

SUMMATIVE REPORT  
ANNUAL REPORT  
**2023-2024**

# 30 YEARS

OF DEMOCRACY AND  
HEALTH RESEARCH  
TRANSFORMATION IN  
SOUTH AFRICA



SISONKE, TOGETHER, SAVING LIVES



# A NOTE FROM THE PRESIDENT AND CEO

**PROFESSOR GLENDA E. GRAY**



*I am honoured to present my final Annual Report for the South African Medical Research Council (SAMRC) for the 2023/24 fiscal year.*

At SAMRC, our focus is on conducting and funding health research, innovation, capacity development and research translation. Through the internal and external research units, several collaborating centres, strategic projects and initiatives, including recipients of self-initiated research grants, SAMRC researchers are conducting research that is responsive to the burden of disease in South Africa, Southern, Eastern and Western Africa.

The SAMRC showed commendable performance during the 2023/24 financial year, with most of our planned deliverables achieved. This achievement underscores SAMRC's commitment to its mission and objectives and its ability to effectively execute its strategic plans.

The successful completion of the planned strategic activities indicates that SAMRC effectively utilised its resources, including financial, human, and infrastructural, to carry out its core functions as

mandated by the MRC Act 58, 1991 (as amended). These functions include research initiatives, capacity-building programmes, community outreach efforts, and policy advocacy campaigns aimed at improving public health outcomes in South Africa.

This good performance has positive implications for public health in South Africa, as it reflects progress towards addressing key health challenges and advancing scientific knowledge in areas such as infectious diseases, non-communicable diseases, maternal and child health, and health systems strengthening. Going forward, one of SAMRC's areas of focus is the localisation of research and development (R&D) and its profound impact on fostering innovation at scale. We firmly believe that by localising R&D efforts, we can cultivate innovative solutions that directly address the health challenges confronting South Africans. This commitment entails investing in local talent, forging partnerships with

domestic institutions, and conducting research aligned with the South African context. Furthermore, SAMRC is dedicated to nurturing local capacity in research and innovation through comprehensive training and mentorship initiatives.

Our ongoing pursuit of organisational transformation, scientific advancement, and leadership development remains central to our strategic vision. A decade-long review of SAMRC's transformation efforts underscores significant demographic shifts toward equity across various intramural and extramural dimensions. Notably, there has been a substantial increase in the representation of Black and Black African individuals within the SAMRC Board, the Executive Management Committee, and throughout our workforce. Similarly, there has been a marked rise in the number of Black and Black African recipients of scholarships, research grants, and Extramural Research Unit designations.

Our transformation plan encompasses key pillars such as employment equity, personal and interpersonal development, professional training programmes, broad-based black economic empowerment, and interinstitutional collaboration. We are confident these pillars will fortify SAMRC's resilience amid the prevailing uncertainties, ultimately benefiting all stakeholders.

As this will be my last Annual Report as the CEO and President of the SAMRC, I reflect on my tenure with pride. It has been a privilege to lead this esteemed organisation for the past decade. Working in tandem with an outstanding Senior Executive team, we've

accomplished notable milestones, such as securing five consecutive clean audits and spearheading transformative grant funding initiatives that substantially enhance support for young scientists, black African scientists, and women. We have also forged essential collaborations and partnerships poised to propel scientific research forward.

The SAMRC will continue to be my home as I transition into full-time research focusing primarily on HIV vaccines and other areas of vaccinology to address pressing health challenges across the African continent. I am committed to fostering partnerships with local and international collaborators to advance medical science and research in South Africa.

In conclusion, I would like to extend my heartfelt gratitude to the National Minister of Health, the Board, the Executive Management Committee, the SAMRC staff, and all stakeholders for their unwavering support throughout my tenure. I am profoundly grateful for the opportunity to serve SAMRC, the scientific community, and the public at large. To the new President and CEO, Professor Ntobeko Ntusi, I offer my support and best wishes for success in guiding SAMRC towards even greater heights.



**Professor Glenda E. Gray**

*SAMRC President and Chief Executive Officer*

# PROJECTS HIGHLIGHTS AND ACHIEVEMENTS

## Partnership with ANRS on Tuberculosis Research

A further exciting new partnership approved in 2023/24 is with the ANRS-MIE (Agence Nationale du Recherche du SIDA, Maladies Infectieuses Emergentes) in France on TB research. ANRS is the principal French Government Infectious Diseases Research Agency and is the main funder of infectious diseases research in francophone Africa. As a means to extend this support to anglophone Africa in the hope of bringing together researchers from these two continental regions into closer collaborative networks, ANRS-MIE has committed up to €2 million over three years to jointly support research in South Africa with a contribution from the SAMRC of up to R19.5 million.

