011, committed to the goal of ending global AIDS through strategic investments and partnerships with other donors and affected countries throughout the world. Expansion of services and increased impact of prevention programs to achieve these goals will require increased impact in a resource-constrained environment, and current fiscal circumstances make significant increases in funding from the USG unlikely. Expenditure analyses based on the proposed data collection provide the basis for strategies to increase return on investment and are essential for effective management and policy decision-making on a global level. Annual reporting of expenditures coincides with the annual reporting of results and provides real time cost data in the dynamic environment of HIV service delivery.

7. There are no special circumstances.

8. A Notice was published in the Federal register (5/9/2012, 77; 27266) seeking public comments on this proposed collection. We received responses from seven individuals or institutions, of which five were directly related to the subject matter. Two responses were related to general foreign assistance and to a specific HIV/AIDS technical intervention (medical male circumcision) that are not related to the data collection. Multiple public comments raised similar issues and these are grouped below for coherent and efficient responses. Full text of public comments and direct email responses are provided as appendices to this document. Inputs on the data collection tools and collection process were also obtained from U.S. Government staff who serve as Agreement Officer's Technical Representatives and/or Project Officers for PEPFAR funding agreements at the headquarters and field office level. Expenditure categories used in the data collection were aligned with standard accounting practice for recipients of U.S. Government grants, cooperative agreements, and contracts.

The pilot process did provide significant information to inform the process and final data collection tool (DS-4213 OMB 1405-XXXX). Based on the pilots State was able to limit data requested to that most useful for planning and budgeting, to fine tune definitions, and determine time and effort burdens based on real experience. It also produced a modified spreadsheet with technical adaptations (drop down menus, hyperlinks etc.) that facilitate data entry and decrease time for completion. There were extensive opportunities for feedback and lessons learned, and thus we can respond to the concerns put forward regarding this data collection with considerable experience. Summary of issues raised with responses, both through public comment and working discussions with recipients during the pilot studies, are below.

Questions on how PEPFAR Expenditures will be used

- **Will EA be used to compare across countries? Isn't this an apples to oranges comparison?**
- **Will S/GAC determine budgets based on benchmarks, and doesn't this discount increased costs in some regions versus others?**
- **These data don't seem very useful; how will they tell us anything meaningful about programs when partners and countries are so different?**
- **Can the planned analysis differentiate between urban and rural or intensity of services?**

Response: The PEPFAR Program Expenditures includes data on actual expenditures within a country portfolio and links those data to achievements reported through the PEPFAR Annual and Semi-annual Progress Reporting cycles. It provides estimates of the mean and variability of the PEPFAR expenditure per beneficiary across a range of interventions, and further disaggregates these estimates by region, cost category and other key parameters. At the country level, teams can compare partners and identify cost outliers for those delivering the same services in the same country. The allocation data helps us understand the key cost drivers for producing program achievements. These data are most useful in the country context where PEPFAR teams can use results to inform portfolio reviews and partner management. Certainly programs will vary in cost depending on if they are urban or rural or if the intensity level of the support; the data provide a way to look at costs per result for comparable partners, and to look at high cost programs and partners to identify ways to find efficiency. Subsequent discussions with partners can bring outliers into range and reduce overall program costs by modifications in high outliers and

expansion of high efficiency models. In some cases, follow up will indicate a partner is being highly efficient but the conditions make the service expensive. The country team can then use these results to decide if they are comfortable with the opportunity costs of funding this intervention over others that may produce more results for investment. While these decisions are complex and must be made in context, they are part of sound management of a publically-funded program. With routine reporting, PEPFAR can track increased efficiencies over time within the country and global portfolio. These data can also be shared with the partner governments to strengthen coordination of resources to enhance HIV/AIDS programming within countries. At the headquarters level, the results help to inform global budgeting and resource allocation by estimating the PEPFAR costs to support HIV/AIDS programs. The Expenditures Reporting provides routine, timely financial indicators for program management with sufficient detail to highlight trends and areas for further analysis. PEPFAR recognizes that costs are highly variable depending on the country context. This process is not intended to make direct comparisons or set benchmarks to be applied across countries. It can be used to provide estimates on a global level of the resources needed to scale up and sustain programs.

