# THE USER GUIDE FOR THE HIV-RELATED HUMAN RIGHTS COSTING TOOL:

costing programmes to reduce stigma and discrimination, and increase access to justice in the context of HIV

UNAIDS

JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS

UNHCR UNODC
UNICEF ILO
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UNFPA WORLD BANK

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# Contents

# Acronyms and abbreviations

| | |
|---|---|
| ABC | ACTIVITY-BASED COSTING |
| AIDS | ACQUIRED IMMUNODEFICIENCY SYNDROME |
| GFATM | GLOBAL FUND TO FIGHT AIDS, TB AND MALARIA |
| FTE | FULL-TIME EQUIVALENT |
| HIV | HUMAN IMMUNODEFICIENCY VIRUS |
| HRCT | HUMAN RIGHTS COSTING TOOL |
| NASA | NATIONAL AIDS SPENDING ASSESSMENT |
| RNM | RESOURCE NEEDS MODEL |
| UNAIDS | JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS |

# 1 Context, objectives, expected users and benefits of the tool

All governments have recognized that stigma, discrimination and violations of other human rights are major barriers to effective national HIV responses. Consequently, they have committed to protect the human rights of people living with HIV, as well as the rights of women, children, and members of vulnerable and key populations in the context of HIV (UN 2011). This not only reduces the personal suffering that can be associated with HIV, but also helps to create social and legal environments that encourage people to take up and use HIV services. Such efforts are essential to achieve universal access to HIV prevention, treatment, care and support, and to halt and reverse the epidemic – another government commitment (UN 2006).

However, HIV-related stigma and discrimination remains high in most countries and access to justice in the context of HIV is very low. Although an overwhelming majority of countries explicitly mention the promotion and protection of human rights in their HIV strategies, in practice, programmes to support human rights have rarely been taken through the full planning process – from strategy to activities, budgeting, and monitoring and evaluation. Therefore, it appears that guidance and tools on how to translate human rights principles into concrete programmes at country level are required (UNAIDS 2010a).

The Joint United Nations Programme on HIV/AIDS (UNAIDS) has committed to support countries in protecting human rights in the context of HIV, and has made advancing human rights and gender equality as one of three strategic pillars in the response to HIV.

UNAIDS recommends that every national HIV response include key programmes to reduce stigma and discrimination, and increase access to justice. These programmes not only help realize basic human rights and access to justice for people living with HIV, they are also critical enablers to the success of HIV prevention and treatment programmes (UNAIDS 2011). Such programmes should form part of all national responses regardless of epidemic type, although the formulation, scale and coverage of these programmes should differ according to the nature of the epidemic and populations affected. These programmes include:

1. programmes to reduce stigma and discrimination
2. HIV-related legal services
3. programmes to reform and monitor laws, regulations and policies relating to HIV
4. programmes to increase legal literacy (i.e. "know your rights")
5. programmes to sensitize law-makers and law enforcement agents
6. programmes to train health-care providers on human rights and medical ethics related to HIV
7. programmes to reduce discrimination against women in the context of HIV[1]

For more details on the above programmes, see the UNAIDS brochure on key programmes to reduce stigma and discrimination and increase access to justice in national HIV responses.

To help implement these programmes at a country level and include them in national strategic plans, UNAIDS has developed a set of guidance and tools. This includes a manual on the programme definitions and a tool to estimate the cost of launching and developing HIV-related human right programmes (called the Human Rights Costing Tool, or HRCT).

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1   Some of these programmes are under further development from a gender perspective and an updated version will be provided in due course
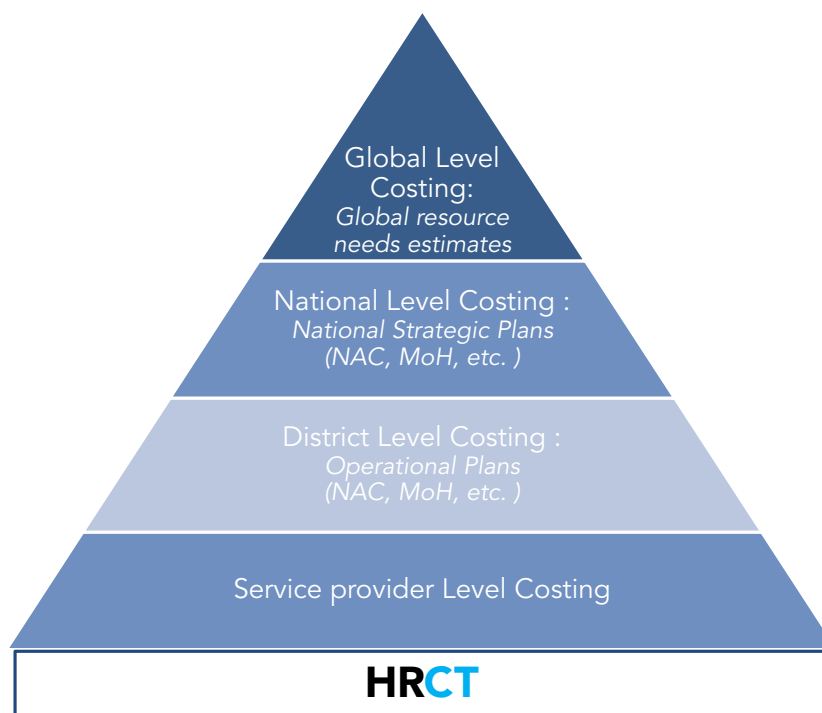
## 1.1 Costing methods and tools

Internationally, HIV costing involves several available costing models, methodological guides and software programmes to calculate programme costs, once the basic costs and other relevant data have been collected. They use unit costs as input – in conjunction with other relevant data on the size and scope of the programme – to arrive at total costs for interventions at the facility, subnational, national or global levels. Some different tools include:

- The Resource Needs Model (RNM) and goals resource needs models. These models have been developed during the past decade to provide a framework for estimating resource requirements for HIV at the national level. They follow a general activity costing approach, and are therefore suitable for costing strategic plans. For inputs, they use general unit costs obtained from national and international studies.
- The Costing guidelines for HIV/AIDS intervention strategies. UNAIDS, in cooperation with the Asian Development Bank, developed a methodological guide that provides advice on gathering unit cost data for interventions. However, its primary function is to calculate national programme costs for interventions by programme type and target population, to help identify national priorities for resource allocation.
- The National AIDS Spending Assessment (NASA). This resource-tracking method is designed for so that countries can describe the financial flows and expenditure using the same categories as the globally estimated resource needs.
- The ASAP HIV/AIDS Costing Model. The World Bank developed this tool to enable countries to cost their national strategic plans. The ASAP HIV/AIDS Costing Model incorporates key features of existing costing models (including the concept of target groups and coverage levels from RNM, and the functional classification from NASA) into an approach specifically designed for costing HIV/AIDS strategies.

The common feature of the above costing tools is that they require country-specific and intervention-specific unit costs as input. For measuring unit costs, detailed activity costing of providers is necessary. However, a versatile and scalable tool for a detailed activity costing on provider level has been missing until now..

Figure 1 illustrates a strategic planning and costing landscape, and where detailed activity costing lies within this landscape.

**Figure 1: Strategic planning and costing landscape**



Global Level Costing:
*Global resource needs estimates*

National Level Costing :
*National Strategic Plans (NAC, MoH, etc. )*

District Level Costing :
*Operational Plans (NAC, MoH, etc. )*

Service provider Level Costing

**HRCT**

NAC, National AIDS Commission; MoH, ministry of health

The HRCT aims to fill the gap that exists in detailed activity costing for programmes to reduce stigma and discrimination, and increase access to justice. The HRCT focuses on costing at the service provider and district level but also provides essential inputs for costing at national and global level.

This manual provides technical guidance for using the HRCT. Additionally, it provides explanations and clarifications of costing techniques, methodologies and costing terminology in general.

The HRCT is very versatile. It has been originally developed for costing HIV-related human rights interventions – but, with some adaptation, it can be made suitable for costing any small-scale programme (i.e. those with no more than 10 output units).

## 1.2  Objectives of the tool

The main objective of this tool is to encourage and enable managers of HIV-related human rights interventions to conduct detailed activity costing. More specifically, the tool has been developed to provide essential support to estimate the costs of HIV-related human rights services at the provider level, and within the national AIDS response framework. The tool has been designed to make the costing exercise automated, accurate and user-friendly. The specific purposes of the tool are to facilitate estimation of:

- the programme cost through activity-based costing (analytical costing);
- the average unit service cost (analytical costing), including

  – supporting financial projections for national strategic plans or Global Fund applications
  – performing cost-efficiency and cost-effectiveness studies;

- the amount required for future plans (normative costing), including
  – estimating the funds required for operational planning or budget proposals; for example, the Global Fund to Fight AIDS, TB and Malaria (GFATM)
  – supporting the planning and monitoring of key human right programmes.

## 1.3  Costing approaches facilitated by the tool

Costing is the process of estimating the monetary value of inputs, which are necessary to deliver a particular service or product. The total cost of services is determined by the quantities of resources consumed and the unit cost of each resource. Costing therefore involves (a) measuring the quantity of inputs (resources) that are needed to deliver particular services in natural units and (b) the valuation of those inputs in monetary terms.

Accountants and economists are usually concerned with different aspects of a production process and use a different cost concept. The economic cost of producing a good or providing a service is based on welfare economics, which is concerned with the impact of any changes on the total welfare of the society. Therefore, costing methodologies based on welfare economics try to assess the impact of any changes from a societal perspective. According to economic theory, service-cost measurement should be inclusive (i.e. all relevant costs should be taken into account regardless who meets them) and long-term costs should be considered.

Alternatively, accountants are concerned with measuring cost for financial planning and reporting purpose, and usually assessing decisions from a particular organization's perspective. As a consequence, accountants define and measure costs differently. Due to differences in perspectives, as well as the decision problems to be solved, economists and accountants apply different costing methodologies, which show significant differences in the major costing steps.

In this sense, there are two basic costing techniques that can be used in the financial and economic costing tool:

- Financial costing measures only the actual expenditure by the analysed facility on operation, goods and services purchased within the reference year.

- Economic costing considers all the resources that are consumed and transformed into output/impact during the period of analysis (or reference period), regardless who pays for them:
  - It considers all the existing costs affecting the reference period, even if they were not generated during the reference period (e.g. capital goods with 5, 10 or 20 years of life, annualized through amortization or depreciation value; see Annex 4 for further details).
  - It takes into account opportunity costs (e.g. volunteer work).
  - It considers all costs of a service or product, regardless who meets them. For instance, leaflets distributed by the analysed facility might be financed by the Global Fund and hence, might generate zero cost to the facility. In a financial costing, their cost would be zero, but in economic costing, the full price paid by the Global Fund would be considered.

### Hint: Blended approach to costing

In some cases, it might be difficult to follow strictly one of the above basic techniques and, very often, a blended approach is used.

There are frequent situations when the costing analyst strives to follow the principles of economic analysis, but the circumstances require them to be more discretional in terms of which costs to consider and which costs to ignore.

For instance, economic costing of training of health-care providers on HIV-related human rights issues would require accounting for the opportunity costs (losses) incurred by the participants of the training – given that during the training days, they do not attend patients. Opportunity costs and forgone benefits are, nevertheless, hardly ever considered in costing HIV-related human rights services in practice. In this sense, the costing technique is either predominantly economic or predominantly financial, but almost never pure in practice.

The above classification is only one of the several existing costing approaches. There are further criteria for conducting costing analyses. Based on the technique applied, costing can be either top down or bottom up:

- Top-down costing (also known as gross costing) methods allocate the total expenditures of a particular organization or a department to the different products produced or services provided using predetermined allocation rules. The top-down approach may be less accurate, but it is cheaper and quicker than the bottom-up approach. This method is also called an average or departmental costing approach.
- Bottom-up costing (also known as microcosting or ingredients-based costing) refers to the detailed measurement of resources at the unit level. It can be seen as a gold standard for costing, which encompasses three different approaches: (a) direct cost measurement, (b) preparation of pseudo-bills and (c) estimation of a cost function.

The choice between top-down and bottom-up costing must balance competing objectives. Usually, there is a trade-off between reliability and accuracy of cost information, and feasibility and costs of data collection (measurement).

For budgeting purposes, bottom-up approach is preferred, but analysts should consider feasibility, costs and comparability, especially in comparative international studies. For benchmarking purposes, top-down costing is more frequently used.

In practice, economic evaluations often use both approaches within a single analysis, partly due to lack of data for some resource items.

> **Hint: Defining the best approach to costing key human rights programmes**
>
> The allocation method followed in the practice is hardly ever pure, and the top-down and bottom-up approaches are often combined.
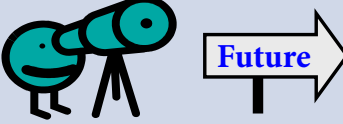>
> In this sense, the HRCT is highly versatile: it facilitates top-down and bottom-up allocations, as well as combining the two approaches (depending the use or non-use of some of the tables included). If you use all the tables that comprise the tool, you will end up applying the combined approach (i.e. you will allocate indirect costs in top-down manner and direct costs in bottom-up manner to the various programmes and activities).
>
> The combined allocation method is not a rule, It is the user's prerogative on how to allocate the different cost elements; for example, the end result is the same, the measured unit costs are the same, or only some indicators might vary, such as share of fixed/variable costs or administrative/total costs.
>
> The tool has been designed in such way that it reflects the structure of the vast majority of services or production processes, and most likely meets all their costing needs. Some elements, such as general and administrative (indirect) costs are meant to be allocated to the different programmes and activities in top-down manner, whereas those costs directly attributable to the various programmes and activities are meant to be allocated in a bottom-up manner.

Another criterion for classifying costing approaches is their overall purpose; namely, whether they intend to analyse the costs of an existing production process or to estimate the resource needs of a production process that has not yet been set up (or does exist, but needs to be optimized). This question suggests placing the cost analysis in the context of normative economics or positive economics.

**Figure 2    Comparison between an analytical and a normative approach to costing**

| | Analytical costing | Normative costing |
|---|---|---|
| **Period of assessment** | Past | Future |
| **Main Purpose** | Assess existing programmes / producing unit costs | Costing future programmes (i.e. budgeting) |
| **Description** | How much did it cost to reach a unit of target population with a given intervention under local circumstances? | How much would it cost to set up or upscale an intervention in a country? |

Normative economics is the part of economics that expresses value judgements (normative judgements) about economic fairness, or what the economy ought to be like or what goals of public policy ought to be. To the contrary, positive economics describes the economy or a public policy "as it is". Based on these definitions, costing can be analytical or normative:

- Analytical costing measures the unit costs of producing goods or providing services "as they are". It describes existing or past human rights programmes from an economic or financial perspective, with the aim of posterior use of seeking efficiency gains, possibilities of upscale, upgrade, benchmarking and so on.

■ Normative costing estimates the costs of a desired or optimal process provided in fair conditions at fair costs at an optimal (but realistic) provider-efficiency level. It is used for estimating resources needed to launch and implement new programmes promoting human rights, or optimizing existing processes from a cost-effectiveness perspective. Service unit costs are used in a normative way to "build-up" the cost profiles of strategic and operational plans (e.g. unit cost × population × coverage = total cost); or for detailed costing to analyse existing programmes, and looking for expansion and efficiency gains. In normative costing, the HRCT can be used as such to produce or complement budget proposals or operational plans.

