National Policy, Strategy, and Planning Costing Tool

User Guide

# Introduction

The National Policy, Strategy, Planning (NSP) Costing Tool is designed to cost activities linked to strategic plans and produce multi-year cost projections to help inform budget planning and financing dialogue. The user-friendly, excel-based costing is designed to be used by health planners and policymakers. The tool also has a financing element that can be used to show financing sources and gaps in current and future funding.

By using this costing tool, users can create a detailed activity-based budget with all underlying details and assumptions. Additionally, the tool can be used to perform quick calculations to establish the costs of individual activities which may be useful at various points during operational planning for the disease programs. Finally, the tool can automatically produce projections of financing (and financial gaps) with sources of funding.

# Contact

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# 3. Overview of the costing tool

The *National Policy, Strategy, and Planning Costing Tool* is organized around six sections:

1. **Inputs**: This sheet contains country and implementation plan information.
2. **Budget calculations** (BUDGET CALCS): contains three working sheets.

* *Budget\_Calcs*: Consolidated budget calculation for the forecasted years.
* *Cost\_Assumptions*: Reference unit costs to calculate activity costs.
* *Financing*: Input funding commitments and anticipated funds towards the program.

1. **Results summary** (SUMMARY TABS): contains three working sheets that summarize the program costs for all five years of the NSP period.

* *Summary\_Tables*: Consolidated budget calculation for the forecasted years.
* *Graphs*: Key results presented in graph format.
* *Costs\_by\_Category*: Calculation of cost by category (in currency entered in the tool).

1. **List**: This sheet contains the list of cost categories and sub-categories (cost inputs) that will be used to budget the NSP activities.
2. **Reference data** (REFERENCE DATA): contains four working sheets.

* *REF | Country\_Database*: Reference information on countries, such as population and national currency.
* *REF | Blank\_1/2/3*: three working sheets left blank where the user can input any reference data deemed useful, such as cost reference data.

1. **Back Calculations**: financial and human resources assumptions that will be used for the cost assumptions.

The following sections will focus on the Inputs, Budget calculations, Results summary, List and Back calculation sections. The Reference data section will not be considered.

# 4. Data Entry

This section highlights every section of the tool where data needs to be entered in order to be used for the budget calculations.

4.1. Inputs

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| Inputs |

The first step is to enter information about the country and the National Policy, Strategy or Planning program in the ‘Inputs’ sheet. The information entered in this sheet will be used for calculations in the Budget calculations section.

1. **Country information** (Line 4 to 18):

* Enter in the blue cells:
  + The baseline year for the analysis (D5)
  + The name of the country (D7, select in the dropdown list)
  + The national currency - USD exchange rate (D12)
  + Whether the costs should be displayed in USD or in the national currency (D14, select in the dropdown list)
  + The annual inflation rate (D16)
  + Whether funding is available for the program (D18, select in the dropdown list)
* The information is the white cells will be automatically calculated by formula:
  + The total population for the baseline year (D8)
  + The national currency (D10).

1. **Sources of financing** (Line 22 to 43): if funding is available for the program, enter one name of donor per line.
2. **NSP Information:**

* Thematic areas (Column C, lines 49 to 59): enter the different thematic sections of the program, e.g., governance, financing, human resources, service delivery, products.
* Interventions by thematic areas (Column E to N, lines 49 to 74): detail the different interventions planned in the program for each thematic section.
* The data entered in the NSP Information section will be used in the Budget calculations section.

4.2. List

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| List |

The second step is to enter the list of cost categories that will be used for the budget calculations.

1. **Cost categories** (Column A):in each line, enter the cost categories that will be used to analyse the NSP budget. You can find examples of cost categories in the version of the tool containing example data, such as Training and Development costs, Supervision and Management Costs, Staff Costs, etc.
2. **Cost inputs** (Column C to L): this section is relevant for your programme only if the budget requires a more detailed level for cost categories. Each column refers to one of the cost categories entered in Column A. For each column, i.e., for each cost category, enter cost sub-categories (cost inputs). You can find examples of cost inputs in the version of the tool containing example data.

4.3. Back Calculations

If relevant, the user can enter here assumptions that will be used to calculate the unit costs.

1. **Financial Assumptions:** this section contains information about the inflation rate.

* **Year** (Column B): displays the baseline year and previous 6 years.
* **Inflation rate (%)** (Column C): for each year, enter the inflation rate.
* **Years** (Column D): automatically allocate a number to each year.
* **Cumulative rate** (Column E): automatically calculated the cumulative rate for each year.
* **Source** (Column F): indicate the source for the inflation rate.
* **Estimate** (Column I): enter the interest rate and discount rate for the baseline year. The Inflation rate is automatically reported from column C.
* **Source** (Column J): indicate the source for the interest rate and discount rate.

1. **Human Resource Assumptions:** enter here any human resources assumptions relevant to calculate costs. Modify the example as you see fit.

4.4. Cost assumptions

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| Cost\_Assumptions |

Enter cost information for the cost categories and cost inputs entered in the ‘List’ tab

Example of lines 6 to 26:

* **Cost item**(Column A): the blue cell will automatically display the first cost category entered in the ‘List’ tab. The white cells below will automatically display the cost inputs for that cost category entered in the ‘List’ tab, if relevant.
* **Description**(Column B): enter a description for the cost category and/ or cost input.
* **Cost (Source)**(Column C): enter the cost value for the cost category and/ or for each cost input.
* **Cost Unit (Source)**(Column D): select in the dropdown list the cost unit for the cost value entered in Column C.
* **Cost year**(Column E): enter the reference year for the cost value entered in Column C.
* **Inflated years**(Column F): automatically calculates the number of inflated years from the reference year.
* **Source** (Column G): enter the source of the cost value (e.g., Ministry of Health).
* **Unit Cost** (Column H): automatically calculates the cost value taking into account the inflation rate.
* **Cost Unit** (Column I): automatically brings back the cost unit entered in Column D.