Specifics on data collection form, process, reporting cycles

- **Why does the data collection coincide with the Annual Progress Report which is already a busy time?**
- **Isn't this process duplicative to existing financial reporting?**
- **We participated in the pilot and the form and process were different than the shared documents; will the form change year to year?**
- **Will we still need to complete multiple provincial worksheets as in the pilot?**
- **Shouldn't there be a pilot process for this kind of data collection?**
- **Are there data quality checks in the process?**

Response: The PEPFAR Expenditures will be an annual reporting requirement as part of the current annual progress and achievements report provided at the end of the USG fiscal year in November by all PEPFAR country programs. The DS-4213 form will be revised based on the feedback received during the public comment period and, once finalized and approved by OMB, will be a standard form and will not be revised on any regular basis. PEPFAR will provide the final form and instructions as soon as all public comments have been reviewed and the form is approved by OMB. PEPFAR implementing partners that participated in pilot activities may have seen significant changes between pilot exercises; these changes were part of the adaptations made during the pilots to ensure that the eventual form and process are as streamlined and user-friendly as possible. Public comments and pilot collections provided inputs on a draft form which informed the final version. There is now one form with drop-down menu functionality for geographic information rather than multiple sheets and standard data quality checks to assist in submissions. Submissions will be reviewed and verified by Cognizant Technical Officers Representatives/Activity Managers (COTR/AM) in the USG offices to confirm expenditures are reported in each program area where the partner receives funds/reports results. The COTR/AM will also assess the total expenditures to confirm they are within 20% of aggregate expenditures reported on the partner fiscal reports. Since these are financial indicators which need to be available in close to real time so they can be used for budgets and planning, some range is acceptable and needs to be considered when analyzing the data. To limit the time and effort required for data cleaning, PEPFAR has built-in a series of data checks in the form that highlight

common trouble spots or nonsensical data. Further automated data checks will be prompted upon submission to the electronic data warehouse and respondents will receive an email with an error report that outlines all required changes or explanations. COTR/AMs will discuss results in detail with partners as part of routine management and determine the source of unexpected or outlier values. Outliers for high or low cost may be the result of poor quality data reporting, in which case the review process will lead to improved quality of reported financial data. If outliers are the result of local conditions, e.g. high transport costs in areas with very poor infrastructure, then the EA data serve as justification. If the costs are low, the COTR/AM will investigate if this is a reflection of a highly efficient model which could be replicated or an issue of service quality which could be remedied. These discussions are a key part of the use of EA data and will provide data quality checks. The Finance and Economics Work Group has emphasized that point estimates should not be interpreted in isolation absent context and appreciation for the variance for each calculated value.

Specifics on PEPFAR data systems related to the collection

- **How will this database interface with the Annual Progress Report System? With FACTSInfo at the Department of State?**
- **Will we need to provide our results twice, for the progress report and for this?**
- **Why is the EA using an additional parallel system?**
- **Why do we have to report on sub-programs not only investment vs. recurrent costs?**

Response: PEPFAR at the central level is investing this year in a database with analysis capacity that will absorb the expenditure data via a web interface from each country program. Once fully operational, it will have the capacity to generate reports in real time for countries to use in planning and partner management. The data system will have the capacity to generate a data export in a broadly compatible format that can be used by the country office or the host nation government as appropriate at each country level. The database is built on a system used by a few countries for the annual progress report data and thus the U.S. Government did not need to expend resources for developing the platform, for building import and export capacity for the central State Department reporting system (FACTS Info), and for configuration for the PEPFAR indicators. PEPFAR is working with PEPFAR country monitoring and evaluation teams to absorb any indicator data that has already been collected through the annual PEPFAR progress reports. Taking the data directly from PEPFAR in country data will eliminate the need for resubmission of indicator data from respondents, and they will only be required to provide information directly related to expenditures and allocations. Every effort has been made to streamline processes and ensure data can be shared in compatible formats for the multiple systems existent in these very complex programs. The reporting on categories such as personnel, travel, equipment by program area is what allows analysis of actual cost drivers for different program areas and is essential to the analysis.

Specifics on modifications to respondent accounting systems and data systems harmonization

- **What if respondents want to modify their accounting systems? Are there funds available to do this?**
- **This will be a burden on respondents; will we be compensated? Who is paying for the start up costs for the data base and technical assistance?**

- **How does the EA relate to the UNAIDS National AIDS Spending Assessment or other costing studies we have to report to?**
- **If we are prioritizing country ownership, why are we building a parallel system instead of using systems in the host nation government?**
- **Why does this ask for more detail than the SF 425?**
- **What if an organization receives funds from other sources besides PEPFAR?**

Response: For respondents, this data collection will require additional human resource time. The pilots have demonstrated that it is possible to fulfill the data collection requirements without any changes to existing accounting systems if respondents so choose.