Intuition suggests that the last two classifications of costing analysis are related to each other (note: they do mean different things – one refers to purpose and the other refers to technique). Normative costing generally implies using the bottom-up allocation approach, while analytical costing generally implies using the top-down allocation approach.

In principle, the tool provides adequate support for applying any of the above explained costing approaches.

## 1.4  Information provided by this tool

This tool applies the principles of activity-based costing (ABC). Costs of human, material and other resources are allocated to activities based on resource consumption and then the costs of these activities are allocated to the seven key human rights programmes as defined in the previous section.

The tool provides a variety of cost analyses, such as:

■ total costs for each of the seven key HIV-related human rights programmes in which the organization participates;

■ total costs of each activity reported under the different programmes;

■ cost structures for each activity and programme implemented by the organizational units produced by section/programme type and activity;

■ per unit service cost by activity.

## 1.5  Users of the Human Rights Costing Tool

The HRCT was primarily designed to be used by programme and financial officers in estimating budget requirements. It can be used at the provider or national levels. Furthermore, the information obtained and organized by using the HRCT can strengthen the decision and management processes at the level of:

■ service providers

■ resource allocation

■ monitoring and evaluation units

■ financial agents.

## 1.6  Delimitation and data collection for costing

### 1.6.1  What is the purpose of the costing exercise?

Defining the focus of the costing exercise will orient the user on the type of information that needs to be collected. Purposes include:

■ estimating budgets for grant proposals;

■ defining unit costs to serve as inputs for costing national strategic plans;

- assessing the efficiency and cost effectiveness of programmes;
- producing basic evidence for policy questions and debates that are still in progress on efficiency, cost-recovery and sustainability of programmes.

## 1.6.2   When can the tool be used?

The outputs generated by this tool can be used for several key purposes:

- to produce a new or to revise an existing strategic plan for HIV response, after having defined the priorities and targets;
- to produce an operational plan for implementing an HIV strategic plan;
- to monitor and evaluate past HIV response programmes by using service unit costs as an input for cost-effectiveness analyses and calculating cost efficiencies;
- to estimate the efficiency of a particular service by combining the information on the cost of the service with outcome measures, to obtain cost-effectiveness ratios and other measures of efficiency;
- to evaluate the equity of the services provided in terms of the quantities and types of resources spent on various groups or populations;
- to estimate possible future resource needs; for example, to estimate the cost of activities or to produce an accurate budget proposal;
- to help make decisions in routine business, such as for
  - controlling the costs at a per-product level and on a departmental level
  - identifying efficient products, departments and activities.
  - allocating more resources on profitable products, departments and activities
  - improving management efficiency
  - detecting unnecessary costs that may be eliminated
  - budgeting and measuring performance
  - evaluating and justifying investments in new technologies
  - providing behavioural incentives by creating cost consciousness among employees.

## 1.6.3   What information needs to be collected?

The HRCT has been designed to collect information relating to costs of the specific human rights–related programmes – for example, the seven key programmes to reduce stigma and discrimination and increase access to justice. The HRCT is not to be used for costing human rights mainstreaming activities (e.g. integration of human rights components into HIV testing or treatment programmes).

Note that if an activity or a project involves the participation of more than one organization, it might be necessary to collect information from the other organizations involved in the activity or project.

## 1.6.4   What are the time boundaries for costing human rights?

While defining the boundaries of your study, you are requested to describe the reference period. Note that it is recommended that the reference period should be one year. Theoretically, it is possible to do the costing exercise for a shorter or longer period of time, but given that the vast majority of costing exercises are conducted on an annual basis, most readers and users of the final report will expect that costs reported refer to an annual cycle. If cost data have been collected from more than one year, it will be necessary to convert them to a constant base year value before adding them together. The chosen base year should normally be the most recent year for which data are available.

### 1.6.5   Where can the data be obtained from?

The user will hold a number of interviews with different persons in key positions from the organizations identified for the field study, who are directly related to the information that is required in a costing study:

- A programme officer (or monitoring and evaluation officer) will provide all the programme data, the outputs and beneficiaries of each intervention, as well as provide inputs to the other related information. This role is essential, and it is proposed that this person remains the focal point during the visit.

- A financing officer (or accountant) will provide information on the inputs used for specific activities (e.g. organization of events, consultancy fees, salaries) as well as their relevant costs.

- A representative from human resources can be used if needed. This person should provide information on the number of staff employed in the organization (directly or indirectly linked to HIV-related human rights programmes) and their related costs for the organization.

The above list provides, but is not limited to, an overall idea of the staff to be interviewed. It could vary from organization to organization depending on the information that is available and the structural administration.

To measure unit costs with the aim of using them for costing national strategic plan for HIV response, it is recommended that cost and output data be collected and compared from two sources:

- Funding organizations, such as The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), the President's Emergency Plan For AIDS Relief, (PEPFAR, United States) and the United Nations Children's Fund. Usually, these organizations keep records on costs and output of their beneficiaries (public providers and nongovernmental organizations [NGOs]), and the necessary information can be extracted for use in the costing exercise.

- The providers or NGOs where the data collection consultant will be conducting interviews and collecting data to use as input data for the tool.

If there are discrepancies between data provided by the two different sources on the same issue, they should be clarified with the provider or NGO.

# 2   General instructions before starting

The Human Rights Costing Tool (HRCT) is a system of Excel spreadsheets. Its use requires basic computer literacy and familiarity with Microsoft Office. The tool has been developed in Excel 2010, but it also runs using Excel 97–2003 or Excel 2007.

## 2.1  General instructions

The HRCT follows a logical menu-driven sequence of steps to take the user through the costing process, with the end result being a fully costed intervention, or set of interventions, or a facility.

The level of detail to be included in the costing is entirely up to the user. For example, the costing can be limited to one or two service areas, or it can be comprehensive, encompassing all the human rights–related activities of an organization.

The HRCT and its user guide, as well as other support material for the planning, implementation and monitoring of HIV-related human rights programmes can be found at www.unaids.org/en/dataanalysis/tools.

### 2.1.1   Enabling macros

The tool contains some macros. Macros are prewritten/automated sets of commands and functions, avoiding the need to repeat a combination of determined operations. An example from this tool is predefining the calculation of some parameters needed for the allocation of indirect costs of the analysed facility that otherwise the costing expert would calculate one by one (see Section 3.4.4).

**Important:** Whenever you open a workbook that contains macros, you can choose to enable or disable them. The HRCT will not function properly without macros enabled. This section explains how you can enable them in both Excel 2007/2010 and Excel 2003.

### Excel 2007/2010

When you open the tool, you will be prompted with a security warning in the upper part of your screen, just below the menu bar, as shown below.
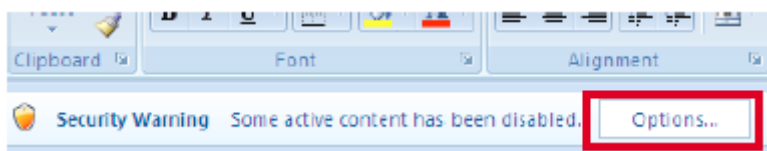


Press "Options" within the security warning bar located under the menu bar. You will be warned again with the security alert window as shown below.

To proceed, select "Enable this content" and press "OK".

### Excel 1997–2003

When you open the tool, you will be prompted with security warning as shown below.

Select "Enable macros".

If you do not see this security warning, select "Tools" (on the menu bar at the top), then "Macro" and "Security".

You will see the following window.
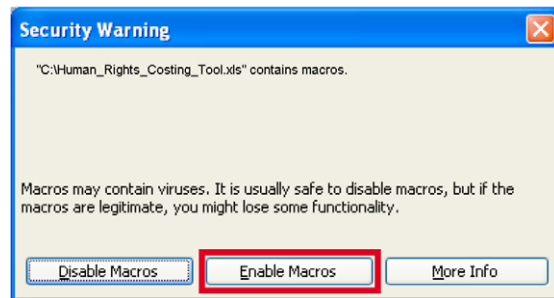


Ensure "Medium" is selected.

Once "Medium" is selected, close and re-open the file. The security warning prompt as shown above should appear this time.

When you click a button or any control in the tool, you might get the ActiveX controls warning as below.



If you see this warning, press "OK".

## 2.1.2 Useful buttons and cells

Within the tool spreadsheets, you will find several general purpose buttons, as described below.

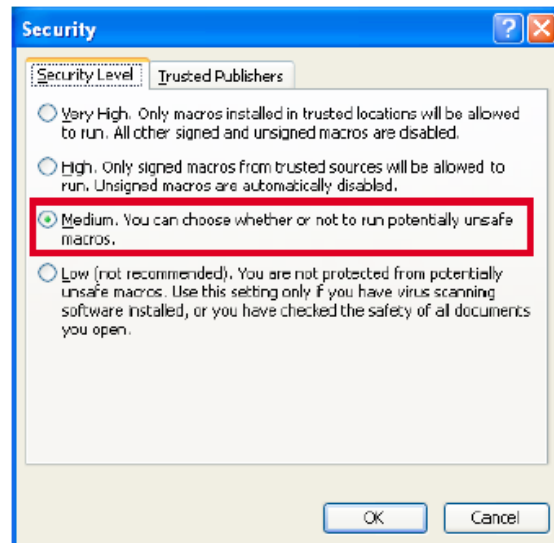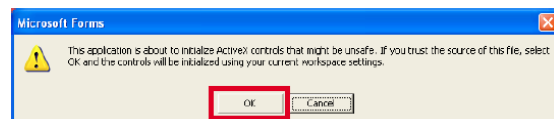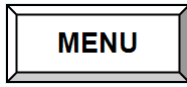**MENU** — The "Menu" screen located on sheet 2 is your reference screen that helps you orientate yourself in case of a doubt regarding your current location within the tool. By pressing the "Menu" button on the upper part of the sheet, you will be able to return to the Menu screen at any time.

**Next Step** — The tool is built-up in a user-friendly format that follows a logical and hierarchical sequence of steps. Once you have completed all the data in the sheet that is currently visualized on your screen, you should press the "Next step" button on the upper part of the sheet. It will lead you to the next stage of the costing process.
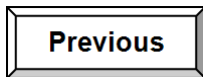
**Previous** — The "Previous" button is analogous to the above explained "Next step" button, but instead of taking you forward, it takes you backwards in the costing process. Note that it is not an "undo" command. It will not change data that you have introduced – it just takes you to the sheet that represents the previous step in the costing process.

**Go to Report** — This button takes you directly to the "Report" sheet of the tool, where you can find the output tables and graphs that will serve as a basis for your global cost analysis. You should use this button in situations where you have already introduced all relevant data.
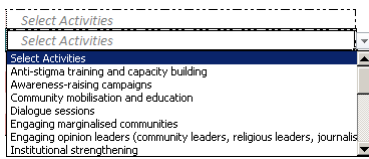
The "Go to report" button is located on each of the seven "Direct cost" spreadsheets (spreadsheets 9–15) at step 5 of the HRCT. You can use this shortcut to the report sheet after completing the direct costs data input (e.g. there is no attributable direct costs for all seven key programmes; you can access the report before reaching the last spreadsheet).

## 2.1.3 Cell descriptions

The user will be requested to enter data in two different ways: data will either be typed into a blank cell or selected from a drop-down menu.
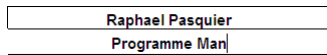
**Raphael Pasquier / Programme Man** — When the user is requested to **type in** data, the cell will be white with solid black borders. In this cell, you are asked to enter data (i.e. costs, unit prices, quantities, percentages) or text.

**Select Activities** (drop-down list: Select Activities, Anti-stigma training and capacity building, Awareness-raising campaigns, Community mobilisation and education, Dialogue sessions, Engaging marginalised communities, Engaging opinion leaders (community leaders, religious leaders, journalis..., Institutional strengthening) — When the user is requested to **select from a drop-down menu**, the cell will be white with a broken border. Once the cell is selected, you can then open the drop-down menu by clicking on the arrow that will appear on the right-hand side of the cell. The tool was designed to be flexible. This means that in case the user wishes to add a line to the predefined list, they can do so by adding variables (see Section 2.7).
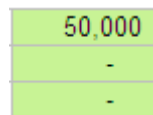
**50,000 / - / -** — The coloured cells include a link or a formula; therefore, the user does not need to enter any data. These cells are protected and cannot be overwritten.
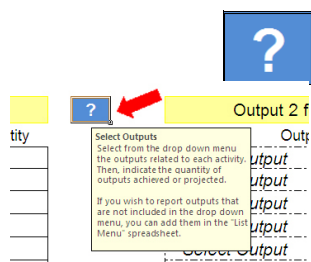
The "Help" buttons are located in numerous places within the tool where there is an increased likelihood that you might have doubts about the next step. When you press the help button, a message describing the input will appear in yellow box as shown below.

If the explanatory yellow boxes obstruct the cells you need to work on, you can easily move them by grabbing and dropping to the desired place on your screen.



Throughout the HRCT, you will find check boxes, which were created to help the user at specific steps of data entry. They are meant to tell the user if the data has been entered correctly. When the check box appears green, it means that all data have been entered correctly; a red check box means that some data are missing or that the data reported are beyond the accepted limit

These check boxes are found at steps 3 and 4 of the costing tool, and are meant to verify the all staff cost and indirect cost have been entirely allocated to the relevant programmes and activities.

## 2.2  The cover page

The cover page is the default screen upon opening the file (sheet 1), as shown below.
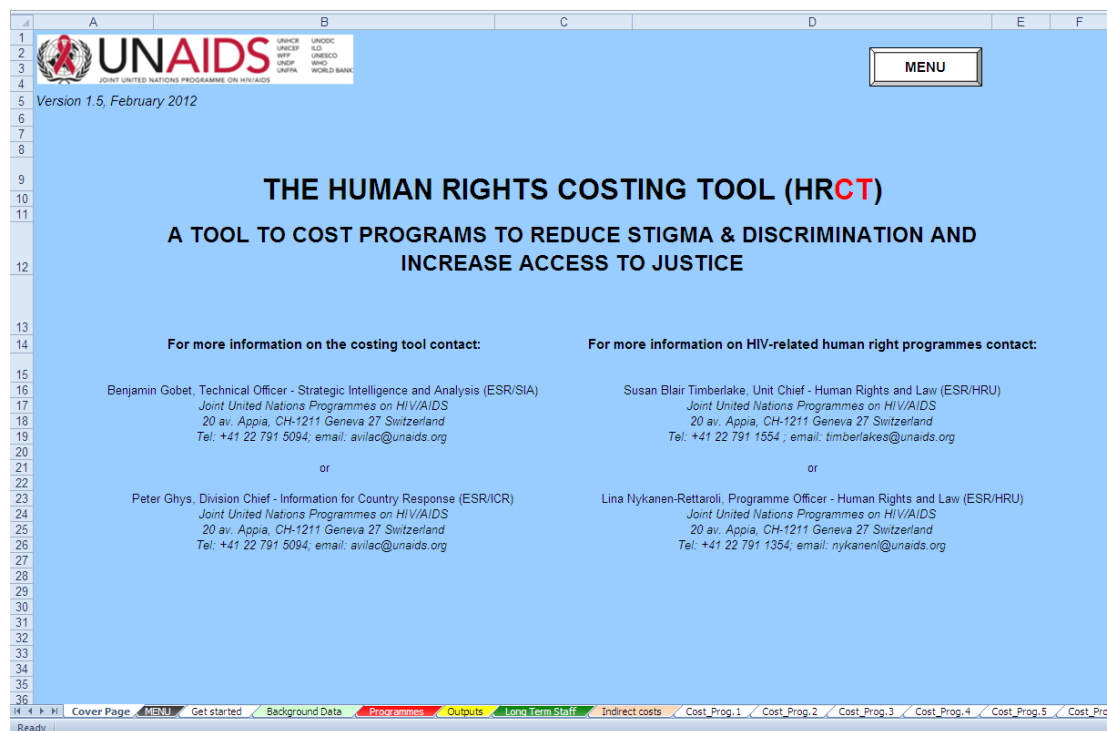


The cover page contains the contact details of the tool developers and of the persons that can provide more information on HIV-related human rights programmes.

