

Investing in Health R&D: Africa's Next Economic Growth Frontier

Policy Brief for ministers, policy makers and political leadership

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This brief is based on the report available at <https://africacdc.org/investment-in-health-research-and-development/>

Investing in Health R&D is not a cost. It is an economic growth strategy.

Africa stands at a strategic turning point. As global aid contracts and competition for industrial leadership intensifies, countries that invest in research, innovation and manufacturing will capture the next generation of economic growth. Those that do not will remain dependent on imported technologies, external financing, and volatile global supply chains, while their own talent leaves. The question is no longer whether Africa can afford to invest in health R&D. It is whether Africa can afford not to. Health research and development (R&D) offers Africa one of the clearest opportunities to build a new high-value industrial sector while simultaneously improving health outcomes, strengthening resilience, and creating jobs.

A new continent-wide economic analysis commissioned through the AU-EU Health Partnership and Africa CDC demonstrates that if African countries reach the African Union target of investing 1% of GDP in R&D, with 15% allocated to health R&D, the returns would be transformational.

Aligned with Agenda 2063 and Africa CDC's Africa Health Security and Sovereignty (AHSS) strategy, the report reframes health R&D as a strategic economic investment for Africa's future

The economic case at a glance

If Africa invests, it can expect:



If Africa does not invest:

- The continent risks losing **over \$1 trillion in GDP** over 20 years if health R&D investment falls below current levels.
- Africa will continue exporting scientific talent while importing the technologies it depends on; paying a permanent premium to foreign manufacturers for technologies that African researchers can develop.
- Every year of delay narrows the window to build domestic capability before the next health crisis, the next supply chain disruption, or the next pandemic.

Why this matters

This is not primarily a health agenda. It is an economic transformation agenda.

Health R&D investment delivers a stronger economy and a stronger future:



Countries that invest in R&D consistently grow faster and build more resilient economies. Africa's current average investment in R&D is just 0.45% of GDP, far below the global average of 1.7%.

At the same time, 90% of the economic returns from R&D currently remain in the countries that fund it.

Africa therefore faces a strategic choice:

- continue financing the importation of innovation, foregoing greater health security and limiting local manufacturing to primarily fill-and-finish in Africa; or
- build domestic systems that generate African science, African companies, African manufacturing, and African economic returns.

Africa already has proof that this works

Africa is not starting from zero. Several countries across the continent have already demonstrated the returns of sustained investment:

The challenge: Africa's "missing middle"

Africa does not lack scientific talent or investor interest.

The major gap is the "missing middle" between research and investment:

- Ideas struggle to reach market
- Regulation and policy remain fragmented
- Financing gaps block scale-up
- Clinical trial capacity remains limited

As investors interviewed for the report repeatedly stressed:

"Investors do not fund science in isolation. They fund systems that translate science into revenue."

This is why public policy and public investment are essential.

Priority actions for African Political Leadership

1. Commit to health R&D as a strategic economic investment

African governments should:

- Commit to the African Union target of investing 1% of GDP in R&D, with 15% allocated to health R&D
- Embed health R&D within national industrialisation, competitiveness and economic growth strategies
- Protect long-term R&D financing within national budgets

2. Build the conditions for a functioning continental market

Governments and AU institutions should:

- Use procurement, advance purchase commitments and incentives to create demand for African-developed health technologies
- Strengthen and harmonise regulatory frameworks under the African Continental Free Trade Agreement (AfCFTA) to enable continental scale and investor confidence
- Accelerate coordination through continental institutions including Africa CDC and the African Medicines Agency
- Invest in the enabling infrastructure required for innovation, including clinical trials, data systems and translational research platforms

3. Mobilise and coordinate investment at continental scale

Africa CDC, AU leadership and financing partners should:

- Develop a continental health R&D investment blueprint
- Aggregate investable opportunities across countries and sectors
- Align governments, Development Finance Institutions (DFIs), philanthropies and private investors

around shared priorities

- Deploy blended finance structures that crowd in long-term private capital and absorb early-stage risk

A strategic opportunity for African political leadership

This agenda requires high-level political leadership.

African political leadership can:

- Send clear market signals to investors
- Position health R&D as a continental economic priority
- Align countries behind shared investment commitments
- Champion Africa-led innovation and industrialisation
- Embed health R&D into Agenda 2063 and economic growth strategies

This is a moment to move from aid dependency to economic sovereignty, from importing solutions to building them, and from ambition to investment.

Conclusion

Africa built a globally significant telecom and digital payments economy within two decades, starting from a base less developed than its current scientific and industrial foundation. Health R&D is the next transformation. The evidence is now clear: investing in R&D creates jobs, drives growth, strengthens resilience, and improves health outcomes simultaneously. What is needed now is political will and public investment to unlock the private capital waiting on the sidelines.

Africa-led. Africa-financed. Africa-delivered.