Alternatively, adjustments to financial systems to align with the specified EA categories could be done in the first year and eliminate need for intensive human resource investments in subsequent years. We understand that this would not be a trivial process. PEPFAR believes it is justified because

1. The global economic crisis has limited new HIV/AIDS funding and caused increased scrutiny for existing funding. The expenditure analysis demonstrates fiscal transparency and accountability for the program, and provides tangible evidence of the lifesaving benefits obtained for our investments that are critical for advocacy to the U.S. Congress and other policy makers.
2. Expenditure tracking is recognized in the global health economic community as the way of the future for monitoring programs. The World Bank, the Global Fund, the Gates Foundation, UNAIDS, and others are embracing this method. Rolling out expenditure tracking in collaboration with the global community is an unprecedented opportunity to harmonize data and systems for compatibility and sharing.
3. PEPFAR is beginning to transition programs and service delivery to local partners and host nation governments. The Expenditures Reporting provides data for transition planning since it enables the country institutions to understand how PEPFAR partners are supporting programs. For example, expenditure data on costs for personnel supported by PEPFAR can be extremely helpful to a government trying to forecast its human resource needs and budgets to manage its national HIV/AIDS programs. Putting systems in place that can track expenditures will allow partners to align reporting with host government financial cycles and provide transparent information on what the PEPFAR implementing partner is supporting.
4. Once PEPFAR has expenditure data for all PEPFAR funds in a country there will be decreased need for ad hoc data calls regarding financial data. For example, the expenditure analysis is being configured in such a way that the data could satisfy requests from the host nation government for a National AIDS Spending Assessment (NASA) and remove this reporting burden from PEPFAR implementing partners.

Realignment of systems to capture expenditures should only be needed once if at all. The amount of restructuring needed by respondent accounting systems would depend on the level of sophistication of the current system and size and scope of the PEPFAR portfolio covered by the

respondent. The DS-4213 form should serve as a template for the adjustments and the goal should be to configure systems that could populate the instrument at the end of each USG fiscal year without a substantial amount of additional effort. As noted above, harmonization efforts in progress now will make this template a viable means for exporting data into a variety of data calls. PEPFAR recommends that implementing partners who have participated in prior pilot activities share their experiences and methods with their counterparts in countries that have not participated in EA in the past, but will participate in 2012. If there have been any updates to the country-specific accounting systems that enable an easier response, this information would be valuable to disseminate organization-wide and across partners where possible. The costs for start up funded by S/GAC are detailed in #14 below. The calculated financial implications based on the estimated burden is detailed in #13 below.

Because the analysis requires more detailed data, the aggregate data on the SF 425 is not sufficient and does not allow any linkages to program areas or results.

Differentiating funds from different donors can be challenging in the real world of implementation, but maintaining the integrity of reporting on US government funds is a basic requirement of any grant, contract, or cooperative agreement and should be possible with existing systems.

Data collection authorities, relationship to existing financial reporting, use of estimates, levels of detail for reporting

- **Does this requirement violate federal regulations reporting on awarded funds?**
- **Are there concerns about data quality given that estimates will have to be used to complete the reporting in this timeframe?**
- **This sounds like an audit; what if our expenditures do not match our budget or our final financial reports?**
- **The allocation decisions are complicated and may not be correct or standard across respondents**
- **How are categories defined? Don't these have to be standardized, e.g. for orphans and vulnerable children?**
- **Will this jeopardize our efforts to do more system strengthening activities and less project-based work? Won't this be hard to capture in the EA?**

Response: PEPFAR data collection authorities derive from The United States Leadership Act against Global HIV/AIDS, Tuberculosis and Malaria, amended. The data collection fulfills the legislative requirements and is in compliance with OMB Circular A-110 (22 CFR 145.51(d) which states

“When required, performance reports shall generally contain, for each award, brief information on each of the following: (1) A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.”

Timeliness is a key objective of the Expenditures Reporting as the data are used for real time analysis to inform programs. As such, the reported allocations are often best estimates. PEPFAR recognizes that partners have not historically tracked expenditures according to program and sub-program categories and will need assistance with reviewing retrospective financial data and making allocation estimates in the first year. Although PEPFAR respects the concerns of respondents that only estimates will be possible when allocating expenditures between certain categories in some situations, the need for routinely available financial data linked to PEPFAR programs is too great in the current economic climate to delay implementation of EA. The nature of this methodology is that some degree of depth and accuracy is necessary in order to procure timely data that is sufficiently detailed to inform planning. The Expenditures Reporting is not an audit and the data supplied by respondents will not be linked to their approved budgets for that timeframe. The data collection instrument has the feature of allowing IPs to enter explanatory comments for the data they enter. PEPFAR will provide guidance in the form of a manual with examples of acceptable allocation and estimation methods. In addition, PEPFAR will provide support services from an accounting firm with a presence in each PEPFAR country participating in 2012. The firm has no other involvement in PEPFAR implementation to ensure no conflict of interest and will provide direct support to partners during the data collection period. The firm will primarily answer questions pertaining to allocating resources appropriately between program areas, provinces and intervention types. Requests for assistance will be initiated using a convenient help desk ticket system and each request will be triaged to the appropriate technical authority.