The partnership will focus on supporting research on TB, with some of the key research priorities being vaccines, transmission, sub-clinical TB, diagnostics and paediatric TB. A request for applications will be released through ANRS during 2024 with the first awards anticipated in early 2025.

## BRILLIANT

BRILLIANT (BRinging Innovation to cLinical and Laboratory research to end HIV In Africa through New vaccine Technology) Consortium was awarded funding amounting to US \$45.6 million over 5 years by USAID (US Agency for International Development) through a Cooperative Agreement with the SAMRC as the lead organisation.

Partners in the consortium consist of 8 African countries viz. South Africa, Nigeria, Kenya, Mozambique, Tanzania, Uganda, Zambia and Zimbabwe. This funding is for African institutions and scientists, to lead the discovery, design and testing of HIV vaccine candidates and will provide even more opportunities for scientists across sub-Saharan Africa to advance HIV vaccine research and development and leverage the lessons learned from decades of U.S. government investments.

The consortium including all stakeholders held its first meeting in January 2024 to discuss an overall programme that focuses on the Year 1 plan of action.

## KfW Development Bank Investments in Vaccine R&D and Production- SAMRC Executing Agency

Department of Science and Innovation (DSI) announced the conclusion of a financing agreement with Germany's KfW Development Bank to produce vaccines. Under the agreement the German government, through KfW, will provide South Africa with €20 million for vaccine production over a period of five years.

The grant is exclusively for financing equipment for the development, production and certification of active pharmaceutical ingredients for vaccine production in South Africa. The grant will be used, among other things, to support the mRNA Technology Transfer Hub that South Africa is hosting for the World Health Organization as well as the South African vaccine manufacturing strategy, led by the DSI. The DSI is the recipient of the KfW financial support on behalf of the South African government and the SAMRC is the project executing agency.

The programme will provide critical support to bolster vaccine research and development, including pre-clinical research, infrastructure and establishing a vaccine manufacturing industry in South Africa. KfW will appoint an implementation consultant to support the KfW and to assist the SAMRC. The consultant will be responsible for providing sector-specific support for project planning, management, monitoring and evaluation, among others. Implementation of the programme is set to begin in April 2024.

## Extension of the Strategic Health Innovation Partnerships (SHIP) Hosting Agreement

SHIP is a flagship programme of the Department of Science and Innovation (DSI) and a partnership with the SAMRC created to coordinate and fund multi-disciplinary product development and innovation projects in the field of health.

The SAMRC has been hosting and managing the SHIP programme since 2013, supporting around

50 innovation projects per year. A highlight of 2023/24 reporting period was the additional commitment of just over R265 million by the DSI to support SHIP until 2025/26. This commitment is critical for the continuity of the current SHIP investments as well as expansion to support additional priority health solutions that will impact directly on the health of the nation.

## **Partnership with NIH for US-South Africa Program for Collaborative Biomedical Research**

The SAMRC-NIH joint programme has strengthened research management and administrative capacity at South African research institutions. The programme was extended for a further five years, from 2019/20 to 2023/24, with a matched R45 million per annum contribution from the SAMRC and is currently supporting 18 awards.

Phase 2 of the programme included the original scientific areas of interest but was expanded to include sexually transmitted infections, parasitic infections, arboviruses and emerging/re-emerging viral pathogens, vector biology and control, and the impact of alcohol use on HIV/AIDS. Also encouraged collaboration with underrepresented groups of scientists and historically disadvantaged institutions in South Africa, and scientists in Kenya, Lesotho, Zimbabwe, and Uganda.

At the end of the 2nd program agreement in 2023/24, SAMRC and the NIH concluded an agreement for a third phase of the programme starting in 2024/25.

The SAMRC is contributing US \$1M per annum for 5 years and the NIH around US \$3M per annum. The collaborating institutions in the USA include the National Institute of Allergy and Infectious Diseases (NIAID), National Institute of Child Health and Human Development (NICHD), National Cancer Institute (NCI), National Institute of Mental Health (NIMH), National Institute on Alcohol Abuse and

Alcoholism (NIAAA), and Office of AIDS Research (OAR). The call for proposals will be launched early in the 2024/25 financial year with awards starting in 2025/26 and will see around 10 new collaborative projects to be supported.