By pressing the "Menu" button above on the right side of the screen, you get to the Menu sheet (sheet 2).

## 2.3 The menu sheet

The Menu screen allows you to navigate throughout the entire system of tables within the tool. Each table located within spreadsheet has a corresponding "Menu" button that will take you back to the Menu screen.

Part of the screen is designed to be a navigation area, whereas the rest is not.

This is how the cursor appears if you are outside the navigation area.

This is how cursor appears if you are within the navigation area.

## 2.4  Basic steps

The HRCT follows a logical menu-driven sequence of five steps that take the user through the costing process. The end result is a fully costed intervention or set of interventions, or a facility. Table 1 details the main steps.

**Table 1     Description of the main steps to costing HIV-related human rights programmes**

| Step | Description |
|---|---|
| Background data | Before step 1, the user enters background information about the organization and about the type of data entered. |
| Step 1 – Key programmes and activities | In step 1, the user selects the key programmes in which the organization is involved. For each key programme, the user will report on the different activities. |
| Step 2 – Outputs of activities | In step 2, the user reports, for each activity implemented, the outputs that have been achieved or that are projected in the future (depending on the costing approach). The outputs and their quantity are extremely important, because they will partially determine the unit service cost of the related activity. |
| Step 3 – Direct long-term staff costs | In step 3, the user enters data on the direct long-term staff members of the organization. Long-term staff members are those that are employed long term (i.e. at least one year), and usually as a full-time equivalent. Only the staff members that are directly involved in the implementation of the programme and delivery of the service are recorded here.<br><br>Short-term staff members that directly participate in the programme implementation are recorded in step 5. |
| Step 4 – Indirect costs | In step 4, the user enters the costs of the organization that are indirectly involved with the implementation of the key programmes (i.e. overhead costs). Each cost item will be desegregated by key programmes and activities.<br><br>Step 4 also includes staff that are not directly involved in the programmes (e.g. administrative assistants, drivers) |
| Step 5 – Direct operational costs | In step 5, the user enters direct operational costs of each activity implemented. This includes direct costs for short-term staff members contracted for a specific activity (which has not been reported yet in steps 3 or 4) and operational costs directly related to the delivery of the service or implementation of an activity. |
| Extract report | Once data has been entered in steps 1–5, the user will be able to extract results in the last step. At this stage, the user will be able to retrieve the overall cost of the key programmes, the cost by programme and the cost per activity broken down by main cost components. A set of predefined analysis graphs are also created to illustrate the different findings. |

## 2.5 Supporting spreadsheets

### 2.5.1 The assumption spreadsheet

The assumption spreadsheet (sheet 16) is an empty spreadsheet that has been designed for any additional calculations or annotations that the user wishes to include. For example, the user can use the sheet for estimating the allocations of staff time or indirect costs to the programmes and activities, or estimate the depreciation of equipment.

Please note that it is important to annotate all the assumptions that are relevant for the correct interpretation of the methodology used and results obtained.

### 2.5.2 Add variables (list menu)

At different steps of this tool, there are customized drop-down menus. These menus include predefined options from which the user can choose to make data entry easier. If the required option is not included, it is possible to insert new values as shown in the screenshot below.

The lists of the different variables are located in sheet 18 of the HRCT. To add variables, the user will select the list corresponding to the information they wish to modify, and overwrites the cells that appear in blue font.

The cells in black font, which already include an activity, are protected and cannot be modified. For example, if the user wishes to add specific activities to key programme 1, they can go to the "List menu" spreadsheet and add the additional activity in the blue cell A.1.15, A.1.16, etc.

**Activity_Programme_1**
Community mobilisation and education
Dialogue sessions
Engaging marginalised communities
Engaging opinion leaders (community leaders, religious
Institutional strengthening
Partnership development and institutional strengthening
PLHIV involvement and support
Policy development
Reduction of stigma and discrimination within families
School-based anti-stigma education
Stigma measurement, research and analysis
Workplace programmes
A. 1.15
A. 1.16
A. 1.17      Enter additional activities by
A. 1.18      overwriting these cells
A. 1.19
A. 1.20

# 3 Operations and data entry

Sheet 4 of the HRCT contains background data on the organization including location, institution name and type, contact persons inside the organization, areas of expertise of the organization, purpose/type of the conducted costing study, type and exchange rate of the local currency to the United States dollar, and the reference period of the analysis.



There is a blank space at the bottom of the table called "Overall comments", where comments that are of strategic importance for the correct understanding of the context of your costing study can be inserted. More specific comments can be inserted at step1 and step 5 of the tool (see Section 3.1 and 3.5).

After filling in the background data, press the "Next step" button, which will take you to the next step of the costing process – selection of the HIV-related human rights programmes that the organization implements and that will be object of this costing study.

## 3.1 Step 1 – Selecting key programs and activities

The "HIV-related human rights programmes" table, located on sheet 5, is meant for the definition of the programmes in which the analysed institution participates, and which shall be the object of this costing analysis. Filling in this table at the same time constitutes step 1 of the costing process.



Filling in this table accurately is crucial. The costs captured or projected from the study will be allocated to the various programmes (Table 2) and underlying activities per programme that you identify here. If you fail to enter some of the programmes or activities, the total costs of the organization might be incorrectly allocated and, as a result, there might be a significant bias in your cost estimation of the remaining programmes and underlying activities.

Note that the correct measurement of the output of the organization is crucial in a costing study. The output of your organization will be measured according to the activities that you define at this step.

Following the recommended classification of HIV-related human rights programme, you are requested to choose from seven key programmes (see the screenshot below). In this step, it is not possible to add more programmes to the list.

**Table 2    List and definition of programmes to reduce stigma and discrimination and increase access to justice2**

| Programme name | Programme definition |
|---|---|
| **1. Stigma and discrimination reduction** | These programmes include interventions to reduce HIV-related stigma and discrimination by addressing their actionable causes, such as ignorance, fear, myths, social judgment and lack of interaction with people living with HIV. These programmes can involve a variety of approaches, including media, community education, social change communication, social dialogue and engagement of opinion leaders. |
| **2. HIV-related legal services** | These services may include legal advice and representation, litigation including strategic litigation, legal information and referral, telephone information and advice, alternative forms of dispute resolution, and assistance with informal or traditional legal systems (e.g. village courts). Legal services programmes may also include, or be linked to, community legal education; education of lawyers, judiciary and police; use of paralegals, volunteers, students and peer educators; outreach to prisons and community settings; monitoring documentation of, and advocacy for, law reform. |
| **3. Monitoring and reforming laws, regulations and policies** | These programmes may include advocacy for legal reform; reviews of laws and law enforcement practices to see whether they impact the HIV response positively or negatively; assessments of access to justice for people living with or affected by HIV; engagement of parliamentarians and various ministers, including those of justice, interior, corrections, finance, industry, labour, women's affairs, education, immigration, housing, defence, health and trade; promotion of enactment and implementation of laws, regulations and guidelines that prohibit discrimination and support access to HIV prevention, treatment, care and support. |
| **4. Legal literacy** | These programmes focus on increasing people's knowledge and awareness of laws and their rights. This knowledge enables people to advocate for improvement to access to HIV services and organize themselves to oppose HIV-related discrimination. Information on human rights and laws can be provided through community mobilization, pamphlets and media; via telephone or the Internet; or as part of other HIV services (e.g. health-care settings, prisons, outreach, peer education). |
| **5. Sensitization of law makers and law enforcement agents** | Target groups of these programmes include lawyers, judges, police, parliamentarians and prison guards. Sensitization training for law enforcement agents, judges and lawyers about HIV and the human rights of key populations focuses on supporting access to services; being non-discriminatory and nonviolent; and promoting freedom from harassment, and arbitrary arrest and detention. |
| **6. Training of health-care providers on human rights and medical ethics related to HIV** | Human rights and ethics training for health-care providers focuses on reducing stigmatizing attitudes in health-care settings, and providing health-care providers with the necessary skills and tools to ensure patients' rights to informed consent, confidentiality and non-discrimination are protected. Human rights training should be conducted within the varying levels of health-care provision, including health-care administrators and regulators. |
| **7. Discrimination against women in the context of HIV** | Reducing harmful gender norms and violence against women, and increasing their legal, social and economic empowerment through the HIV response. These programmes include interventions that target women's and girls' inequality in sexuality and reproduction; gender barriers to health services; discrimination in inheritance, property-holding, marriage, divorce and custody; sexual harassment and other violence; lack of equal access to educational and economic opportunities; and lack of support to care-givers in HIV-affected households. The programmes also include activities targeting men and boys to address harmful gender norms that make women and girls, as well as men and boys vulnerable to HIV infection. These programmes use a variety of approaches including law reform, legal services, social change communication, and training of health-care workers, lawyers, judges, police and so on. |

---

2   The definitions used here and the accompanying lists of activities are not exhaustive and do not represent a complete package of human rights related programmes in the context of HIV.

Each programme is composed of a specific group of services with predefined activities (see Annex 1). For more information on the activities and programmes, refer to the UNAIDS brochure "Key programmes to reduce stigma and discrimination and increase access to justice in national HIV responses".

On your screen, below the main table where you have defined the HIV-related human rights programmes, there are a further seven tables – one table corresponding to each HIV-related human rights programme that was previously defined. The table corresponding to a programme that is not performed by the facility will appear empty and without a headline. In these tables, you are expected to define the list of activities that are habitually carried out by the analysed facility under each programme.

The list of activities appears by pressing a scrollbar on the right side of the table, as indicated below.



By clicking on a determined cell of the table, a scrollbar appears on the right-hand side. Below it, a list of options appears.

Click the up and down arrows to move through the list of options. There are between 7 and 15 predefined options under the seven possible programmes. If you miss an option, you can add it by clicking on the "Menu" button and then clicking on the "Add or modify variables" table.

From the above list, you should choose only those activities that the organization performs. Additional activities can be included if not already in the predefined options. This can be done for the list of services for each programme on sheet 18 using the "Add variables (list menu)" tab.

Keep in mind that if the specification of activities is too detailed, it becomes counterproductive and complicates the costing process. You should make a balance between necessary details and simplicity of the costing.

After having defined the programmes and activities for HIV-related human rights, press the "Next step" button that will take you to the next step of the costing process – definition of the organization's output. The output will be related to programmes and activities you have defined in the previous step.

## 3.2  Step 2 – Defining outputs

Step 2 of the costing exercise identifies the outputs and, extensively, the outcomes achieved or targeted for each activity. Those indicators shall be defined on the "Output" sheet (sheet 6).

Defining the outputs accurately is a crucial step in analytical costing, because it serves as the denominator for estimating service unit costs. Therefore, the observed average unit costs will largely depend on the outputs that you reported in this step. Insufficient accuracy of outputs can lead to under or overestimating the results obtained at the final step. For more details on predefined output types, see Annex 2.

Outputs can be defined as the number of goods or services produced by a company or an organization. It is the immediate effects, and direct products or deliverables of programmes or intervention activities, such as the number of HIV legal information sessions completed, the number of clients attended to or the number of people trained. Unlike the previous step, where the qualitative information on what the organization does has been entered, this step requires quantitative information of the organization (e.g. "how much" or "what volume").

It is generally easy to obtain process measures of outputs from programmes. The data are often routinely measured and available from existing project or programme records.

The correct definition and standardization of the outputs is crucial. If you analyse more than one facility, or if international benchmarking is envisaged, make sure that there is coherence in the way that output is measured across the different facilities. If output is measured differently in different facilities, results become incomparable. The following sections provide guidance on how to fill the output tables.

> ### Hint: Strive to be precise
>
> You should strive to be as precise as possible when measuring the organization's output. If output is not readily available in the accounting files, then put in the time and effort to obtain a correct estimation of the output volume. By definition, X% error in the measurement of output is directly translated into X% error in the measurement of production unit costs.
>
> A common mistake made by costing analysts is spending a large amount of time and effort to achieve unnecessary high precision in the allocation of relatively small indirect costs to the different programmes or output areas (e.g. 1% of the total costs).
>
> There are also cases when the same analysts commit 10–15% error in the measurement of the company's output, which is directly translated into 10–15% bias in the observed unit costs. Therefore, it is important to optimize data collection and analysis efforts so that maximum reliability of overall results is obtained.

You do not need to fill the left-hand side of the table; it is automatically filled by the system according to the programmes and activities entered at step 1. The programmes in which the organization does not carry out will appear as single empty lines (as in the lower part of the following screenshot).



In this part of the table, you define the output type (units) and quantity-per-output category. For each line on the left-hand side, there is a corresponding line on the right-hand side. See Annex 2 for the whole list of output types (you can add extra output types as explained below). There is a separate customization of output types for each human rights programme.

The next step is to define the units and magnitude of output in the output tables on the right-hand side. The next screenshot illustrates one of the numerous identical tables.

Output units are predefined (see Annex 2 for customized types of output). You should choose from either the predefined options or add a new option from the "List menu".

### 3.2.1 Measuring output in two forms

Some organizations may wish to measure their costs using more than one output. A by second output can be added for the same activity. The HRCT permits expressing the costs in two ways. For this, on the right-hand side of the "Outputs" sheet, there is a second table for each programme.

Other organizations might want to substitute the second output with an outcome. This can be done by amending the outputs options in the "List menu". The outcome refers to the intermediate effects of an intervention's outputs, such as change in knowledge, attitudes, beliefs, behaviours. It goes a step further and takes into consideration the quality of the service provided (UNAIDS 2010b).

Example 1: If you have defined "A.2.1 Legal advice" as one of your activities, your output will likely be measured in "Number of clients attended to". However, it might be also measured in "Number of institutions providing legal advices to people in need".

Example 2: Under "Programme 6 – Training health-care providers", when providing training on confidentiality for individual health-care providers, the outputs can be measured in "number of staff trained", but could also be measured in outcomes, as "number of staff knowledgeable of confidentiality obligations after one year".
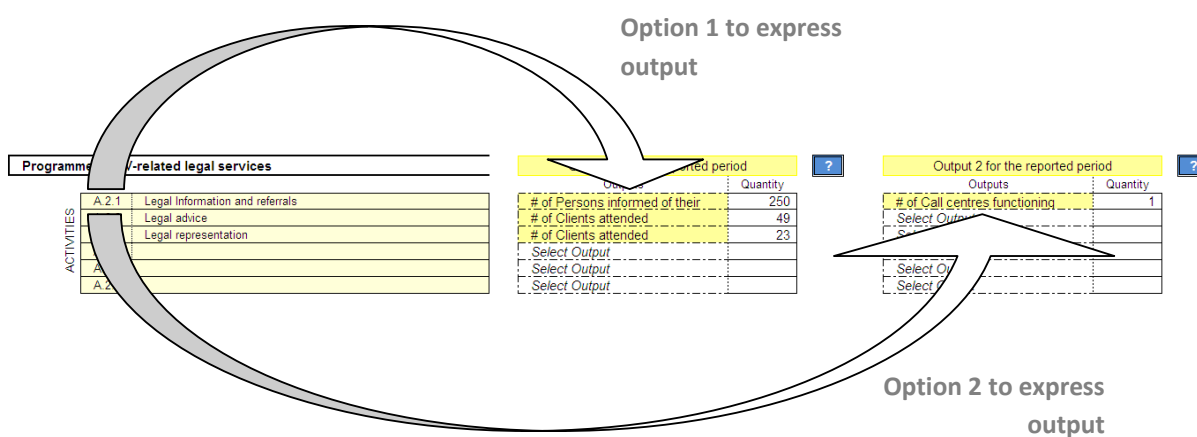


You should fill in the first table with your first choice for describing the output of the organization and fill in the second table with your second choice. Filling in the second table is optional. The main advantage of having output in two forms is that the tool will automatically calculate the unit costs for both (e.g. how much per client attended to and how much per dialogue session) without asking for any additional data in the remaining cost tables.

