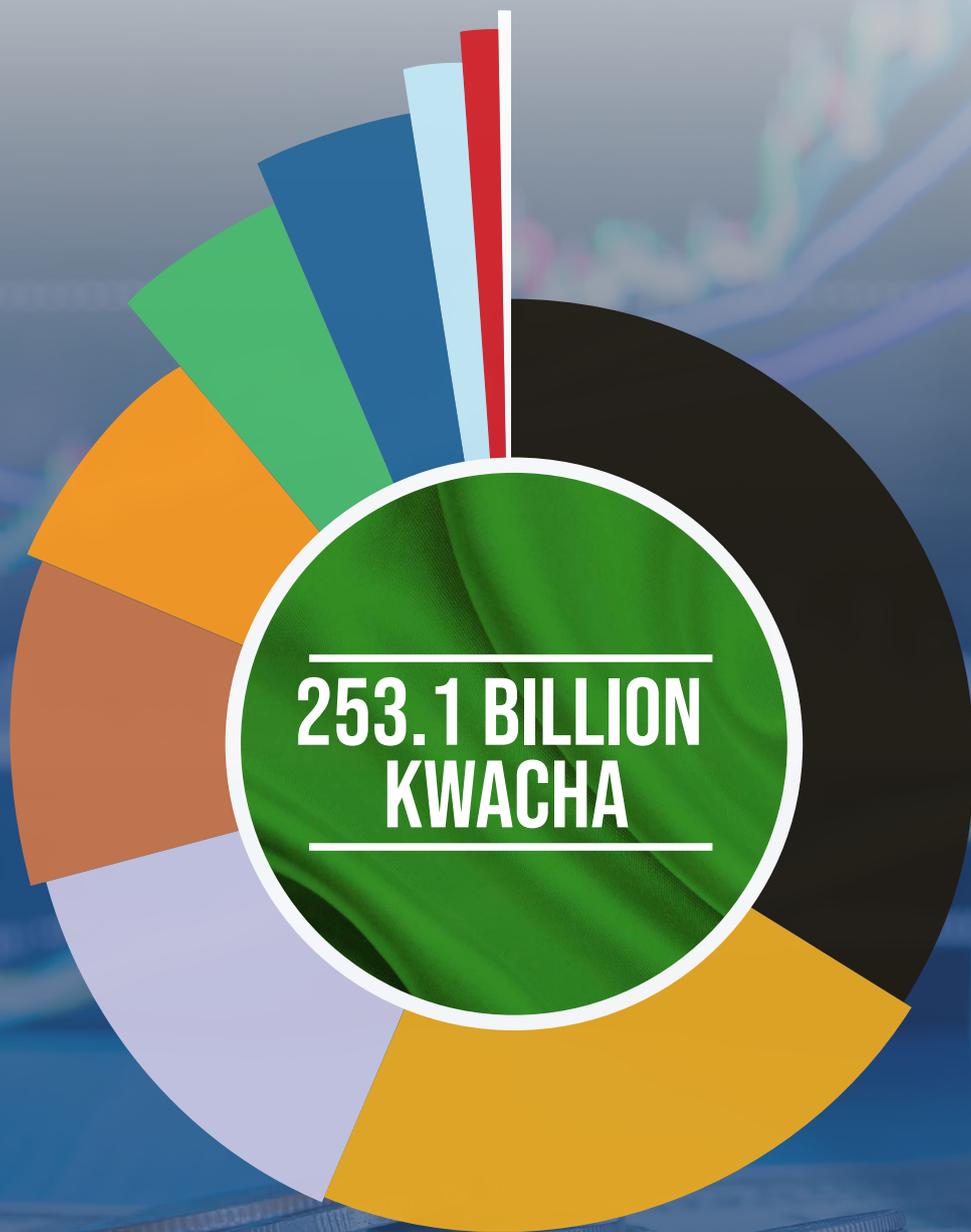


# 2026 ZAMBIA NATIONAL BUDGET ANALYSIS



THEME:

"Consolidating Economic and Social Gains Towards a Prosperous, Resilient and Equitable Zambia"

## PREPARED BY:

---

### RESEARCH:

**Esther Nyemba Besa** (Acting Head of Research and Analysis), **Leya Namonje Tembo** (Head of Monitoring and Evaluation), **Alice Pearce Phiri** (Senior Researcher), **Kaputo Chiwele** (Researcher), **Tamara Kumwenda** (Research Intern), **Kaoma Lombe** (Research Intern), and with the support of **Dr. Sydney Mwamba** (Executive Director).

---

### TECHNICAL REVIEW:

**Dr. Sydney Mwamba** (Executive Director) and **Esther Nyemba Besa** (Acting Head of Research and Analysis).

---

### EDITORIAL TEAM:

**Melody M. Simukali** (Head Communications and Grants) Editorial.  
**Chiti Jacob Nkunde** (Communication Specialist) Layout and Design.

# About PMRC

---

The Policy Monitoring and Research Centre (PMRC) is a public policy Think Tank.

**Vision:**

*"A leading and dynamic think tank anchored on evidence-based research."*

**Mission:**

*"To provide evidence-based research that supports the unlocking of Zambia's development."*

**Some of PMRCs works include:**

- Research, Training and Consultancy.
  - Development of Infographics.
  - Simplification of Key Documents.
  - Data Collection and Data analysis.
  - Collaborative Research.
  - Policy Analysis and Recommendations.
- 



# TABLE OF CONTENTS

1. Introduction	1
Key Focus Areas of the 2026 National Budget	2
2. Macroeconomic Context	3
3. Resource Envelope	4
3.1 Tax Measures	6
3.1.1 Measures to Broaden the Tax Base	6
3.1.2 Proposed measures to Strengthen Tax Compliance	7
3.1.3. Strengthened Oversight and Cooperation	7
4. Expenditure Priorities	8
4.1 Budget Support to Economic Transformation and Job Creation	9
4.1.1 Agriculture, Fisheries and Livestock	11
4.1.2 Manufacturing	13
4.1.3 Energy	15
4.1.4 Micro, Small, Medium, Enterprises	17
4.1.5 Tourism	19
4.1.6 Information and Communication Technology (ICT)	21
4.1.7 Transport and Logistics	23
4.1.8 Mining	26
4.2 Support to Human and Social Development	28
4.2.1 Education and Skills Development	30
4.2.2 Health	33
4.2.3 Water and Sanitation	35
4.2.4 Social Protection	37
5. Good Governance Environment	39
5.1 Improved Governance	39
5.2 Improved Efficiency	40
5.3 Improved Accountability	41
5.4 Improved Private Sector Participation	42
6. Green and Climate Resilient Growth	44
7. Risk and Challenges for Budget Execution	46
8. Conclusion	47
References	48

# LIST OF FIGURES

Figure 1: Resource Envelope	4
Figure 2: Expenditure Estimates 2026 Budget	8
Figure 3: Environmental Protection Budget (2022 - 2026)	44

# LIST OF TABLES

Table 1: Domestic Revenue Sources	5
Table 2: Economic Sectors Budget Allocation	9
Table 3: Energy Sector Budget Allocation and Proposed Measures	15
Table 4: ICT Sector Budget Allocation and Proposed Measures	21
Table 5: Transport and Logistics Sector Budget Allocation	23
Table 6: Social Sector Budget Allocation	28
Table 7: Education Sector Budget Allocation	30

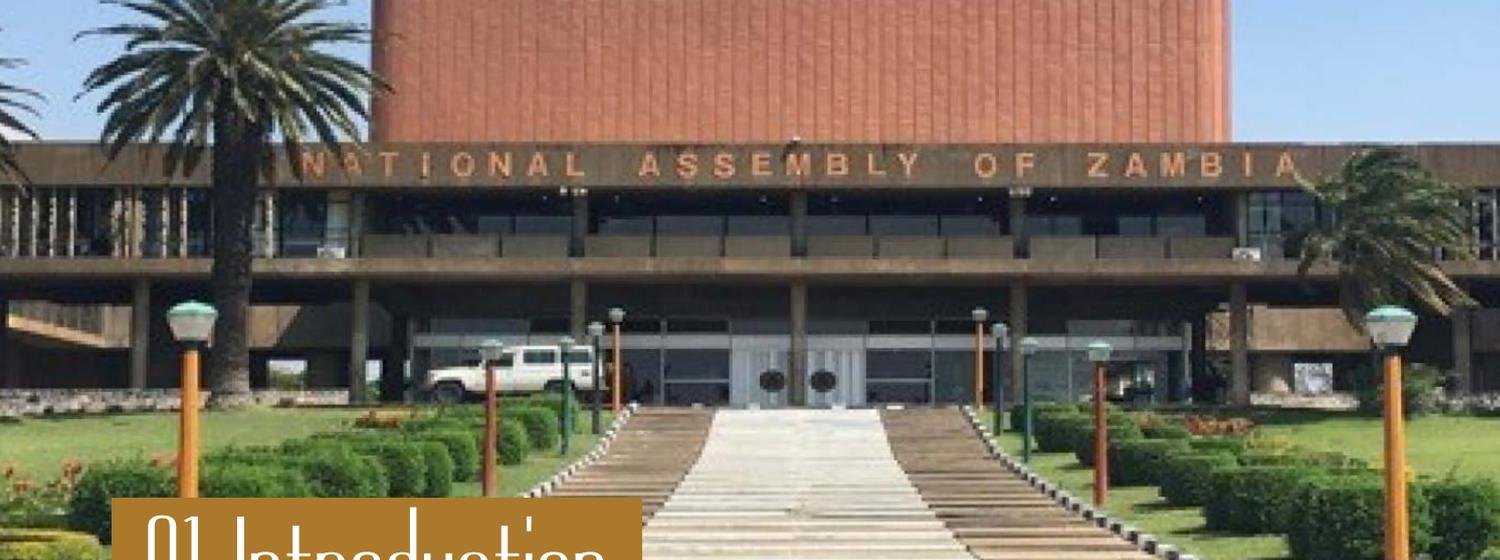
# ABBREVIATIONS

8NDP	Eighth National Development Plan
CATSP	Comprehensive Agriculture Transformation Support Programme
CDF	Constituency Development Fund
DIS	Direct Input Support
e-Voucher	Electronic Voucher System
FISP	Farmer Input Support Programme
IMF	International Monetary Fund
SMEs	Small and Medium Enterprises
SCT	Social Cash Transfer
SAFF	Sustainable Agriculture Financing Facility
UN	United Nations
ZECF	Zambia Education Curriculum Framework
ZNPHI	Zambia National Public Health Institute



# 2026 ZAMBIA NATIONAL BUDGET ANALYSIS





# 01. Introduction

The Minister of Finance and National Planning unveiled a K253.1 billion national budget for the 2026 fiscal year under the theme ***“Consolidating Economic and Social Gains Towards a Prosperous, Resilient and Equitable Zambia.”*** Representing 27.4 percent of Gross Domestic Product (GDP), the 2026 National Budget, presented is the fifth budget under the 8NDP implementation period. The budget outlines the Government’s strategic plan to build on past achievements, strengthen socio-economic resilience, and promote inclusive development. The budget reflects the Government’s commitment to sustaining economic growth, enhancing social protection, and addressing structural inequalities to ensure that the benefits of development are widely shared across all segments of society. Against the backdrop of debt restructuring, the transition of the IMF programme, and heightened climate and social challenges, the 2026 budget seeks to balance three objectives: **maintaining macroeconomic stability, safeguarding progress in social sectors, and investing in resilience and economic diversification**, while **introducing measures to enhance revenue mobilisation, improve public financial management, and support targeted interventions for vulnerable populations.**



**Dr. Situmbeko Musokotwane, MP**  
Minister of Finance & National Planning

# KEY FOCUS AREAS OF THE 2026 BUDGET



**Economic Consolidation and Resilience:** Building on improved macroeconomic fundamentals and economic gains post-2024 drought, the 2026 budget seeks to maintain macroeconomic stability, promote private sector growth, and enhance productivity across key sectors such as agriculture, mining, manufacturing, Tourism and services. **The 2026 policy options are designed to increase employment, attract investment, and strengthen Zambia's economic resilience to external shocks.**



**Social Development and Equity:** The 2026 budget prioritises human capital development by upscaling allocations to health, education, and social protection programs, ensuring equitable access to essential services. Special focus is given to vulnerable groups, including women, youth, and marginalised communities, to reduce disparities and promote inclusive growth.



**Strategic Investments for Economic Transformation:** Capital expenditures have been targeted at infrastructure, energy, mining, tourism, and digitalisation projects that support long-term economic transformation. Strategic investments aim to enhance connectivity, stimulate productivity, and create opportunities for regional integration under frameworks such as the AfCFTA and AU Agenda 2063.