Repeat this step for each cost category.

# 5. Budget calculations (BUDGET CALCS)

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| BUDGET CALCS -> | Budget\_Calcs |

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| --- |
| Financing |

5.1. Budget Calculations

Input cost information about program interventions to perform consolidated budget calculation for the forecasted years. For each line:

* **Thematic Area** (Column B): select the thematic area of the intervention in the dropdown list. The dropdown list is based on the name of the program thematic areas entered in the ‘Inputs’ sheet, section III. NSP Information.
* **Intervention** (Column C): select an intervention in the dropdown list. The dropdown list is based on the name of the program thematic areas entered in the ‘Inputs’ sheet, section III. NSP Information.
* **Activity** (Column D): each intervention can be composed of one or more activities which can be added in column D.
* **Description** (Column E): a description of the activity can be added in column E.
* **Cost Category** (Column F): select the cost category in the dropdown list. The dropdown list is based on the cost categories entered in the ‘List’ sheet, column A.
* **Cost Item** (Column G): select the cost item in the dropdown list. The dropdown list is based on the cost items that form part of each cost category entered in the ‘List’ sheet, columns C to L.
* **Unit Cost Available?** (Column H): select in the dropdown list whether a unit cost is available (Yes) or not (No) for the selected cost item.
* **Unit Cost** (Column I) and **Cost Unit** (Column J): if a unit cost is available, these columns will automatically indicate the unit cost and cost unit pertaining to the cost item.
* **Column K to T**: for each year, enter the quantity and frequency information for the selected cost item. It is important that information is provided for both columns of each year for the tool’s formulas to automatically calculate the annual sub-activity costs (see description columns U to Y).
  + **Quantity**: this column relates to the number of units. It can be the persons (e.g., meeting participants, trainees, consultants, employees receiving salaries, etc.) or number of vehicles, LCD projectors, halls, checklists, etc. You can generally think of this column as ‘the number of units you are paying for’.
  + **Frequency**:this column relates to the number of times a certain sub-activity is conducted / a certain cost item is paid for in a given year (e.g., number of visits or meetings per year).
* **Yx Total Cost Budget Line** (Column U to Y): based on the quantity and frequency information entered in columns K to T, as well as the unit cost for each item pulled by the formula in column I, the annual costs of each cost item are calculated in columns T to X (i.e., Quantity x Frequency x Unit cost). If information is updated, annual costs for each budget line are automatically recalculated.
* **Total Y1-Y5 Cost Budget Line** (Column Z): automatically calculates the total cost of each cost item for the 5 years of the program.

5.2. Financing sheet

Input funding commitments and anticipated funds towards the program in the ‘Financing’ sheet.

1. **Financing Summary** (Column B to D): for each line,

* *Column B*: Select the name of a donor contributing to the program financing in the dropdown list. The dropdown list is based on the name of donors entered in the ‘Inputs’ sheet, section II. Sources of Financing.
* *Column C*: Select the cost category covered by the donor funding in the dropdown list. The dropdown list is based on the cost categories entered in the ‘List’ sheet, column A.
* *Column D*: Select in the dropdown list whether the funding amount will be reported as a percentage of the total cost (%) or as a discrete amount (Amount).

A donor name can appear several times if it funds several cost categories.

1. **Fixed commitments** (Column F to J): for each year, enter either the amount provided by the donor for each cost category, or the share of the total cost covered.
2. **Financing by donor** (Column L to P): this section automatically generates the amount contributed by each donor, by cost category and by year. To have a summary table with the total cost amount covered by each donor, refer to the ‘Summary\_Tables’ tab.

# 6. Results summary (SUMMARY TABS)

Contains a summary of the program costs for all five years of the NSP period.

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| SUMMARY TABS -> | Summary\_Tables | Graphs | Costs\_by\_category |

6.1. Summary tables

In cell B3, select in the dropdown list whether you want to see the summary budget displayed in local currency or USD. The tables below are automatically calculated.

1. **Cost by cost category**: this table provides an overview of the total cost of the program by cost category and by forecast year.
2. **Cost by Thematic Area**: this table provides an overview of the total cost of the program by thematic area and by forecast year.
3. **Funding by cost category**: this table provides an overview of the funding available for the program by cost category and by forecast year.
4. **Funding gap by cost category**: this table provides an overview of the gap between the program cost and the funding available for the program by cost category and by forecast year.
5. **Funding by donor**: this table provides an overview of the funding available for the program by donor and by forecast year.

6.2. Graphs

1. **Cost by cost category**: visual representation of the ‘Cost by cost category’ table in ‘Summary\_Tables’ sheet.
2. **Cost by thematic area**: visual representation of the ‘Cost by Thematic area’ table in ‘Summary\_Tables’ sheet.
3. **Total Cost by Thematic Area**: select a thematic area in the dropdown list in cell F26.

* The graph on the left displays the total cost for the selected thematic area by forecast year.
* The graph on the right displays the cost for the selected thematic area by cost category and by forecast year.

1. **Funding by cost category**: visual representation of the ‘Funding by cost category’ table in ‘Summary\_Tables’ sheet.
2. **Funding by donor**: visual representation of the ‘Funding by donor’ table in ‘Summary\_Tables’ sheet.
3. **Funding Gap by cost category**: visual representation of the ‘Funding Gap’ table in ‘Summary\_Tables’ sheet.

6.3. Costs by Category

This tab displays the formulas used to calculate the summary budget. No input is required in this tab. The same information is displayed in the ‘Summary\_Tables’ tab.