

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION**

**OMB Number 1405-0208, DS- 4213
PEPFAR Program Expenditures**

A. JUSTIFICATION

1. Why is this collection necessary and what are the legal statutes that allow this?

The U.S. 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), as amended and reauthorized for a third time by the PEPFAR Extension Act of 2018 (P.L. 115-305) to support the global response to HIV/AIDS. Continued authorization includes a plan for conducting cost studies in partner countries, as well as conducting a comprehensive and harmonized expenditure analysis by partner country. Treatment and other services for HIV/AIDS 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, Peace Corps, and the Department of State (DOS). The Office of the U.S. Global AIDS Coordinator and Health Diplomacy (S/GAC) within DOS leads, funds, and oversees the coordination and implementation of this interagency Presidential initiative.

Funding for global HIV/AIDS programs are appropriated at approximately \$6 billion per Fiscal Year 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 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." 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 this data.

In order to improve program effectiveness PEPFAR reviews reporting of expenditure data by program area and against routine reporting of performance targets. Data 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. A phased rollout for collecting expenditure data began in 2012 and extended to all PEPFAR countries and regional programs in 2014. In 2018, a complete review was conducted of the expenditure reporting structure, content, and process. The results of this analysis are discussed in Section 15.

Expenditure reporting data 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 expenditures 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.

2. *What business purpose is the information gathered going to be used for?*

The data collected is from all PEPFAR-funded Implementing Partners (non-governmental organizations, universities, contractors, multilateral organizations, host nation government departments, and others) 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 section #1 above. The data collected is 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.

Collected expenditure data is used across all countries and regional programs to inform the formulation of the country operational plan/regional operational plan (COP/ROP) and assists countries in evidence based budgeting. This data promotes program management using expenditures linked to results and thus maximizes value for investment of public funds.

3. *Is this collection able to be completed electronically (e.g. through a website or application)?*

Data collected for expenditure reporting is via a web-based interface (<https://datim.org>). 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 expenditures for delivering services and obtaining results, and demonstrate systematic monitoring of partner performance and efforts to maximize efficient use of public funds. 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. *Does this collection duplicate any other collection of information?*

The collection of expenditure data does not duplicate any other collection of information

5. *Describe any impacts on small business.*

There will be no impact to small businesses in the United States.

6. *What are consequences if this collection is not done?*

PEPFAR is committed to the goal of accelerating HIV/AIDS epidemic control through strategic investments and partnerships with other donors and affected countries throughout the world. The provision of patient-centered HIV treatment and prevention services and careful monitoring of the PEPFAR investment requires sound data collection systems to ensure our resources are spent effectively and lead to better health outcomes for beneficiary patients. Data collected through expenditure reporting provides the basis for strategies to increase return on PEPFAR's investment and are essential for effective management and policy decision-making on a global level. Furthermore, our annual reporting of expenditures coincides with the annual reporting of program monitoring results and provides real time cost data in the dynamic environment of HIV service delivery.

7. *Are there any special collection circumstances?*

There are no special circumstances.

8. *Document publication (or intent to publish) a request for public comments in the Federal Register*

On January 14, 2020, the Department published a notice in the Federal Register soliciting public comments for a period of 60 days. 85 FR 2227. No comments were received during the comment period.

9. *Are payments or gifts given to the respondents?*

There are no payments or gifts provided to respondents.

10. *Describe assurances of privacy/confidentiality*

There have been no assurances of confidentiality provided to respondents.

11. *Are any questions of a sensitive nature asked?*

There are no questions of a sensitive nature.

12. *Describe the hour time burden and the hour cost burden on the respondent needed to complete this collection*

Expenditure reporting data is collected from PEPFAR-funded implementing partners. Based on the most recent expenditure reporting submissions, in FY 2020-2022, we estimate 1100 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. It is estimated that the number of hours range from 8 to 24 with an average of 16 hours per respondent per year, yielding an hour burden of 17,600 hours per year. This estimate will depend on the amount of funding and number of program areas for which the respondent receives funding. The necessary costs would account for hours worked by finance staff for the PEPFAR-funded implementing partner. 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 to this requirement.

The actual cost of staff hours depends on the country of employment. To get a sense of the hourly state of project accountants, samples were taken from recently submitted work plan budgets for PEPFAR funded implementing partners in four geographically disbursed countries – Nigeria, Cambodia, Kenya, El Salvador, and USG based headquarters offices. Staff completing this exercise are employees of USG agencies or PEPFAR-funded implementing partners.

Sample of Implementing Partner Account Staff Salaries

	Salary	Fringe	Total
Nigeria	18.77	3.78	22.55
Cambodia	7.01	1.00	8.01
Kenya	11.87	2.66	14.53
El Salvador	16.85	4.21	21.06
Headquarters (15/4 equivalent)	72.90	18.23	91.13
Average	25.48	5.98	31.46

The actual cost depends on how many hours are necessary for the implementing partner to complete the reporting. Using the average staff salary of \$31.46 and approximate 16 hours per respondent to complete the reporting the resulting cost is \$503.36. With 1,100 PEPFAR-funded implementing partners, the total cost burden is \$553,696.

