

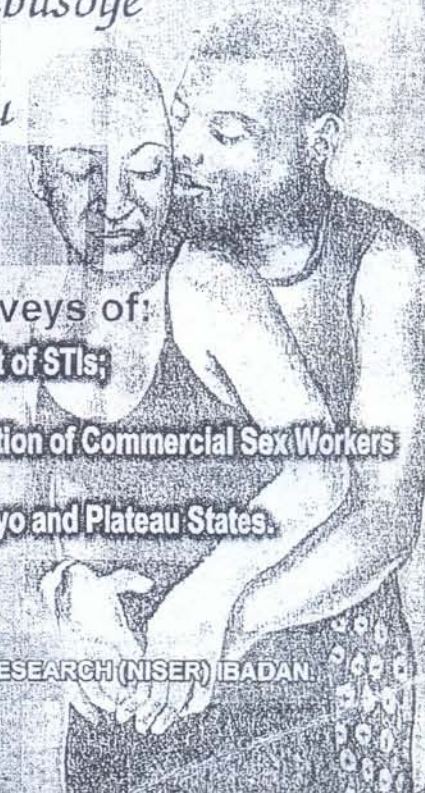
# COSTING OF HIV/AIDS PREVENTION INITIATIVES IN NIGERIA

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Findings from surveys of:

- Condom Social Marketing; ■ & Treatment of STIs;
- Use of Mass Media; ■ Peer Education of Commercial Sex Workers
- Aids Education in Schools; ■ in Lagos, Oyo and Plateau States.

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## Chapter Four

### Sexually Transmitted Infections (STIs)

#### Lagos State\*

##### Introduction

To effectively prevent and control the spread of HIV/AIDS, sexually transmitted infections (STIs) must be effectively treated and prevented. Proper treatment of STIs will be effective as a preventive measure for HIV/AIDS transmission, since the risk factors and target population are very much the same. The common risk factors include unprotected sexual intercourse, sex with casual or multiple partners, and genital ulcers (Hubley and Fransen, 1998).

In Nigeria, several studies have reported high rates of premarital sexual activity among Nigerian adolescents. The level of sexual activity and the incidence of STIs are equally high while use of reproductive health services is low. A recent survey of 17 to 19 year old female adolescents in South Eastern Nigeria found that, 1 percent had trichonomiasis and 11 percent had a chlamydial infection, while 82 percent had virginal discharge and 26 percent had clinical evidence of candidacies.

The major approaches being adopted in the management of STIs are health education and treatment. These approaches have to work together for both the infected and uninfected individuals. The uninfected can protect them; the infected can be cured, while the cured may be able to avoid becoming re-infected. Briefly, these interventions center mainly on behavior-change communication using the mass media, posters, counseling and peer education in schools and workplaces. In addition, proper and consistent use of condoms is identified as a highly effective means of preventing STIs.

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### **Purpose of Study**

The primary purpose of the present project is to perform current cost analysis for the year 2000 of treating STIs as a preventive measure against HIV/AIDS in Lagos State.

### **Selected NGOs**

The organizations that were selected for study are Women's Health Organization of Nigeria (WHON), Center for Rights to Health (CRH) and Planned Parenthood Federation of Nigeria (PPFN). To a large extent, the NGOs kept good records of their transactions while different IEC materials, booklets, etc. were either presented as souvenirs or for confirmation. However, it is pertinent to note that researchers were not allowed to check some of these records because "they are under confidential cover".

### **Results and Discussion**

In this study, items were recorded as either financial or economic costs. Thus, to know total cost of an item, the financial and economic costs are summed up. The combined financial and economic cost profiles for Women's Health Organization of Nigeria (WHON) are presented in Table 4.1. Similar costs incurred by PPFN and CRH are presented in Tables 4.2 and 4.3 respectively. For the sake of effective comparison, Table 4.4 presents side by side the combined Financial and Economic Cost Profiles for the three NGOs, including the total costs of each item and average costs.