Finally, make sure that the quantity of output corresponds exactly to the reference period (e.g. one fiscal year), and not part of or more than one reference period.

After completing the sheet, click on the "Next step" button, which will take you to the next step of the costing process – defining the direct long-term staff working for any of the seven standard HIV-related human rights programmes.

## 3.3  Step 3 – Reporting on long-term staff directly involved in the programmes

The costs related to human resources are reported at different steps of the HRCT, depending on the level of involvement of staff in the implementation of the activities captured in the costing exercise.

At this step, the user will identify the staff members that are directly involved in the implementation of key programmes on a long-term basis, along with their relevant cost (Section 3.3.1). Then, the user has to allocate the overall cost to each position to the different programmes and to each activity (Section 3.3.2).



### 3.3.1  Identification of long-term staff and associated costs for HIV-related human right programmes

The "Direct long-term staff" sheet contains the human resources specifications directly related to the programmes defined on the "Programmes" sheet (i.e. those that participate in the activity implementation).

Auxiliary staff are not to be included here (such as information technology [IT] support, administration support, cleaning staff and guards.). Data on auxiliary staff are to be included in a separate table on the "Indirect costs" sheet.

Long-term staff members refer to the personnel that are part of the organization on a permanent basis, are usually full-time equivalent (FTE) and have contracts covering more than one year. Therefore, long-term staff must be distinguished from human resources staff, which are directly involved in the implementation of the activities but are contracted on a short-term basis. These short-term staff include, but are not limited to, consultants, researchers or senior legal advisers hired for specific cases. The cost related to these staff will be reported in a separate table at step 5.

It is envisaged that an organization has no more than 14 long-term employees directly related to HIV-related human rights programmes, and therefore the capacity of the table is limited to 14. If there are more than 14, they should be grouped together based on similar functions.

---

**Hint: Determining the FTE for staff members**

One person working full time on the HIV-related human rights key programmes would counts as 1.0 FTE. However, if the staff member also works in other areas of human rights (e.g. education, reproductive health) or other areas of HIV programmes (prevention, care and support), you need to identify which part of their time/cost is to be allocated to the HIV-related human rights programmes. So, if a person is working full time with the organization, but only half time for the above programme, they would be entered as a 0.5 FTE.

When there is more than one person reported under the same staff category, and if these staff members have different salaries or FTEs, they need to be reported in different rows (this is due to the formula pre-entered in the column called "Annual cost").

Also, be sure to report the entire cost of the position for the organization and not only the salary.

---

## Hint: Direct and indirect staff members

There is no "default classification" of any employee category into direct staff or indirect staff. The director or coordinator can be both a direct and indirect staff member. If they coordinate all the programmes, then they are likely to be an indirect rather than a direct staff member. Similarly, if a financing officer is directly involved in one or two programmes, then they can be classified as direct staff.

When staff intervenes both directly in the programmes and indirectly, it is possible to allocate part of cost in both direct long-term staff costs and indirect staff costs. For example, a coordinator could have 40% of his time recorded under the activities that he implements directly (e.g. legal advice and advocacy for law reform) and the rest (60%) recorded as indirect costs for the management of the organization.

Classifying the staff under a direct or an indirect category is intuitive and depends largely on judgement. Placing a determined staff category into the "direct staff" table or into the "indirect staff" table will not affect the observed magnitude of total costs – it will just affect the observed share of direct/indirect costs.

It is recommended that all staff members that perform "programme content-related" work are placed in the above "direct costs" table, and all other (mainly auxiliary) staff should go in the corresponding table under "indirect costs". Staff classification should be comprehensive, precise and complete. Make sure that there is no duplication, and that no staff members have been left out from the costing tables.

---

You do not need to fill the left-hand side of the table; it is automatically filled by the system according to the programmes and activities entered at step 1. The programmes in which the organization does not carry out will appear as single empty lines (as in the lower part of the following screenshot).



**STEP 3 - Report on long term staff directly involved in the programmes**

| | Long term staff of the organization | Number of employees (head count) | Yearly cost for 1 FTE* | Total FTE** for HIV-related Human Rights | ANNUAL COST | | Programme 1 STIGMA & DISCRIMINATION % Allocatio | Cost Prog.1 | Programme 2 LEGAL SERVICES % Allocatio | Cost Prog.2 | Programme 3 LAW REVIEW & REFORM % Allocatio | Cost Prog.3 | Alloca |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Director/coordinator | 1 | 100,000 | 0.5 | 50,000 | | 15% | 7,500.0 | 20% | 10,000.0 | 50% | 25,000.0 | |
| 2 | Legal officer | 2 | 75,000 | 1 | 150,000 | | | - | 75% | 112,500.0 | 25% | 37,500.0 | |
| 3 | Programme officer | 3 | 50,000 | 1 | 150,000 | | 75% | 112,500.0 | | - | | - | |
| 4 | Social worker/paralegal | 1 | 50,000 | 1 | 50,000 | | 60% | 30,000.0 | 35% | 17,500.0 | | | |
| 5 | Select Staff | | | | - | | | - | | - | | - | |
| 6 | Select Staff | | | | - | | | - | | - | | - | |
| 7 | Select Staff | | | | - | | | - | | - | | - | |
| 8 | Select Staff | | | | - | | | - | | - | | - | |
| 9 | Select Staff | | | | - | | | - | | - | | - | |
| 10 | Select Staff | | | | - | | | - | | - | | - | |
| 11 | Select Staff | | | | - | | | - | | - | | - | |
| 12 | Select Staff | | | | - | | | - | | - | | - | |
| 13 | Select Staff | | | | - | | | - | | - | | - | |
| 14 | Select Staff | | | | - | | | - | | - | | - | |
| | **TOTAL** | | | 6.5 | 400,000 | | | 150,000 | | 140,000 | | 62,500 | |

\* includes social contributions    \*\*FTE = Full Time Equivalent

NOTE: Long term staff costs also need to be disaggregated by activity to be accounted for in the tool

Here, you specify the number of employees regardless of the hours they work in a week (i.e. "headcount").

Here, you define the proportion of time that the employees work under the HIV-related human rights key programmes using FTEs

Here, you specify the total human resources costs (salary + social contributions + insurance) that the organization pays for a FTE.

### 3.3.2 Allocation of staff time to programmes and activities

Once the first part of the table has been filled in, the user will have to allocate the annual cost of each position to the different programmes.

> In this part of the table, you allocate the proportion of work of direct long-term staff to the different programmes so that the sum is 100%.
>
> On the right-hand end of the table in the Excel spreadsheet, you have a check box indicating the sum, which appears green if it is 100% and red if it is not 100%.



STEP 3 - Report on long term staff directly involved in the programmes

| | Long term staff of the organization | Number of employees (head count) | Yearly cost for 1 FTE* | Total FTE** for HIV-related Human Rights | ANNUAL COST | Programme 1 STIGMA & DISCRIMINATION | | Programme 2 LEGAL SERVICES | | Programme 3 LAW REVIEW & REFORM | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | % Allocation | Cost Prog.1 | % Allocation | Cost Prog.2 | % Allocation | Cost Prog.3 | % Alloca |
| 1 | Director/coordinator | 1 | 100,000 | 0.5 | 50,000 | 15% | 7,500.0 | 20% | 10,000.0 | 50% | 25,000.0 | |
| 2 | Legal officer | 2 | 75,000 | 1 | 150,000 | | - | 75% | 112,500.0 | 25% | 37,500.0 | |
| 3 | Programme officer | 3 | 50,000 | 1 | 150,000 | 75% | 112,500.0 | | - | | - | |
| 4 | Social worker/paralegal | 1 | 50,000 | 1 | 50,000 | 60% | 30,000.0 | 35% | 17,500.0 | | - | |
| 5 | Select Staff | | | | - | | - | | - | | - | |
| 6 | Select Staff | | | | - | | - | | - | | - | |
| 7 | Select Staff | | | | - | | - | | - | | - | |
| 8 | Select Staff | | | | - | | - | | - | | - | |
| 9 | Select Staff | | | | - | | - | | - | | - | |
| 10 | Select Staff | | | | - | | - | | - | | - | |
| 11 | Select Staff | | | | - | | - | | - | | - | |
| 12 | Select Staff | | | | - | | - | | - | | - | |
| 13 | Select Staff | | | | - | | - | | - | | - | |
| 14 | Select Staff | | | | - | | - | | - | | - | |
| | TOTAL | | | 6.5 | 400,000 | = | 150,000 | + | 140,000 | + | 62,500 | + |

\* includes social contributions   \*\*FTE = Full Time Equivalent
NOTE: Long term staff costs also need to be disaggregated by activity to be accounted for in the tool

> If you have correctly allocated long term staff costs to each programme, the sum of long term staff costs for each programme should be the same as the total annual cost.

Once the staff time and cost have been allocated to each of the programmes that are being costed, time and cost then needs to be allocated to the activity level.

In the lower part of the same Excel sheet ("Long-term staff"), starting from row 28 downwards (by scrolling down the screen), you will find further tables that you will have to fill in. This information is further specificies the work of the permanent direct staff that you have already identified in the above table. For each of the seven programmes defined in the first step, there is a separate table, as shown in the screenshot below.

This part of the sheet will be filled automatically. Other than checking it, you do not need to do anything. It contains the same direct long-term staff that you have defined in the previous step, and the workload and cost that you have allocated to each programme.

**Programme 2 - LEGAL SERVICES**

| | Long term staff | % | Cost | | A.2.1 Legal Information | | A.2.2 Legal advice | | A.2.3 Legal representation | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | % | $ | % | $ | % | $ |
| 54 | Director/coordinator | 20% | 10,000 | | 10% | 1,000 | 20% | 2,000 | 70% | 7,000 |
| 55 | Legal officer | 75% | 112,500 | | 30% | 33,750 | 40% | 45,000 | 30% | 33,750 |
| 56 | | 0% | - | | | - | | - | | - |
| 57 | Social worker/paralegal | 35% | 17,500 | | 100% | 17,500 | | - | | - |
| 58 | | 0% | - | | | - | | - | | - |
| 59 | | 0% | - | | | - | | - | | - |
| 60 | | 0% | - | | | - | | - | | - |
| 61 | | 0% | - | | | - | | - | | - |
| 62 | | 0% | - | | | - | | - | | - |
| 63 | | 0% | - | | | - | | - | | - |
| 64 | | 0% | - | | | - | | - | | - |
| 65 | | 0% | - | | | - | | - | | - |
| 66 | | 0% | - | | | - | | - | | - |
| 67 | | 0% | - | | | - | | - | | - |
| 68 | Long term staff, sub-total | | 140,000 | | | 52,250 | | 47,000 | | 40,750 |

*% allocation of programme 2 - long*

Your next task is to allocate the workload of each staff category to the different activities that were specified at the start. The table on the right-hand side serves for such allocation. Each line of the right-hand table corresponds to the same line in the left-hand table.

In this part of the table, you further allocate the workload of direct long-term staff to the seven possible programme areas. In this step, you allocate workload from programme level (left-hand table) to activity level (right-hand table) according to the activities you already defined in the "Programmes and activities" sheet.

The table in the diagram below refers to only one of the seven key programme categories (Programme 2 – Legal services). There is a similar table for each programme, and this step has to be repeated for all of the programmes that were predefined at the beginning of the exercise.

Be sure to allocate the proportion of work of the permanent staff to the different activities in such way that the sum remains 100%. On the right-hand side of the table in the Excel spreadsheet, you have a check box indicating the total sum, which appears green if it is 100% and red if it is not 100%.

**Programme 2 - LEGAL SERVICES**

| | Long term staff | % | Cost | | A.2.1 Legal Information | | A.2.2 Legal advice | | A.2.3 Legal representation | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | % | $ | % | $ | % | $ |
| 54 | Director/coordinator | 20% | 10,000 | | 10% | 1,000 | 20% | 2,000 | 70% | 7,000 |
| 55 | Legal officer | 75% | 112,500 | | 30% | 33,750 | 40% | 45,000 | 30% | 33,750 |
| 56 | | 0% | - | | | - | | - | | - |
| 57 | Social worker/paralegal | 35% | 17,500 | | 100% | 17,500 | | - | | - |
| 58 | | 0% | - | | | - | | - | | - |
| 59 | | 0% | - | | | - | | - | | - |
| 60 | | 0% | - | | | - | | - | | - |
| 61 | | 0% | - | | | - | | - | | - |
| 62 | | 0% | - | | | - | | - | | - |
| 63 | | 0% | - | | | - | | - | | - |
| 64 | | 0% | - | | | - | | - | | - |
| 65 | | 0% | - | | | - | | - | | - |
| 66 | | 0% | - | | | - | | - | | - |
| 67 | | 0% | - | | | - | | - | | - |
| 68 | Long term staff, sub-total | | 140,000 | | | 52,250 | | 47,000 | | 40,750 |

*% allocation of programme 2 - long*

**Hint: How to allocate staff time/cost to the programmes and activities**

To be able to specify the share of staff time devoted to HIV-related programmes in general, or to each programme and activity specifically, you will need to make assumptions. Allocating staff time through the various programmes and activities can be the most complicated task of the entire costing exercise. This is because individuals can perform multiple tasks, and the effects of their work can be spread over various programmes. For other indirect costs (such as cleaning, maintenance, etc.) there might be readily identifiable cost drivers, but this might not be the case with staff time and costs.

There are many different ways to determine how much time staff members devote to specific activities. Special studies can be done involving intensive monitoring of individuals through time and motion studies, or by using a large number of random observations (so-called work sampling). It is also possible to collect some of the data more routinely. Assigning classes of employees (e.g. social workers or paralegals) to programmes can provide reasonably robust data on what activities they were supporting (Phillips & Huff-Rousselle 2001).

Among existing cost drivers, one could use the number of activities performed or the outputs achieved. The difficulty arises when the same staff member implements activities that require unequal amount of time and effort. This would require attaching weights to each activity to account for these variations.

Another way – and probably easier – is to interview staff on their use of time. It is recommended to interview face to face rather than sending a form, so that they understand why they are being asked the questions. If it is not feasible to interview all staff members of the organization, it may be useful to interview small groups of staff who perform the same tasks.

The interviews can be done by creating a matrix and having each staff member indicate (with an "X") the programmes in which they intervene. Once this is done, the staff member needs to change the "X" into a number that represents the percentage of their time spent on that programme. For each staff member, all tasks should add up to 100%. As an interim step, you can also ask staff members to weight their cross by reporting "X" to "XXX", depending on the importance of the time it takes them to be part of the programme. It is also recommended, in case of hesitation, to get the staff members to translate the percentages into hours or days of work. The same technique can be used to allocate time/cost of staff to activities.