**Resource Mobilisation and Fiscal Sustainability:** The budget emphasises strengthening domestic revenue mobilisation, optimising non-tax revenues, and strategically utilising grants and borrowing to finance development priorities. Domestic revenue is projected at K206.5 billion (81.6% of the total budget or 22.3% of GDP), highlighting the Government's focus on self-reliance. Grants from cooperating partners are estimated at K12.1 billion (4.8% of the budget), while the balance of K34.5 billion (3.7% of GDP) will be financed through domestic and external borrowing, with careful attention to debt sustainability.



**Governance Reforms:** The budget has emphasised strengthening governance, accountability, efficiency, and improved private sector participation as key pillars for consolidating economic gains through public management reforms; revenue administration and compliance reforms; anti-corruption and transparency measures; decentralisation and service delivery reforms.

This analysis provides a review focusing on: current macro-economic context and proposed macro-economic objectives; revenue outlook; socio-economic expenditure priorities; anticipated risk and challenges for 2026 budget implementation.



## 02. Macroeconomic Context

In order to take the country to a higher growth position through strategies set out in the Eighth National Development Plan (8NDP), the Government will pursue the following macroeconomic objectives in 2026:



ATTAIN A REAL GDP GROWTH RATE OF 6.4 PERCENT



REDUCE INFLATION TO THE 6-8 PERCENT TARGET BAND



MAINTAIN GROSS INTERNATIONAL RESERVES ABOVE 4.0 MONTHS OF IMPORT COVER



INCREASE DOMESTIC REVENUE TO AT LEAST 22.3 PERCENT OF GDP



REDUCE THE FISCAL DEFICIT TO 2.1 PERCENT OF GDP



LIMIT NET DOMESTIC BORROWING TO 2.3 PERCENT OF GDP

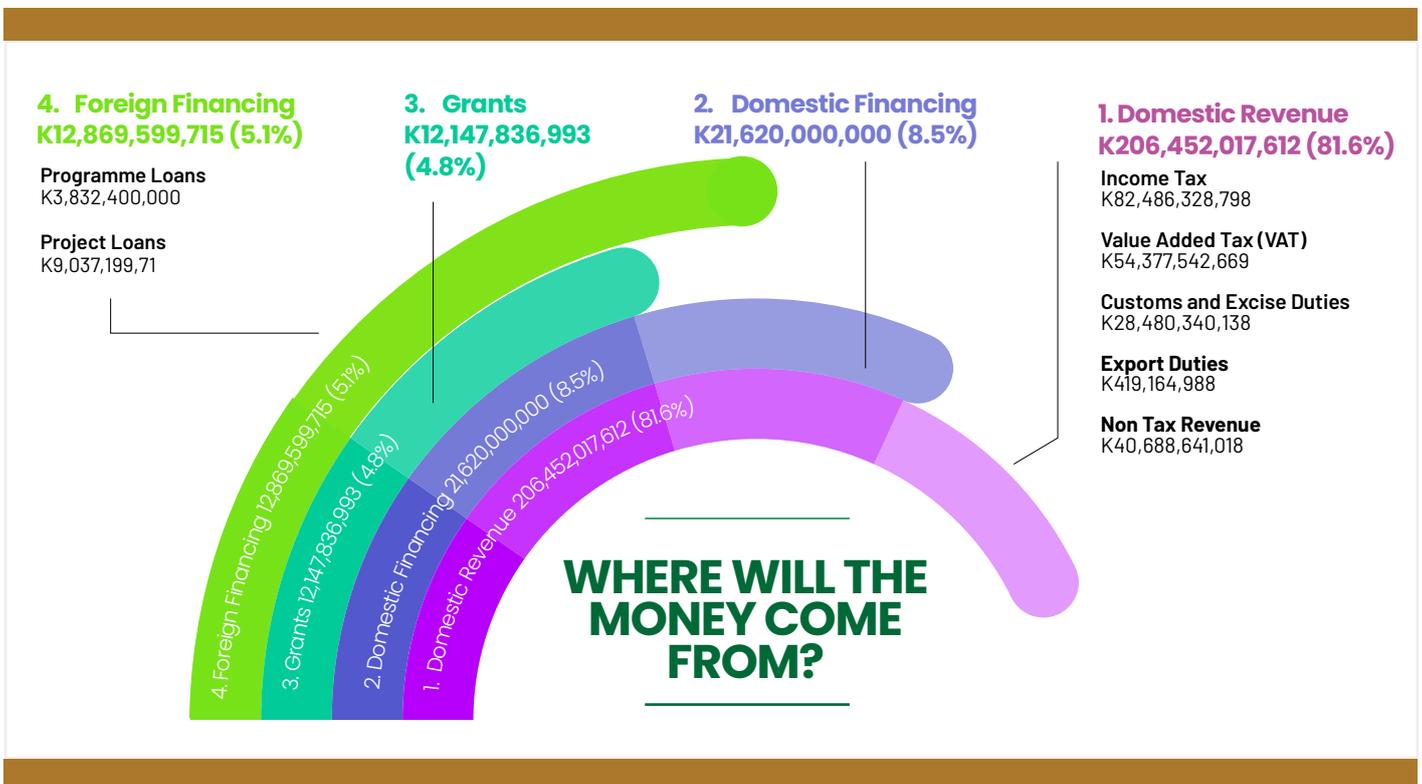
The 2026 projected GDP growth rate of 6.4% follows a trajectory of recovery and expansion observed in recent years. In 2022 and 2023, the growth was around 3.5% and 4.0% respectively, likely reflecting recovery from the impacts of the COVID-19 pandemic and external shocks from the Russia-Ukraine war, which disrupted global supply chains and increased inflation, particularly for food and fuel. In 2024, the projected GDP increased to 4.8%, indicating ongoing recovery efforts and improved external conditions. The 2025 projection of 6.6% suggested a strong rebound, driven by factors such as increased investment, higher commodity prices, and policy reforms aimed at spurring growth. **The slightly lower 2026 projection of 6.4% indicates a cautious, sustainable approach to maintaining growth amid external uncertainties, highlighting confidence in Zambia's reforms and sectoral progress.** Overall, it presents a realistic yet optimistic outlook aligned with macroeconomic stability goal.

The recent improvements in Zambia's external sector, notably the **narrowing Balance of Payment (BoP) deficit and a move towards current account surplus**, support the Government's goal of **reducing the fiscal deficit to 2.1% of GDP** (Ministry of Finance and National Planning, 2025). These external gains can bolster revenue collection and create room for fiscal consolidation. External factors such as **commodity prices, global economic conditions, and the sustainability of export earnings could influence revenue inflows**. The external sector's positive outlook is encouraging, **assumptions in revenue and expenditure need to be grounded in realism, especially considering the ongoing need for reform and external uncertainties**. Expenditure plans should prioritise efficiency and restraint to ensure fiscal consolidation.

While the Government has demonstrated improvements in debt sustainability by reducing the share of the budget spent on debt service from 47 percent of the total budget in 2022 to 26 percent in 2024 and to 31% in 2026, indicates that fiscal space may begin to tighten in light of the end of the IMF program. Continued prudent debt management, alongside efforts to boost revenue and control expenditures, is essential in ensuring that debt remains sustainable and that the country maintains adequate fiscal flexibility for growth and development.



Figure 1: Resource Envelope



Source: 2026 Zambia National Budget

The 2026 revenue framework emphasises a balanced mix of domestic and external resources, **underpinned by policy measures to strengthen compliance, broaden the tax base, and optimise returns from public enterprises.** The 2026 revenue approach aims to **provide a sustainable fiscal foundation for financing development priorities, supporting economic growth, and maintaining macroeconomic stability.**

In terms of the resource envelope for the 2026 National Budget, **domestic revenue projected at K206.5 billion, 81.6 percent of total budget (22.3 percent of GDP), will be the primary source of revenue** a percentage increase from the 2025 National Budget, where planned domestic financing of the national budget was at 80.2 percent. The increase of domestic revenue as a primary source of funding the 2026 National Budget **underscores the government’s focus on self-reliance and fiscal sustainability.**

Table 1: Domestic Revenue Sources

REVENUE TYPE	2026	PERCENTAGE OF BUDGET	2025	PERCENTAGE OF BUDGET	PERCENTAGE DIFFERENCE
Income Tax	82,486,328,798	32.6%	65,810,241,138	30.3%	+2.3%
Value Added Tax	54,377,542,669	21.5%	48,341,425,549	22.3%	-0.8 %
Customs and Exercise Duty	28,480,340,138	11.3%	22,854,125,671	10.5%	+0.8%
Export Duties	419,164,988	0.2%	408,313,582	0.2%	0%
Non Tax Revenues	40,688,641,018	16.8%	36,774,288,976	16.9%	-0.1%

**Domestic revenue is projected to grow, with income tax remaining the largest contributor at 32.6% of total revenue,** up from 30.3% in 2025, reflecting strengthened tax collection and compliance measures. Value Added Tax (VAT) slightly declined from 22.3 percent in 2025 to 21.5 percent of the budget, indicating minor adjustments in exemptions and/or economic activity. **Customs and excise duties to increase from 10.5 percent to 11.3 percent, suggesting improved border collection, while export duties remain minimal at 0.2 percent.** Non-tax revenues, comprising fees, licenses, and contributions from state-owned enterprises, remain relatively stable at 16.8 percent of the budget. Overall, the trend **indicates a growing reliance on direct taxation, particularly income tax and customs duties, as key drivers of domestic resource mobilization,** highlighting the **Government’s focus on broadening the tax base and enhancing compliance.**

The 2025 fiscal framework continues to rely on external financing, including grants and concessional loans, to support the budget. **K12.15 billion, representing 4.8% of the revenue projections, will be from grants,** while donor support has been a significant part of Zambia’s budget in social sectors like health, education, and water, the sustainability of these allocations is at a cross roads with the recent shifts in donor funding.

**Total revenue and grants are projected to contribute K218.60 billion as revenue source for budget implementation, resulting in a fiscal deficit of K34.49 billion.** This deficit will be **financed through a combination of domestic financing of K21.62 billion and external financing of K12.87 billion.** The 2026 Annual Borrowing Plan addresses the requirement for the Government to bridge the financing gap in the 2026 National Budget, underpinned by the debt strategies outlined in the 2025 - 2027 Medium-Term Debt Management Strategy (MTDS).

## 3.1. TAX MEASURES

While Zambia has made strides in enhancing its domestic resource mobilisation framework, the path forward requires **addressing structural constraints, improving tax compliance, curbing illicit financial flows, and building resilience against external shocks**. The 2026 budget has proposed several measures to **broaden the tax base, strengthen tax compliance and optimisation of revenue collection as a catalyst for improved domestic resource mobilisation**.

### 3.1.1. MEASURES TO BROADEN THE TAX BASE

The 2026 Zambian National Budget represents a **strategic and assertive shift in the Government's revenue mobilisation strategy**. Faced with persistent fiscal deficits, public debt, and the need to finance critical social and economic programs and projects, the government is **targeting previously under-taxed or hard-to-tax sectors**. The key initiatives proposed in the budget are targeting **foreign remittances, the digital and mobile money economy** all grounded in established economic principles and aim to create a more equitable and resilient tax system. Key initiatives include;

- a. Extend the charging of Advance Income Tax (AIT) on foreign remittances above US\$2,000 to other financial institutions and platforms. This measure is intended to extend the requirement of AIT on remittance to other financial institutions and remittance platforms. Currently, as provided for in the 2025 National Budget, any person sending funds outside Zambia exceeding US\$2,000 through the bank is required to avail a valid Tax Clearance Certificate. Failure to provide a valid Tax Clearance Certificate attracts a 15 percent Withholding Tax. This, however, does not apply when sending money through non-bank platforms. The extension of the Advance Income Tax (AIT) to all financial institutions and remittance platforms in the 2026 National Budget is a critical measure to close a significant loophole from the 2025 policy, which applied only to banks. By mandating a Tax Clearance Certificate for remittances over \$2,000 across all channels, including services like Western Union, the Government aims to prevent arbitrage opportunities that allowed senders to evade the 15 percent withholding tax. This reinforcement is primarily designed to enforce tax compliance, particularly within the hard-to-tax informal sector, by using foreign remittances as a choke-point to ensure that funds leaving the country represent after-tax income. Ultimately, this strengthens the integrity of the tax system, curbs illicit financial flows, and promotes fairness by ensuring all citizens meeting this economic threshold contribute equally.
- b. Proposal to amend Section 5(1) of the Mobile Money Levy Act aims to adjust upwards mobile money levy rates. Zambia boasts one of the highest mobile money adoption rates in Southern Africa, with a large percentage of the adult population holding mobile wallets, even without access to traditional bank accounts. The Bank of Zambia (BoZ) reported continued double-digit growth in both transaction value and volume through 2023 and early 2024, a trend projected to continue into 2025, driven by increased merchant payments and the expansion of financial services such as savings and credit on mobile platforms (BoZ, 2023). This growth is further evidenced by a 54.4 percent increase in transaction value, rising from ZMW 156.9 billion in 2021 to ZMW 242.2 billion in 2022, alongside an 18.3 percent increase in the number of active mobile money



*The extension of the Advance Income Tax (AIT) to all financial institutions and remittance platforms in the 2026 National Budget is a critical measure to close a significant loophole from the 2025 policy, which applied only to banks.*



*Amendment of Section 5(1) of the Mobile Money Levy Act aims to adjust upwards mobile money levy rates.*

accounts, signalling deepening adoption (BoZ, 2023). The implementation of the XpressPay National Switch, enabling interoperability between different wallets and banks, has significantly enhanced the network's utility and convenience (GSMA, 2023).

