COMMENTS ON THE 2027 NATIONAL BUDGET

HEAD 46 – MINISTRY OF HEALTH

SUBMITTED TO THE COMMITTEE ON HEALTH, COMMUNITY DEVELOPMENT AND SOCIAL SERVICES OF THE NATIONAL ASSEMBLY OF ZAMBIA

BY

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1. PREAMBLE

On Friday, 6th November 2026, the Minister of Finance and National Planning, Hon. Dr Situmbeko Musokotwane, MP, presented the proposed 2027 National Budget to Parliament under the theme "Grow Zambia: From Stabilisation to Unlocking Opportunities, Creating Jobs and Improving Livelihoods for All". The Estimates of Revenue and Expenditure for the financial year 1st January to 31st December 2027 total K284.8 billion and include Head 46, the Ministry of Health.

By letter reference NAS/11/19/13 Conf of 7th November 2026, the Office of the Clerk of the National Assembly invited the Jesuit Centre for Theological Reflection (JCTR) to comment on the 2027 allocation to Head 46. This memorandum covers (i) an overview of the allocation, (ii) its adequacy and ramifications for meeting set targets, (iii) its alignment with national and international commitments, and (iv) recommended variations. It draws on the 2027 Estimates (Yellow Book), the 2027-2029 Green Paper, JCTR's October 2026 submission on the Green Paper, and community social audits and score cards facilitated by JCTR, including its WASH accountability work with WaterAid Zambia.

2. SUMMARY

Head 46 receives **K28.07 billion** in 2027, up 13.4 percent on 2026, or about 7 percent in real terms. The Budget Address puts the whole health function at K30.25 billion, or 10.6 percent of the Budget, still well short of the 15 percent Zambia committed to in the Abuja Declaration. JCTR welcomes the larger Head, the rise in Government support to the National Health Insurance Management Authority (NHIMA) from K5.2 million to K365.4 million, and the new K97.5 million line for community health workers.

Three features of the Estimates concern us. First, drugs and medical supplies are held at K6.40 billion for a second year, a real cut of about 6 percent. Within that frozen total, the essential drugs and medical supplies lines for health centres and hospitals fall by K109.6 million, while spending on antiretrovirals, malaria commodities and laboratory supplies rises, apparently as Government takes over commodities that United States funding used to cover. Second, capital spending on medical equipment falls by 16 percent. Third, NHIMA cover for Social Cash Transfer households will only work if rural facilities are accredited, staffed and stocked. JCTR recommends a variation

of about **K726 million**, funded from the Contingency Vote, to index drugs to inflation, restore medical equipment and prepare rural facilities for NHIMA.

3. CONTEXT

The health budget in 2027 is shaped by three changes.

The first is the shift in donor funding. The Yellow Book records a Memorandum of Understanding between the Governments of Zambia and the United States under which domestic resources will gradually take over areas such as commodities, laboratory supplies, surveillance and data systems, with US support reducing. The 2026 lines for PEPFAR provincial HIV support (K975.4 million) and the Global Fund (K504.4 million) no longer appear; instead K3.47 billion is shown as US Government support towards strengthening health systems, through a multi-donor grant. External financing makes up about K4.36 billion, or 15.5 percent, of Head 46.

The second is the extension of NHIMA cover to Social Cash Transfer households, which is the main reason Government support to NHIMA rises to K365.4 million. Insurance gives the poorest households a claim on care. It does not give them care unless the facilities near them can provide it.

The third is devolution. Primary health services grants to local authorities (K270.1 million), mini hospitals (K47.6 million) and district health offices (K58.8 million) move from Head 46 to Head 20, Intergovernmental Transfers. Part of what was health spending last year is now council spending, and the Committee should follow both.