## **Partnership with the UK Research and Innovation (UKRI) Medical Research Council (MRC)**

A new partnership between the SAMRC and the United Kingdom Research and Innovation Medical Research Council (UKRI MRC) was established during the 2023/24 financial year to promote collaboration between researchers in South Africa and the UK to tackle the health challenges of South Africa under the umbrella of the UK's International Science Partnerships Fund (ISPF).

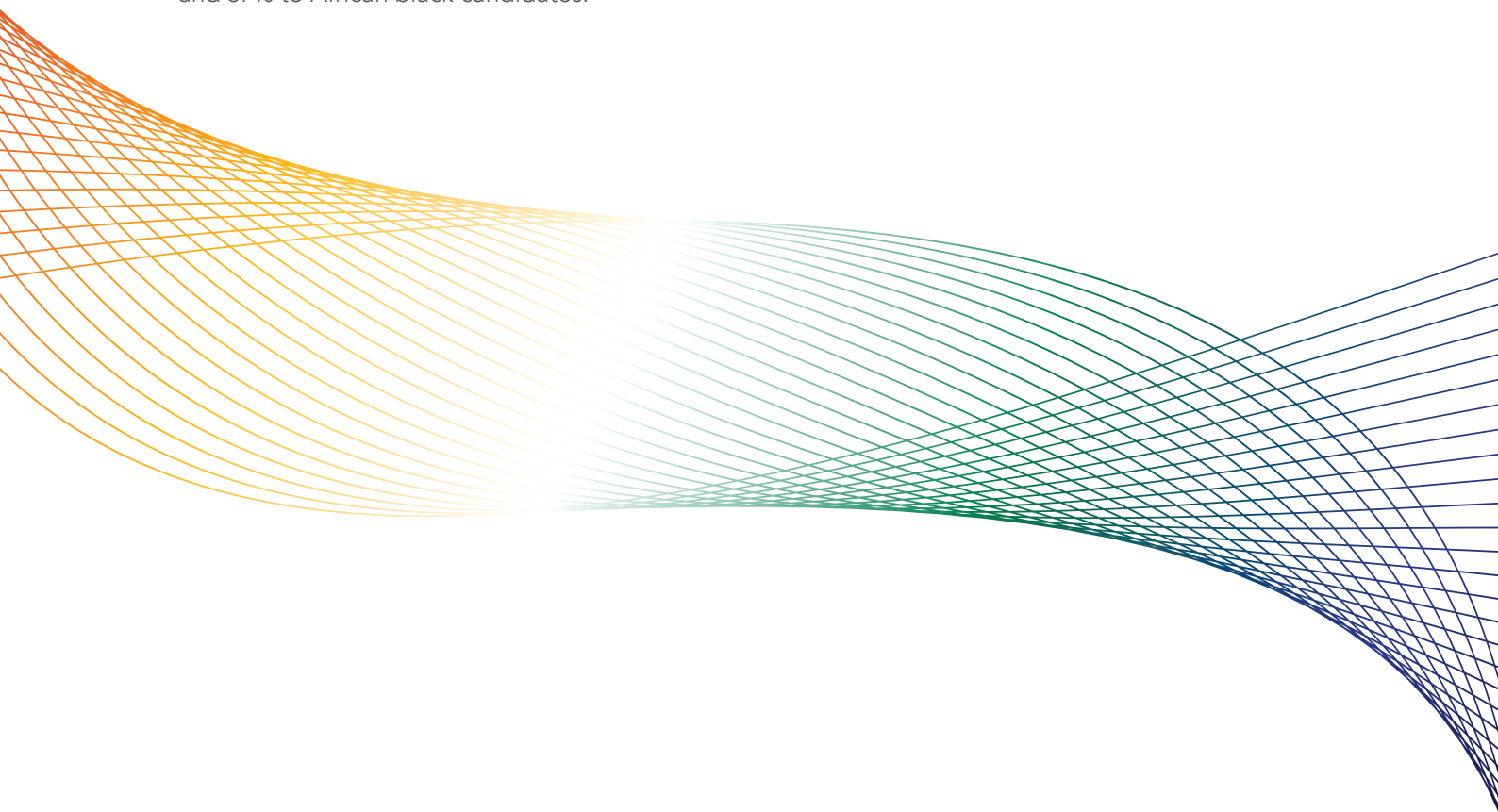
This joint research programme also aims to promote collaboration with researchers from other African countries. The UKRI MRC has committed just over £8 million and the SAMRC R24 million over 3 years to support research projects led by South African researchers in the areas of non-communicable diseases (NCDs), co-morbidity or multi-morbidity of infectious diseases and NCDs, and climate and health, one health and zoonosis.