PEPFAR discussed the levels of detail in the analysis extensively with partners and USG teams over the course of the pilot exercises. In response, we have made numerous modifications to the form and decreased the amount of additional program information to a minimum. Among specific changes are a reorganization of Health System Strengthening categories to align with the World Health Organization six building blocks while still reflecting PEPFAR-specific activities; realignment of prevention categories to align with PEPFAR indicators; a guidance document that provides clear definitions for all categories including types of training, and removal of the line item for technical assistance expenditures. These categories and the use of clear definitions for various aspects of program management will make these areas of PEPFAR investments more transparent and concrete for stakeholders e.g. OMB, Congress, GAO. The section on orphans and vulnerable children has been extensively revised since the pilots and the guidance manual includes definitions on what to allocate to which program area. Technical assistance is available for respondents that need specific clarifications relative to their programs.

Average hours for reporting burden and how number of respondents derived/defined

- **How was the burden estimated? It seems low**
- **How was the number of respondents determined?**

Response: The estimates for burden are calculated based on a standard OMB formula. The number of respondents is the total number of PEPFAR implementing mechanisms (each one is a respondent) for fiscal year 2012 and is updated in the 30 Day Notice to 1,583 (the exact number was not yet available at the time the Department began the PRA process). That total includes

each separate funding agreement for a given institution and so one entity that receives PEPFAR funding in multiple countries would need to complete a form for each funding agreement, in general one per country of activities. While this increases the total time to some extent, the methodology is identical in each country and partners with activities in multiple countries frequently report into a central accounting system that would be the source of much of their reported information, as noted in some of the public comments. The total response time required is calculated by multiplying 1,583 by the average time required to complete the form. This formula has limitations in capturing the time requirements for the PEPFAR Expenditures Reporting because there is a wide range in the time required based on the diversity of respondents. The range depends on the number of program areas and activities for which the partner receives funds. A partner funded for only one discrete program area might be able to complete the entire form in 2 hours. Partners that receive funds in multiple areas for complex activities will likely require more than 12 hours to respond. PEPFAR agrees based on the comments that the average of 12 hours underestimates the first year burden for many large respondents receiving high levels of PEPFAR funding and has revised the *average* estimate to 24 hours. One advantage of making this data collection routine is that the burden will decrease dramatically with each cycle as partners become familiar and routinize the process. Several respondents who participated more than once during the pilot activities agreed that this occurred. PEPFAR understands that large entities with complex programs in multiple areas will have a higher reporting burden, but believes they also possess the experience and expertise to adapt to this new analysis and use it for making more efficient use of public funds across PEPFAR programs.

Impact of Expenditures Reporting on local organizations

- **Won't local organizations have an excessive reporting burden since they do not have a lot of capacity for financial management?**
- **Won't we have to train thousands of local staff to report on this information?**
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Response: PEPFAR promotes an emphasis on country ownership in all of its programming. That emphasis does not change the need for PEPFAR to ensure maximal efficiency with its funding, and as such the Expenditures Reporting is first a tool for internal PEPFAR management. During the pilots, the data collection was discussed with host government officials and many expressed interest in seeing the analysis and requested assistance from PEPFAR to integrate this type of tracking into their own systems. PEPFAR has actively engaged other stakeholders, such as the Global Fund and the World Bank, on ways to provide this assistance and help governments build systems using methodology harmonized across the global community. We are committed to building this capacity and are already seeing some countries sharing their pilot data with the U.S. government and using it as a basis for aligning PEPFAR funding in the national context. While we recognize that local partners may require extensive technical assistance for their first reporting cycle, these needs will be addressed by the accounting firm noted above, the PEPFAR in-country USG team, and support from the interagency Finance and Economics Work Group supporting PEPFAR. The detailed guidance document, compiled based on FAQ and key issues from 8 pilot studies, will provide additional clarity and definitions. There is extensive technical assistance available from PEPFAR headquarters staff and the contracted accounting firm and the headquarters staff will conduct in-person launches of the data collection to introduce the data collection. It should not be necessary for organizations to do separate trainings with staff.