4. OVERVIEW OF THE 2027 ALLOCATION

Table 1: Head 46 by programme and economic classification, 2025-2027 (K million)

Programme / classification	2025	2026	2027	Change 2026-27
Primary Health Services	8,433.0	9,627.2	12,080.4	+25.5%
Hospital Services	11,073.1	12,808.1	13,139.8	+2.6%
Central Technical Services	16.0	20.9	43.4	+107.8%
Human Resource Development	271.1	268.7	342.7	+27.6%
Management and Support Services	1,704.9	2,021.4	2,466.3	+22.0%
Head total	**21,498.2**	**24,746.3**	**28,072.7**	**+13.4%**
Personal emoluments	10,576.4	12,331.2	13,593.0	+10.2%
Goods and services	5,252.5	6,669.8	6,875.7	+3.1%
Transfers	3,115.2	3,173.1	5,365.0	+69.1%
Assets	2,554.1	2,572.3	2,239.0	−13.0%

Source: Yellow Book 2027, Head 46, Tables 1-3. Real change of about +6.7 percent uses inflation of 6.3 percent (October 2026). Head 46 is 9.9 percent of the Budget.

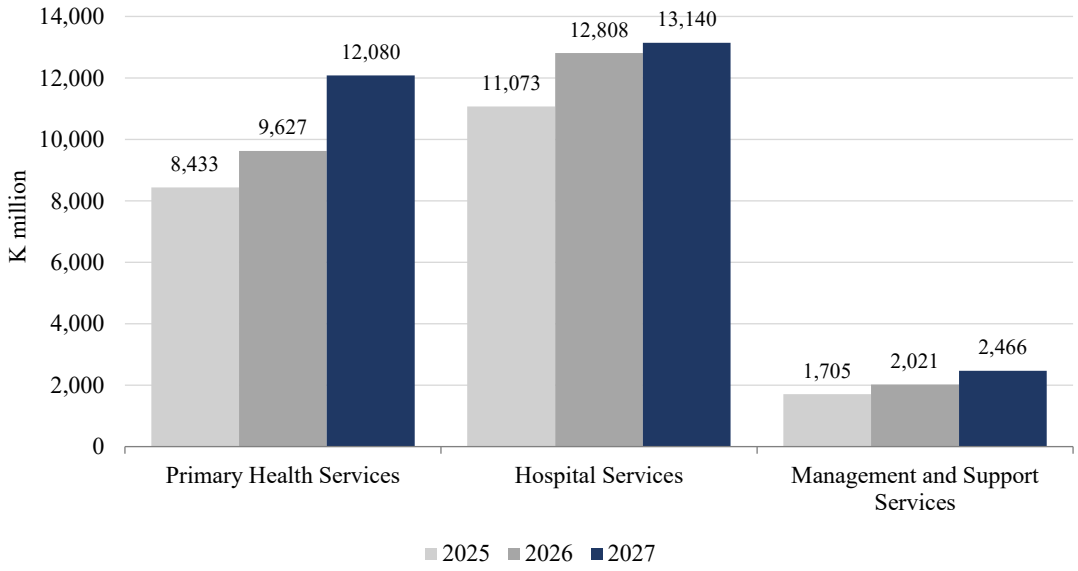


Figure 1: Head 46 main programmes, 2025-2027 (K million)

Source: Yellow Book 2027, Head 46.

Most of the increase is in transfers, which rise by K2.19 billion, largely because of the donor grant and the NHIMA transfer. Goods and services, which pay for medicines and running costs, rise by only 3.1 percent. Assets fall by 13 percent.

5. ADEQUACY AND RAMIFICATIONS FOR SET TARGETS

5.1 Drugs and medical supplies: frozen, and reshuffled

The Green Paper and the Estimates both show K6,401.1 million for drugs and medical supplies in 2026 and again in 2027. With inflation at 6.3 percent, the same money buys about 6 percent less. In its October 2026 submission JCTR proposed indexing this line by 7.5 percent, or K480 million.

The total hides a shift inside it (Table 2 and Figure 2). The two essential drugs and medical supplies lines, which stock health centres, health posts and hospitals with general medicines, fall from K3,081.1 million to K2,971.5 million. Lines for antiretrovirals, malaria commodities and laboratory reagents rise. These are the commodities the US–Zambia arrangement asks Government to take on. Taking them on is right, but doing so inside a frozen envelope means the general medicines that patients at rural facilities most often go without are cut to pay for it.

