

# SUMMARY OF THE SWHAP HIV AND AIDS IMPACT ASSESSMENT REPORT

*Workplace programmes are an effective way to address HIV and AIDS. Many programmes also intend to reach out to In order to assess the financial impact of HIV and AIDS on companies, the SWHAP conducted an assessment of ten of the companies that is cooperating with the programme in South Africa. The assessment clearly shows that HIV and AIDS cause momentous costs to individual companies. However, these costs can be reduced significantly if the employees know their status early and take up treatment.*

The HIV and AIDS impact assessment project was carried out in three phases. The first phase assessed the prevalence of HIV among staff, projected by disease stage and demographics over a ten year period. Furthermore, the impact on retirement, deaths and staffing requirements caused by ill-health was projected up until 2018. The next phase of the project extended the assessment to a 5 year financial impact analysis of the nil-intervention scenario for period 2008 to 2012. The final phase involved the assessment of the impact of various intervention strategies against this financial impact.

The conclusion of the assessment was that the aggregated additional costs of HIV and AIDS for the companies involved could surpass as much as 450 million ZAR between 2008-2012 for a nil- intervention scenario. However, these costs could be almost halved by implementing a successful workplace programme.

## HIV AND AIDS AT THE WORKPLACE

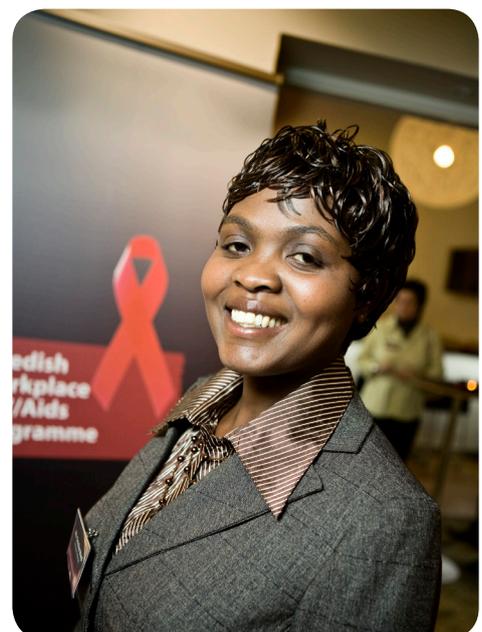
The estimated HIV Prevalence rate amongst the employees of the workplaces assessed is estimated at 12.9% in 2008. The most obvious impact on the company operations is the number of exits of employees from the workplace due to HIV-related deaths or ill-health retirement. Apart from the need to replace those exiting the workforce, additional staff may also be required to account for time lost through sick and compassionate leave as well as the lower productivity levels of employees in the later stages of the disease.

## FINANCIAL IMPACT OF HIV AND AIDS

The financial impact of HIV/AIDS on the companies included in this study has been assessed through three types of costs and is based on a scenario where no intervention is made.<sup>1</sup>

- ⚡ **Recruitment and overtime costs:** Costs to replace staff lost through ill-health retirements and deaths associated with HIV and AIDS as well as additional staff required as a result of leave requirements and reduced productivity of HIV positive employees.
- ⚡ **Supervisory load:** Increased staff replacement rates require increased allocations of supervisory time and a higher ratio of supervisors to reporting staff.
- ⚡ **Retirement fund impacts:** The retirement fund impacts will be felt through increased premiums for death and ill-health retirement benefits.

<sup>1</sup> Obviously, there are a large set of other costs due to HIV and AIDS such as reduction in morale and motivation etc.





## IT IS WORTH TO ACT EARLY

The study assessed the impact of three alternative intervention strategies:

1. The first strategy includes wellness management and treatment for sexually transmitted infections (STIs).
2. The second scenario is incremental to scenario 1 but includes anti-retroviral treatment at an eligible CD4 count of 200.<sup>1</sup>
3. The third scenario is the same scenario as in Scenario 2 but anti-retroviral treatment starts earlier at a CD4 count of 350.

The result of the analysis is striking. The cost-benefit analysis of the three scenarios has overall mainly positive results – but the result for the third scenario, where an anti-retroviral treatment is commenced at the earlier stage (CD4 at 350), shows by far the most outstanding impact.

The potential savings are 47 %<sup>2</sup> of the additional costs of HIV/AIDS for the nil intervention scenario compared to 0,7% and 4% for the other two programme scenarios respectively. The CD4 at 350 scenario thus yields a much greater return on investment. This intervention is thus the profit maximizing choice, even though the cost related to this intervention is markedly more expensive than that of the other scenarios.

The savings are related to the fact that the exits because of death or ill-health retirement caused by HIV and AIDS are decreased, which results in lower costs for recruitment, overtime and supervision, as well as maintenance of the productivity levels. An estimated 48% are also due to the decreased premiums for death and ill-health retirement benefits.

1 The CD4 count is a measure of how much the immune system has been weakened by HIV. The higher the number the stronger your immune system. Anti-retroviral drugs are medications for the treatment of infection by retroviruses, such as HIV. Included here is the cost for doctor consultations, pathology and anti-retrovirals.

2 This represents the saving of the additional costs after the net savings realized by the companies (companies' treatment costs are deducted from the gross savings realized by the intervention) are deducted from the 450 million ZAR total additional costs.



*The Swedish Workplace HIV/AIDS Programme (SWHAP) is a joint initiative by the International Council of Swedish Industry (NIR) and the Swedish Industrial and Metalworkers' Union (IF Metall). It is a long-term strategy to contribute to the establishment and/or support of HIV and AIDS programmes at Swedish related workplaces in Sub-Saharan Africa. SWHAP is cofunded by the Swedish International Development Cooperation Agency, Sida.*

[www.swhap.org](http://www.swhap.org)



*The International Council of Swedish Industry (NIR) is an associate to the Confederation of Swedish Enterprise, Sweden's major business organisation representing nearly 60,000 member companies, commissioned to promote and protect Swedish business' long term interests in markets characterised by economic, political or social complexities.*

[www.nir.se](http://www.nir.se)



*The Swedish Industrial and Metalworkers' Union (IF Metall) organises more than 380,000 members at nearly 12,400 workplaces, affiliated to 52 local branches. IF Metall is aiming to safeguard the members' interest and strength in order to create the best possible conditions in working life as well as in society at large. This includes an extensive cooperation with trade unions internationally.*

[www.ifmetall.se](http://www.ifmetall.se)