## **Memorandum of Agreement with Thermo Fisher Scientific Inc**

The SAMRC signed a Memorandum of Agreement (MOA) with Thermo Fisher Scientific Inc. to collaborate on establishing a Centre of Excellence and training programme in the molecular biology and life sciences field in South Africa. The purpose of this collaboration is to address the challenges faced by the African continent in upskilling graduates and laboratory personnel, particularly in the areas of practical applications and exposure to the latest technologies in molecular biology and life sciences.

## ORGANISATIONAL HIGHLIGHTS AND ACHIEVEMENTS

- Revenue for the year increased by 6% to R1 347 255 from R1 270 637 the previous financial year.
- The SAMRC BBB-EE rating improved from level 8 to level 5. Plans are in place for further improvement in this area.
- Good governance and conforming to government systems and controls led to SAMRC receiving its 9th consecutive clean audit by the Auditor-General of South Africa.
- Self-Initiated Research Grants' transformation matrix has resulted in a year-on-year increase in the number of awards to black applicants, with the total proportion of awards to black applicants increasing from 27% in 2012/13 to 72% in 2023/24.
- The SAMRC has been consistent in its commitment to fund the generation of new knowledge through its capacity development scholarship programme. During the reporting period, it exceeded the expected target of funding 150 scholars to 184 (20.7%).
- In 2023/24, Research Capacity Development supported 95 PhD and 4 MSc scholarships, of which 68% were awarded to female candidates and 67% to African black candidates.
- Development and implementation of a comprehensive e-HR strategy to optimise technology and automate processes. The process involved a thorough analysis of potential gaps in HR systems, technology, and reporting, as well as the overall HR analytics maturity within the organisation.
- SAMRC was awarded SETA Discretionary Grant after successfully submitting the organisations' Work Skills Plan (WSP) and Annual Training Report (ATR).
- During the reporting period SAMRC successfully introduced voluntary lunch time webinars as an online platform for continuous learning and engagement on matters that affect all staff members e.g. organisational culture, drive and support change management initiatives, as well as the socialisation of policies.



## RESEARCH CAPACITY DEVELOPMENT

The overarching objective of the SAMRC's Division of Research Capacity Development (RCD) is to enhance the long-term sustainability of health research in South Africa by providing funding for the next generation of health researchers. The division supports health research capacity development by offering scholarships, fellowships and research grants to post-graduate students, postdoctoral fellows, as well as early and mid-career scientists at South African universities. With most of these awards aimed at individuals from historically disadvantaged backgrounds, the division's activities are also contributing substantially to transformation in health research. In 2023/2024, RCD's programmes have continued to contribute to the SAMRC's strategic

objectives of administering health research effectively and efficiently, leading the generation of new knowledge and building human capacity for the long-term sustainability of health research in South Africa.