Table 4.1: Combined Financial and Economic Costs Profile for WHON

Cost Category	Financial Cost	Economic Cost	Total Cost	percent of Total Cost
<b>Capital</b>				
Building	536,250	343,750	880,000	6.89
Equipment	2,044,625	2,250,000	4,294,625	33.64
Vehicles	125,000	1,332,500	1,457,500	11.42
Consultancies (non recurrent)	634,725	-	634,725	4.97
<b>Total Capital Costs</b>	<b>3,340,600</b>	<b>3,926,250</b>	<b>7,266,850</b>	<b>56.92</b>
<b>Recurrent</b>				
Personnel	3,495,000	675,000	4,170,000	32.66
Supplies	289,065.50	-	289,065.50	2.26
Vehicle Operation and Maintenance	208,625	-	208,625	1.63
Building Operation and Maintenance	262,500	-	262,500	2.06
Consultancies (recurrent)	91,250	-	91,250	0.72
Others	478,300	-	478,300	3.75
<b>Total Recurrent Cost</b>	<b>4,824,640.50</b>	<b>675,000</b>	<b>5,499,740</b>	<b>43.07</b>
<b>TOTAL COSTS</b>	<b>8,165,240.50</b>	<b>4,601,250</b>	<b>12,766,590.50</b>	<b>100.00</b>

Source: Field Data Analysis (2002)

**Table 4.2: Combined Financial and Economic Costs Profile for PPFN**

Cost Category	Financial Cost	Economic Cost	Total Cost	percent of Total Cost
<b>Capital</b>				
Building	3,911,700	3,467,200	7,378,900	34.67
Equipment	59,785	-	59,785	0.28
Vehicles	4,331,250	-	4,331,250	20.35
Consultancies (non-current)	3,937,500	-	3,937,500	18.50
<b>Total Capital Costs</b>	<b>12,239,450</b>	<b>3,467,200</b>	<b>15,706,650</b>	<b>73.80</b>
<b>Recurrent</b>				
Personnel	2,714,500	-	2,714,500	12.75
Supplies	1,760,000	-	1,760,000	8.27
Vehicle Operation and Maintenance	399,467	-	399,467	1.88
Building Operation and Maintenance	602,800	-	602,800	2.83
Consultancies (recurrent)	-	-	-	0.0
Others	99,240	-	99,240	0.47
<b>Total Recurrent Cost</b>	<b>5,576,016</b>	<b>-</b>	<b>5,576,016</b>	<b>26.20</b>
<b>TOTAL COSTS</b>	<b>17,815,466</b>	<b>3,467,200</b>	<b>21,282,660</b>	<b>100.00</b>

*Source:* Field Data Analysis (2002)

**Table 4.3: Combined Financial and Economic Costs Profile for CRH**

Cost Category	Financial Cost	Economic Cost	Total Cost	percent of Total Cost
<b>Capital</b>				
Buildings	440,000	-	440,000	5.12
Equipment	-	450,000	450,000	5.24
Vehicles	-	-	-	-
Consultancies (non current)	-	-	-	-
<b>Total Capital Costs</b>	<b>440,000</b>	<b>450,000</b>	<b>890,000</b>	<b>10.36</b>
<b>Recurrent</b>				
Personnel	5,849,800	-	5,849,800	68.12
Supplies	180,000	-	180,000	2.10
Vehicle operation and maintenance	-	-	-	-
Building operation and maintenance	710,000	-	710,000	8.27
Consultancies (recurrent)	-	558,000	558,000	6.50
Other costs	400,000	-	400,000	4.66
<b>Total recurrent costs</b>	<b>7,139,800</b>	<b>558,000</b>	<b>7,697,800</b>	<b>89.64</b>
<b>TOTAL COSTS</b>	<b>7,579,800</b>	<b>1,008,000</b>	<b>8,587,800</b>	<b>100.00</b>

*Source:* Field Data Analysis (2002)