The above matrices can be developed in the "Assumption" spreadsheet.

You can always return to the main page by clicking on the "Menu" button located on the right-hand side of the screen (as explained in Chapter 2). After filling in the table, you can proceed to the next step of the costing exercise by clicking on the "Next step". Clicking on the "Previous" button takes you back to the previous spreadsheet.

## 3.4  Step 4 – Reporting on indirect costs

Indirect costs (also known as overhead) are costs that are not directly attributable to the implementation of a programme, such as a particular function or product, and are related to the operation and maintenance of an organization. The tool distinguishes between two sort of indirect costs: the indirect operational costs (e.g. rent, stationery, maintenance, security costs) and the indirect staff costs that refer to general personnel (e.g. financing officers, drivers, cleaners).

Reporting on indirect costs requires three specific tasks:

1.  identify the cost of each cost item for the organization or specific department;
2.  estimate the share of these costs that can be attributed to the overall HIV-related human rights programmes;
3.  allocate the cost estimated at task (2) by programme and then by activity.

### 3.4.1 Task 1 – Reporting on overall indirect costs

Sheet 8 of the tool contains the tables where you are expected to enter data on indirect costs. For illustrative purposes, the screenshot below is extracted from the "Indirect costs" sheet. It includes both the indirect operational costs table and the indirect staff costs table.

Indirect operational cost are reported through ten predefined cost items, but the tool allows reporting of three additional items ("Others, specify"). For each of the indirect operational cost items, you are required to select the cost period and the total cost corresponding to the period.



| Indirect operational cost | Period of indirect cost | Total cost | % allocation to HIV- HR programmes | Applicable cost |
|---|---|---|---|---|
| Office rent | Cost per month | 2,000 | 50% | 12,000 |
| Insurance | Cost per year | 250 | 50% | 125 |
| Utilities (electricity, gas, water) | Cost per month | 253 | 50% | 1,518 |
| Communications (internet, telephone) | Cost per month | 125 | 50% | 750 |
| Ancillary services (IT services, cleaning) | Cost per month | 200 | 50% | 1,200 |
| Office suppliances (paper, toner) | Cost per year | 532 | 50% | 266 |
| Transport cost | Cost per year | 2,500 | 50% | 1,250 |
| Vehicles - amortized | Cost per year | 1,040 | 50% | 520 |
| Vehicle maintenance cost | Cost per year | 1,500 | 50% | 750 |
| Amortization /Depreciation | Select Period | | | - |
| Others, specify | Select Period | | | - |
| Others, specify | Select Period | | | - |
| Others, specify | Select Period | | | - |
| **TOTAL indirect operational cost** | | | | **18,379** |

| Indirect staff cost | # employees (head counts) | Yearly salary for 1 FTE* | FTE** for HIV and Human Rights | ANNUAL COST |
|---|---|---|---|---|
| Accountant | 1 | 55,000 | 0.5 | 27,500.00 |
| Administrative Officer | 2 | 45,000 | 0.5 | 45,000.00 |
| Driver | 1 | 40,000 | 0.5 | 20,000.00 |
| Select Staff | | | | - |
| Select Staff | | | | - |
| Select Staff | | | | - |
| Select Staff | | | | - |
| Select Staff | | | | - |
| Select Staff | | | | - |
| **Total indirect staff costs** | | | | **92,500** |
| **TOTAL INDIRECT COST** | | | | **110,879** |

The share of costs that corresponds to HIV-related human rights programmes (fourth column).

For instance, 50% of costs correspond to HIV-related human right programmes and the remaining 50% corresponds to other programmes that are out of the scope of this costing. exercise.

The system will calculate the applicable costs, and the total indirect operational costs and total indirect staff cost automatically.

Each cost item can be reported by month or year. If data are available, it is recommended to report costs by year to increase accuracy. However, when annual data are not available, the tool allows reporting for each month. Whichever selection is made, the system will automatically calculate the total cost that corresponds to the reference period of your costing study (i.e. a year).

---

**Hint: Reporting of indirect cost items**

It is likely (but not a rule) that either "office rental costs" or "building depreciation costs" of the analysed programme will be zero. If the programme implementer is the owner of premises, then there is no need to pay office rental (hence, office rental costs = 0). However, depreciation costs should be accounted for in such a case. To the contrary, if office premises are rented, then depreciation is not accountable to the programme implementer (hence, building depreciation costs = 0).

It might happen that the building and the equipment in it are old, and it has been fully depreciated. Therefore, the current depreciation value is zero. In this case, you should use either historical depreciation values or estimate the yearly depreciation value of a similar building with similar equipment that has been not fully depreciated yet. If you consider zero depreciation costs, you underestimate the real cost of providing similar programmes (e.g. it would be impossible to replicate a similar programme in a new setting because a budget based on your costing would not cover resource needs).

For clarification on amortization and depreciation, and calculation methods, see Annex 4.

Below the "Indirect operational cost", there is a similar table referring to "Indirect staff costs". The structure of that table is very similar to the previous one – the difference is that staff categories are selected from a drop-down menu and personnel input are measured in FTEs.

In the table for indirect staff costs, you should select the staff working in the organization. Make sure that you do not repeat the same staff already listed in the "Long-term staff" sheet to prevent the duplication of costs and over-estimation of the production unit costs of the organization.

In the first column, you need to select the indirect staff categories. By clicking on the cell, a scrollbar appears with the different prefilled categories (e.g. director/coordinator, accountant, administrative officer, cleaner). Please consider that, at this stage, you are introducing indirect staff members that may also work in support to non–HIV related human rights programmes.

If you cannot find the category you need, you can add it by clicking the "Menu" button on the upper left-hand corner of the screen. Once you are in the "Menu screen", click on the "Add/modify variables" button that will take you to the table where you can add a new category.

### 3.4.2 Task 2 – Identifying indirect costs

The organization that is analysed within the costing exercise might also operate in other fields than HIV-related human rights. For example, an outpatient centre providing preventive and curative care to people living with HIV and vulnerable groups could also operate a legal office. Furthermore, the legal office might share not only premises, but some general services with the rest of the organization.

Correctly identifying the share of overhead costs that correspond only to HIV-related human rights programmes is a crucial and difficult task that the costing expert needs to face. In most cases, there is no exact or "official" percentage of indirect costs corresponding to the legal office. In such a case, it is a task of the costing expert to collect the necessary information that allows for the most accurate possible estimation of the cost share. Data that help making such estimation are called "cost drivers" and can include:

- the number of clients attended to by the human rights section as a share of total number of persons attended by the organization;
- the number of direct, full-time or FTE staff working in the human rights section as a share of total direct staff of the organization;
- the physical area (i.e. the surface area in square meters) of the human rights section as a proportion of the total square meters of the organization;
- the number of hours of public attendance by the human rights section as a share of total hours of public attendance by all public contact points;
- the number of pages printed in the human rights section as a share of total pages printed by the entire organization;
- the number of kilometres travelled by the human rights section as a share of total kilometres travelled by the entire organization.

For more details on recommended cost drivers, see Annex 5.

The structure of the table containing indirect staff costs is very similar to the table containing the indirect operational costs. The difference is that the share of costs applicable to HIV-related human rights programmes is reported differently. More specifically, personnel input are measured in FTEs, while indirect operational costs are measured in percentages.

| Indirect operational cost | Period of indirect cost | Total cost | % allocation to HIV- HR programmes | Applicable cost |
|---|---|---|---|---|
| Office rent | Cost per month | 2,000 | 50% | 12,000 |
| Insurance | Cost per year | 250 | 50% | 125 |
| Utilities (electricity, gas, water) | Cost per month | 253 | 50% | 1,518 |
| Communications (internet, telephone) | Cost per month | 125 | 50% | 750 |
| Ancillary services (IT services, cleaning) | Cost per month | 200 | 50% | 1,200 |
| Office suppliances (paper, toner) | Cost per year | 532 | 50% | 266 |
| Transport cost | Cost per year | 2,500 | 50% | 1,250 |
| Vehicles - amortized | Cost per year | 1,040 | 50% | 520 |
| Vehicle maintenance cost | Cost per year | 1,500 | 50% | 750 |
| Amortization /Depreciation | Select Period | | | - |
| Others, specify | Select Period | | | - |
| Others, specify | Select Period | | | - |
| Others, specify | Select Period | | | - |
| **TOTAL indirect operational cost** | | | | **18,379** |

The share of costs that corresponds to HIV-related human rights programmes (fourth column).

For instance, 50% of costs correspond to HIV-related human right programmes and the remaining 50% corresponds to other programmes that are out of the scope of this costing. exercise.

| Indirect staff cost | # employees (head counts) | Yearly salary for 1 FTE* | FTE** for HIV and Human Rights | ANNUAL COST |
|---|---|---|---|---|
| Accountant | 1 | 55,000 | 0.5 | 27,500.00 |
| Administrative Officer | 2 | 45,000 | 0.5 | 45,000.00 |
| Driver | 1 | 40,000 | 0.5 | 20,000.00 |
| Select Staff | | | | - |
| Select Staff | | | | - |
| Select Staff | | | | - |
| Select Staff | | | | - |
| Select Staff | | | | - |
| Select Staff | | | | - |
| **Total indirect staff costs** | | | | **92,500** |
| **TOTAL INDIRECT COST** | | | | **110,879** |

The system will calculate the applicable costs, and the total indirect operational costs and total indirect staff cost automatically.

However, It is not necessary to use the same cost driver for each indirect cost item; rather, you should use the most appropriate one. For instance, for cleaning costs, you might use square metres, and for the costs related to transport, you might use the number of kilometres travelled. If you lack these data, ask the financial manager to make an estimation regarding the overall share of HIV-related human rights activities from the organization's total activities. You should obtain at least a general estimation, such as "the organization devotes 20% of its material, human efforts and time to providing HIV-related human rights services". In this case, you would use 20% as allocation share for all indirect costs.

> ### Hint: Normative costing
>
> In case of normative costing (i.e. costing future programmes), the allocation should be based on the previous estimation of the share of resource consumption by the different programmes or activities. The best information source for such estimation is published costing studies of national or international providers of similar programmes.
>
> Annex 5 indicates the most appropriate cost drivers for each cost item.

### 3.4.3   Task 3 – Allocating indirect costs to the seven key programmes and its activities

Once indirect costs have been reported and that a share of these costs has been allocated to all the HIV-related human rights programmes, these costs need to be disaggregated within the key programmes and activities carried out by the organization. This will allow estimating the indirect cost attributed for each activity and to each programme.

The right-hand side of the table helps allocate indirect costs to the seven possible programme areas. The methods commonly used for estimating indirect cost shares are based on the notion that the share of indirect costs corresponding to each programme area largely dependent on:

- the workload (hours worked or FTEs) of direct staff working in each programme;
- the cost of direct staff working in each programme;
- the size each programme output. However, this option only can be used if outputs are comparable (e.g. number of health workers trained is comparable with number of law enforcement agents trained, but not with number of parliamentarians involved in law review and reform). The use of this option is quite limited.

The allocation of indirect costs can be done with the same cost drivers used in task 2 and described in Annex 5.

The proportion of indirect operational costs allocated to the different programmes should add to 100%. On the right-hand end of the table, a check box indicates whether all costs have been disaggregated (i.e. the box appears green) or whether costs reported do not add up to 100% (i.e. the box appears red).



If everything has been correctly allocated, the sum of the total costs per programme should be the same as the total of indirect operational costs on the left-hand side.

After having allocated indirect operational costs and indirect staff costs to programmes 1–7, the next step is to allocate the different costs to activities composing the programmes (remember that you are still in sheet 8). You do not need to define activities again; you have already defined them on the "programmes" sheet (sheet 5).

On the same spreadsheet, under the tables shown in the above screenshot, you find separate tables corresponding to each key programme (i.e. programmes 1–7).

For each programme (1 to 7) previously defined in the first step, you will have a separate table, as shown in this screenshot. This part of the sheet will be filled automatically; besides checking it you do not need to do anything with it. It contains the same indirect costs that you defined previously and the total indirect staff costs that you allocated to each programme.

Your next task is to refine or further disaggregate the workload of each staff category to the different activities that you had specified in the "programmes" sheet at the beginning. The table on the right-hand side serves for the disaggregation. Each line of the right table corresponds to a line in the left-hand table.



In this part of the table, you will be able to refine the previous cost allocation to each programme area. In this step, you allocate indirect costs from programme level (left-hand table) to activity level (right-hand table) according to the activities you have defined in the "programmes and activities" sheet.

The table in the screenshot show below refers to only one of the seven programme categories (Programme 2 – Legal services). If you scroll down, you will find a similar table for each programme, and you have to repeat the same step for all of the programmes you defined in the first step on the "programmes" sheet.

Please, allocate the proportion of indirect costs to the different activities in such way that the total remains 100%. On the right-hand side of the table in the spreadsheet, you have a check box indicating the total, which appears green if it is 100% and red if it is not 100%.

You can return to the Menu page by clicking on the "Menu" bottom. After filling in the table, clicking the "Next step" button takes you to the next step of the costing process.

### 3.4.4    Using macros in the allocation of indirect costs

Allocating indirect costs to programme activities could be a difficult task even for the organization's financial manager. When the necessary expertise is not accessible or when only partial data is available, the user can use predefined functions to allocate indirect costs across the seven key programmes areas.

The automatic function can be run using a macro. An Excel macro is a set of instructions triggered by a toolbar button in the spreadsheet. Macros are used to eliminate the need to repeat the steps of common tasks. Once the user clicks on the macro button, the macro launches an automatic filling of your indirect cost allocation table cell by cell.

Macros are included at step 4 of the tool and were created to allocate indirect costs across the seven key programmes and within the activities (i.e. task 3). Through these macros, costs are allocated according to previously introduced data at step 3.

There are two sets of macros, each divided in two phases:

- macros to allocate indirect operational costs, including allocating
    - indirect operational costs to programmes
    - indirect operational costs to activities;

- macros to allocate indirect staff costs, including allocating
    - indirect staff costs to programmes
    - indirect staff costs to activities.

Macro buttons located on the upper hand part of the indirect cost sheet – "Calculate" and "Clear".



By clicking the red "Calculate" button, indirect operational costs will be automatically allocated to the different programme or activity areas

By clicking the purple "Calculate" button, indirect staff costs will be automatically allocated to the different programme or activity areas

If you wish to clear the automatic indirect cost allocation, press the corresponding "Clear" button.

Macros apply to one or both sets of indirect costs (i.e. operational costs or staff costs) and at the programme level (i.e. programmes or activities). For each of the macro options, the user can use a "Calculate" button or a "Clear" button. The "Calculate" button will automatically fill in the "percentage cost allocation" cells and calculate the indirect costs. The "Clear" button will delete all data in the related cells.

> **!** Once a macro is activated (i.e. once you click on "Calculate" or "Clear"), it is not possible to undo. Therefore, all the costs previously entered manually will be overwritten and lost.

## Hint: Combining the use of macros and manual data entry

It is reasonable to do a combined automatic/manual filling of the indirect cost allocation tables. How?

1. Press the "Calculate" button to fill in the tables automatically.

2. Check each cell (one by one) and correct the estimated indirect cost shares if necessary, making sure that the horizontal sum is 100%.

