



## Accelerating the extension of coverage of the Zambia National Health Insurance scheme to the poor and vulnerable through the strengthening of national capacity in actuarial modelling

Social protection is a human right defined as the set of policies and programmes designed to mitigate the effects of poverty. Evidence shows that social protection reduces poverty, vulnerability and social exclusion throughout the life cycle. Many countries rely on social protection as a macroeconomic and social stabilizer in preventing and reducing poverty, contributing to inclusive and sustainable economic growth, promoting human development and increasing productivity and employability. A growing number of middle- and low-income countries are engaged in implementing national social protection strategies to address increasing global risks and shocks.





Zambia enacted National Social Protection Policy in 2014 to serve as a framework to harmonize and standardize the implementation of social protection programmes in the country. The Living Conditions Monitoring Survey (LCMS) of 2015 revealed that poverty levels in Zambia have remained persistently high standing at 54.4 percent despite growth at the macro-economic level. The situation is worse in rural areas where 76.6 percent of the people are classified as poor while urban poverty stands at 23.4 percent. In addition, the Gini Coefficient (a measure of income inequality) was at of 0.69 showing high income inequality. The evidenced hardships have been compounded by health pandemics such as HIV and COVID-19, as well as natural disasters such as floods and droughts. In response to these challenges, the Government of the Republic of Zambia has implemented a number of social protection programmes, inclusive of establishing the national health insurance scheme to ensure quality health care for all.

## Why focus on the National Health Insurance Scheme?

The COVID-19 pandemic has reinforced the urgency of developing more resilient and adaptable social protection systems. In response to the increased pressure on the health emergency, there is a need to strengthen the capacity of the National Health Insurance Scheme (NHIS) to provide wider health care coverage, most especially to the poor and vulnerable. NHIS was established by the National Health Insurance Act N°2 of 2018 and SI63 of 2019 as a compulsory scheme for all Zambian citizens and legal residents, to provide for reliable healthcare as well as sound financing for the health sector. This is part of the broader health policy to improve access to health care for all and improve the financial sustainability of the health system.

In pursuit of achieving Universal Health Coverage by leaving no one behind, the National Health Insurance Management Authority (NHIMA) *plans the process of extending non-contributory participation to the poor and the vulnerable* as mandated by section 16 of the National Health Insurance Act No. 2 of 2018.

To achieve this objective, *NHIMA requires robust actuarial projections to quantify the prospective liabilities created by the onboarding of non-contributory social cash transfer (SCT) beneficiaries, to devise optimal financing frameworks and policies to ensure scheme viability.*