Table 4.4: Total Financial and Economic Costs Profile for the Three NGOs

Cost Category	WHON	PPFN	CRH	Total Cost	percent of Total Cost	Average Cost (N'm)
<b>Capital</b>						
Buildings	880,000	7,378,900	440,000	8,698,900	20.40	2.90
Equipment	4,294,625	59,785	450,000	4,804,410	11.27	1.60
Vehicles	1,457,500	4,331,250	-	5,788,750	13.58	1.93
Consultancies (non-current)	634,725	3,937,500	-	4,572,225	10.72	1.52
<b>Total Capital Cost</b>	<b>7,266,850</b>	<b>15,707,435</b>	<b>890,000</b>	<b>23,864,285</b>	<b>55.97</b>	<b>7.95</b>
<b>Recurrent</b>						
Personnel	4,170,000	2,714,500	5,849,800	12,734,300	29.89	4.24
Supplies	289,065.50	1,760,000	180,000	1,229,065.5	2.88	0.74
Vehicle operation and maintenance	208,625	399,476	-	608,101	1.43	0.20
Building operation and maintenance	262,500	602,800	710,000	1,575,300	3.69	0.53
Consultancies (recurrent)	91,250	-	558,000	649,250	1.52	0.22
Other costs	478,300	99,240	400,000	977,540	5.21	0.33
<b>Total Recurrent Costs</b>	<b>5,499,740.50</b>	<b>5,576,016</b>	<b>7,697,800</b>	<b>18,773,556.50</b>	<b>44.03</b>	<b>6.48</b>
<b>TOTAL COST</b>	<b>12,766,590.50</b>	<b>21,283,451</b>	<b>8,587,800</b>	<b>42,637,841.5</b>	<b>100.0</b>	<b>15.13</b>

Source: Field Data Analysis (2002)

From the aforementioned three tables (4.1, 4.2 and 4.3), it is quite obvious that there are significant variations in the financial, economic and total costs. The organization with the highest financial cost is PPFN (₦17,815,466), followed by WHON (₦8,165,240.50), and CRH (₦7,579,800). On the other hand, WHON has the highest economic costs (₦4,601,250) followed by PPFN (₦3,467,200) and CRH (₦1,008,000) in the order. PPFN has the highest total cost at ₦21,282,660 compared to ₦12,766,590.50 and ₦8,587,800 for WHON and CRH respectively.

There are distinct variations in the composition of the total costs incurred by each of the three organizations. For example, the data on Table 4.1 shows that, almost six out of every ten naira spent represents for WHON financial costs. Whereas, for PPFN about eight out of every ten naira of the total costs incurred in 2000 were actually paid for in cash as opposed to economic cost of about two out of every ten naira (Table 4.2). For CRH, nine out of every ten naira spent are actually paid for in cash (financial cost) (Table 4.3).

In general, it appears that the higher the financial cost, the higher the total costs for the three organizations. This could be because in most cases, donors fund virtually all the capital and recurrent costs. That is, the ability of these NGOs to write good proposals inclusive of "wish lists" qualifies them for donor assistance. WHON has been able to access financial and material assistance from such agencies as The John and Catherine MacArthur Foundation, International Women's Health Coalition, Ford Foundation, Population Council and the Dutch Embassy in Nigeria. The Ijebu-Ode Local Government also donated office space worth ₦250,000 in yearly rental value. In comparison, Ford Foundation facilities CRH while, International Planned Parenthood Federation (IPPF) empowers PPFN. As a matter of fact, with the exception of office space in four locations donated to PPFN, all other costs are provided by IPPF.

Table 4.5 shows that the three NGOs incurred ₦33,560,506.50 as financial costs during the study period.



Financial capital cost represents 47.74 percent or ₦16,020,835 of the amount while, financial recurrent costs represents 52.26 percent. The costliest item at the state level is personnel followed by building, consultancies (non-recurrent) and vehicles in that order.

Total economic costs at the state level (₦17,483,900) is just about half of its financial counterpart (Table 4.6). The most costly item as depicted by the table is office space (building), followed by equipment, vehicles and personnel respectively. Personnel cost is inversely related to total costs of the NGOs. Thus, CRH with the least total costs has the highest personnel costs followed by WHON and PPFN respectively. Indeed, personnel costs for CRH represent 77.18 percent of its financial costs and 68.12 percent of its total costs. At the state level, this same NGO is responsible for 45.94 percent of all personnel costs borne by the three NGOs. This finding is very germane to program sustainability because like PPFN, the staff strength for CRH is eight and for WHON it is 16 sixteen. Obviously the wage rates and allowances are much higher for CRH staff compared with its counterparts.