If you proceed this way, please be aware that you should avoid pressing the "Calculate" button again, unless you are sure about proceeding that way. By pressing again the "Calculate" button, all your manually introduced parameters will be overwritten by the automatic calculation. There is no possibility to do automatic calculation for a selected part of the table (i.e. you either do it for the whole table or you do not do it at all; there is no other alternative).

If you make a manual correction to the automatically calculated values, please be aware that all links to that cell will also be updated, so you don't need to do it manually.

## 3.5 Step 5 – Reporting on direct costs related to different programmes

When you arrive to this step, only direct operational costs are pending to be introduced. Those are the costs that are directly linked to the various programmes and have not been allocated yet, such as costs related to the organization of some events, and the occasional national or international consultant hired for short-term work.

The next seven sheets are meant for this purpose and there is one sheet for each programme. Here, the first of them is explained; the remaining six are analogous. Each spreadsheet of step 5 includes separate tables for each activities reported (i.e. up to six tables).

For each activity of each programme you have defined in the first step, you will have a separate system of tables like the one shown in the following screenshot.



For each activity, the user will fill in a specific table.

In the grey area, there is no need to enter data. Those are predefined formulas that summarize costs entered at previous steps.

The first table refers to **direct short-term staff costs**.

The second table refers to **direct operational costs**.

For each activity, a "Comments" box allows you to describe any part of the reported amount. This information will be useful when analysing the results.

---

Hint: When you do not need to use the direct costs sheets

It might be that, for some activities, you do not need to use the "direct costs" sheets. In these cases, once you have finished introducing direct long-term staff, indirect staff and other indirect operational costs, and you are certain that there are no further direct costs related to any of the seven possible programmes, you can then directly shortcut to the "Reporting" step through the "Go to report" button. This is not the case of the previous sheets; these all required data to be entered.

The left-hand table contains short-term direct staff costs, which are those who are hired on short-term basis for a specific activity within a specific programme. Long-term staff should have already been filled in the "long-term staff" table at step 3. If this is not the case, go back to the "long-term staff" sheet and fill in the missing long-term staff, even if they provide services only for a specific activity or programme.

In the first column, you access a drop-down menu with the predefined list of short-term staff categories (see Annex 3). If you are not able to find the short-term staff category you are looking for, you can add it through the "Add/modify variables" sheet.

After defining the category (e.g. "national consultant"), you should define the cost basis units for the staff member (per day, per person per day, per project, etc.). You can add further cost basis units as described previously.

In the third column, you should fill the unit price (e.g. 200 euros per day), and on the fourth the quantity (e.g. 2 days).

In the last column, the system will automatically calculate the total short-term staff costs for each category.

The total amount for each activity (i.e. short-term staff cost, subtotal) is already reported (in row 7 in this screenshot).



| | | | Long term staff cost, sub total | 150,000 |
|---|---|---|---|---|
| Community mobilisation and education | | | Short term staff cost, sub total | 5,000 |

**Direct staff cost (short term)**

| Short term staff / consultants | Unit Description | Unit price | Quantity | Short term staff cost | | Item/input |
|---|---|---|---|---|---|---|
| Peer educators | per person a month | 50.0 | 100 | 5,000.0 | | Select input |
| Select Staff ▾ | Select Unit | | | - | | Select input |
| Legal officer | Select Unit | | | - | | Select input |
| M&E officer | Select Unit | | | - | | Select input |
| National consultant | Select Unit | | | - | | Select input |
| Paralegal | Select Unit | | | - | | Select input |
| Peer educators | Select Unit | | | - | | Select input |
| Programme officer | Select Unit | | | - | | Select input |
| Researcher | Select Unit | | | - | | Select input |
| Social worker/paralegal | Select Unit | | | - | | Select input |
| Select Staff | Select Unit | | | - | | Select input |
| Select Staff | Select Unit | | | - | | Select input |
| Select Staff | Select Unit | | | - | | Select input |
| Select Staff | Select Unit | | | - | | Select input |
| Select Staff | Select Unit | | | - | | Select input |
| Select Staff | Select Unit | | | - | | Select input |

The table on the right-hand side contains direct operational costs. These should be understood as costs related to short-term tasks or events organized under a specific activity of a specific programme. There is a text field located on the right-hand side of the sheet where you can add your comments to ensure that the reader has a correct understanding of the costs you are including.

By clicking on the first cell of the first row of the right-hand table, you access a scrollbar with the predefined list of input items (e.g. "housing services", "logistics of events").

After defining the category (e.g. "Housing services"), you should define the cost basis units (per day, per month, per year, etc.). You can also add further cost basis units as previously described with the predefined list of inputs.

In the third column, you should fill the unit price (e.g. EUR 100 per day), and on the fourth column the relevant quantity (e.g. 3 days).

The system will automatically calculate the direct operational costs for each category.

The total amount for each activity (i.e. direct operational cost, sub-total) is reported above

**Direct operational cost**

| Item/Input | Unit description | Unit price | Quantity | Direct cost |
|---|---|---|---|---|
| Editing and designing services | Units | 350.0 | 2 | 700 |
| Food and refreshment | per person a day | 15.0 | 250 | 3,750 |
| Transportation and travel services | per person | 35.0 | 5 | 175 |
| Fourniture and other materials | per project | 1,500.0 | 1 | 1,500 |
| Logistics of events | per project | 750.0 | 4 | 3,000 |
| Select input | Select Unit | | | - |
| Select input | Select Unit | | | - |
| Select input | Select Unit | | | - |
| Select input | Select Unit | | | - |
| Select input | Select Unit | | | - |
| Select input | Select Unit | | | - |
| Select input | Select Unit | | | - |
| Select input | Select Unit | | | - |
| Select input | Select Unit | | | - |

By scrolling down the Excel sheet, you find all the tables corresponding to the other activities of the programme you are analysing now, as you have defined on sheet 5.

At the very bottom of the spreadsheet there is a summary table, which reflects the total amounts, as shown in the screenshot below.



| Summary table of P1. stigma & discrimination reduction | |
|---|---|
| DIRECT STAFF COST | 155,000 |
| Direct staff cost (long term) | 150,000 |
| Direct staff cost (short term) | 5,000 |
| DIRECT OPERATIONAL COST | 9,125 |
| INDIRECT COST | 41,580 |
| **TOTAL COST PROGRAMME 1** | **205,705** |

There are seven analogous spreadsheets, one for each of the seven standard human rights programmes. You only need to fill those that the organization carries out. After filling in the tables, you can press the "Next step" button that will take you to the next step of the costing process. Once you have entered direct cost for all the programmes you are analysing, you can click on the "Go to report" button, which will take you to the results section.

# 4 Results section

The results section corresponds to the output of the tool. It includes a preformatted set of results (the "Reporting" spreadsheet), along with a dataset that can be extracted and used for more specific analysis (the "Dataset" spreadsheet). These are generated automatically, based on data that you have introduced in the previous steps. There is a shortcut to this sheet from several previous steps and spreadsheets once all the data have been entered.

## 4.1 The reporting spreadsheet

The "Reporting" spreadsheet is on sheet 15 and contains a variety of reporting data, tables, diagrams and charts. The information is presented on an intuitive and user-friendly format as follows:

1. Table containing aggregated and semi-aggregated cost data on the different HIV-related human rights programmes, such as total costs, permanent staff costs, short-term staff costs, direct operational costs and indirect costs (see below).

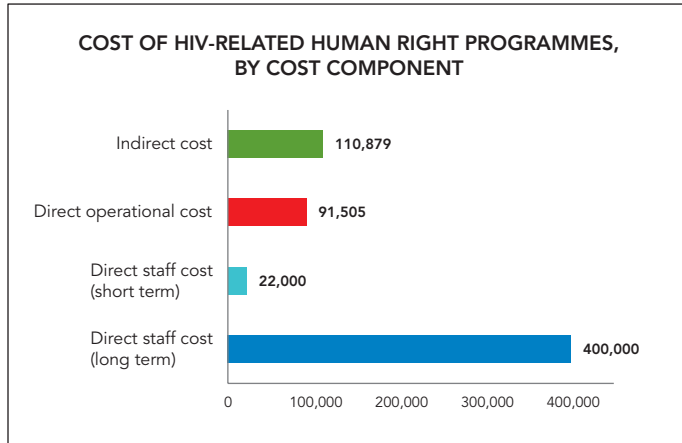| | Costs | Direct staff cost (long term) | Direct staff cost (short term) | Direct operational cost | Indirect cost |
|---|---|---|---|---|---|
| P1. Sitgma & discrimination reduction | 231,585 | 150,000 | 22,000 | 18,005 | 41,580 |
| P2. HIV-related legal services | 182,308 | 140,000 | - | 3,500 | 38,808 |
| P3. Law review & reform | 119,825 | 62,500 | - | 40,000 | 17,325 |
| P4. Legal literacy | - | | | | |
| P5. Sensitization of law enforcement agents | - | | | | |
| P6. Training of health care providers | - | | | | |
| P7. Women's rights in the context of HIV | 90,667 | 47,500 | - | 30,000 | 13,167 |

2. Total costs by HIV-related human rights programme (horizontal bar chart, one bar per programme, see below).
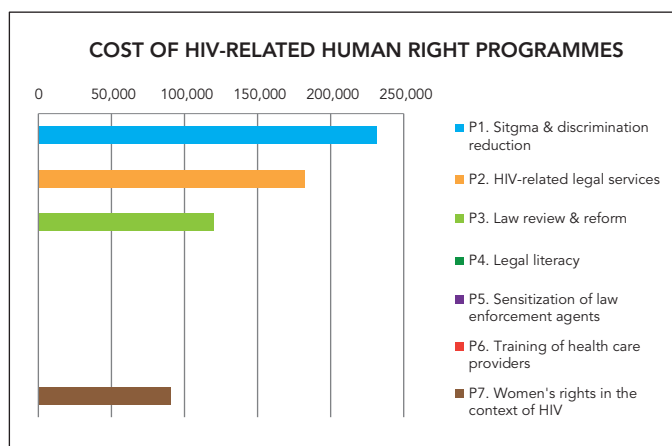


3. The total costs of the various programmes as a share of the total HIV human rights programme costs (pie chart containing percentage contribution of different programmes to the total costs, see below).
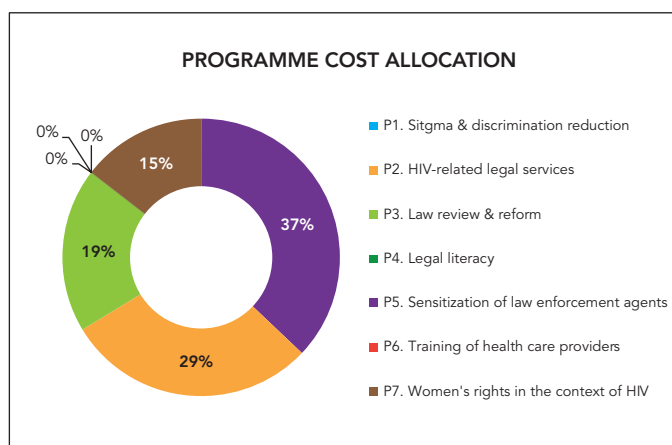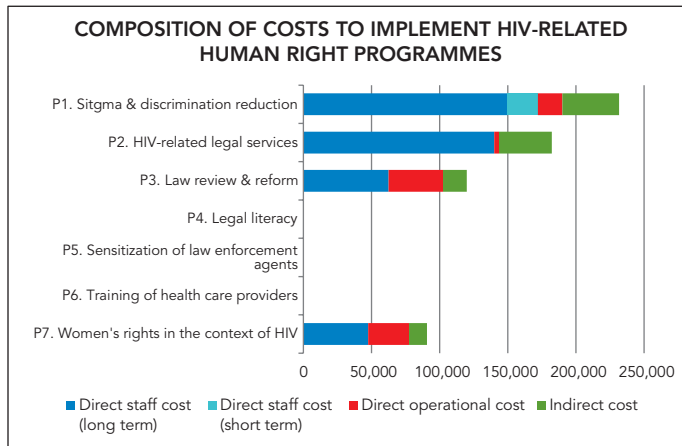
4. Costs of HIV-related human rights programmes by cost component (indirect costs, direct operational costs, direct short-term staff costs and direct long-term staff costs; horizontal bar chart, see below).

**COST OF HIV-RELATED HUMAN RIGHT PROGRAMMES, BY COST COMPONENT**

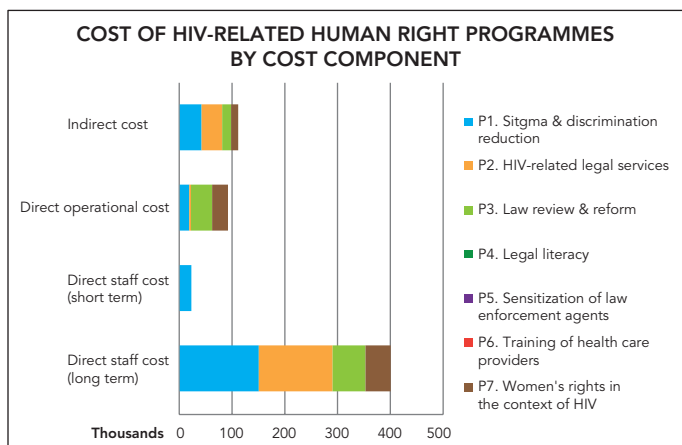| | |
|---|---|
| Indirect cost | 110,879 |
| Direct operational cost | 91,505 |
| Direct staff cost (short term) | 22,000 |
| Direct staff cost (long term) | 400,000 |

0   100,000   200,000   300,000   400,000

5. Percentage composition of the cost components of the overall HIV-related human rights programme (% of human resources, % of operational costs, % of indirect costs; pie chart, see below).

**COST COMPONENT OF THE OVERALL HIV-RELATED HUMAN RIGHTS PROGRAMME**

18%
15%
3%
64%

- Direct staff cost (long term)
- Direct staff cost (short term)
- Direct operational cost
- Indirect cost
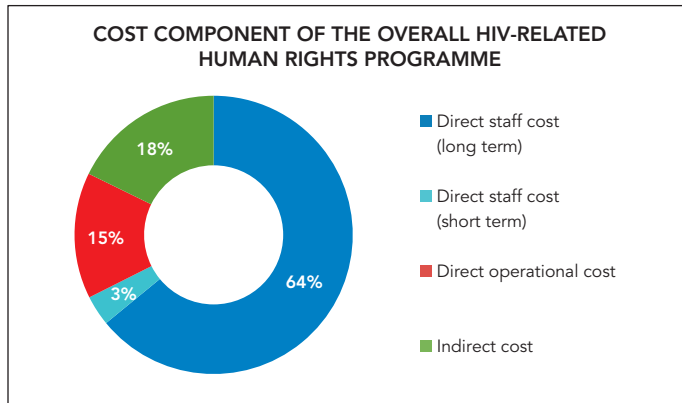
6. Cost composition of each HIV-related human rights programme (% of permanent staff costs, % of short-term staff costs, % of direct operational costs, % of indirect costs; horizontal bar chart, one bar per programme, see below).

**COMPOSITION OF COSTS TO IMPLEMENT HIV-RELATED HUMAN RIGHT PROGRAMMES**

P1. Sitgma & discrimination reduction
P2. HIV-related legal services
P3. Law review & reform
P4. Legal literacy
P5. Sensitization of law enforcement agents
P6. Training of health care providers
P7. Women's rights in the context of HIV

0   50,000   100,000   150,000   200,000   250,000

- Direct staff cost (long term)
- Direct staff cost (short term)
- Direct operational cost
- Indirect cost

7. The cost of HIV-related human right programmes by cost component describes the actual or intendant use of each cost category.