Mobile money transactions have a deeply symbiotic relationship with Zambia's large informal sector, simultaneously acting as a catalyst for gradual formalisation while serving as its primary financial lifeline. For the vast majority of informal enterprises from market traders to small-scale artisans' mobile money wallets have effectively become their business accounts, enabling them to securely send and receive payments, settle supplier invoices, and manage cash flow with unprecedented efficiency (BoZ, 2022). Mobile money has not immediately formalised the informal sector but has digitized its operations, creating a critical bridge that improves efficiency while gradually bringing businesses into the view of the formal regulatory and tax system (BoZ, 2022).

The levy increase, therefore, represents a pragmatic strategy to expand Zambia's domestic revenue base while leveraging the digital economy. However, careful calibration is necessary to avoid discouraging adoption, limiting financial inclusion, or imposing undue burdens on micro and small enterprises. Complementary measures, such as tiered levy rates for different transaction sizes or exemptions for low-value transactions, could mitigate potential negative impacts while still securing additional fiscal revenue (BoZ, 2023).



*The implementation of the XpressPay National Switch, enabling interoperability between different wallets and banks, has significantly enhanced the network's utility and convenience.*

### 3.1.2. PROPOSED MEASURES TO STRENGTHEN TAX COMPLIANCE

Proposed measures to Strengthen Tax Compliance have been categorised into four main pillars: **Digitalisation, Enforcement, Capacity Building, and Oversight**. Digitalisation, through the enforcement of Smart Invoicing, Electronic Fiscal Devices (EFDs), and Electronic Filing is fundamental. This digital transformation minimises underreporting, enhances the accuracy of tax returns, and establishes a clear digital audit trail, significantly reducing opportunities for evasion. Targeted enforcement against tax avoidance by stringent requirements for Tax Clearance Certificates (TCCs) on cross-border payments is a powerful measure to combat profit shifting by multinational enterprises. By ensuring withholding taxes on royalties, dividends, and service fees are paid before funds leave the country, Zambia secures revenue from transactions tied to its economy. Investment in human capital is important for averting tax evasion schemes, which have become more sophisticated. Continuous training for revenue officers is essential. Building expertise in complex international tax structures, forensic auditing, and digital tools, particularly for high-risk sectors like mining, telecommunications, and digital services, leads to more effective audits, better risk assessment, and a more professional authority.

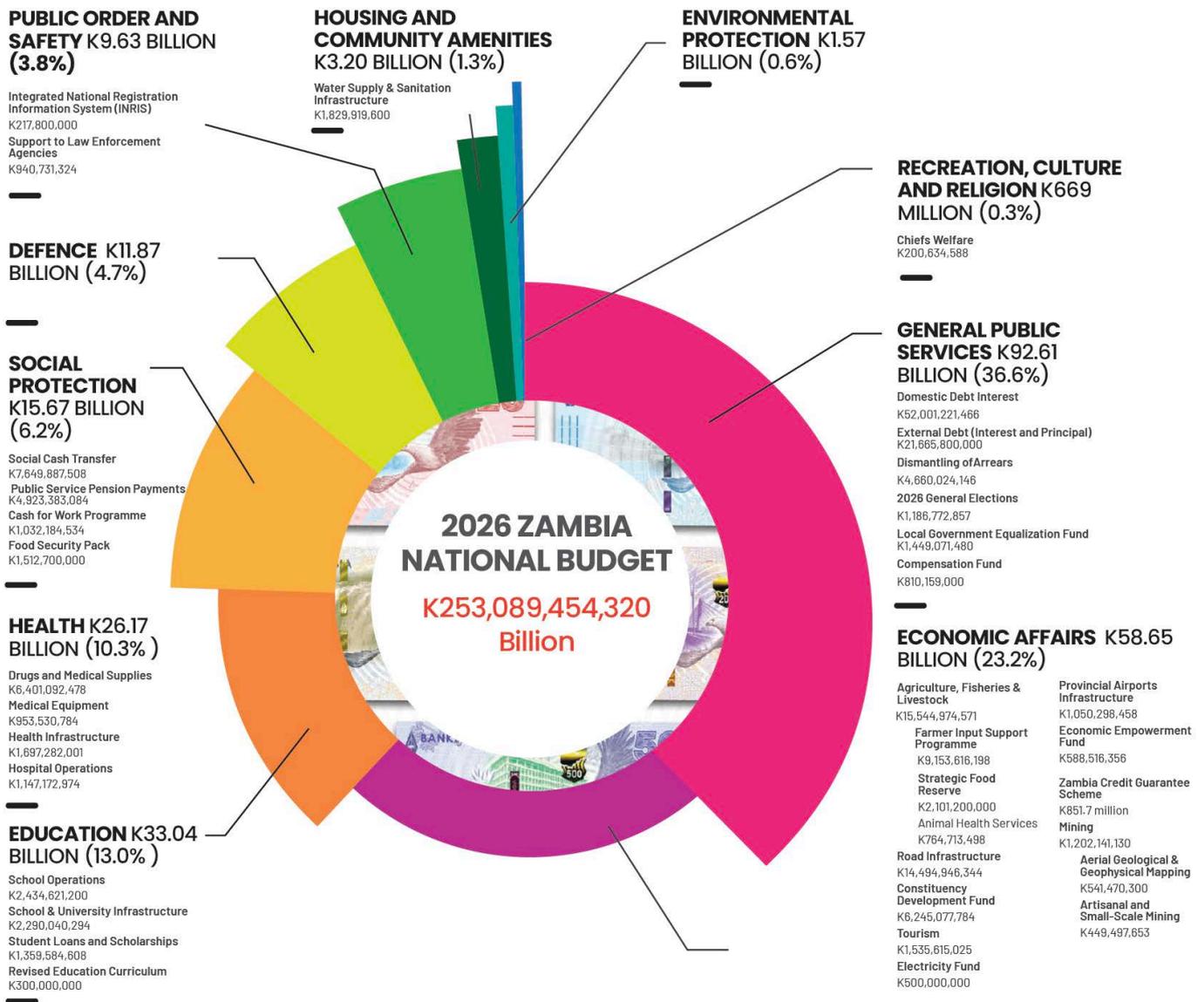
### 3.1.3. STRENGTHENED OVERSIGHT AND COOPERATION

Strengthened Oversight and Cooperation among law enforcement agencies is critical for reducing illicit financial flows and improving oversight. Inter-agency cooperation with bodies such as the Financial Intelligence Centre and implementation of stricter beneficial ownership registers to reveal the true owners of entities, and actively participating in international information exchange agreements such as the Common Reporting Standard (CRS) are key to the reduction of illicit financial flows.

Together, these proposed measures create a synergistic system where technology enables enforcement, skilled personnel leverage the technology, and cross-border cooperation closes the final loopholes, ensuring a fairer and more efficient tax system.

# 04. Expenditure Priorities

Figure 2: Expenditure Estimates 2026 Budget



Source: 2026 Zambia National Budget

## 4.1. BUDGET SUPPORT TO ECONOMIC TRANSFORMATION AND JOB CREATION

The 2026 National Budget of Zambia allocates substantial resources to key economic sectors to enhance productivity and drive sustainable growth. Significant investments have been directed toward agriculture, with K15.5 billion earmarked for initiatives such as the Farmer Input Support Programme and strategic food reserves to increase food production and ensure food security. Infrastructure development, particularly road construction and maintenance, receives K14.5 billion to improve connectivity, reduce transport costs, and facilitate trade across the country. The mining and energy sectors are prioritized through support for artisanal mining, geological mapping, and energy diversification projects, promoting industrial growth and reducing reliance on hydropower.

Table 2: Economic Sectors Budget Allocation

Sector	Allocation (ZMW)	Percentage of Total Budget	Key Focus Areas
Economic Affairs	58.6 Billion	23.2	Infrastructure development, energy, mining, tourism, and agriculture.
Agriculture, Fisheries & Livestock	15.5 Billion	6.1	Farmer Input Support Programme (K9.2B), strategic food reserves (K2.1B), animal health (K764.7M).
Road Construction & Maintenance	14.5 Billion	5.7	Expansion and rehabilitation of road networks to facilitate trade and mobility.
Energy	500 Million	0.2	Energy Fund
Mining & Energy	1.2 Billion	0.5	Geological mapping (K541.5M), artisanal mining support (K449.5M), energy diversification
Tourism	1.54 billion	0.6	Development of provincial airports (K1.1B), promotion of international arrivals





AGRICULTURE



FISHERIES



LIVESTOCK

## 4.1.1. AGRICULTURE, FISHERIES AND LIVESTOCK.

The 2026 Zambia National Budget's allocations and strategic priorities for agriculture, fisheries, and livestock exemplify a comprehensive approach aligned with the theme **"Consolidating Economic and Social Gains Towards a Prosperous, Resilient, and Equitable Zambia."** A significant focus is placed on increasing agricultural productivity with targets to raise maize production to 10 million metric tonnes, wheat and soya beans to one million tonnes each by 2031. The 2026 National Budget has proposed the following:

- i. In order to make the Farmer Input Support Programme (FISP) more cost-effective and efficient, the Government will roll out the e-Voucher programme to all districts during the 2025/2026 farming season to enhance transparency and efficiency of the program.
- II. The Government will continue to enhance climate resilience through the investment and modernisation of irrigation infrastructure by constructing and rehabilitating dams. In addition, Government will invest in the development of drought-resistant crop varieties, demonstrating a commitment to climate-smart agriculture. These initiatives are vital for building resilience against climate variability as well as safeguarding long-term food security. The establishment of a seed production plant further enhances local capacity, reducing dependency on imports and fostering industrial growth within the sector.
- III. Proposed legal reforms aimed at strengthening the agriculture marketing framework. The proposed Agricultural Marketing Bill and amendments to existing laws (Food Reserve Act of 2020 and Agriculture Credit Act of 2010) indicate a strategic move toward creating a more predictable, transparent, and competitive market environment.
- IV. Proposed export-focused measures for livestock such as establishing disease-free beef export compartments and budget allocation to livestock health of K75.9 million, which will open new markets, generate foreign exchange, and create jobs. These steps will contribute to Zambia's economic diversification and position agriculture as a driver of economic transformation and job creation.
- V. Continue support for the Sustainable Agriculture Financing Facility (SAFF), a key initiative introduced in 2023 to enhance access to agricultural finance, a credit window with extended access for farmers to not only seed and fertiliser, but also irrigation equipment and farm power mechanisation, among others.
- VI. Recruitment of extension officers and training in climate-smart practices aim to improve technology adoption and extension service efficiency. This approach ensures that smallholder farmers and local communities are equipped with knowledge and resources to adapt to changing conditions, fostering social equity and resilience.
- VII. The 2026 National Budget positions agriculture, fisheries, and livestock as pivotal sectors for driving Zambia's socio-economic transformation. The blend of measures for digital innovation, legal reform, climate resilience, and export orientation demonstrates a forward-looking policy framework that not only consolidates past gains but also lays the groundwork for a resilient, sustainable, and inclusive agricultural economy within the implementation of the Comprehensive Agriculture Transformation Support Programme (CATSP).



*A significant focus is placed on increasing agricultural productivity with targets to raise maize production to 10 million metric tonnes, wheat and soya beans to 1 million tonnes each by 2031.*



*Government will invest in the development of drought-resistant crop varieties, demonstrating a commitment to climate-smart agriculture.*



*Proposed export-focused measures for livestock such as establishing disease-free beef export compartments and budget allocation to livestock health of K75.9 million, which will open new markets, generate foreign exchange, and create jobs.*



*enhance access to agricultural finance, a credit window with extended access for farmers to not only seed and fertiliser, but also irrigation equipment and farm power mechanisation, among others.*



# MANUFACTURING

OSI  
Evolution  
www.osi.com

## 4.1.2. MANUFACTURING

The Manufacturing Sector remains a significant economic sector accounting for 9.3% of total GDP in 2024 (Econ, 2024). The sector remains one of Zambia's most strategic avenues for driving economic diversification, job creation, and industrialisation. The Government has continued to implement efforts aimed at growing the manufacturing sector.

