

# **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) to support the global response to HIV/AIDS. 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 coordinated annual plans for oversight activity in each of the fiscal years 2009 through 2018 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.”

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. 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.

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. Further, the data are used across all the countries and regional programs to inform the formulation of the country operational plan and assist countries in

evidence based budgeting. 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>). Primary data elements are essentially unchanged from 2012, however, nomenclature for categories in selected program areas were updated based on inputs from technical experts. 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 current expenditure analysis assisted the reauthorization of the PEPFAR legislation in 2015 and is based on the best data possible and allocations to program areas appropriate for real costs of providing services in PEPFAR-funded programs. The expenditure data collection directly supports PEPFAR 3.0's Efficiency Agenda and the overarching goals of transparency and accountability, and maximizing data use for strategic decision-making.

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 output 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.

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, on September 14, 2016 (81 FR 63257), and no comments were received.

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

10. There have been no assurances of confidentiality provided to respondents.

11. There are no questions of a sensitive nature.

12. This 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 2016-2018, it is estimated 1627 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 and is not expected to change from the previous period of implementation. 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 estimated burden will be 39,048 hours per year as compared to 37,944 in the prior implementation period. The difference in hours of total estimated burden is due to an increased number of funding mechanisms from 2014 to 2016. The estimated total cost is \$2,646,586 (low+mid+high/3) (range=\$195,240 assuming a low cost burden estimate; \$780,960 assuming a mid-cost burden estimate; and \$6,963,560 assuming a high cost burden estimate. The low cost burden estimate=1,627 respondents x 24 hours x \$5 per hour. The mid cost burden estimate=1,627 respondents x 24 hours x \$20 per hour. The high cost burden estimate=1,627 respondents x 107 hours x \$40 per hour).

13. There are no costs to respondents beyond normal and customary business practices with the exception of possible additional hours for existing staff. Ongoing 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 from FY 2012 to FY 2015 is \$3,125,000. From FY 2016 to FY 2018 the projected annual cost is expected to be \$3,000,000. These average estimates are based on the costs of activities conducted during the past fiscal

years. While implementing partners have gained a lot of experience reporting expenditures since 2012, the continued investment in technical assistance for partners has proved highly valuable for execution and acceptability of the data collection and supported local capacity building and ownership. Annualized costs are all as a result of personnel time and average \$2020 per respondent (range \$20 to \$4000).

15. The average burden figures are unchanged. However, since the total number of implementing partners that will respond to this collection effort has increased from 1581 in FY2015 to an estimated 1627 in FY2016 due to increased worker numbers, the total time burden across all partners that will respond has increased to 39,048 from 37,944 hours.

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](http://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.