**COST OF HIV-RELATED HUMAN RIGHT PROGRAMMES BY COST COMPONENT**

Indirect cost
Direct operational cost
Direct staff cost (short term)
Direct staff cost (long term)

Thousands   0   100   200   300   400   500

- P1. Sitgma & discrimination reduction
- P2. HIV-related legal services
- P3. Law review & reform
- P4. Legal literacy
- P5. Sensitization of law enforcement agents
- P6. Training of health care providers
- P7. Women's rights in the context of HIV

8. Cost review of the implementation of HIV-related human rights programmes. System of seven tables (one for each programme, see below), where operational, human and indirect costs are broken down to activity level.
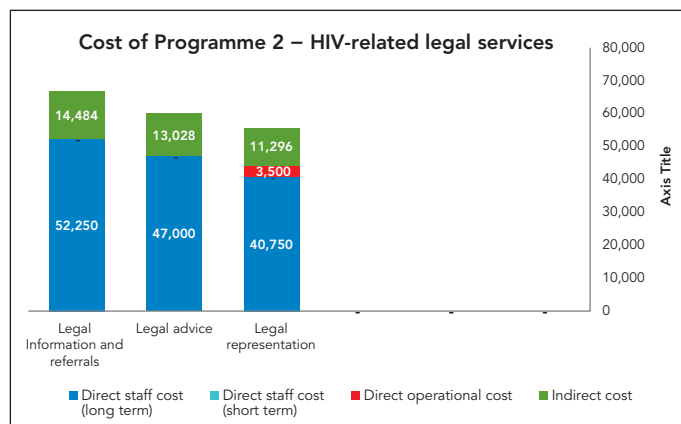
**Cost review of HIV-related Human Rights programmes**

| | | Direct staff cost (long term) | Direct staff cost (short term) | Direct operational cost | Indirect cost | Total cost | | Unit cost 1 | Unit cost description | Unit cost 2 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Step 5.1 - Direct cost of P1. stigma & discrimination reduction** | | | | | | | | | | |
| A.1.1 | Community mobilisation and education | 58,500 | 11,000 | 9,625 | 16,216 | 95,341 | | 31,780.35 | # of Media campaigns | |
| A.1.2 | Stigma measurement, research and | 60,000 | 7,000 | 3,200 | 16,632 | 86,832 | | 7,235.99 | # of Group sessions | |
| A.1.3 | Anti-stigma training and capacity | 31,500 | 4,000 | 5,180 | 8,732 | 49,412 | | 10.98 | # of Persons reached | |
| A.1.4 | | - | - | - | - | - | | | | |
| A.1.5 | | - | - | - | - | - | | | | |
| A.1.6 | | - | - | - | - | - | | | | |
| **Programme 1 sub-total** | | 150,000 | 22,000 | 18,005 | 41,580 | 231,585 | | | | |
| **Step 5.2 - Direct cost of P2. HIV-related legal services** | | | | | | | | | | |
| A.2.1 | Legal information and referrals | 52,250 | - | - | 14,484 | 66,734 | | 266.93 | # of Persons informed of their rights | 66,733. |
| A.2.2 | Legal advice | 47,000 | - | - | 13,028 | 60,028 | | 1,225.07 | # of Clients attended | |
| A.2.3 | Legal representation | 40,750 | - | 3,500 | 11,296 | 55,546 | | 2,415.03 | # of Clients attended | |
| A.2.4 | | - | - | - | - | - | | | | |
| A.2.5 | | - | - | - | - | - | | | | |
| A.2.6 | | - | - | - | - | - | | | | |
| **Programme 2 sub-total** | | 140,000 | - | 3,500 | 38,808 | 182,308 | | | | |
| **Step 5.3 - Direct cost of P3. law review & reform** | | | | | | | | | | |
| A.3.1 | | 62,500 | - | 40,000 | 17,325 | 119,825 | | | | |
| A.3.2 | | - | - | - | - | - | | | | |
| A.3.3 | | - | - | - | - | - | | | | |
| A.3.4 | | - | - | - | - | - | | | | |
| A.3.5 | | - | - | - | - | - | | | | |
| A.3.6 | | - | - | - | - | - | | | | |
| **Programme 3 sub-total** | | 62,500 | - | 40,000 | 17,325 | 119,825 | | | | |
| **Step 5.4 - Direct cost of P4. legal literacy** | | | | | | | | | | |
| A.4.1 | | - | - | - | - | - | | | | |

Tabs: Background Data | Programmes | Outputs | Long Term Staff | Indirect costs | Cost_Prog.1 | Cost_Prog.2 | Cost_Prog.3 | Cost_Prog.4 | Cost_Prog.5 | Cost_Prog.6 | Cost_Prog.7 | **Reporting** | Assumptions

9. Service unit costs

Also, unit costs are calculated for each activity, according to one or two output types as you defined on the "Outputs" sheet ($ per individual per year, number provided with legal advice, $ per 1000 general population reached with mass media campaign, etc.)

These data are key for benchmarking and for detecting production inefficiencies in a facility. In case of benchmarking, you must make sure that programmes, activities and unit costs of different facilities are comparable with each other.

10. Analysis of the total cost components (direct long-term staff costs, direct short-term staff costs, direct operational costs, indirect costs) of each programme (seven individual vertical bar charts, see below).



**Cost of Programme 2 – HIV-related legal services**

Legend: ■ Direct staff cost (long term)  ■ Direct staff cost (short term)  ■ Direct operational cost  ■ Indirect cost

## 4.2 Dataset spreadsheet

The dataset spreadsheet is generated from the "Reporting" spreadsheet by pressing the "Extract datasheet" button on the upper left-hand corner of the screen.

The dataset table (see below) contains all the reporting data in a format that allows dynamic tables to be defined based on need. This dataset has been prepared for users that are familiar dynamic tables and wish to produce ad hoc, additional analyses to what is already done on the "Reporting" spreadsheet.



The following outlines the structure of the table header (i.e. the sequence of column headings):

- Information on the study – Country, City/district, Organization, Acronym, Currency reported, Name of local currency, Exchange rate (local currency per US$), Year reported, Programme, Activity code, Activity description;

- Costs in both reported currency and United States dollars – Direct staff cost (long term), Direct staff cost (short term), Direct operational cost, Indirect cost, Total cost, Unit cost 1, Unit cost description_1, Unit cost 2, Unit cost description_2.

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# Annex 1   List of activities under the different programmes

| | Activities under programme 1: Stigma and discrimination reduction |
|---|---|
| 1.01 | Anti-stigma training and capacity building |
| 1.02 | Awareness-raising campaigns |
| 1.03 | Community mobilisation and education |
| 1.04 | Dialogue sessions |
| 1.05 | Engaging marginalised communities |
| 1.06 | Engaging opinion leaders (community leaders, religious leaders, journalists, policy makers) |
| 1.07 | Institutional strengthening |
| 1.08 | Partnership development and institutional strengthening |
| 1.09 | PLHIV involvement and support |
| 1.10 | Policy development |
| 1.11 | Reduction of stigma and discrimination within families |
| 1.12 | School-based anti-stigma education |
| 1.13 | Stigma measurement, research and analysis |
| 1.14 | Workplace programmes |
| | Activities under programme 2: HIV-related legal services |
| 2.01 | Training of paralegals and other service providers |
| 2.02 | Documentation and investigation |
| 2.03 | Institutional development |
| 2.04 | Legal advice |
| 2.05 | Legal Information and referrals |
| 2.06 | Legal representation |
| 2.07 | Mediation and other forms of dispute resolution |
| 2.08 | Research and analysis |
| 2.09 | Strategic litigation |
| | Activities under programme 3: Monitoring and reforming laws, regulations and policies |
| 3.01 | Advocacy and lobbying |
| 3.02 | Legal reviews (laws and policies) |
| 3.03 | Assessment of law enforcement practices |
| 3.04 | Communication on new laws and policies |
| 3.05 | Assessment of access to justice for people living with and affected by HIV |
| 3.06 | Engagement of parliamentarians and other policy-makers |
| 3.07 | Media campaigns |
| 3.08 | Reform of customary laws and practices |
| 3.09 | Research and analysis |
| 3.10 | Strategic litigation |
| 3.11 | Advocacy and lobbying |

| Activities under programme 4: Legal literacy ("know your rights") | |
|---|---|
| 4.01 | Community mobilization and education |
| 4.02 | Institutions strengthening on legal literacy |
| 4.03 | Awareness-raising campaigns on human rights and HIV |
| 4.04 | Partnership development |
| 4.05 | Research and analysis |
| 4.06 | Dissemination of information and empowerment of people living with and affected by HIV in relation to their rights |
| 4.07 | Dissemination of information and empowerment of marginalized populations in relation to their rights |
| **Activities under programme 5: Sensitization of law makers and law enforcement agents** | |
| 5.01 | Communications about laws and policies |
| 5.02 | Development of a training curriculum |
| 5.03 | Dialogue sessions and outreach work |
| 5.04 | Policy development |
| 5.05 | Measurement of stigmatising behaviours and discriminatory practices |
| 5.06 | Sensitization and training of law enforcement agents on HIV and human rights |
| 5.07 | Sensitization and training of policy-makers and implementers on HIV and human rights |
| 5.08 | Sensitization and training of prison personnel on HIV and human rights |
| **Activities under programme 6: Training health care providers** | |
| 6.01 | Communications about laws and policies |
| 6.02 | Development of training curriculum |
| 6.03 | Dialogue sessions |
| 6.04 | Policy development |
| 6.05 | Measurement of stigmatising behaviours and discriminatory practices |
| 6.06 | Training health care administrators |
| 6.07 | Training health care regulators |
| 6.08 | Training individual health care providers |
| **Activities under programme 7: Discrimination against women in the context of HIV** | |
| 7.01 | Age appropriate sexuality education and life skills programmes |
| 7.02 | Alternative dispute resolution (e.g. village courts with focus on women's rights) |
| 7.03 | Community mobilization and education about gender and HIV |
| 7.04 | Development of tools and guidance on women's rights and HIV |
| 7.05 | Education and empowerment of women living with and affected by HIV |
| 7.06 | Engagement with religious and traditional leaders about gender and HIV |
| 7.07 | Legal information, advice and representation specifically to women living with and affected by HIV |
| 7.08 | Media involvement and campaigns |
| 7.09 | Programmes to reduce harmful gender norms and traditional practices |
| 7.10 | Reform of property, inheritance and custody laws and policies |
| 7.11 | Research and analysis |
| 7.12 | Safe school initiatives |
| 7.13 | Workplace programmes on gender and HIV |
| 7.14 | Policy and legal advocacy |
| 7.15 | Activities related to reduction of and protection from gender based violence |

# Annex 2 List of output types for the different programmes

| Output types of programme 1: Stigma and discrimination reduction | |
|---|---|
| 1 | Number of families reached |
| 2 | Number of group sessions |
| 3 | Number of media campaigns |
| 4 | Number of people reached |
| 5 | Number of people trained |
| 6 | Number of research studies |
| 7 | Number of training sessions |
| 8 | Number of antidiscriminatory policies developed |
| 9 | Number of peer-support groups actives in stigma-reduction activities |

| Output types of programme 2: HIV-related legal services | |
|---|---|
| 1 | Number of call centres functioning |
| 2 | Number of clients attended |
| 3 | Number of investigations made |
| 4 | Number of legal cases resolved/documented |
| 5 | Number of litigation cases performed |
| 6 | Number of mediation succeeded |
| 7 | Number of mediations undertaken |
| 8 | Number of people informed of their rights |
| 9 | Number of people reached |
| 10 | Number of research studies done |

| Output types of programme 3: Monitoring and reforming laws, regulations and policies | |
|---|---|
| 1 | Number of laws or policies reviewed |
| 2 | Number of laws or policies amended |
| 3 | Number of laws or policies newly established |
| 4 | Number of advocacy campaigns performed |
| 5 | Number of research studies done |
| 6 | Number of consultations conducted |
| 7 | Number of parliamentarians involved |
| 8 | Number of litigation cases performed |
| 9 | Number of laws or policies created |
| 10 | Number of punitive or discriminatory laws abolished |

| Output types of programme 4: Legal literacy | |
|---|---|
| 1 | Number of dialogues/group sessions |
| 2 | Number of people that know their rights |

| 3 | Number of people informed of their rights |
|---|---|
| 4 | Number of persons trained |
| 5 | Number of research studies done |
| 6 | Number of support groups actively advocating people's rights |
| 7 | Number of training sessions done |

### Output types of programme 5: Sensitization of law makers and law enforcement agents

| 1 | Number of communications disseminated |
|---|---|
| 2 | Number of dialogue sessions |
| 3 | Number of institutions covered |
| 4 | Number of personnel trained or sensitized |
| 5 | Number of policies developed and disseminated |
| 6 | Number of research studies done |
| 7 | Number of training sessions done |
| 8 | Number of training curriculum produced |
| 9 | Number of officials that know about HIV human rights and key populations |

### Output types of programme 6: Training of health care providers

| 1 | Number of communications disseminated |
|---|---|
| 2 | Number of personnel trained or sensitized |
| 3 | Number of policies developed and disseminated |
| 4 | Number of research studies done |
| 5 | Number of training curriculum produced |
| 6 | Number of training sessions done |
| 7 | Number of dialogue sessions |
| 8 | Number of health care workers that know about HIV human rights in relation to health care services |

### Output types of programme 7: Discrimination against women in the context of HIV

| 1 | Number of group/dialogue sessions |
|---|---|
| 2 | Number of training sessions done |
| 3 | Number of couples reached |
| 4 | Number of people reached |
| 5 | Number of people trained |
| 6 | Number of women supported |
| 7 | Number of media campaigns |
| 8 | Number of research studies done |
| 9 | Number of mediations undertaken |
| 10 | Number of clients attended |
| 11 | Number of laws and policies reviewed or amended |
| 12 | Number of tools and guidance produced |

# Annex 3   List of staff categories working in different programmes

| Direct staff categories (short and long term) | |
|---|---|
| 1 | Communication officer |
| 2 | Director/coordinator |
| 3 | Education officer |
| 4 | Health care staff |
| 5 | Intern |
| 6 | International consultant |
| 7 | Investigation officer |
| 8 | Legal officer |
| 9 | Monitoring and evaluation officer |
| 10 | National consultant |
| 11 | Paralegal |
| 12 | Peer educators |
| 13 | Programme officer |
| 14 | Researcher |
| 15 | Social worker/paralegal |
| 16 | Translator |
| **Indirect staff categories** | |
| 1 | Director/coordinator |
| 2 | Accountant |
| 3 | Administrative officer |
| 4 | Cleaner |
| 5 | Driver |
| 6 | Finance officer |
| 7 | Information technology support staff |
| 8 | Office assistant |
| 9 | Receptionist |
| 10 | Secretary |

# Annex 4   Calculation of depreciation

The difference between depreciation and amortization needs to be first clarified (Phillips & Huff-Rousselle 2001):

- Amortization usually refers to spreading the cost of an intangible asset (e.g. a software licence) cost over that asset's useful life. For example, a patent on a piece of medical equipment usually has a life of 17 years. The cost involved with creating the medical equipment is spread out over the life of the patent, with each portion being recorded as an expense on the company's income statement.

