

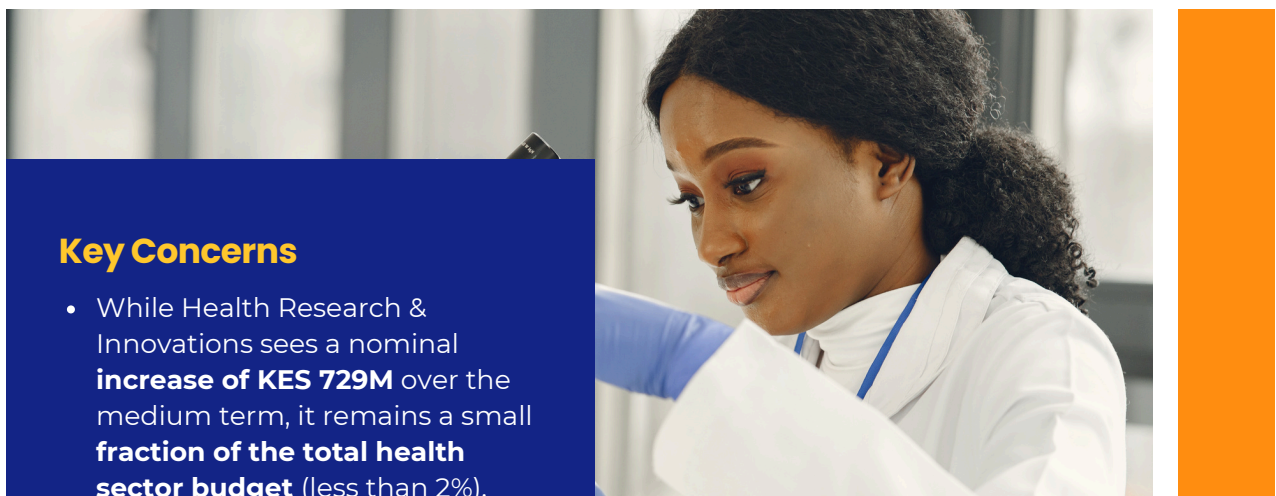
2025

# BUDGET ANALYSIS

Members of the **Coalition for Health Research and Development (CHReaD)** submitted contributions on strengthening Kenya’s health research and development (R&D) ecosystem for the 2025 Budget.

Analysis of the Budget Review and Outlook Paper (BROP), Health Sector Report, and Budget Policy Statement (BPS) highlighted the underfunding of institutions critical to pandemic preparedness, medical innovation, and local manufacturing.

The analysis conducted has generated the following key insights and findings.



## Key Concerns

- While Health Research & Innovations sees a nominal **increase of KES 729M** over the medium term, it remains a small **fraction of the total health sector budget** (less than 2%).
- Health Resources Development & Innovation faces a **sharp budget cut (-KES 2.9B between 2024/25 and 2025/26)**
- With **U.S. government funding cuts**, these budget reductions could significantly impact clinical trials, diagnostics, and vaccine development, areas critical for Kenya’s local manufacturing goals

**KEMRI has faced a**  
**52%** drop in research funding since 2022/23

## Budget Absorption Challenges

The **low absorption rate (72–79%) undermines R&D execution**, particularly for **time-sensitive projects like clinical trials and vaccine production**

We require reforms to streamline approvals and improve fund utilization of health R&D budgets

To sustain Kenya’s R&D momentum, greater investment in domestic funding mechanisms and stronger advocacy for policy frameworks that support innovation are necessary.

The recommendations shared below will strengthen our national R&D infrastructure and help build a resilient, future-ready health system for all Kenyans.

### Introduction of Policy incentives for private sector

We advocate for the introduction of tax incentives to stimulate private-sector R&D investments and investments in local manufacturing and int technology transfer, encouraging collaborations that can expand the scope and scale of national health research.

### Prioritize Health Research & Development

Kenya to pioneer domestic health R&D funding in Africa, ensuring sustainable access to essential medicines and vaccines while potentially establishing the country as a regional hub for health innovation. This strategic investment in health R&D would not only strengthen Kenya's healthcare sovereignty but also position the country as a model for other African nations

### Establish a Health R&D Data and Investment Tracking System

Health R&D Data and Investment Tracking System is essential for Kenya to optimize its current health investments, given the mixed progress across different health programs

The system would enable evidence-based decision making by tracking the full lifecycle of investments, identifying funding gaps, and measuring returns across programs, ultimately supporting the sustainability of successful interventions

### Increase Funding toward Health R&D

We advocate for a structured and predictable increase in R&D funding, aiming for a yearly growth of at least 20%, which would see allocations rise to an estimated KES 5.88 billion by 2027. Such an increment would empower research institutions like KEMRI to accelerate critical research, enhance infrastructure, and retain skilled personnel..

### Multi-Year Health R&D Funding Commitments

Establishing multi-year funding arrangements will provide the stability necessary for long-term research projects, facilitating strategic planning and investment in high-impact initiatives like emergency response.

### Creation of a Dedicated Health R&D Fund

An endowment fund and a ring-fenced health R&D fund would ensure that resources are directly channeled into critical areas such as vaccine development and manufacturing, genomic surveillance, and One Health initiatives