

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION

OMB Number 1405-0208, 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 six 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 U.S. 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 U.S. 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 five years from Fiscal Year (FY) 2009 through FY 2013, and the legislation includes a mandate to report results by defined program areas to S/GAC. 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 (FAA) 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 mandatory based on the authorities above and approval provided by the Office of Management and Budget (OMB) in November 2012. From 2013 and thereafter all PEPFAR funding agreements (grants, cooperative agreements, contracts) will contain explicit reporting requirements for these data.

In order to improve program monitoring, the PEPFAR Finance and Economics Work Group has added reporting of expenditures by program area to the current routine reporting of program

results for the annual report. Data are 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 was a phased roll out in 2012 beginning with 10 high investment countries which represented 76 percent of PEPFAR's global budget (South Africa, Viet Nam, Namibia, Mozambique, Tanzania, Kenya, Uganda, Zambia, Nigeria, and Ethiopia), and which will be followed by an additional 10 countries in 2013. These data are 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).

2. The data will be collected from all entities (non-governmental organizations, universities, contractors, multilateral organizations, host nation government departments et al.) that receive funds through the PEPFAR program. These entities receive their funds through contracts, grants, or cooperative agreements with the U.S. 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 pilots and routine collection in 2012 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 from 2010-2012 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 be collected via a web-based interface (<https://www.pepfarpromis.net/promis>). Users will now input data directly into the web-based interface rather than downloading Excel spreadsheets (as was used in 2012); data elements are essentially unchanged from 2012. The data collection was formally started 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 (GAO), and OMB. It is essential that PEPFAR be 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 of the PEPFAR legislation (currently set to expire in 2013) 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 results. Furthermore, alignment of expenditures to results 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 businesses in the United States. Elsewhere, 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 to conduct in-person assistance for the process and provide clarification on 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 other 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 U.S. government 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 60-day Notice was published in the Federal Register, seeking public comment on this proposed collection revision. Only one public comment was received. The comment expressed concerns regarding issues with the New Generation Indicators for President's Emergency Plan for AIDS Relief (PEPFAR) as well as the definition of "Direct Support", and the lack of standardization. These issues will be addressed in the upcoming release of Evaluation Standards which will more clearly define these indicators, streamline partner reporting, and delineating criteria for what qualifies as support.

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 PEPFAR. These entities include domestic and international non-governmental organizations, and academic institutions. In FY 2013, 1581 such entities will respond to this collection. The data formalized under this collection are already maintained by these entities as part of routine program monitoring and routine accounting with modifications. The estimated *average* 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. The total burden will be 37,944 hours per year. Time required will decrease with subsequent annual reporting cycles as the process of compiling is routinized. The experience of the nine pilots from 2009-2012 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 U.S. dollars (assuming one-three hours for response and salary ~\$5 per hour). In partners in middle income countries or with all U.S.-based staff, especially those with large, complex programs, the costs could be in the range of \$4000 per partner (based on two partner reports from pilots in which large, international non-governmental organizations 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. 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. Based on these estimates, the estimated total cost is \$2,571,760 (range=\$189,720 assuming a low cost burden estimate, \$758,880 assuming a mid cost burden estimate, and \$6,766,680 assuming a high cost burden estimate. The low cost burden estimate=1,581 respondents x 24 hours x \$5 per hour. The mid cost burden estimate=1,581 respondents x 24 hours x \$20 per hour. The high cost burden estimate=\$1,581 respondents x 107 hours x \$40 per hour). In addition, in the one country where two 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. There are no costs to respondents beyond normal and customary business practices with the exception of possible additional hours for existing staff. Start up costs related to the database and analysis as well as technical assistance are detailed in #14 and are covered by the U.S. Government through 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 \$1,866,667. The table below summarizes the cost estimate to the Federal government from FY 2012-FY 2014. These estimates are based on the costs of similar activities and have been updated in FY 2013 with information gathered in the Phase I data collection. The increased expenditure estimates in Years II and III from the original estimates generated in FY 2012 reflect a greater investment in technical assistance for partners which proved highly valuable for execution and acceptability of the data collection. The need for technical assistance will diminish substantially after Year III (FY 2014) when all countries have done an initial data collection with intensive support.

Time Frame	Expenses	Amount
Year I FY 2012	1. Development of database and web interface for forms 2. Technical assistance to respondents including overseas travel	\$3,500,000
Year II FY 2013	Ongoing database support/maintenance; remote technical assistance	\$1,200,000
Year III FY 2014	Ongoing database support/maintenance	\$900,000

15. The burden figures changed between the initial collection in FY 2012 and FY 2013 because there are two fewer respondents. This has also decreased the estimated number of hours required to complete the collection.

16. Data collection occurs at the end of the U.S. government fiscal year and all data are reported by November 21. Submission deadlines allow for a reasonable amount of time to reconcile accounts at the end of the fiscal year. Compilation of the data into standardized reports by country occurs in December. Reports will be utilized by S/GAC, its implementing agencies, and U.S. government country teams for the applications listed in #2 above. Summary reports will be posted on www.PEPFAR.gov for public access late in the fiscal year.

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.