- Depreciation refers to prorating the cost of a tangible asset over that asset's life. For example, an office building can be used for a number of years before it becomes run down and is sold. The cost of the building is spread out over the predicted life of the building, with a portion of the cost being expensed each accounting year.

In some countries, the terms amortization and depreciation are often used interchangeably, and refer to both tangible and intangible assets. In the field of HIV/AIDS human rights costing, we deal mostly with depreciation and only occasionally with amortization. The difference between the two is conceptual; their annualization follows similar calculation methods.

It is also important to emphasize that depreciation calculated in an analytical cost accounting exercise (like this one) does not mean changing the way depreciation is calculated in the institution's financial statement. Since purchases of equipment and other goods used for business purposes generally are tax deductible, depreciation underlies strict rules. In most of the countries, there are several regulations concerning depreciation of real estate, vehicles and assets.

Special attention should be devoted to depreciation because the estimated cost of producing human rights–related services might be under or overestimated if it is done incorrectly.

For instance, a computer typically becomes fully depreciated in 4 years, and hence companies can deduce its depreciation costs from their income during 4 years. If the analytical cost analysis is done in the fifth year, and the institution is still using the same computer, the financial statement will reflect zero depreciation costs. If the analytical costing does not consider the depreciation costs of a computer, the average unit cost of providing the service will be underestimated. It will be difficult to replicate a similar business in a new setting, because the budget based on the analytical costing study would not cover the financial needs.

In many cases, the costing expert will be forced to calculate depreciation in an ad hoc manner, often being creative in terms of how to use limited data. Again, such flexibility exists only for analytical costing purposes and not for the habitual financial accounting purpose. There are several methods for calculating depreciation, of which the costing expert should choose (or combine) the most convenient one(s); for example:

- simple/straight-line method[3]
- accelerated depreciation method[4]
- social discount method[5]
- annualization method[6]

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3   The straight-line method calculates depreciation by spreading the cost evenly over the life of the fixed asset.

4   Accelerated depreciation methods, such as declining balance and sum of years' digits, calculate depreciation by expensing a large part of the cost at the beginning of the life of the fixed asset. In the area of HIV/AIDS human rights service provision, it is not likely that you will need the accelerated depreciation model.

5   If you had deposited €1000 in a bank five years ago instead of buying a laptop, the money would have earned interest during the intervening period and you would now have more money to spend. This example illustrates the fact that there is a cost that arises from having your capital tied up in an asset, regardless of whether you use it or not. The value lost each year should thus include not only the annual depreciation cost but also the interest you could have earned but decided to forego. The simple depreciation method does not account for foregone interest. The Social Discount method of calculating depreciation was devised in order to reflect the actual costs of expending public funds to acquire a capital asset as opposed to investing them for future use.

6   A significant problem with the social discount method is that it yields different values for each year of the asset's working life. Common sense suggests that its value is used up at about the same rate from year to year, and this means that the social discount rate does not seem plausible, except in certain circumstances. With the annualization method, the total amount of interest foregone is averaged over the life of the asset, so that the resulting figure is the same from year to year. In general, this is more convenient when reckoning multi-annual depreciation.

- declining-balance method
- sum-of-years' digits method
- units-of-production depreciation method
- units of time depreciation method
- group depreciation method
- composite depreciation method.

Most likely, you will use straight line depreciation method or the annualization method. The following variables are needed for the calculation:

- the actual cost or the replacement price of the fixed asset;
- the expected life of the fixed asset;
- the prevailing interest rate (in some cases);
- the inflation rates since the moment of the purchase of the asset (in some cases);
- salvage value[7] may also be considered (in some cases).

For most purposes, the annual value of capital is calculated by dividing the cost of the capital item (its price) by the number of years for which it is functional. A piece of equipment that is worth $6000 and is expected to be operational for 10 years has an annual cost of $600. This procedure is termed "straight-line depreciation".

The price needed for the analysis is not the price that was paid for the item when it was purchased, but the price that would be paid for the item if it was to be purchased in the year for which the costing exercise is being done. In other words, what is needed is information on the (current) replacement value. Because of inflation, the purchase price and the current market price might be different.

The capital items whose cost needs to be annualized this way are any of those that are currently in use by the programme. It is not simply those items that were purchased in the year of conducting the exercise.

It is possible to extend this kind of treatment to other investments that do not necessarily take the form of capital goods. Support for certain types of activities, for example, can also be periodic.

Training is often done intermittently, and technical assistance from external sources may only be one-off or needed only in the start-up period of a programme. It is desirable to identify any major investments of this type and, if possible, handle them in a fashion similar to the way capital goods are treated by prorating their costs during the relevant time period.

Calculation of depreciation can be done using the following steps:

1. Document the main capital items being used at each level of the programme through interviews and observation. Some programmes keep inventories of capital equipment currently in use. If these are not available and if the number of items is relatively small, it may be possible, as part of the study, to do a one-off inventory of key items of equipment, buildings and equipment.

   Refer to accounting records, or consult the purchasing sections or the manufacturers to find the current price (the replacement price) for those items. If that price cannot be ascertained directly (perhaps the item is no longer available) either look at the current price of a similar good, or take the original price and increase it in line with inflation. For example, a piece of medical diagnostic equipment was bought in 2004 for US$ 12 000 and is expected to be fully depreciated in 6 years. The equipment is not available on the market anymore.

Under the assumption of zero inflation, a piece of equipment that is worth US$ 12 000 and is expected to be operational for 6 years has an annual cost of US$ 2000 throughout its entire useful life.

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7   The estimated value that an asset will realize upon its sale at the end of its useful life. The value is used in accounting to determine depreciation amounts and in the tax system to determine deductions. The value can be a best guess of the end value or can be determined by a regulatory body.

The following table illustrates a situation where inflation is not neglected.

| Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|
| Inflation | 3% | 4% | 4% | 5% | 3% | 2% |
| Corrected depreciation (US$) | 2000 | 2060 | 2142 | 2228 | 2340 | 2410 |
| Calculation | 12 000/6 | 2000* (1 + 0.03) | 2060* (1 + 0.04) | 2142* (1 + 0.05) | and so on. | |

In some cases, there is a vast difference between the price of the originally purchased equipment that is still in use and a comparable device that is currently available in the market. The difference is vast even after correcting for inflation. The "official" depreciation cost of a comparable new equipment leads to an unrealistically high unit cost estimation.

A possible solution is not using the "official" useful life years but the real expected ones in the particular environment. If the interviewed person indicates that it is expected that the equipment will be in real use for 12 years (e.g. because it is not frequently used), you should spread the depreciation calculation over 12 years instead of 6 years for the purpose of your cost analysis.

If the calculations are being done for the purpose of estimating costs for cost-effectiveness analysis, the replacement value is divided by an annualizing factor rather than the useful life. The annualizing factor is calculated from the discount rate (consult the finance department for the value of the discount rate). This is shown in the following case example.

**The detection and treatment of pregnant women living with HIV**

The programme uses a car (as part of prenatal outreach) and space in a health centre for counselling. The following table displays how the annual cost of a car and a reproductive health clinic were calculated using straight-line depreciation.

| Capital items | Replacement price | Useful life (UL) | Annual cost (AC) = $/UL |
|---|---|---|---|
| Vehicles (one car) | $10,000.00 | 15 years | $666.67 |
| Buildings (reproductive health clinic) | $100,000.00 | 30 years | $3333.33 |

# Annex 5 Examples of cost drivers

| Inputs | The cost of these inputs is a function of: | Allocation factors for distributing shared costs to a specific activity: |
|---|---|---|
| Administration | Labour time, qualifications | The percentage of administration costs related to HIV-related human rights programmes |
| Training | Labour time, qualifications | The percentage of training hours or volume of trainees allocated to HIV-related human rights programmes |
| Monitoring & evaluation (M&E) | Labour time, qualifications | The percentage of M&E activities allocated to HIV-related human rights programmes |
| Materials (medicines, supplies) | Quantity | Number of beneficiaries allocated to HIV-related human rights programmes |
| Building | Space/time of use | The percentage of building space (in square metres) dedicated to HIV-related human rights programmes (alternatively, the percentage of beneficiaries in these programmes) |
| Vehicles | Distance/time | The percentage of mileage or total trips travelled for HIV-related human rights programmes (alternatively, the percentage of staff allocated to HIV-related human rights programmes who regularly use vehicles) |
| Training | Labour time, qualifications | The number of training hours or volume of trainees allocated to HIV-related human rights programmes |
| Advertising and mass media | Volume | The volume or percentage of targeted audience related to HIV-related human rights programmes |
| Training services | Labour time | Volume of trainees or working hours working in HIV-related human rights programmes |
| Catering | Volume | Meals served (per person, or per person and per day) |
| Printing | Volume | Number of pages printed for HIV-related human rights programmes |
| Communications (e.g. Internet, phone) | Volume | The percentage of Internet and phone users (staff) used for HIV-related human rights programmes |
| Consulting | Time | The time (consultant days or full-time equivalents) dedicated to HIV-related human rights programmes |

# Annex 6 Frequently asked questions

**Q: What is the human rights costing tool (HRCT)?**

The HRCT is an Microsoft Excel–based tool designed to report on the cost of the seven key programmes to reduce stigma and discrimination, and increase access to justice at the provider level. The HRCT estimates the related service unit costs of these programmes and costs new programmes.

The tool covers a single time period, so it cannot be used to project several yearly proposals at once.

**Q: Does the HRCT complement existing tools for HIV services, and how?**

The HRCT complements existing costing tools. Where other tools refer to human rights as a cross-cutting approach, the HRCT details human rights programmes on a stand-alone basis. Data produced by the HRCT can be used as input into other tools and processes estimating costs of HIV programmes.

**Q: Which programmes are covered in the HRCT?**

The HRCT was developed around the seven key programmes recommended by UNAIDS for all national HIV responses.

**Q: What input information is required for the HRCT?**

The information required in the HRCT includes:

- programme data about the services being provided;
- the outputs of each activity;
- staff costs of the organization and implication in HIV-related human rights programmes;
- direct and indirect costs of the programmes.

**Q: If activities are overlapping with different key programmes, how should they be recorded?**

Some programmes can overlap. For example, Programme 7, which focuses on the rights of women in the context of HIV, cuts across all the other key programmes. The classifications of each activity should be done in accordance to the definition included in the key programmes manual. When a specific activity appears to be clearly overlapping with other projects (e.g. legal representation of widows disinherited from their houses), it is recommended to classify them within Programme 7, because it constitutes an activity directly addressing gender issues and women's rights.

**Q: Does the HRCT capture the costs of volunteers?**

These costs can be captured if included within the boundaries of the costing exercise. If they are captured, they should be clearly identified. Capturing such costs can be useful to estimate the opportunity cost of a programme (see section 1.3).

**Q: Which languages is the HRCT available in?**

The HRCT is now available in English, and a French version will be available in 2012.

**Q: Where can I download the HRCT?**

On the UNAIDS website: www.unaids.org/en/dataanalysis/tools

**Q: Who can I contact if I have any additional questions about the HRCT?**

For more information on the costing tool, you can contact Benjamin Gobet (gobetb@unaids.org).

For more information on HIV-related human rights programmes, contact Lina Nykanen-Rettaroli (nykanenl@unaids.org) or Susan Timberlake (timberlakes@unaids.org).

# Glossary

### Activities

Common and systematic tasks carried out by an organization while it is fulfilling its mission and pursuing its objectives. The aggregation of activities on the basis of common objectives constitutes the different programmes. For each HIV-related human rights programme, a list of activities is predefined, which can be extended by the user upon need.

In general terms, the activities of an organization can be defined in several ways (with different levels of aggregation), according to the needs of the costing exercise. The main rule for defining the "activities" of an organization is that the activities should be comprehensive, have quantifiable costs associated with them, and have well-defined relationships to programmes and outputs of the organization. Activities are tied to specific outputs and goals. See also *Programmes*

### Activity based costing (ABC)

A costing methodology where costs are allocated to products and services based on the number of transactions or events involved in the process of providing a product or service.

### Budgeting

The process of translating planning and programming decisions into specific financial plans to project future income and expenses for relatively short periods of time.

### Calendar year

The 12-month period that runs from 1 January to December 31.
See also *Fiscal year*

### Cost driver

The factor that influences or contributes to the cost of an activity. Cost drivers are used in activity-based costing to allocate a specific cost (e.g. staff cost, overheads) to the activities for which they are used.

### Costing

The process of estimating the monetary value of inputs that are necessary to deliver a particular service or product. The total cost of services is determined by the number of resources consumed and the unit cost of each resource. Therefore, costing involves (a) measuring the quantity of inputs (resources) that are needed to deliver particular services in natural units and (b) the valuation of these inputs in monetary terms.

### Direct cost

A cost that can be directly related to producing specific goods or performing a specific service. For example, if the activity involves training individual health care workers, the cost of renting the venue or the honorarium for the facilitator are direct costs.

### Fiscal year

Any 12-month accounting period that varies from the calendar year and the federal fiscal year (e.g. it does not necessarily run from 1 January to 31 December). Fiscal years vary between businesses and countries. It is the period during which obligations are incurred, encumbrances are made and appropriations are expended. It is designated by the calendar year in which it ends (e.g. a fiscal year that runs from 1 April 2010 to 31 March 2011 would be called the 2011 fiscal year).
See also *Calendar year*

## Fixed cost

A cost that does not change with an increase or decrease in the number of goods or services produced. Fixed costs are expenses that have to be paid by a programme independent of any activity or level of output. It is one of the two components of the total cost of a good or service, along with variable cost. For example, the annual rent for an office or the staff salaries will make up fixed costs for a programme.
See also *Variable cost*

## Full-time equivalent (FTE)

The workload of a particular staff member as a share of total workload of a full-time staff. For instance, a person working 4 hours each day, 5 days a week equals a 0.5 FTE. A person working 8 hours one day per week equals a 0.2 FTE.

## Indirect cost

An expense – such as administration, maintenance, advertising, information technology (IT), security, supervision – incurred in joint usage and, therefore, difficult to assign to, or identify, with a specific cost object or cost centre (e.g. department, function, programme). Indirect costs are usually constant for a wide output range and are mostly grouped under fixed costs.
See also *Fixed cost*

## Outcomes

The intermediate effect of an intervention's outputs, such as change in knowledge, attitudes, beliefs or behaviours.

## Output

The immediate effects of programme or intervention activities; the direct products or deliverables of programmes or intervention activities, such as the number of HIV legal information sessions completed, the number of clients attended to or the number of people trained.

## Programme

An organized set of activities of an organization, grouped on the basis of common objectives. For HIV-related human rights programmes, there are seven defined key programmes (see Table 2). Programmes are comprised of activities.
See also *Activities and Annex 1*

## Unit cost

The cost incurred by an organization to produce one unit of a particular product or service. Unit costs include all fixed costs (e.g. plant and equipment) and all variable costs (e.g. labour, materials) involved in production. A unit cost is an important metric to assess production efficiency. Generally, the larger a company grows, the lower the unit cost it should achieve through economies of scale.

## Variable cost

A corporate expense that varies with production output. Variable costs are those costs that vary depending on a company's production volume; they rise as production increases and fall as production decreases. Variable costs differ from fixed costs such as rent, advertising, insurance and office supplies, which tend to remain the same regardless of production output. Fixed costs and variable costs comprise total cost.
See also *Fixed cost*

# Notes

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