The 2026 National Budget has taken deliberate steps to enhance manufacturing and industrialisation activities in Zambia. A total of K1.4 billion has been allocated to Industrial Research and Development, with K52.4 million designated as a grant to the Zambia Development Agency (ZDA), while K1.3 billion is provided as a loan component from cooperating partners. These funds will support projects such as the Zambia Agribusiness Trade Project Phase II (ZATP II) and the Economic Governance Support Programme (EGSP). This allocation has the potential to drive innovation, modernisation of industries, and stronger industrial output.

The budget also proposes the establishment of 25 rural industries. This initiative is expected to create jobs beyond urban centres, reduce rural poverty, and contribute to more balanced economic growth.

Furthermore, the budget outlines a plan to facilitate the establishment of two special economic zones and implement two identified value chains. These measures are intended to provide incentives and infrastructure for investors, which could attract much-needed foreign direct investment (FDI) into Zambia's manufacturing and agro-processing sectors.

In addition, the budget provides for the facilitation of ten strategic joint ventures and partnerships. These ventures are designed to promote technology transfer, improve market access, and deepen industrial linkages. If well managed, they could create opportunities for local businesses to integrate into regional and global value chains. Yet, without clear policy frameworks, there is a risk that foreign firms could dominate these partnerships, sidelining local players.

A significant tax measure introduced in the 2026 budget is the removal of customs duty on Complete Knock Down (CKD) components for the assembly of motor vehicles, including tipper trucks, electric vehicles, tricycles, truck trailers, and tractors. This policy is expected to encourage local vehicle assembly, lower production costs, and position Zambia as a potential regional hub for electric vehicles and agricultural machinery. However, the success of this measure depends on the development of robust supply chains and supporting infrastructure to sustain the assembly industry.

Finally, the Government has increased import duties on dairy and steel products. While this move may protect local producers and encourage domestic production, it carries negative consequences as well. Higher duties on dairy products could raise food prices, thereby increasing the cost of living. Similarly, increased duties on steel could raise input costs for industries dependent on steel, such as construction and manufacturing, which may ultimately slow down industrial growth in these sectors.

In conclusion, the 2026 budget provisions for manufacturing presents a mix of opportunities and challenges. It offers strong potential to stimulate industrialisation, foster investment, and enhance Zambia's competitiveness in regional and global markets. However, its success will depend heavily on effective implementation, prudent debt management, strategic policy formulation, and policy consistency.



*The sector remains one of Zambia's most strategic avenues for driving economic diversification, job creation, and industrialisation.*



*The budget also proposes the establishment of 25 rural industries. This initiative is expected to create jobs beyond urban centres, reduce rural poverty, and contribute to more balanced economic growth*



*In addition, the budget provides for the facilitation of ten strategic joint ventures and partnerships. These ventures are designed to promote technology transfer, improve market access, and deepen industrial linkages*



ENERGY

## 4.1.3. ENERGY.

The 2026 budget allocation and proposed measures for the Energy demonstrates a strong commitment to expanding electricity access, promoting renewable energy, and strengthening regulatory oversight.

Table 3: Energy Sector Budget Allocation and Proposed Measures

Category	Allocation / Measure	Key Activities / Focus	Expected Outcomes
Electricity Development and Electrification Management Programme	K1.7 billion	Transfers to office for promoting private power investment and Rural Electrification Authority; electricity infrastructure projects (Itezhi-tezhi Hydro, Lusaka Power Transmission, Kariba Dam Rehabilitation)	Increase national electricity access from 34% to 48.6%; modernise and expand the national grid; boost private sector participation
Renewable and Alternative Energy Development and Management Programme	K12.7 million	Solar energy systems in Government buildings and households; energy efficiency programmes; clean cooking solutions (biomass stoves)	Diversify energy mix; promote sustainable energy technologies
Energy Sector Standards and Regulation Programme	K538.1 million	Energy Regulation Board activities: technical standards, inspections, audits, Fuel Marking Programme	Improve energy security; ensure quality and compliance; protect consumer and state interests
Management and Support Services	K43.6 million	Administrative, planning, and oversight functions; staff development; M&E; procurement; financial management	Ensure effective programme implementation and governance
Electricity Fund	K500 million	Finance transmission lines, substations, and renewable energy initiatives	Strengthen electricity security; expand access and reliability
Solar Energy Expansion	N/A	Add 1,500 MW solar, 300 MW thermal; increase non-hydro renewables share to 33%	Diversify energy generation; reduce reliance on hydropower
Rural Electrification Programme	N/A	Continued rural electrification projects	Increase electricity access in rural areas
Regional Energy Integration	N/A	Zambia-Tanzania-Kenya interconnector project	Enhance regional energy trade and security
Duty Relief Measures	N/A	Exempt machinery and equipment for electricity distribution/transmission	Reduce costs and encourage private investment
VAT Refund Extension	N/A	Extend VAT refund for hydroelectric businesses from 7 to 10 years	Support hydro generation projects; improve investment incentives
Energy Priority Sector Incentives	N/A	Incentives for transmission and distribution of electricity	Encourage investment in critical energy infrastructure

The 2026 allocations and proposed measures present a comprehensive strategy with a focus on infrastructure development, renewable energy promotion and regulatory oversight for improved electricity access, enhanced private sector participation, energy diversification, and strengthened governance in Zambia's energy sector. These investments are expected to drive economic growth, improve rural livelihoods, and promote sustainable energy use across the country.



MICRO, SMALL, MEDIUM, ENTERPRISES

## 4.1.4. MICRO, SMALL, MEDIUM, ENTERPRISES.

The macroeconomic landscape for Micro, Small, and Medium Enterprises (MSMEs) in Zambia has evolved over recent years, influenced by budget allocations and government policies.

The 2026 budget proposes to allocate a total budget of K659.3 million, aimed at fostering SMEs' contribution to economic transformation, job creation, and enhanced citizen participation in the economy. The largest portion, K564.4 million or 85.6 percent, is directed to the SME Development and Empowerment Programme, with the primary goal of providing financing and business development services to MSMEs and cooperatives. Through this Programme, 10,000 businesses are expected to access empowerment funds, 200 MSMEs will be linked to markets and joint ventures, and business development services will be delivered to 600 MSMEs and cooperatives. Furthermore, the Programme promotes inclusive participation, targeting 40 percent preferential treatment for women-owned businesses in procurement and 60 percent for youth-owned enterprises. These interventions are designed to increase job creation, citizen participation, and sustainability within the cooperative sector, with 12,000 new cooperatives expected to be registered in 2026.

The proposed allocations reflect a strategic Government commitment on empowering MSMEs and cooperatives through financial support, skills development, market access, and institutional strengthening. By prioritising both operational efficiency and sector-specific interventions, the Ministry aims to stimulate inclusive economic growth, create employment, and enhance the competitiveness of small and medium enterprises in Zambia. To remain on a positive path continuous capacity building of MSMEs will be on critical for sustained growth.



*The 2026 budget proposes to allocate a total budget of K659.3 million, aimed at fostering SMEs' contribution to economic transformation, job creation, and enhanced citizen participation in the economy.*



*Through this Programme, 10,000 businesses are expected to access empowerment funds, 200 MSMEs will be linked to markets and joint ventures, and business development services will be delivered to 600 MSMEs and cooperatives.*



*These interventions are designed to increase job creation, citizen participation, and sustainability within the cooperative sector, with 12,000 new cooperatives expected to be registered in 2026.*





TOURISM

## 4.1.5. TOURISM

Zambia's Tourism Sector plays a critical role in the country's economic development, contributing to job creation, foreign exchange earnings, and rural livelihoods. The sector is rich in natural and cultural resources, including national parks, waterfalls, lakes, and intangible cultural heritage. However, the sector faces multiple challenges that have limited its growth. Tourism products in Zambia remain concentrated around wildlife and water-based activities, leaving many attractions in other regions underdeveloped. This limits the diversity of experiences available to tourists, reduces the length of stay, and restricts opportunities for spreading economic benefits across the country. The sector has recently faced high operational costs, exacerbated by frequent power cuts that force operators to rely on costly alternative energy solutions.

The 2026 National Budget allocates K1.5 billion to the tourism sector, an increase from K1.3 billion in 2025, focusing on diversification, professionalisation, and marketing. The largest share (K855 million) has been proposed to support tourism development and promotion, which covers product research, policy reforms, codes of ethics, and professional training to raise service standards.

Infrastructure and attraction development will also be funded in the 2026 budget. Wildlife conservation and management (K388 million) will safeguard Zambia's key natural assets, while culture preservation and development (K97.5 million) will fund a cultural village, fairs, festivals, cultural centers, and heritage preservation. Institutional support is allocated to the Zambia Tourism Agency (K33.2 million), Hostels Board (K9.9 million), and tourism skills and hospitality development (K12.5 million) to improve accommodation standards, training, and regulation.

The successful implementation of these measures coupled with improved energy supply, will promote product diversification, service delivery, marketing, and cultural preservation, positioning Zambia as a more competitive destination.



*Tourism products in Zambia remain concentrated around wildlife and water-based activities, leaving many attractions in other regions underdeveloped.*



*Wildlife Conservation and Management will safeguard Zambia's key natural assets, while Culture Preservation and Development will fund a cultural village, fairs, festivals, cultural centers, and heritage preservation.*





# INFORMATION AND COMMUNICATION TECHNOLOGY

## 4.1.6. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The Information and Communication Technology (ICT) sector is a critical enabler of Zambia’s socio-economic development, supporting digital services in education, health, finance, governance, and business. Reliable broadband, mobile connectivity, and modern ICT infrastructure are essential for increasing productivity, fostering innovation, and improving access to information across urban and rural areas. The Eighth National Development Plan (8NDP) recognizes ICT as a strategic driver for economic diversification, digital inclusion, and modernization of government and business services, emphasizing the need to expand connectivity, strengthen infrastructure, and improve ICT skills nationwide.



Reliable broadband, mobile connectivity, and modern ICT infrastructure are essential for increasing productivity, fostering innovation, and improving access to information across urban and rural areas

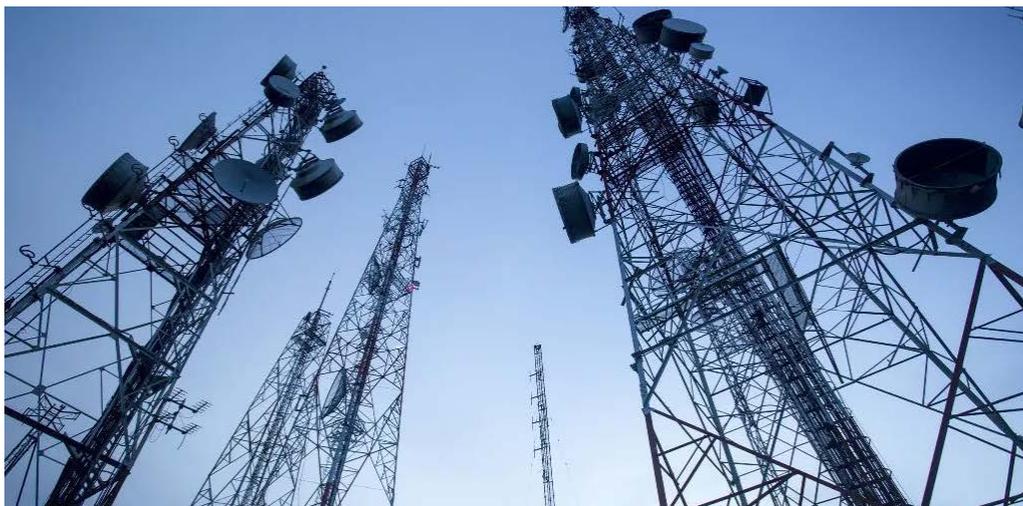


Table 4: ICT Sector Budget Allocation and Proposed Measures

Category / Item	2025 Allocation (ZMW)	2026 Allocation (ZMW)	Percentage Change	Key Focus / Target
Total ICT Budget	288.6 million	566.8 million	+96%	Overall sector strengthening
Infrastructure Development	14.65 million	331.9 million	+2,165%	Communication towers, active equipment, broadband upgrades, smart villages.
Communication Towers (New)	Target: 30 (not achieved)	Target: 30	-	Ambitious but more feasible with higher budget
Tower Upgrades (2G to 4G)	Target: 10; Achieved: 25	Target: 25	-	Expands mobile broadband quality & coverage
Fibre Optic Expansion	-	2 additional districts	-	Improves high-speed connectivity, groundwork for network growth

Overall, the 2026 ICT budget represents a significant opportunity for Zambia to accelerate its digital transformation and converge with regional leaders such as Kenya, as the proposed investments and programs are expected to strengthen multiple sectors. Expanded connectivity will support agriculture through market information systems, facilitate access to digital financial services, improve delivery of health and education services, and enhance government efficiency. It will also attract private investment in digital start-ups, fintech, and innovation-driven enterprises, creating employment opportunities in construction, ICT services, and the broader digital economy.