Capital costs of building are high generally in Lagos, and it is also very high for PPFN because it has offices in five locations in the state. What it loses on buildings, it gains from low personnel costs. Despite an expenditure of ₦21.28m by PPFN, it spent only ₦2.7m or 12.3 percent on personnel. The other costs borne by PPFN went into acquiring stationery, soap and detergent, IEC materials and photocopying. This is equally true of the other NGOs but additionally, CRH paid for media advertisement and postages.

Cost recovery as a means of enhancing program sustainability has been well established in the literature (Creese and Parker, 1992; Bratt, *et al*, 1998). None of the sample NGOs recovered even 0.5 percent of their total costs. For example, WHON earned ₦39,500 during the reporting period representing 0.31 percent of total costs and 0.72 percent of total recurrent costs. The cost recovered represents only 0.82 percent and 5.85 percent of recurrent financial economic costs respectively.

With regards to PPFN, it was also able to generate ₦20,795

from IEC materials, and photocopying services. This amount represents a mere 0.10 percent of its total costs and 0.37 percent of total current costs. In terms of networking and cost sharing, available information shows that PPFN performs better than the others.

Tables 4.8 and 4.9 show the unit costs for available program indicators for WHON and PPFN respectively. Undoubtedly, the various unit costs for available indicators from each of the two NGOs are quite high. Although production costs were generally high in the country in 2000, such costs were especially high in highly urbanized states such as Lagos. Also, these costs are high as a result of the small number of quantities of indicators especially IEC materials and publications. Strengthening these NGOs should facilitate production of more IEC and other promotional materials at relatively lower costs in subsequent years.

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**Table 4.5: Financial Costs Profile for the Three NGOs**

Cost Category	PPFN	percent Share	WHON	percent Share	CRH	percent Share	State (Total) Financial Costs	State Share
Capital: Building	3,911,700	21.96	536,250	6.57	440,000	5.80	4,887,950	14.56
Capital: Equipment	59,785	0.34	2,044,625	25.04	-	0.0	2,104,410	6.27
Capital: Vehicle	4,331,250	24.31	125,000	1.53	-	0.0	4,456,250	13.28
Capital: Consultancies (non-recurrent)	3,937,500	22.10	634,725	7.77	-	0.0	4,572,225	13.62
Recurrent: Personnel	2,714,500	15.24	3,495,000	42.80	5,849,800	77.18	12,059,300	35.93
Recurrent: Supplies	1,760,000	9.88	289,065.50	3.54	180,000	2.37	2,229,065.5	6.64
Recurrent: Veh. (operation & Maint)	399,467	2.24	208,625	2.55	-	-	608,092	1.81
Recurrent: Building	602,800	3.38	262,500	3.21	710,000	9.37	1,575,300	4.69
Recurrent: Consultancies (recurrent)	-	0.0	91,250	1.12	-	0.0	91,250	0.27
Recurrent: Others costs	99,240	0.56	478,300	5.86	400,000	5.28	977,540	2.91
	12,239,450	68.70	3,340,600	40.90	440,000	5.80	16,020,050	47.73
	5,576,016	31.30	4,824,640.5	59.10	7,139,800	94.20	17,540,456.5	52.27
Total Capital Cost								
Total Recurrent Costs								
Total Costs	17,815,466	100.0	8,165,240.5	100.00	7,579,800	100.0	33,560,506.5	100.00

Source: Field Data Analysis (2002)