Table 2: Drugs and medical supplies lines in Head 46, 2026 and 2027 (K million)

Line	2026	2027	Change
Essential drugs and medical supplies (primary and hospital)	3,081.1	2,971.5	−109.6
Anti-retroviral drugs	467.0	512.2	+45.2
Malaria commodities and chemicals	326.1	354.3	+28.2
Laboratory reagents and commodities	500.0	553.1	+53.1
Specialised medical commodities	660.6	630.6	−30.0
Other commodities (vaccines, reproductive health, blood, cancer drugs, surgical supplies, distribution and others)	1,366.3	1,379.4	+13.1
Total drugs and medical supplies	**6,401.1**	**6,401.1**	**0.0**

Source: Yellow Book 2027, Head 46, Programmes 5531 and 5532, Table 4. The total excludes medical equipment and matches the drugs and medical supplies line in the Green Paper.

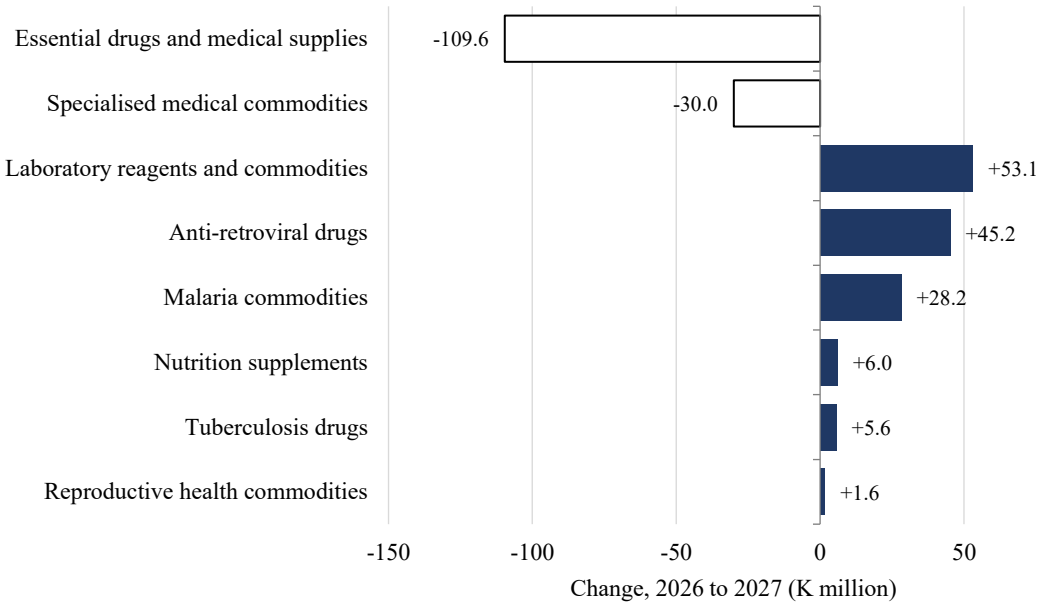


Figure 2: Change in selected drug and commodity lines, 2026 to 2027 (K million)

Source: Yellow Book 2027, Head 46.

5.2 Buildings without equipment

The Ministry plans to build five mini hospitals, nine health posts and five maternity wings in 2027, and Mini Hospitals Phase II rises to K351.1 million. A new K150.0 million line funds district and general hospitals. But capital spending on medical equipment falls from K779.5 million to K653.5 million, and hospital infrastructure as a whole falls by a quarter (Figure 3). Without equipment, new buildings cannot diagnose or treat, and patients are referred on to distant hospitals at their own cost.