# TRANSPORT AND LOGISTICS

## 4.1.7. TRANSPORT AND LOGISTICS

The Transport and Logistics sector is a key driver of Zambia's economic growth, linking agriculture, mining, tourism, and manufacturing to domestic, regional, and international markets. Zambia has been gradually transitioning from a landlocked country to a land-linked hub, leveraging road, rail, air, and water transport systems to improve connectivity.

The 2026 National Budget prioritizes transport infrastructure development to improve mobility, trade, and economic growth. Road sub-sector has been allocated the largest budget line of K14.5 billion for both rural and urban upgrades, including major strategic routes under the Lobito Corridor to enhance regional trade. The budget has also proposed improved rural access with the construction of 15 acrow bridges. Air transport is supported with K1.1 billion for new and upgraded provincial airports to strengthen domestic and regional connectivity, tourism, and trade.

Complementing these investments, are budgetary allocations to the Air, Maritime, Road, and Railway Transport Development Programme (K516 million) which aims to modernize road traffic management, strengthen water transport harbours, rehabilitate railway infrastructure (TAZARA and Zambia Railways), and commence work on new greenfield railway corridors. These strategic investments aim to lower transport costs, improve connectivity, and boost productivity across economic sectors.



Road sub-sector has been allocated the largest budget line of K14.5 billion for both rural and urban upgrades, including major strategic routes under the Lobito Corridor to enhance regional trade.

Table 5: Transport and Logistics Sector Budget Allocation

### 1. Roads and Bridges

Item / Project	Allocation	Focus
Road construction & rehabilitation	K14.5 billion	Upgrade 127 km of urban roads (50 km completed in 2026); projects in Choma, Kitwe, Luanshya, Lusaka, Mazabuka, Ndola, Sinazongwe, Solwezi
Rural connectivity	Included above	15 acrow bridges
Strategic Corridors	Included above	Kalabo-Sikongo, Mpika-Chinsali, Serenje-Mpika, Mwinilunga-Jimbe; rehabilitation of Mutanda-Kisasa-Mwinilunga-Jimbe, and Kasempa Turn-Off-Kabompo (via Mufumbwe); part of Lobito Corridor linking Zambia to Angola.

### 2. Air Transport

Item / Project	Allocation	Focus
Provincial airports	K1.1 billion	Construction of Choma, Kasaba Bay, and Nakonde airports; land secured for Chipata, Solwezi, and Mongu airports.
Air Transport Services	K224.7 million (from K516 million programme)	Upgrades, new airport construction, legal framework improvements

### 3. Maritime (Water Transport)

Item / Project	Allocation	Focus
Water Transport Services	K63.9 million	Harbour infrastructure at Siavonga, Chipepo, Sinazongwe, Shang'ombo; regulatory and local authority capacity strengthening.

#### 4. Railway & Road Transport

Item / Project	Allocation	Focus
Road & Rail Transport Services	K224.9 million	ICT-based road traffic management; revitalize TAZARA; rehabilitate Zambia Railways; construct new rail corridors (Zambia-Lobito, Livingstone-Kazungula)

#### 5. Integrated Transport Development Programme (Air, Maritime, Road & Rail)

Programme	Allocation	Notes
Total Programme	K224.9 million	Split into water transport (K63.9 million), road & rail (K224.9 million), and air transport services (K224.7 million)

The 2026 budget allocations reflect a deliberate effort to create a balanced and multi-modal transport system, although roads still dominate due to historical infrastructure gaps. Rail, water, and air investments signal a gradual shift toward a more integrated system, helping reduce over-reliance on roads and improve efficiency. Importantly, rural and remote areas are included in planning, with feeder roads, bridges, and provincial airports directly targeting underserved regions. The use of Public-Private Partnerships (PPP) for project delivery enhances funding sustainability and accelerates implementation e.g Lobito Corrido.



*Rail, water, and air investments signal a gradual shift toward a more integrated system, helping reduce over-reliance on roads and improve efficiency.*



*Importantly, rural and remote areas are included in planning, with feeder roads, bridges, and provincial airports directly targeting underserved regions.*





MINING

CATERPILLAR

2

100

## 4.1.8. MINING

The Government has continued to prioritise the mining sector as a growth engine for economic transformation and job creation, as enshrined in the 8NDP. The sector has continued to receive significant allocations towards subsectors and measures all aimed at increasing productivity across all subsectors. The 2026 budget allocations for the mining sector are K1.2 billion. A significant budget line in the sector is towards aerial geological and geophysical mapping, whose funding has been increasing over the years, with 2026 allocation standing at K541.5 million, an increase from 364 million in 2025 and K160 million in 2025. A great milestone to the 2026 budget for the mining sector is the funding towards the actualisation of the recent legal reforms in the sector. The budget has provided K75.9 million to operationalise the minerals regulation commission and K449.5 million to support artisanal and small-scale mining, mainly for the construction of mineral processing hubs and marketing centers a critical provision in the geological and minerals development act that provided for the creation of the ASM fund.

The 2026 National Budget has introduced a significant reform to support Artisanal and Small-Scale Mining (ASM) development by increasing the turnover tax threshold for Artisanal and Small-Scale Miners (ASM) from K800,000 to K5,000,000. This measure intends to align the Artisanal and Small-Scale mining turnover threshold with the standard Turnover Tax threshold in order to simplify and enhance compliance in the sub-sector. Currently, a person under Artisanal or Small-Scale mining with an annual turnover of K800,000 and below pays a presumptive tax at 4 percent of the turnover, less the mineral royalty paid, while the Turnover Tax annual turnover threshold is at K5,000,000. An ASM operator with a turnover of K800,001 would abruptly transition from a simple 4% presumptive tax to the more complex Corporate Income Tax regime. This created a “cliff effect,” actively discouraging growth and formalization. In contrast, a small business in trade or services could earn up to K5 million under the simpler Turnover Tax system. By harmonising the ASM threshold with the general Turnover Tax threshold at K5,000,000, the government has eliminated this distortion. The policy now treats small-scale mining equitably with other small businesses, creating a level playing field. The measure has some short- medium term positive impacts for ASM such as enhanced tax equity and simplified compliance; promotion of formalisation; economic empowerment and growth, and improved policy coherence on the part for the Government.

To maximise the benefits and mitigate the risks of this reform, the Government should continuously support strengthening Zambia Revenue Authority (ZRA) monitoring efforts; support formalisation and register cooperatives; clarify and enforce the definition of “ASM”, and integrate with broader sector reforms.



*A great milestone to the 2026 budget for the mining sector is the funding towards the actualisation of the recent legal reforms in the sector.*



*The 2026 National Budget has introduced a significant reform to support ASM development by increasing the turnover tax threshold for Artisanal and Small-Scale Miners (ASM) from K800,000 to K5,000,000.*





SUPPORT TO HUMAN AND SOCIAL DEVELOPMENT

## 4.2. SUPPORT TO HUMAN AND SOCIAL DEVELOPMENT

The 2026 National Budget has placed a strong emphasis on human development, aligning with the Government’s commitment to improving the well-being of its citizens. The budget has up-scaled allocation to various social sectors to consolidate social gains from past achievements.

Table 6: Social Sector Budget Allocation

Sector	2026 Allocation	Percentage of 2026 Budget	2025 Allocation	Percentage Allocation of 2025 Budget
Education & Skills Development	33.04 billion	13	31.49 billion	14.5
Health	26.17 billion	10.3	23.17 billion	10.7
Social Protection	15.67 billion	6.2	16.16 billion	7.4
Water and Sanitation	1.8 billion	0.72	2.31 billion	1.06

Source: 2025, 2026 budget speech



A close-up photograph of a person's hands writing in a notebook. The person is wearing a red and white striped shirt and a black cap. They are holding a blue pen and writing on a piece of paper. The background is blurred, showing green and yellow lights. A gold banner with white text is overlaid on the image.

# EDUCATION AND SKILLS DEVELOPMENT

## 4.2.1. EDUCATION AND SKILLS DEVELOPMENT

In 2026, the Ministry of Education Budget stands at K33.04 billion, which has been a steady increment from K18.1 billion in 2022 as a means of supporting free education. The allocation is spread across 6 programme areas as indicated in the table below;

Table 7: Education Sector Budget Allocation

Programme Area	Allocation (K)	% of Total Education Budget
Primary Education	13,713,809,631	41.5%
Secondary Education	10,696,928,512	32.4%
University Education	2,845,369,708	8.6%
Early Childhood Education	885,014,910	2.7%
Youth & Adult Literacy	54,295,399	0.2%
Management & Support Services	4,844,580,840	14.6%

Source: 2026 National Budget Speech

Government's emphasis on the education sector as a key driver for Zambia's economic and social transformation is underscored by strides made in the sector. Particularly, with the introduction of free primary and secondary education in 2022 and the elimination of school fees was a significant policy shift aimed at increasing access to education for all as a way of bridging socio-economic gaps that pose a threat to education access and perpetuate the cycle of poverty, especially among the poor and vulnerable. Since the introduction of free education, enrollment in primary and secondary schools has increased by about 2.3 million learners. In order to complement this policy shift and enhance the quality of education, the Government recruited over 42,000 teachers in 2022, with an additional 2,000 teachers in 2025, while aiming to recruit 3,500 in 2026.

To address gender barriers to education, the Government has allocated K492,096,104 to the Keeping Girls in School programme, which aims to enhance gender equality, increase access for girls and improve their life outcomes. Reports suggest that about 15% of girls globally lack access to secondary education, which consequently increases their vulnerability (UNICEF, 2015). Further, research shows that when girls access education, their health outcomes and those of their children improve by about 20 percent including nutrition indicators among educated mothers (UNESCO, 2017). Therefore, the programme is crucial to advancing sustainable and inclusive development.

In order to encourage school attendance, the Government has been implementing the school feeding program through continued budget support. The 2026 National Budget has proposed to upscale the school feeding programme, which currently caters to over 4.6 million learners to all 116 districts in 2026 from 106 districts. According to the Zambia Demographic Health survey 2024, Zambia has a high prevalence rate of malnutrition and stunting, with a national average child stunting rate 32% with Luapula and Northern provinces ranking high at 45 percent and



Since the introduction of free education, enrollment in primary and secondary schools has increased by about 2.3 million learners.



Reports suggest that about 15% of girls globally lack access to secondary education, which consequently increases their vulnerability.

43 percent respectively, while Southern and Western provinces are at 29 percent. Child wasting is at 4 percent, while children classified as underweight stand at 12 percent. The school feeding programme is critical to improving the life outcomes of children through improved health and nutrition status; it also has the potential to positively impact enrollment and retention, thereby enhancing human capital development.

With regards to school infrastructure, 317 secondary schools were under construction across the country, of which 151 were completed in 2024 and 46 are scheduled for completion in 2025. An additional 120 schools will be completed in 2026. In order to improve the state of infrastructure in schools, the Government through Constituency Development Fund (CDF) procured 1.6 million desks across the country, with 42% being supplied locally. At tertiary level, construction of hostel blocks at the Copperbelt University and the University of Zambia will be completed in 2026.

To align the education system with the demands of the labour market, the Government is implementing the 2023 Revised Curriculum in a phased manner, with the full rollout scheduled for 2029. The 2026 National Budget has allocated K300million towards implementation of the new curriculum an upward adjustment from K150 million in 2025. Aligning curriculum with current needs is crucial in developing skills to support Zambia’s developmental aspirations while providing innovative solutions to global challenges. In the area of skills development, the Government has, since 2022, provided bursaries to 28,212 students and trained 209,864 youths from TEVET institutions. In 2026, the Government will provide bursaries to 6,000 students and train 100,000 youths in various skills.



The 2026 National Budget has proposed to upscale the school feeding programme, which currently caters to over 4.6 million learners to all 116 districts in 2026 from 106 districts.



With regards to school infrastructure, 317 secondary schools were under construction across the country, of which 151 were completed in 2024 and 46 are scheduled for completion in 2025.





HEALTH

## 4.2.2. HEALTH

Health is an essential pillar in attaining human and social development and has a significant bearing on economic growth. Reports suggest that a healthy workforce contributes about 11%-15% of a country's economic growth (Bloom & Canning, 2000; WHO, 2013). In 2026, Government has allocated K26. 17 billion towards the health sector with key programmes such as drugs and medical supplies (K6.4 billion), health infrastructure (K1.6 billion), hospital operations (K1.1 billion) and medical equipment (K953 million).

To address challenges such as health facility distribution inequities, Government has made strides in infrastructure development through the completion of 282 facilities including 7 Level-1 hospitals, 111 mini-hospitals, 33 health centers, and 131 health posts, with ongoing phase two projects to include the construction of 5 Level-1 hospitals in Choma, Kabwe, Monze, Solwezi, Zambezi, and 120 mini-hospitals across the country (Ministry of Health, 2024). Additionally, the Government has been aiming to enhance maternal health through the construction of maternity annexes funded under CDF. These facilities are key to advancing universal health coverage as expanded infrastructure enhances access, especially in rural and underserved areas (Beyene et al., 2019). The focus on maternity annexes aligns with maternal health priorities, potentially reducing maternal mortality (World Bank, 2020).