13. *Describe the monetary burden to respondents (out of pocket costs) needed to complete this collection.*

There are no costs to respondents beyond normal and customary business practices.

14. *Describe the cost incurred by the Federal Government to complete this collection.*

Based upon the actual annualized cost to the Federal Government in FY2019, the FY 2020 to FY 2022 projected annual cost is approximately **\$2,118,000**. These average estimates are based on the costs of activities conducted during the past fiscal year. While implementing partners have gained a lot of experience reporting expenditures since 2012, the continued investment in technical support and assistance for implementing partners has proved highly valuable for execution and acceptability of the data collection and supported local capacity building and ownership.

The cost incurred by the Federal Government has three components – agency field staff review, agency headquarter staff review, and S/GAC management of the reporting process and system maintenance. The level of effort for agency field staff is estimated to be about half that of the implementing partners at an approximate cost of \$310,500. The table below describes how these costs were derived.

Agency Field Staff Reviewers

	%	Average burden
Salary -- Locally Employed Staff		\$ 25.00
Fringe benefits as % of compensation	20.0%	\$ 5.00
Total Compensation		\$ 30.00
ICASS cost	17.6%	\$ 5.28
Fully loaded hourly rate		\$ 35.28
Hours of effort 50% of average IP LOE		8.00
Cost of Agency Field Staff LOE		\$ 282.24
Number of reporting mechanisms		1,100
Total cost of Agency Field Staff		\$ 310,464.00

The agency headquarters assigned 14 staff members to serve as expenditure reporting points of contact. These individuals assisted their field colleagues and implementing partners in complying with the expenditure reporting requirements. The expenditure reporting process takes about three months, from September 15 to December 20 when the data is completely loaded in the DATIM system. The estimated cost for the agency points of contact during this period is approximately \$376,000.

Agency Headquarters' Points of Contact¹

	Number of Staff	Hourly rate (Grade 13/1)*	# Hours	Salary	Fringe	Travel	Total
HHS- HRSA	1	47.52	480	22,810	5,018	3,500	\$ 31,328
CDC	2	47.52	480	45,619	10,036	7,000	\$ 62,655
DOD	2	47.52	480	45,619	10,036	7,000	\$ 62,655
USAID Peace Corp	4 2	47.52	480	91,238	20,072	14,000	\$ 125,311
							\$ 62,655
SAMHSA	1	47.52	480	22,810	5,018	3,500	\$ 31,328
							\$ 375,933

❖ SALARY TABLE 2020-DCB INCORPORATING THE 2.6% GENERAL SCHEDULE INCREASE AND A LOCALITY PAYMENT OF 30.48% FOR THE LOCALITY PAY AREA OF WASHINGTON-BALTIMORE-ARLINGTON, DC-MD-VA-WV-PA TOTAL INCREASE: 3.52% EFFECTIVE JANUARY 2020

Finally, are the costs incurred by S/GAC to plan and manage the expenditure reporting process and maintenance the system:

S/GAC Cost for Expenditure Reporting		
Contactor	January-October 2019 (actual)	January-December 2019 (estimate)
Accenture - Personnel	\$621,711.28	\$746,053.54
Accenture - Hosting	\$6,620.08	\$7,944.10
Guidehouse	\$564,773.18	\$677,727.81
TOTAL	\$1,193,104.54	\$1,431,725.45

In summary, the estimated total costs to conduct expenditure reporting is estimated at **\$2.7 million annually**.

Cost breakdown:

PEPFAR-funded Implementing Partner Review: \$553,696

¹ USG agency headquarter hourly rate/salary are calculated based on the GS-salary scales and the CODB included in the annual Country Operational Plan submission.

USG Agency Field Staff Reviewers: \$310,464

USG Agency HQ Staff Review: 375, 933

S/GAC Cost for Expenditure Reporting: \$1,431,725

15. Explain any changes/adjustments to this collection since the previous submission

The cost of complying with this expenditure reporting requirement has decreased from over \$6 million to about \$2.7 million annually. This is due to a number of factors.

First, the data collection tool was simplified in 2018. This included replacing a seven-tab data entry tool with over 2,800 data entry elements to a single-tab data entry tool with only 460 data entry elements. This reduced the amount of data collected by over 83%. We estimate this shift reduced the estimated level of effort by 50%.

During the 2019 cycle, approximately 1,100 implementing partners submitted expenditure reports. This is a 30% reduction from earlier estimates of about 1600 submissions. The hour burden has decreased from 39,048 to 17,600.

Finally, to get a sense of the hourly state of project accountants, samples were taken from work plan budgets in four geographically disbursed countries. The average fully loaded hourly rate from the sample was \$31.46, which is a 45% reduction from the previous rate of \$57.11.

These changes to our data collection processes maintain the integrity of our expenditure reporting requirements while minimizing our ask for information.

16. Specify if the data gathered by this collection will be published.

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 to www.state.gov/pepfar for public access.

17. If applicable, explain the reason(s) for seeking approval to not display the OMB expiration date.

S/GAC will display the OMB expiration date.

18. Explain any exceptions to the OMB certification statement below.

There are no exceptions to the certification statement.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.