**Table 4.6: Economic Costs Profile for the Three NGOs**

Cost Category	PPFN		WHON		CRH		State (Total) Economic Costs	State Share
		percent Share		percent Share		percent Share		
Capital: Building	3,467,200	100.0	343,750	7.47	-	-	3,810,950	21.80
Capital: Equipment	-	-	2,250,000	48.90	450,000	44.64	2,700,000	15.44
Capital: Vehicle	-	-	1,332,500	28.96	-	-	1,332,500	7.62
Capital: Consultancies (non-recurrent)	-	-	-	-	-	-	-	-
Recurrent: Personnel	-	-	675,000	14.67	-	-	675,000	3.86
Recurrent: Supplies	-	-	-	-	-	-	-	-
Recurrent: Veh. (operation & Maint)	-	-	-	-	-	-	-	-
Recurrent: Building	-	-	-	-	-	-	-	-
Recurrent: Consultancies (recurrent)	-	-	-	-	558,000	55.36	558,000	3.19
Recurrent: Others costs	-	-	-	-	-	-	-	-
Total Capital Cost	3,467,200	100.0	3,926,250	85.33	450,000	44.64	7,843,450	44.86
Total Recurrent Costs	-	-	-	14.67	558,000	55.36	558,000	3.19
<b>Total Costs</b>	<b>3,467,200</b>	<b>100.0</b>	<b>4,601,250</b>	<b>100.0</b>	<b>1,008,000</b>	<b>100.0</b>	<b>17,483,900</b>	<b>100.0</b>

**Source:** Field Data Analysis (2002)

**Table 4.7: Summary of Total Cost Profiles for the Three NGOs**

Cost Category	Financial Cost	Economic Cost	Total Costs	Percent Share
Capital				
Buildings	4,887,950	3,810,950	8,698,900	17.04
Equipment	2,104,410	2,700,000	4,804,410	9.41
Vehicles	4,456,250	1,332,500	5,788,750	11.34
Consultancies (non current)	4,572,225	-	4,572,225	8.96
Total Capital Costs	12,059,300	675,000	12,734,300	24.95
Recurrent				
Personnel	2,229,065.5	-	2,229,065.5	4.37
Supplies	608,092	-	608,092	1.19
Vehicle operation & maintenance	14,575,300	-	14,575,300	28.55
Building operation & maintenance	91,250	558,000	649,250	1.27
Consultancies (recurrent)	977,540	-	977,540	1.92
Other costs	16,020,050	7,843,450	23,863,500	46.75
Total recurrent costs	17,540,456.5	558,000	18,098,456.5	35.46
Total Costs	33,560,506.50	17,483,900	51,044,406.50	-

*Source:* Field Survey, 2002

**Table 4.8: Unit Costs for WHON Program Indicators**

SN	Indicators	Number Produced	UNIT COSTS (N)						
			FCC	ECC	FRC	ERC	TFC	TEC	TC
1	Volunteer	624	5,353.53	6,292.07	7,731.80	1,081.73	7,373.80	13,085.48	204,592.30
2	Workers	3000	1,113.53	1,308.75	1,608.21	225.00	1,533.75	2,721.78	4,255.53
3	Trained	250	13,362.40	15,705.00	19,298.56	2,700.00	18,405.00	32,661.36	51,066.36
4	IEC Materials Promotional T-shirts Promotional Face Caps	250	13,362.40	15,705.00	19,298.56	2,700.00	18,405.00	32,661.36	51,066.36

**Source:** Field Survey 2002-09-26

**Note:** FCC=Financial Capital Cost; ECC=Economic Capital Cost; FRC=Financial Recurrent Cost; ERC=Economic Recurrent Cost; TFC=Total Financial Cost; TEC =Total Economic Cost; TC=Total Cost.

**Table 4.9: Unit Costs for PPFN Program Indicators**

SN	Indicators	Number/Quantity	UNIT COSTS (N)						
			FCC	ECC	FRC	ERC	TFC	TEC	TC
1	New condom Acceptors	1,000	12,239.45	3,467.20	5,576.02	-	17,815.47	3,467.20	21,282.67
2	IEC Materials								
	a) Posters	3,200	3,824.83	1,083.50	1,742.51	-	5,567.33	1,083.50	6,650.83
	b) Booklets	4,000	3,059.86	866.80	1,394.00	-	4,453.87	866.80	5,320.67
	c) Calendars	600	20,399.08	5,778.67	9,293.36	-	29,692.44	5,778.67	35,471.11
3	Youths Trained for STI Prevention	490	24,978.47	7,075.92	11,379.62	-	36,358.10	7,075.92	43,434.02

*Source:* Field Data Analysis (2002).