With regards to improved access to health provision through adequate healthcare personnel, Lassi et al. (2016) argue that increased staffing can improve service availability, reduce wait times, and enhance quality of care. Further, WHO recommends a minimum of 23 health workers per 10,000 population to achieve Universal Health Coverage (UHC) (WHO, 2016). Some notable strides have been made to improve human resources in the sector through the recruitment of about 18,305 health workers in 2022. The government plans to recruit an additional 2,000 health workers by the end of 2025, with an additional 2,500 in 2026. However, retention of trained health workers, especially in remote areas, is hindered by limited incentives and working conditions (WHO, 2017).

To ensure the availability of medicines and medical supplies in health facilities, the Government has continued to procure essential medicines and medical supplies. Essential drug availability increased from 46% in 2021 to 90% in mid-2025 (Ministry of Health, 2025). In addition, the Government is strengthening measures to eliminate pilferage

The process of digitalisation of patient records through the implementation of the SmartCare Pro System in public health facilities has significantly contributed to efficient patient information exchange across public health facilities. Since 2023, over 2,000 health facilities have been connected and are targeted to roll out to the remaining health facilities. Digital health records improve data accuracy, facilitate patient management, and enable better health planning (Kalk & Gilhotra, 2020). Therefore, there is a need to address digital barriers such as infrastructure gaps and staff training, particularly in rural areas where digital access remains a challenge.



*In 2026, Government has allocated K26. 17 billion towards the health sector with key programmes such as drugs and medical supplies (K6.4 billion), health infrastructure (K1.6 billion), hospital operations (K1.1 billion) and medical equipment (K953 million).*



*Government has made strides in infrastructure development through the completion of 282 facilities including 7 Level-1 hospitals, 111 mini-hospitals, 33 health centers, and 131 health posts...*



*The process of digitalisation of patient records through the implementation of the SmartCare Pro System in public health facilities has significantly contributed to efficient patient information exchange across public health facilities*



WATER AND SANITATION

## 4.2.3. WATER AND SANITATION

Water and sanitation are fundamental components of public health, socio-economic development, and environmental sustainability. In Zambia, significant investments and reforms have aimed to expand access, improve operational efficiency, and reduce waterborne diseases in line with the aspirations of the Eighth National Development Plan (8NDP) and the Sustainable Development Goals (SDGs). Some of the notable achievements include infrastructure expansion and enhanced rural access to water sources, provision of boreholes and water schemes, and the upgrading and modernisation of facilities. The sector has been allocated K1.8 billion.

Although significant progress has been noted, the water supply and sanitation sector continues to face challenges that affect service provision, such as the increasing gap between the cost of service provision and the average tariff, which has negatively affected the financial viability of the commercial utility companies. The average cost of producing a cubic metre of water currently stands at K18, whilst the same is sold at K7.90, resulting in a financing gap of K10.10 per cubic meter and K1.3 billion cumulatively per annum; however, the cost recovery framework remains a challenge due to the unattractively low tariffs implemented in the sector. The 2026 National Budget has allocated 1.8 billion to water and sanitation. This allocation has been complemented with proposed revenue concessions measures to zero-rate mains water supply by water utility companies. This will allow the water utility companies to claim attributable input VAT, hence reducing their operating costs. Currently, mains water supply services are VAT exempt, meaning utility companies can neither charge VAT on their services nor claim VAT paid on inputs such as chemicals, pipes, energy or technical services. This proposal supports essential service provision, reduces utility cost burden, and promotes efficient water service delivery.



*Some of the notable achievements include infrastructure expansion and enhanced rural access to water sources, provision of boreholes and water schemes, and the upgrading and modernisation of facilities.*



*The average cost of producing a cubic metre of water currently stands at K18, whilst the same is sold at K7.90, resulting in a financing gap of K10.10 per cubic meter and K1.3 billion cumulatively per annum; however, the cost recovery framework remains a challenge due to the unattractively low tariffs implemented in the sector.*



A photograph of three young boys in an outdoor setting. The boy in the center is wearing a white t-shirt and is being embraced from behind by a boy in a blue t-shirt. To the right, another boy in an orange t-shirt is partially visible, also appearing to be part of the group. The background is a blurred green field with trees and a building in the distance. A gold-colored rectangular box with the text "SOCIAL PROTECTION" is overlaid on the right side of the image.

SOCIAL PROTECTION

## 4.2.4. SOCIAL PROTECTION

Zambia has made commendable progress in expanding social safety nets and livelihood support, which remains a critical pillar in sustaining human development and reducing vulnerability. Some of the major challenges impacting the upscaling of social protection programmes include fiscal constraints and resource limitations, as well as climatic shocks that have exacerbated vulnerability among the already poor. Consequently, efforts have been made to improve targeting and coordination of programmes to enhance impact while focusing on resilience at the household level.

The Government's social protection strategy aims to address these disparities and build resilience against shocks such as droughts, health crises, and economic downturns. Post-COVID-19 the pandemic and 2024 drought highlighted the importance of social safety nets, but also exposed gaps in coverage and targeting, as well as the need to link social protection programmes to broader economic development plans to effectively tackle the rising levels of poverty.

As a response to some of these challenges, the Government has continued to scale up various social safety nets, including cash transfers, food security programs, gender empowerment initiatives, and pension reforms through annual budgets. The scaling up of cash transfers and livelihood programs directly reduces poverty, especially in rural and marginalized communities. For instance, the Social Cash Transfer (SCT) program expanded from 895,000 households in 2021 to reaching about 1.3 million beneficiary households over the past four years, with the aim of scaling up further to target 1.5 million households by 2026. The 2026 budget has allocated K7.65 billion to the social cash transfer program, a reduction from K8.27 billion in 2025, which intensified emergency cash transfer as a response to the 2024 drought.

Similarly, to support vulnerable but viable farmers, the Food Security Pack expanded to over 320,000 beneficiaries from 244,000, supporting climate-smart agriculture, irrigation, and diversification (Ministry of Agriculture, 2023). The program has continued to receive annual budget allocations with the 2026 National Budget allocating 1.51 billion to the program, an upward increase from K1.2 billion in 2025. In order to strengthen the impact of the program, cooperating partners have been training beneficiaries in improved farming practices and irrigation techniques to build climate resilience and enhance productivity amid droughts and climate variability (FAO, 2022). Other interventions have been in the promotion of crop diversification and alternative livelihoods through the Livestock Pass-On Scheme, reducing dependency on rain-fed agriculture and mitigating food insecurity. These interventions contribute to increased household food security, income diversification, and resilience to climate shocks.

The budget has provided K1 billion to continue the implementation of the Cash for Work Programme, which was introduced in 2024 to cushion citizens from economic shocks stemming from the adverse effects of the drought. The programme has supported over 2.4 million beneficiaries engaged in income-generating activities, especially during drought periods, providing immediate income and community infrastructure development (Ministry of Local Government, 2024).

With regards to pension benefits and safeguarding retirees, K4.9 billion has been budgeted for 2026. Over the past four years, more than K8.6 billion has been released, enabling 11,921 retirees to be cleared. Furthermore, reforms have been instituted to enhance pension benefits for public service workers by building a sustainable and resilient pension system through the introduction of an occupational pension scheme.



*Some of the major challenges impacting the upscaling of social protection programmes include fiscal constraints and resource limitations, as well as climatic shocks that have exacerbated vulnerability among the already poor.*



*The scaling of cash transfers and livelihood programs directly reduces poverty, especially in rural and marginalized communities.*



*The budget has provided K1 billion to continue the implementation of the Cash for Work Programme, which was introduced in 2024 to cushion citizens from economic shocks stemming from the adverse effects of the drought.*



# GOOD GOVERNANCE ENVIRONMENT

POLICE

POLICE

## 5. GOOD GOVERNANCE ENVIRONMENT

The 2026 budget places strong emphasis on governance, efficiency, and accountability, framing the Government's past achievements and legislative priorities within these three pillars. Central to these measures are institutional and legal framework reforms, enhancing transparency, and promoting accountability in public administration

### 5.1. IMPROVED GOVERNANCE

The governance measures in the 2026 budget reflect a holistic approach to institutional strengthening. They aim to create predictable rules, improve oversight, reduce corruption risks, and ensure that both public and corporate entities operate transparently and accountably. Collectively, if well implemented, these reforms are expected to enhance investor confidence, improve public trust in government, and provide a foundation for sustainable fiscal and socio-economic. At the core of these measures are legislative initiatives such as the Tax Administration Bill, the State-Owned Enterprises (SOE) Bill, and amendments to the Anti-Corruption Act and Companies Act, each addressing critical governance gaps.

- The Tax Administration Bill is aimed at harmonizing tax procedures across different revenue streams, simplifying compliance, and broadening the tax base. By providing clear, predictable, and enforceable rules, it reduces the discretionary power of officials and minimizes opportunities for corruption. This measure is particularly important given that Zambia's revenue mobilisation remains below its potential, and efficient, transparent tax administration is central to fiscal sustainability.
- The State Owned Enterprises Bill and the accompanying revisions to the SOE Policy focus on strengthening oversight, management, and control of state-owned enterprises. Historically, SOEs in Zambia have posed fiscal risks due to inefficiencies, weak governance, and limited accountability. By establishing clear roles, reporting requirements, and governance standards, the SOE reforms are expected to enhance performance, reduce fiscal leakages, and align SOE operations with national development priorities.
- Amendments to the Anti-Corruption Act are designed to reinforce the independence and operational capacity of the Anti-Corruption Commission. This ensures that investigations and enforcement actions can be conducted without undue political influence, creating a credible deterrent against misuse of public resources. Complementing this, amendments to the Companies Act on beneficial ownership disclosure aim to improve corporate transparency by revealing the ultimate controllers of companies, thereby addressing risks of illicit financial flows and tax evasion.
- Finally, the requirement for Parliamentary approval for debt contraction represents a significant governance reform by introducing oversight and inclusivity into fiscal decision-making. By shifting certain powers from the executive to the legislature, this measure strengthens checks and balances, enhances transparency, and ensures that public borrowing aligns with national priorities and sustainability considerations.



*The Tax Administration Bill is aimed at harmonizing tax procedures across different revenue streams, simplifying compliance, and broadening the tax base.*



*Amendments to the Anti-Corruption Act are designed to reinforce the independence and operational capacity of the Anti-Corruption Commission.*

## 5.2. IMPROVED EFFICIENCY

In terms of efficiency, the 2026 budget has provided a multi-pronged strategy for efficiency, combining fiscal prudence, technological innovation, strategic partnerships, and targeted community investments. These measures collectively enhance the effectiveness of public spending, ensure better use of scarce resources, and promote accountability by linking expenditures to tangible outcomes that directly benefit citizens.

- Strong emphasis on efficiency is based on maximising the impact of public resources and ensuring value-for-money in Government spending. A central feature of this approach is the establishment of a Debt Management Office combined with a proactive, market-based strategy for managing public debt. These measures are designed to optimize Zambia's debt portfolio, reduce financing costs, and free up fiscal space for productive investment, illustrating a strategic approach to resource allocation.
- Technological modernization modernisation is at the center of ensuring efficiency in government service delivery. The rolling out of the Information and Financial Management System (IFMIS), Smart Invoicing System, and Government Service Bus serves to streamline processes, reduce bureaucracy, and create a digital audit trail. By minimising manual interventions and opportunities for human error, these systems enhance both speed and transparency in Government operations. They also reduce the risk of fraud and mismanagement, improving the overall efficiency of public financial management



*The rolling out of the Information and Financial Management System (IFMIS), Smart Invoicing System, and Government Service Bus serves to streamline processes, reduce bureaucracy, and create a digital audit trail.*



## 5.3. IMPROVED ACCOUNTABILITY

Accountability is at the centre of public sector governance, recognising it as a critical complement to governance and efficiency reforms. A key focus is the reform of state-owned enterprises (SOEs) through the revised SOE Policy and the forthcoming SOE Bill. Historically, SOEs in Zambia have been prone to mismanagement and fiscal inefficiencies due to weak oversight and limited transparency. By strengthening oversight, management, and control mechanisms, these reforms aim to ensure that SOEs operate efficiently, meet performance targets, and are held responsible for their financial and operational decisions. This directly addresses past lapses in accountability and reduces fiscal risks to the Government.