9. There are no payments or gifts provided to respondents.

10. Other than the requirements for confidentiality provided for in any applicable statutes, there have been no assurances of confidentiality provided to respondents. Legislative authority under The United States Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2003, as amended (see addendum PEPFAR Program Expenditures Data Collection Legal Authorities) provides for reporting of data including program costs in the Annual Report to Congress, a publically available document.

11. There are no questions of a sensitive nature.

12. These data will be collected from entities that receive funding through the President's Emergency Plan for AIDS Relief (PEPFAR). These entities include domestic and international non-governmental organizations, academic institutions, and foreign governments. In FY2012, 1,583 such entities will respond to this collection. The data formalized under this collection are already maintained by these entities a part of routine program monitoring and routine accounting with modifications. Based on public comment and discussions with respondents, we have recalculated the average number of hours required for respondents in the first year. The estimated number of hours required is 24 hours per respondent each year. This is an average and will depend on the amount of funding and number of program areas for which the respondent receives those funds. A more detailed response is found in #8 above. The total burden will be 37,992 hours per year. Time required will decrease with subsequent annual reporting cycles as the process of compiling is routinized. The experience of the 9 pilots demonstrated that partners of all types and sizes were able to provide the information for the data collection without any modifications to existing accounting systems. The necessary costs would be in hours worked by finance staff at the respondent organizations. While these staff are already employed for this type of activity under their general scope of work, there are potential opportunity costs due to time spent responding and possible overtime hours. There would be wide variation in the actual cost of these hours depending on the country of employment, and then the actual cost would depend on how many hours were necessary; for a small partner with local staff in a country with low wages and a small PEPFAR budget for focused activities, the cost could be as little as \$10 USD (assuming 1-3 hours for response and salary ~\$5 per hour). In partners in middle income countries or with all US-based staff, especially those with large, complex programs, the costs could be in the range of \$4000 per partner (based on 2 partner reports from pilot in which large, international NGOs working in multiple provinces and program areas with budgets in excess of \$10 million reported financial staff required 97 and 104 hours for the pilot data collection). The majority of partners would fall in between. Based on these estimates, the low cost burden estimate would be \$15,830 (1,583 respondents*24 hours*\$5 per hour); the mid-range estimate would be \$754,840 (1,583 respondents*24 hours*\$20 per hour); and the high estimate would be \$6,775,240 (1,583 respondents*107 hours*\$40 per hour). These costs would be expected to be proportional to the amount of funding received by the respondent so larger, better funded respondents would be in the higher category. In addition, in the one country where 2 pilots were completed, respondents noted that the second round was easier and faster due to familiarity with the data collection and improvements in the tools and process between pilots. Additional costs

for updates to accounting systems are not essential and thus were not calculated in the cost burden.

13. The only costs to respondents beyond normal and customary business practices would be the possible additional hours for existing staff. Using the burden estimates above, we calculate the average annual cost to be \$759,840 (24 hours*\$20 average hourly wage*1583 respondents). Start up costs related to the database and analysis as well as technical assistance are detailed in #14 and are covered by USG through the Office of the Global AIDS Coordinator (S/GAC). If respondents wish to update systems, which might be an efficient choice but would depend on the individual circumstances, they would propose this as a part of future budgets in the same way that they would adapt to any other changes in reporting or management; such expenditures generally come from indirect cost allocations for “cost of doing business” issues and can be budgeted as such in subsequent years once the modifications could be made based on real experience with the data collection.

14. The average annualized cost to the Federal Government is \$1,233,333. The table below summarizes the cost estimate to the Federal government over the next 3 years. These estimates are based on the costs of similar activities.

| Time Frame | Expenses | Amount |
|------------|--|-------------|
| Year I | 1. Development of database and web interface for forms 2. Technical assistance to respondents including overseas travel | \$3,500,000 |
| Year II | Ongoing database support/maintenance; remote technical assistance | \$150,000 |
| Year III | Ongoing database support/maintenance | \$50,000 |

15. There are no program changes, as this is a new information collection.

16. Data collection will begin at the end of USG Fiscal Year 2012, September 30, 2012. Implementing partners will provide their expenditures for all PEPFAR-funded activities for fiscal 2012; submission deadlines will allow for a reasonable amount of time to reconcile accounts at the end of the fiscal year, but all data shall be reported no later than December 1, 2012. An analogous timeline will be repeated annually as part of routine reporting of expenditure data for funds allocated under PEPFAR. Compilation of the data into standardized reports by country will be completed on or before January 23, 2013. Reports will be utilized by S/GAC, its implementing agencies, and USG country teams for the applications listed in #2 above. Summary reports will be posted on www.PEPFAR.gov for public access.

17. S/GAC will display the OMB expiration date.

18. There are no exceptions to the certification statement.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods or sampling techniques.