Health R&D financing in Africa: Towards resilience, innovation, and sovereignty

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This policy recommendation draws on discussions from a side session titled "Health Research and Development Financing in Africa: Towards Resilience, Innovation and Sovereignty," co-hosted by PATH and Impact Global Health at CPHIA 2025. The session examined pathways for Africa to develop a more comprehensive and coordinated approach to financing health R&D, aligned with evolving continental priorities and aimed at reducing reliance on volatile external funding.

The investment landscape

Global health R&D funding reached a peak of $14.3 billion in 2021, driven largely by unprecedented COVID-19 investments. This surge, however, was temporary, with funding declining sharply thereafter to just over $8 billion in 2024. As emergency funding receded, overall R&D funding reduced across multiple disease areas. Funding for neglected disease R&D was particularly affected, falling by nearly $97 million in 2024, marking the third consecutive year of funding decline.

Many neglected disease candidates are entering the costly clinical development phase as donor funding is falling. This disconnect is creating a "valley of death" in financing that threatens the translation of promising innovations into market-ready products. Importantly, this "valley of death" reflects not only declining funding levels but also a broader systems failure in global health R&D. Fragmented funding streams, weak demand signaling, misaligned incentives between early-stage research and late-stage development, and the absence of predictable public procurement pathways collectively undermine the progression of promising candidates through clinical development.

PHOTO | Tricia Hibwato (Project Assistant) reads slides using the AIScope software which takes pictures of blood films followed by automated identification of the parasite. and allows faster, more accurate and more sensitive screening of blood slides for malaria infections. PATH/Enoch Kavindele Jr.

Financing patterns

At the same time, African countries, like South Africa, have emerged as leading R&D players on the continent, consistently demonstrating the value of domestic investment in health R&D. South Africa allocated approximately $133 million between 2015 and 2024 to health R&D, mainly targeted at HIV, tuberculosis, malaria, and COVID-19 R&D. The landscape is overwhelmingly publicly funded, with over 90% of investments provided by two government-funded national institutions. These institutions play a critical role in sustaining R&D ecosystems, as they finance long-term infrastructure and capacity areas that are typically overlooked by external funders.

Domestic investment and capacity in areas in health R&D should therefore be understood not only as a health or economic input, but as a strategic instrument of national security and health sovereignty. Countries that finance and govern their own R&D agendas are better positioned to secure timely access to essential health technologies during crises, reduce exposure to global supply chain shocks, and retain control over priority setting for diseases of national and regional importance.

When such predictable, country-led funding is absent, product development pathways become fragmented, and timelines are further extended, especially for diseases where commercial incentives are weak and institutional demand is uncertain, ultimately delaying patient access to lifesaving innovations.

Evidence clearly demonstrates that health R&D generates substantial economic and societal returns:

- Every US$1 invested yields an estimated $405 in societal value.
- Between 2000 and 2040, approximately 40.7 million lives could be saved, predominantly in sub-Saharan Africa.
- Preparedness for future pandemics and outbreaks is strengthened.
- Dependency on external suppliers and donors is reduced.
- Local manufacturing capacity and resilience is built.

Health R&D investment is therefore not a cost; it is a strategic asset.

Policy recommendations

Delivering resilient and sustainable health R&D ecosystems in Africa requires coordinated action across national governments, regional institutions, and development partners, using clearly defined policy and financing levers. The key priority actions are outlined below.

01 **Strengthen country-led investment and ownership.** Governments must increase domestic allocations for health R&D aligned with national disease priorities. Ministries of finance and health should embed priority innovations into national health benefits packages and use advance market commitments or guaranteed procurement to signal long-term demand. Countries should consider pooling demand across borders to provide volume guarantees for products. Integrating new innovations into national health benefits packages would ensure sustainable financing.

02 **Expand flexible and innovative financing mechanisms.** Funders and countries should deploy financing mechanisms that de-risk early-stage innovations and support late-stage manufacturing. Catalytic financing, blended finance, and outcome-based instruments can crowd in domestic and private capital and bridge the gap between research and market entry.

03 **Build national health technology assessment (HTA) capacity.** Countries must invest in HTA units within ministries of health to assess cost-effectiveness, guide procurement, and signal demand to manufacturers and innovators. HTA-driven decision-making creates confidence for innovators and investors.

04 **Foster strategic partnerships.** Collaboration between governments, innovators, regulators, the private sector, and development partners must be strengthened for better R&D coordination.

05 **Promote regional manufacturing capacity.** Support is needed for ongoing policy and regulatory frameworks that support regional vaccine and therapeutics manufacturing in alignment with the technology transfer initiatives of the African Union's Partnerships for African Vaccine Manufacturing, the Africa Centres for Disease Control and Prevention, and the World Health Organization.

06 **Provide targeted incentives for local manufacturers.** Governments and regional bodies should offer tax incentives, streamlined regulatory pathways, guaranteed procurement, and support for good manufacturing practice compliance. Policies should be created that are innovation friendly and that reduce reliance on imports while building domestic production.

PHOTO | Vials of fluid in a tray in the regional hospital laboratory in Thies, Senegal. PATH/Gabe Bienczycki

Conclusion

With global R&D funding contracting rapidly, Africa stands at an inflection point. This moment demands a shift from externally driven, project-based financing toward sustained, country-led investment in health innovation. African governments must therefore lead the next phase of investment in health innovation. Sustainable domestic financing, combined with strong partnerships, regulatory reforms, manufacturing incentives, and innovative financing models, will accelerate progress, expand the pipeline for lifesaving medical products, and safeguard Africa's health sovereignty.