- Amendments to the Anti-Corruption Act further reinforce accountability by enhancing the independence of the Anti-Corruption Commission (ACC). By insulating the ACC from political interference, the Government strengthens its ability to investigate and sanction corruption across public institutions, including SOEs and other entities involved in public spending. This measure ensures that public officials and institutions are answerable for the use of resources and adherence to the law.
- The commitment to regular publication and reporting on debt through the debt sustainability report is a critical accountability mechanism. Transparent reporting allows citizens, investors, and oversight bodies to monitor Zambia's financial obligations and fiscal health, reducing the risk of undisclosed borrowing or fiscal mismanagement. In addition, these disclosures enhance market confidence and provide the information needed for informed policy and investment decisions.
- Financial sector reforms, notably the Deposit Protection Scheme Bill, complement these efforts by safeguarding citizens' deposits and establishing clear rules for the resolution of bank failures. This ensures accountability within the financial sector, protecting the public from mismanagement risks and reinforcing trust in banking institutions.



*By insulating the ACC from political interference, the Government strengthens its ability to investigate and sanction corruption across public institutions, including SOEs and other entities involved in public spending.*

The 2026 National Budget underscores the Constituency Development Fund (CDF) as a central instrument for enhancing service delivery at the community level. By increasing allocations from K36.1 million to K40 million per constituency, the Government aims to directly fund high-impact projects in education, health, water, sanitation, and youth and women empowerment. This approach enables local communities to access resources more efficiently, reducing delays and bottlenecks often associated with centralised project planning and implementation.



## 5.4. IMPROVED PRIVATE SECTOR PARTICIPATION

The budget has emphasised leveraging the private sector participation in stimulating growth and use of the Public-Private Partnerships (PPPs) as a model for private capital and technical expertise for infrastructure projects. The PPP model is key in reducing Government's immediate fiscal burden while ensuring that projects are delivered more efficiently and support acceleration of project completion, improve service quality, and introduce accountability mechanisms that are often absent in fully publicly funded projects. The 2026 Zambian National Budget introduces several measures to enhance private sector participation, aiming to stimulate economic growth and infrastructure development. Key measures include:

**A. Public-Private Partnerships (PPPs):** The Government continues to prioritize PPPs as a mechanism for infrastructure development. Notable projects include the Lusaka-Ndola Dual Carriageway and the Chingola-Kasumbalesa road, which are being developed through PPP agreements. These initiatives are expected to improve transportation networks and facilitate regional trade.

**B. Tax Incentives:** The budget extends energy priority sector incentives to include electricity transmission and distribution projects. This extension aims to attract private investment in the energy sector, enhancing electricity access and infrastructure. The measure intends to extend the relief to projects for electricity transmission and distribution. Currently, the Investment, Trade and Business Development (Priority Sector declaration) order, Statutory Instrument No. 47 of 2023, lists electricity generation as a priority sector, and as such, provides customs duty relief on machinery and equipment required for installing power stations. This measure aligns with broader energy sector objectives of enhancing electricity access, improving infrastructure efficiency, and promoting private sector participation in Zambia's power sector

**C. Investment in Infrastructure:** The Government has allocated K1.7 billion to the Electricity Development and Electrification Management Programme, with significant portions directed towards supporting private sector participation in electricity generation and accelerating rural electrification. This investment is expected to increase national electricity access from 34% to an estimated 48.6% by 2026.

**D. Fiscal Policy Reforms:** The Government aims to reduce the budget deficit to 2.1% of GDP in 2026, down from 4.6% in the previous year. This fiscal consolidation is intended to create a stable economic environment conducive to private sector investment.

**These measures reflect the Government's commitment to fostering a conducive environment for private sector participation, recognizing its crucial role in driving economic development and infrastructure improvement.**



*Notable projects include the Lusaka-Ndola Dual Carriageway and the Chingola-Kasumbalesa road, which are being developed through PPP agreements.*



*The Government aims to reduce the budget deficit to 2.1% of GDP in 2026, down from 4.6% in the previous year.*



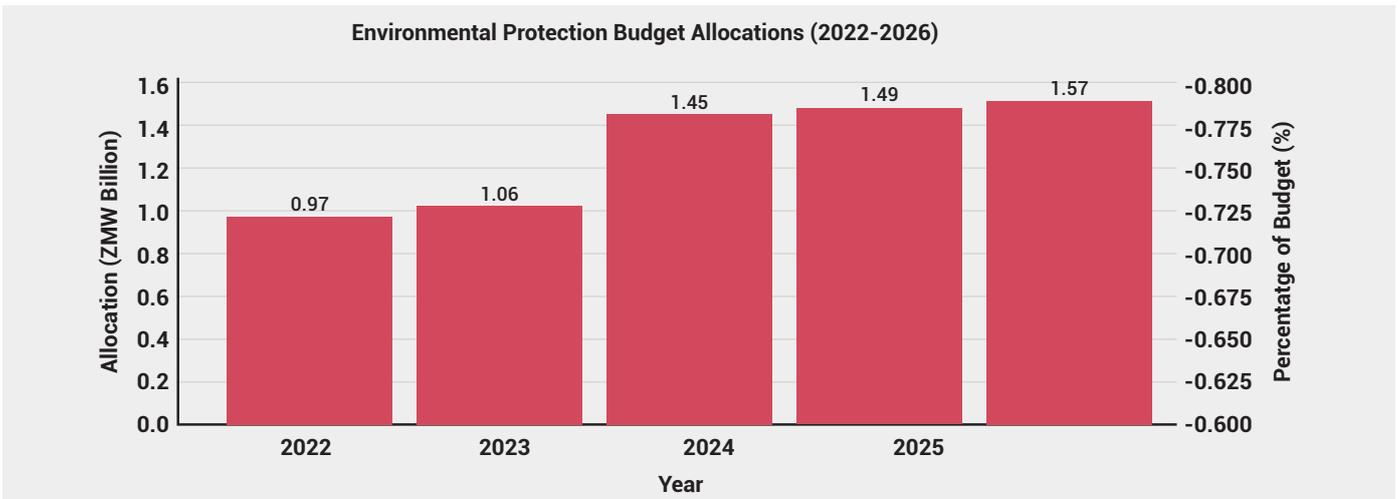


# GREEN AND CLIMATE RESILIENT GROWTH

## 6. GREEN AND CLIMATE RESILIENT GROWTH

Zambia has continued to face severe climate-related shocks, notably prolonged droughts that have undermined agricultural productivity, electricity generation, and food security. Environmental degradation, unsustainable farming practices, deforestation, and heavy reliance on hydropower further compound vulnerability. These challenges highlight the urgent need for climate adaptation measures and stronger environmental governance. In order to respond to the challenges associated with climate change and promote the country’s green growth agenda, the 2026 National Budget has proposed a number of measures complemented with budget allocations to various projects and programs. Environmental protection has received a budget allocation of K1.57 billion, representing 0.7 percent of the 2026 annual budget.

Figure 3: Environmental Protection Budget (2022 - 2026)



Source: 2026 National Budget Speech

Although the Environmental Protection function received a higher nominal allocation in 2026 (K1.57 billion), its share of the budget fell to 0.6% from 0.7% in 2025, continuing a trend of allocations below 1% since 2022. Despite this modest share, Government is advancing important regulatory and community interventions. The Emission Reduction Programme rewards 56 chiefdoms and 359 community forest groups managing over 10 million hectares, linking conservation to livelihoods. To address pollution, fiscal measures discourage plastic use and encourage alternatives, while in the mining sector, enforcement against mercury use is being strengthened alongside the promotion of mercury-free processing technologies. These measures align with Zambia’s ambition to access global carbon markets and build climate resilience in line with the Green Economy and Climate Change Act of 2025.

The 2026 budget prioritises climate-smart agriculture as a resilience strategy. By installing 250 automatic weather stations and 300 rainfall stations in agricultural camps, the Government is improving real-time climate data and early warning systems, enabling informed planting and irrigation decisions. These efforts build on the Comprehensive Agriculture Transformation Support Programme, launched in 2025, which promotes irrigation, mechanisation, and farm block development to reduce reliance on rain-fed agriculture. This proposed program presents continuity in policy direction under the 8NDP, but the key challenge remains, such as ineffective adoption at the farmer level - extension services, training, and access to finance must match these investments if climate-smart practices are to deliver meaningful productivity gains.

A notable step-change in green energy financing is the issuance of green bonds that raised US\$150.2 million, invested in solar plants at Riverside (34MW) and Itimpi (60MW) in Kitwe. This reflects a deliberate move away from overreliance on hydropower, which supplies over 80% of the energy mix but is highly vulnerable to drought. Fiscal incentives for hybrid vehicles, such as the reduction of excise duty from 30% to 15%, further demonstrate a policy shift towards low-carbon growth. These initiatives highlight Zambia’s commitment to climate mitigation while simultaneously addressing energy security. However, execution bottlenecks such as integrating new solar power into the grid and mobilising further private investment could limit the pace of transition if not addressed.

A row of black dominoes is arranged on a yellow background. The first four dominoes from the left are falling, while the last four are still standing upright. A horizontal brown banner with white text is overlaid across the middle of the image.

# RISK AND CHALLENGES FOR BUDGET EXECUTION

# 7. RISK AND CHALLENGES FOR BUDGET EXECUTION

This analysis has identified key risks that might affect the successful implementation of the 2026 National Budget and the achievement of its policy objectives. These include:

- **Revenue Risks:** The 2026 budget projects K206.5 billion in domestic revenue (22.3% of GDP), of which K165.8 billion is expected from tax revenue alone. Within this, PAYE is projected at K31.4 billion (up from K27.0 billion in 2025), while company tax is expected to contribute K30.1 billion, and VAT K54.4 billion. Non-tax revenue, including mineral royalty at K18.2 billion, is projected at K40.7 billion.

These ambitious targets heighten the risk of overestimation. The projections assume sustained GDP growth and favourable commodity prices, despite Zambia's vulnerability to both internal and external shocks. The reliance on emerging financing mechanisms such as green bonds (US\$150.2m raised to date) and carbon credits further introduces volatility, as these depend on global investor appetite and carbon market performance. Grants, budgeted at K12.1 billion (4.8% of revenue), remain uncertain and could be subject to delays or shortfalls. Any significant revenue underperformance would widen the fiscal gap and could force increased borrowing, undermining fiscal credibility.

- **Expenditure Risks:** On the expenditure side, the 2026 budget amounts to K253.1 billion (27.4% of GDP), of which a significant portion is absorbed by debt servicing. Domestic debt interest is projected at K52.0 billion, while external debt service (interest and principal) accounts for K21.7 billion. Together, these obligations of nearly K74 billion consume almost 30% of the entire budget, crowding out developmental spending on sectors such as education, health, and climate resilience.

While social protection remains sizeable at K15.7 billion, education and health continue to receive priority allocations, the heavy debt burden limits fiscal flexibility. Weak procurement systems and delays in project execution compound the problem, leading to low absorption rates of capital budgets. If unchecked, these inefficiencies risk undermining the developmental impact of budgeted funds and eroding public confidence in fiscal management and budget credibility.

- **External Shocks:** Zambia's economy remains highly vulnerable to external developments. Copper, which still contributes over 70% of export earnings, exposes the country to commodity price volatility. A sustained decline in global copper prices would significantly reduce mineral royalty collections, projected at K18.2 billion in 2026, and weaken foreign exchange inflows. On the other hand, if prices surge, fiscal space would improve, but this dependency highlights the structural risk of an undiversified export base.

Climate shocks remain another pressing external risk. The drought of 2024 reduced agricultural output by nearly 16% and forced load-shedding due to low hydro generation, resulting in high food and energy prices. With more frequent extreme weather events expected, such shocks could derail the macro-economic objectives in the 2026 budget.

At the global level, inflationary pressures and tight monetary policy in advanced economies continue to push up the cost of external borrowing. Zambia's external debt stock stood at US\$15.17 billion by mid-2024, and while restructuring agreements have provided relief, higher global interest rates and capital outflows could still weaken the Kwacha and raise debt servicing costs. These combined external factors pose a significant risk to fiscal stability and macroeconomic performance in 2026.



*The 2026 Budget projects K206.5 billion in domestic revenue (22.3% of GDP), of which K165.8 billion is expected from tax revenue alone.*



*Domestic debt interest is projected at K52.0 billion, while external debt service (interest and principal) accounts for K21.7 billion.*



*Zambia's economy remains highly vulnerable to external developments. Copper, which still contributes over 70% of export earnings, exposes the country to commodity price volatility.*



# 08. Conclusion

The 2026 National Budget, being a policy tool in response to the current socio-economic conditions, has reflected a deliberate effort to consolidate economic and social gains while promoting fiscal sustainability, equitable growth, and resilience. The 2026 budget, being the last budget in the implementation of the 8NDP, its theme entails that the budget policy measures and fund allocation are meant to consolidate gains of the 2022-2025 budgets in achieving the 8NDP set out strategic goals. By prioritising strategic sectors such as education, health, mining infrastructure, and SMEs development, the budget seeks to stimulate inclusive economic growth and improve service delivery. Successful implementation will depend on enhanced revenue mobilisation, disciplined expenditure management, strengthened institutional capacity, and effective risk mitigation. If executed effectively, the budget has the potential to support Zambia’s development objectives, foster private sector participation, and enhance the welfare of citizens across the country.