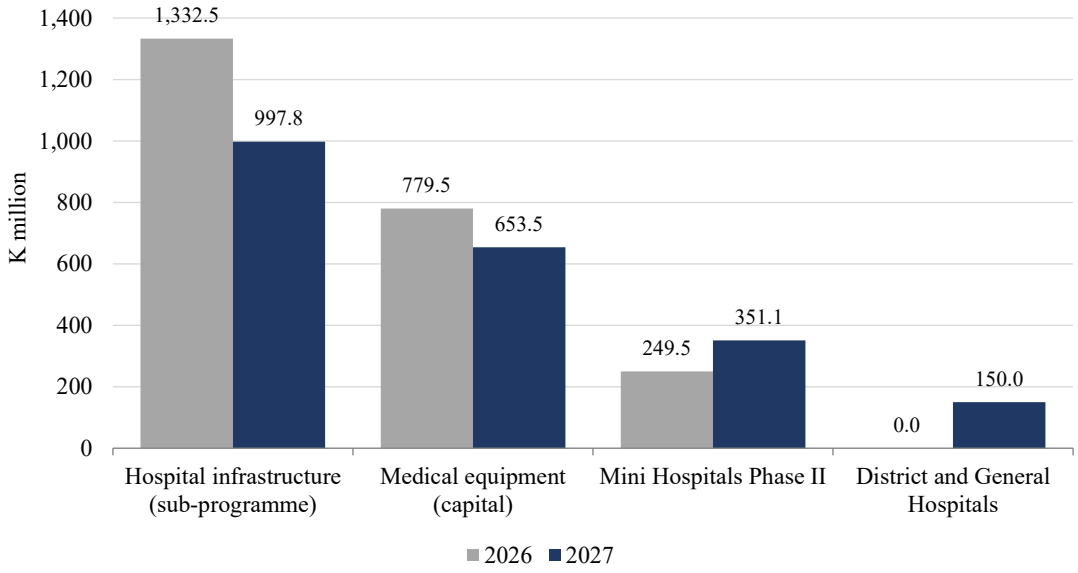


Figure 3: Selected capital lines in Head 46, 2026 and 2027 (K million)

Source: Yellow Book 2027, Head 46. Medical equipment combines the capital lines under Primary Health Services and Hospital Services.

5.3 NHIMA cover for the poorest

The K365.4 million for NHIMA will extend insurance to Social Cash Transfer households. NHIMA pays only accredited facilities, and the health posts and rural health centres closest to these households are the least likely to be accredited, staffed and stocked. The Health Care Financing sub-programme, which should plan this, has K1.0 million. Without a plan and funding to accredit and equip rural facilities, many of the newly insured will hold a card they cannot use near home.

5.4 Staff and service targets

Personal emoluments rise by K1.26 billion. Government plans net recruitment of about 3,125 personnel across the whole public service in 2027; the Estimates do not show how many of these posts are in health or where they will go. Two of the Ministry's own results show where pressure lies: by June 2026, 71 percent of children were fully immunised at two years against a target of 95 percent, and malaria incidence stood at 262 per 1,000 against a target of 228. The new K97.5 million for community health workers is welcome, but it has no output indicator.

6. EVIDENCE FROM JCTR'S WORK

Case study 1: Community social audits of primary health facilities

Ahead of the 2027 Budget, JCTR trained and supported community members to carry out social audits at primary health facilities in selected rural and peri-urban communities. Auditors checked medicine availability, diagnostic and life-saving equipment, staffing and whether NHIMA entitlements could be used locally, and presented their findings to local health officials.

They found shortages of basic medicines and of maternal and child health commodities, with patients told to buy prescriptions from private pharmacies. Rural health posts lacked laboratory equipment, oxygen and X-ray services, so patients were referred to district or urban hospitals at their own expense. Facilities were not accredited by NHIMA, so insured residents could not use their cover locally. Staff were overstretched, and facilities did not publish drug deliveries or operational budgets. Where officials received the findings, their response was limited by late central supplies and small facility budgets.

Case study 2: Water at health facilities in Southern and Western provinces

In July 2026, community monitors working with JCTR and WaterAid Zambia scored 25 water points in Choma, Monze, Mazabuka and Nkeyema, including water points at health facilities. At the clinic tap in Manungu ward, Monze, users reported stagnant water around the tap and no drainage. In Nkeyema, five of the six sites scored, including the health-facility water point, had no functioning water point committee.

Clean water is a basic condition for infection control, safe deliveries and the care that NHIMA will now pay for. Health facility construction budgets should include water and sanitation, and facility running budgets should cover their upkeep.

Case study 3: What citizens report about health services

In JCTR's July 2026 community score card round under the Citizens' Voice Expanded project with BBC Media Action, covering 145 governance reports from eight districts, access to health services was the main issue raised in Livingstone. Across all districts, 87 percent of citizens who raised an issue had contacted a duty bearer, but only 6 percent received a full response. Citizens are already monitoring their services; facility-level disclosure of drug deliveries and budgets would give them something to check against.