## Objective of the Project

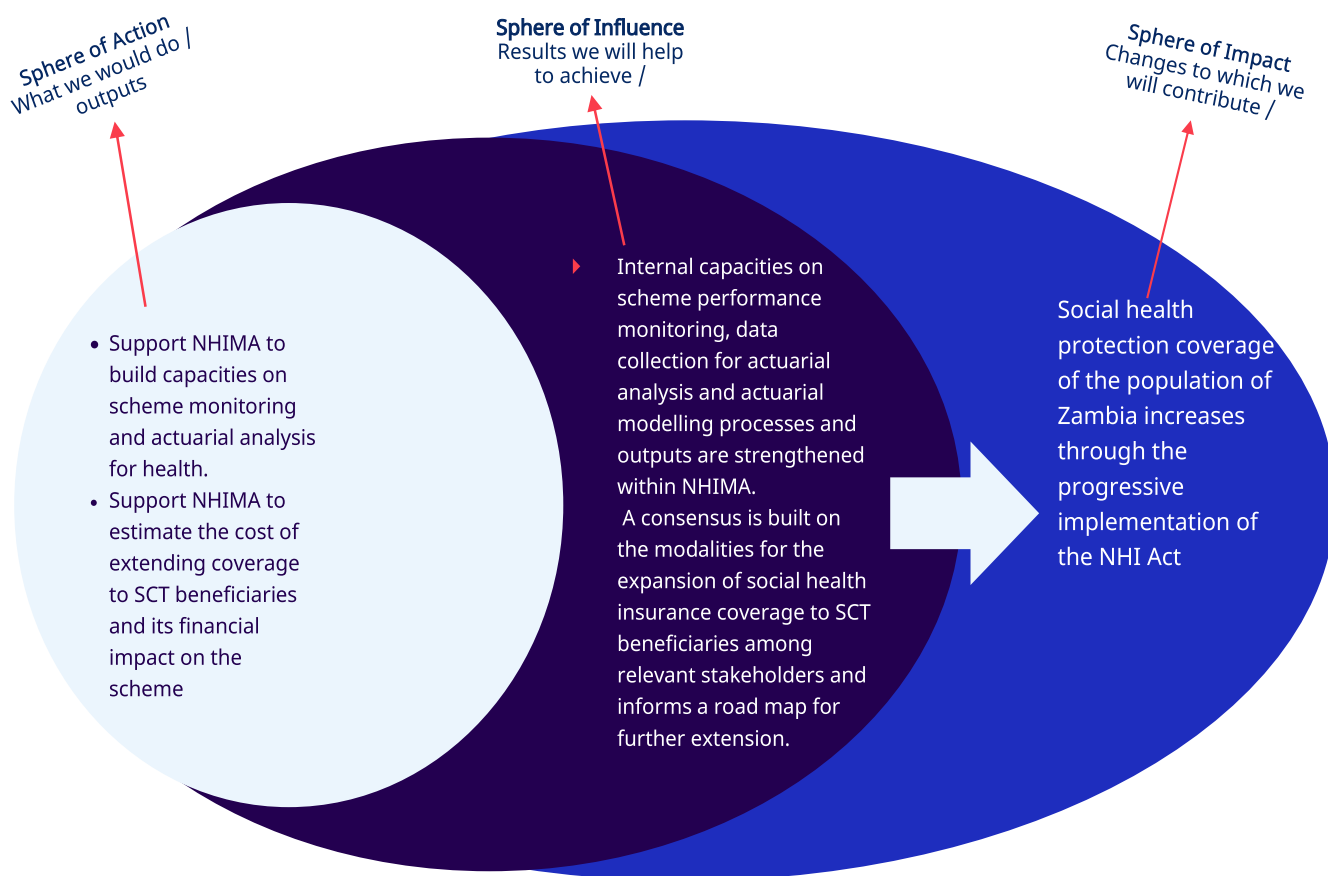
The project “**Accelerating the extension of the Zambia National Health Insurance scheme to the poor and vulnerable**” will support the application of actuarial costing models to contribute toward the implementation of the National strategy on the extension of social security coverage to the informal economy. The overall objective is to pave the way for the **extension of health care coverage** in the country, as per the National Health Insurance Act.

The project will provide technical support to **quantify the cost** of extending health insurance benefits to **non-contributing** poor and vulnerable participants, and its impact on the overall financial sustainability of the scheme. This data will serve to **develop evidence-based recommendations** to Government, for expanding social health coverage.



## Spheres of Action, Influence, and Impact of the Project

The project will support the realization of NHIMA's mandate to advance universal health coverage to the poor and vulnerable through a focus on identified **spheres of action, influence and impact**.



## Implementation partners and stakeholders

The project will engage primarily with the National Health Insurance Management Authority (NHIMA), and the lead government ministries in the responsible for the design and financing the national social health insurance policy, namely the **Ministry of Labour & Social Security** and the **Ministry of Community Development and Social Welfare**, the **Ministry of Health**, as well as the **Ministry of Finance**. The **Zambia Statistics Agency** will be a key partner to support the collection of data to progress the actuarial costing projections.

The project will be implemented within the framework of the *National Strategy on extension of social security coverage to the informal economy*, which has an already constituted a **Technical Working Group (TWG)**, inclusive of informal economy associations as well as employer and employee representatives, to drive the extension of coverage agenda.

### For further information please contact:

Muya Mwiya, ILO Co-Lusaka, Social Protection Inclusion [mwiya@ilo.org](mailto:mwiya@ilo.org)

Andrew Allieu, ILO DWT Pretoria, Sr Specialist, Social Protection, [allieu@ilo.org](mailto:allieu@ilo.org)

Kagisanyo Kelobang, ILO HQ SOCPRO Social protection Analyst, [kelobang@ilo.org](mailto:kelobang@ilo.org)



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