## REFERENCES

- Bank of Zambia (BoZ). (2022). Annual Report 2022. Lusaka: Bank of Zambia.
- Bank of Zambia (BoZ). (2023). Annual Report 2023. Lusaka: Bank of Zambia.
- Bank of Zambia (BoZ). (2023). National Financial Sector Development Policy Progress Update. Lusaka: BoZ.
- GSMA. (2023). State of the Industry Report on Mobile Money 2023. London: GSM Association.
- Beyene, T., et al. (2019). Health infrastructure and access in Ethiopia: A systematic review. BMC Health Services Research.
- FAO. (2022). Climate-Resilient Agriculture in Zambia.
- Kalk, A., & Gilhotra, R. (2020). Digital health systems in Africa: A review. Journal of Global Health.
- Ministry of Agriculture, Annual Report, 2023
- Ministry of Finance and National Planning (2023). National Budget Report. Lusaka.
- Ministry of Finance and National Planning (2025), Economic Report. Lusaka.
- Ministry of Health, Zambia. (2024). Health Sector Annual Report. Lusaka.
- Ministry of Health, Zambia. (2025). Mid-Year Health Sector Performance Report. Lusaka.
- Ministry of Local Government and Rural Development, Annual Report, 2024
- National Budget Speeches, 2022-2026
- WHO (2016). Global strategy on human resources for health: Workforce 2030. WHO.
- WHO (2017). Zambia health system review. WHO Regional Office for Africa.
- World Bank (2020). Maternal health in Zambia: Progress and challenges. Washington, DC.

# 2026 ZAMBIA NATIONAL BUDGET INFOGRAPHIC

SEPTEMBER 2025



DESIGNED BY COMMUNICATIONS DEPARTMENT

Corner of Nationalist & John Mbita Roads,

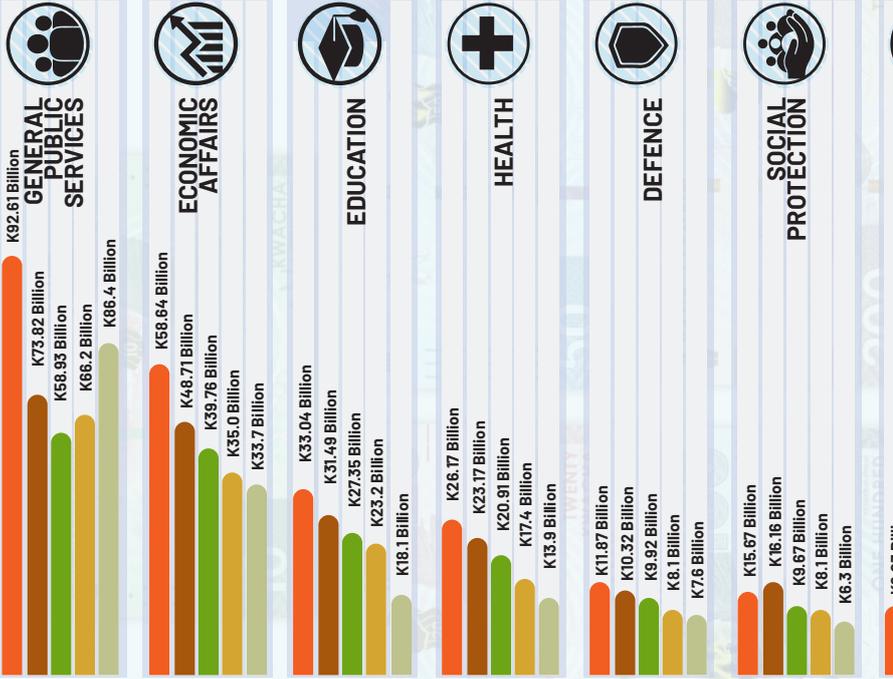
opposite Ridgeway Campus gate, 10101 Lusaka, Zambia.

Tel: +260 211 269 771/+260 979 015 660 Email: info@pmrczambia.net

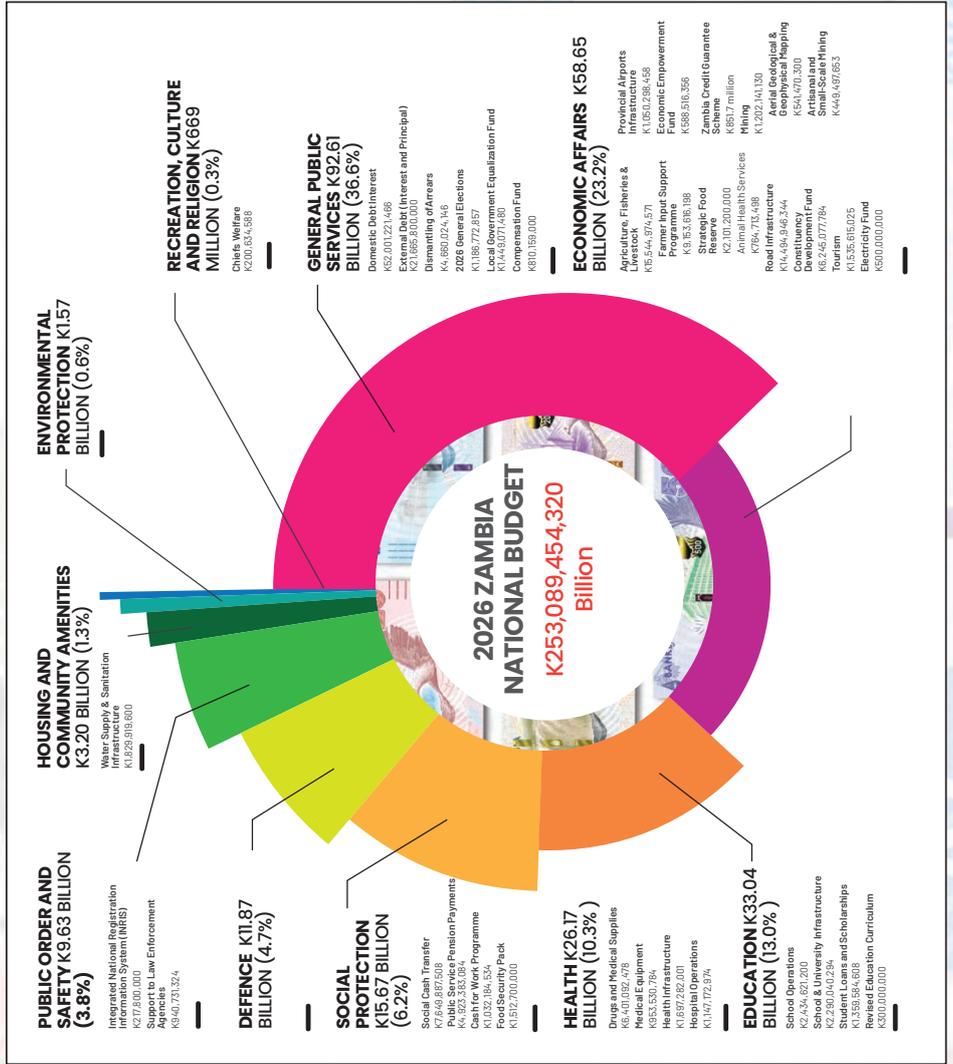
www.pmrzambia.com

Theme: "Consolidating Economic and Social Gains Towards a Prosperous, Resilient and Equitable Zambia"

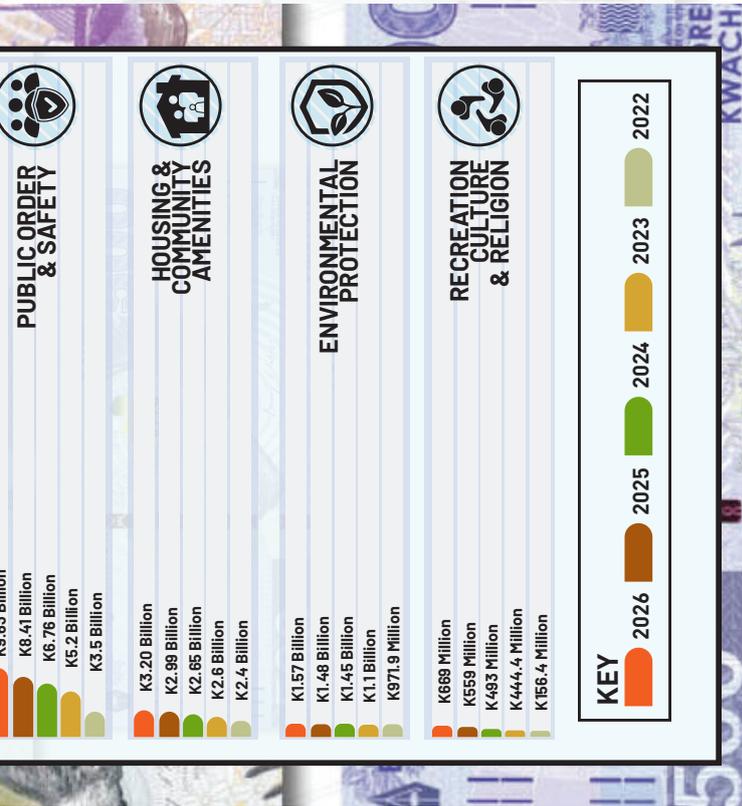
## BUDGET EXPENDITURE COMPARISONS 2022 - 2026



## EXPENDITURE ESTIMATES 2026 BUDGET



## RESOURCE ENVELOPE FOR THE 2026 BUDGET



## MACROECONOMIC OBJECTIVES

1. Attain real GDP growth rate of **6.4 percent**;
2. Reduce inflation to the **8-8 percent target band**;
3. Maintain gross international reserves above **4.0 months of import cover**;
4. Increase domestic revenue to at least **22.3 percent of GDP**;
5. Reduce the fiscal deficit to **2.1 percent of GDP**; and
6. Limit net domestic borrowing to **2.3 percent of GDP**.

## THEMATIC AREAS

### ECONOMIC TRANSFORMATION AND JOB CREATION

- Nine dams will be constructed, seven will be completed, and 300 maintained across the country.
- 100% roll-out of the Farmer Input Support Programme to the E-voucher from 74 districts in the 2025/2026 farming season.
- A new Agricultural Marketing Bill will be introduced, while the Food Reserve Act of 2020 and the Agricultural Credits Act of 2010 will be amended to strengthen the agricultural framework.
- Construction of the interconnector between Zambia and Tanzania to commence next year opening up access to East African countries such as Kenya, Uganda, and Ethiopia.
- Construction of major roads, including Kalabo-Sikongo, Mpika-Chinsali, Serenje-Mpika, and Mwinilunga-Jimbe, along with the Jimbe Border Post.
- Fifteen Acrow bridges are to be constructed in different parts of the country.

### HUMAN AND SOCIAL DEVELOPMENT

- Scaling up of the Home-Grown School Feeding Programme in 116 districts.
- Recruitment of 3,500 teachers in 2026.
- 6,000 students to benefit from bursaries and 100,000 youths will be trained in various skills.
- Recruitment of 2,500 health personnel in 2026.
- 1.5 million households to benefit from Social Cash Transfers by 2026 (up from 895,000 in 2021), impacting over 8.4 million people.
- Increase in Food Security Pack to K1.5 billion from K1.2 billion, and beneficiaries to over 320,000 farmers from 244,000, respectively.
- Implement structural and fiscal reforms, including cost-recovery tariffs with targeted support for the poor in the water sector.

### GOVERNANCE

- Government will implement a Medium-Term Revenue Strategy to broaden the tax base, which will ease the burden on compliant taxpayers and improve revenue mobilisation.
- The Anti-Corruption Act will be amended to reinforce the independence of the Anti-Corruption Commission.
- A new State-Owned Enterprises Bill is being developed in order to strengthen the accountability, oversight, and financial sustainability of State-Owned Enterprise.

### ENVIRONMENTAL PROTECTION

- Government has raised US\$150.2m through green bonds, invested in solar plants at Riverside (34MW) and Itimpi (60MW) in Kitwe.
- Government has installed 250 automatic weather stations and 300 rainfall stations in agricultural camps nationwide.
- 56 chiefdoms in Eastern Province and 359 community forest groups nationwide are managing over 10 million hectares as forest areas.



# 2026 ZAMBIA NATIONAL BUDGET ANALYSIS



Unlocking Zambia's Potential  
Policy Monitoring and Research Centre (PMRC)  
Corner of Nationalist & John Mbita Roads,  
Lusaka, Zambia.

**Tel:** +260 211 269 717 | +260 979 015 660

**Email:** [info@pmrczambia.net](mailto:info@pmrczambia.net)

**www.**[pmrczambia.com](http://pmrczambia.com)