7. ALIGNMENT WITH NATIONAL AND INTERNATIONAL COMMITMENTS

Table 3 assesses the 2027 allocation against the commitments that frame health spending in Zambia.

Table 3: Alignment of the 2027 allocation with national and international commitments

Commitment	What it requires	What the 2027 Budget does	Assessment
Abuja Declaration (2001)	At least 15% of the national budget for health	10.6% for the health function, about K12.5 billion short of 15%	Not aligned
National Development Plan: Improved Health, Food and Nutrition	Access to quality health care and essential medicines	Larger Head, but essential drug lines and medical equipment cut	Partly aligned
National Health Insurance Act, 2018; Universal Health Coverage	Financial protection and access to accredited services for all	NHIMA support for SCT households rises to K365.4m; no plan to accredit rural facilities	Partly aligned
Zambia–United States health Memorandum of Understanding	Gradual increase in domestic funding as US support reduces	Government takes on HIV, malaria and laboratory commodities, but inside a frozen drugs envelope	Partly aligned
SDG targets 3.8 and 3.b	Universal health coverage and access to affordable essential medicines	Real cut to drugs and medical supplies	Not aligned
ICESCR Article 12; World Health Assembly Resolution 72.7 on WASH in health care facilities	Available, accessible and quality health services, including water and sanitation at facilities	No allocation or indicator for WASH in health facilities	Partly aligned

Source: JCTR analysis of Yellow Book 2027, Head 46. The health function figure is from the 2027 Budget Address.

8. RECOMMENDATIONS FOR VARIATIONS

JCTR proposes the following variations to Head 46. They can be met from the Contingency Vote under Head 21, which rises from K571.3 million in 2026 to K1.37 billion in 2027. Returning the Contingency Vote to its 2026 level, as JCTR proposed in October, would free K800 million. Only the drugs figure is costed from the Estimates; the other two are indicative and should be costed with the Ministry.

Table 4: Proposed variations to Head 46 (K million)

Line	2027 Estimate	Proposed	Variation	Purpose
Drugs and medical supplies	6,401.1	6,881.2	+480.1	Index by 7.5% and restore the essential drugs lines to at least their 2026 level
Medical equipment (capital)	653.5	779.5	+126.0	Restore to the 2026 level, prioritising diagnostics and oxygen at primary facilities
Rural facility accreditation and readiness (new)	–	120.0	+120.0	Prepare rural health centres and posts for NHIMA accreditation
Total			**+726.1**	**Funded from the Contingency Vote (Head 21)**

Source: JCTR proposals; JCTR Submission on the 2027-2029 Medium Term Budget Plan and Green Paper, October 2026.

In addition, JCTR recommends that the Committee:

1. Ask the Ministry to explain the cut to the essential drugs and medical supplies lines, and require that commodities taken over from US funding be financed in addition to, not out of, general medicines.
2. Require the Ministry and the Zambia Medicines and Medical Supplies Agency to report quarterly on deliveries to health centres and health posts, by district.
3. Require the Ministry and NHIMA to present a 2027 plan, with targets, for accrediting rural health facilities that serve Social Cash Transfer households.
4. Ask the Ministry to publish how many of the 2027 public service recruits will be health workers and in which districts they will be deployed, and to add output indicators for the new community health workers line.
5. Require health facility construction to include water, sanitation and hygiene, and add an indicator on the share of facilities with basic water services.
6. Require district health offices and facilities to display drug deliveries, operational grants and NHIMA accreditation status publicly, consistent with the proactive disclosure duties in the Access to Information Act No. 24 of 2023.

7. Recommend to the Expanded Planning and Budgeting Committee a medium-term path that raises health spending towards 15 percent of the Budget, with real annual growth in primary health care.

9. CONCLUSION

The 2027 Budget increases Head 46, insures the poorest households through NHIMA and begins to replace US funding with Zambian money. Those are real steps. But the drugs budget is frozen for a second year and general medicines are cut inside it, equipment spending falls while new buildings go up, and nothing yet ensures that the facilities closest to the newly insured can serve them. A variation of about K726 million, within the increase in the Contingency Vote, would protect medicine supplies, equip primary facilities and make NHIMA cover usable in rural areas. JCTR commends these proposals to the Committee.