



Social Innovation in the South African Health Ecosystem

EXECUTIVE SUMMARY

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South Africa's National Health Insurance (NHI) Act of 2023 represents the most significant transformation of the country's health system since the end of apartheid. It responds to a deeply unequal dual system in which approximately 84% of the population relies on an under-resourced public sector, while a minority accesses well-funded private care. The country carries a high burden of disease, driven by HIV/AIDS, TB and rising non-communicable diseases (NCDs), compounded by deep structural inequalities in income, geography and access to services, making health innovation not just an economic opportunity but a systemic imperative. Beyond financing reform, the NHI introduces an urgent opportunity to reposition health innovation as a central mechanism for achieving universal health coverage, improving equity, and strengthening system performance.

This review, conducted by RIIS, the Bertha Centre for Social Innovation and Entrepreneurship (UCT) and Innovate UK Global Alliance Africa, assesses the current state of South Africa's social innovation in the health ecosystem using the International Development Innovation Alliance (IDIA) framework. The framework organises ecosystem strengthening interventions around nine goals. Drawing on desktop research and stakeholder consultations, the review maps key actors across government, academia, civil society, the private sector, and development partners, benchmarks the ecosystem against international comparators, and identifies targeted actions required to unlock systemic impact.

A strong system with structural friction

The review finds a clear paradox: South Africa possesses strong technical and institutional capabilities, yet these are not translating into scaled, system-wide impact. The table below summarises key strengths and weaknesses across the IDIA goals.

IDIA Goal	Key Strength	Key Weakness
Human Capital	Well-established research base; South African Medical Research Council (SAMRC) programmes building entrepreneurially minded researchers	Brain drain, mismatched curricula, limited business and commercialisation skills among researchers and innovators.
Access to Finance	SHIP has enabled innovations from the Ellavi uterine balloon tamponade to digital platforms; growing VC activity	Heavily donor-dependent; 2025 US aid cuts severely disrupted programmes; 90% of successful SMMEs reported as white-owned

IDIA Goal	Key Strength	Key Weakness
Markets & Infrastructure	High mobile penetration; MomConnect, Vula Mobile and EMR pilots in 40+ districts	76%+ of medical devices imported; academia–industry disconnect; innovations take 7–8 years to market
Policy & Regulation	Strong institutional anchors (South African Health Products Regulatory Authority (SAHPRA), SAMRC, National Intellectual Property Management Office (NIPMO); MedTech Master Plan (2024) and National Digital Health Strategy (2019) reshaping the regulatory landscape	Regulatory complexity and fragmentation across departments; slow turnaround times; no dedicated digital health regulatory champion; no clear regulatory navigation roadmap for innovators
Innovation Culture	Energetic grassroots culture; eKasi Labs, Pele Box medicine lockers, hospital workflow tools	Institutional risk aversion; urban–township innovation disparity; MEL targets favour outputs over market success
Networking Assets	World-class project-based partnerships with National Institutes of Health (NIH), Wellcome Trust, Gates Foundation	Fragmented at national level; networks informal and donor-driven; township innovators lack access to hospitals and corporates
Equity & Inclusion	Participatory and co-design approaches gaining traction; CHW programmes expanding community reach	Formal participation bodies lack authority; rural populations, migrants, LGBTQ+ individuals and people with disabilities structurally excluded
Pathways to Scale	MedTech Master Plan, Department of Science, Technology and Innovation (DSTI) Innovation Fund and blended finance instruments improving conditions	"Missing middle" funding gap; procurement complexity; most promising solutions stall at pilot phase
Collective Approach	SAMRC, DSTI and National Department of Health (NDoH) beginning to align; Africa Health Research and Innovation Funders Forum (AHRIFF) convening 60+ funders	Coordination coalesces around crises (HIV, TB, COVID-19) rather than sustained strategy; grassroots innovators underrepresented in national platforms

Two constraints cut across all nine goals. The first is the "missing middle" in financing, where innovations are too advanced for seed grants but not yet eligible for scale investment, leaving promising solutions stranded at pilot phase. The second is structural inequality: with 90% of successful SMMEs reported as white-owned, and women, youth, and township-based innovators consistently excluded from funding, networks and procurement, the ecosystem neither reflects nor fully serves the population it is meant to benefit.

Lessons from international systems

Comparative analysis highlights practical lessons from countries that have successfully strengthened their health innovation ecosystems.

The United Kingdom demonstrates the value of coordinated, system-wide networks anchored in public health institutions. Its "network of networks" approach, supported by Health Innovation Networks and independent Health Technology Assessment (HTA) bodies, enables evidence-based adoption of new technologies at scale.

Kenya provides an example of how devolved governance can accelerate innovation uptake. County-level responsibility for health services allows for locally relevant solutions, while national coordination ensures alignment and scale for successful interventions.

India illustrates the transformative potential of digital public infrastructure. Through initiatives such as the Ayushman Bharat Digital Mission, the country has established a unified, interoperable digital health backbone that supports service delivery, data management, and innovation at national scale.


Together, these models point to the same combination: strong national coordination, flexible local delivery, clear regulatory pathways, and interoperable digital systems.

Strategic Priorities for Reform

To fully leverage the NHI and unlock the potential of the health innovation ecosystem, several strategic priorities emerge:

Coordination: Establish a National Health Innovation Network as a practical extension of the Innovation Compact, aligning government, academia, business and civil society around shared goals, and use AHRIF's convening role to reduce fragmentation and donor dependency.

Lifecycle financing: Shift from short-term project grants to blended instruments spanning R&D through to scale. Develop dedicated de-risking funds to close the "valley of death," with financing instruments explicitly targeting Black- and women-led innovators to address documented disparities.



Regulatory reform: Designate a dedicated regulatory champion to align SAHPRA, NDoH and DTIC processes, introduce sandboxes for AI-based medical devices and digital health platforms, and deepen the MHRA–SAHPRA partnership to accelerate approvals and open export markets.

Procurement redesign: Create explicit innovation tracks enabling proven pilots to enter national or provincial adoption, and reform the 90:10 cost-to-local-content weighting that currently disadvantages the domestic MedTech sector.

Inclusion: Extend incubation and mentorship into township and rural areas, embed co-design throughout the innovation lifecycle, and ensure challenge funds and accelerator programmes actively target underrepresented innovators.

Digital infrastructure: Prioritise a unified, interoperable digital health backbone, modelled on India's ABDM, linking facilities, patients and suppliers through open standards and enabling system-wide data use and transparency.

A Critical Window for Action

South Africa's health innovation ecosystem is not underdeveloped; it is under-coordinated. The core building blocks are already in place, including strong institutions, technical expertise, and emerging innovation networks. The challenge lies in aligning these components into a coherent, inclusive, and scalable system.

The NHI provides a unique and time-sensitive opportunity to achieve this alignment. If leveraged effectively, it can drive a transition toward a health system that is not only more equitable but also more innovative and resilient.

However, this window will not remain open indefinitely. Without decisive action, existing challenges will deepen, including widening digital divides, continued donor dependency, and the failure to scale innovations that could significantly improve health outcomes.

With coordinated reform, South Africa has the potential to position itself as a continental leader in health innovation, delivering solutions that are locally relevant, globally competitive, and capable of improving the lives of millions.

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FOR THE FULL REPORT

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