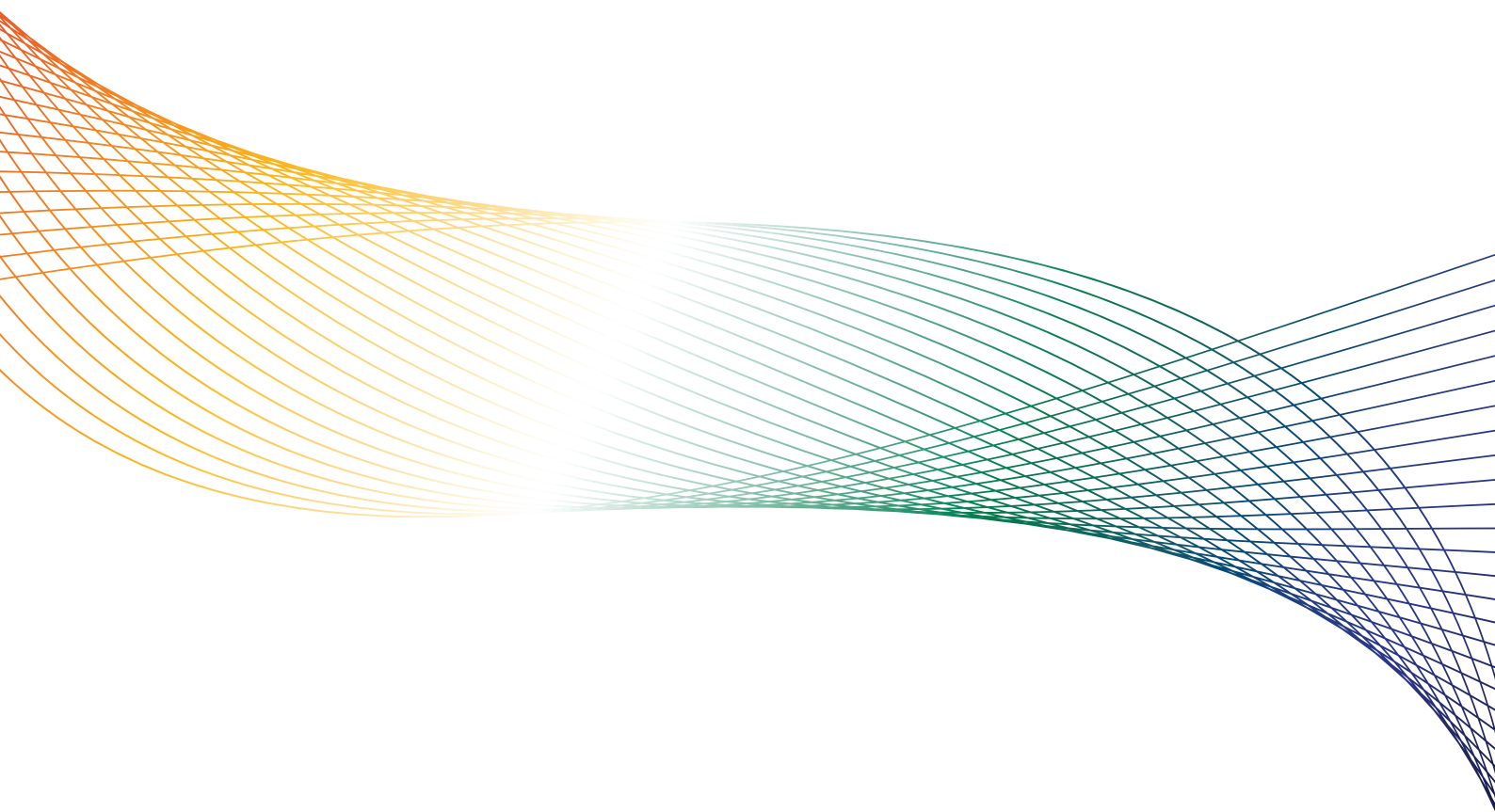
RCD's programmes are divided into Scholarships and Grants as depicted in the figure below. The number of beneficiaries and the amount invested in 2023/24 for each programme are listed in the Table below. The total number of 181 funded beneficiaries (grants and scholarships), including new intake for the 2023/24 reporting period, exceeded the annual target of 150 by 31 (20.7%). The total performance for the indicator 4.1.1 is 181 RCD and 3 GIPD, Grand total 184.

Scholarship Programme	Category	Number of beneficiaries	Amount invested
SAMRC Researcher Development Grant	PhD	6	1,207,319.79
Bongani Mayosi-National Health Scholars Programme	PhD	36	10,201,870.12
Biostatistics Capacity Development Programme	MSc	4	645,000.00
SAMRC Clinician Researcher Development Programme	PhD	15	5,755,000.00
SAMRC Internship Scholarship Programme	PhD	27	5,204,514.45
The Chan Soon-Shiong Family Foundation Scholarship Programme	MSc and PhD	11	2,467,124.16
<b>Total Scholarships</b>		<b>99</b>	<b>25,480,828.52</b>
Grant Programme	Category	Number of beneficiaries	Amount invested
SAMRC Mid-Career Scientists	Scientists (PI)	11	15,665,065.00
SAMRC Research Capacity Development Initiative	Scientists (PI)	22	7,150,600.00
	Post-doctoral Fellows	9	3,325,000.00
	PhD	9	1,800,000.00
SAMRC Extramural Post-doctoral Fellowship Programme	Post-doctoral Fellows	5	1,750,000.00
SAMRC Intramural Post-doctoral Fellowship Programme	Post-doctoral Fellows	12	3,889,583.33
SAMRC Clinician Post-doctoral Career Development Award	Clinician post-PhD]	2	925,000.00
SAMRC Early Investigators Programme	Scientists (PI)	12	6,000,000.00
SAMRC-JHU HDI Capacity Development Grants for Investigator-Initiated Research: HIV Implementation Science in the Clinical Setting	Scientists (PI)	3	2,060,890.00
<b>Total Grants</b>		<b>85</b>	<b>42,666,138.33</b>
<b>Totals</b>		<b>184</b>	<b>68,046,966.85</b>

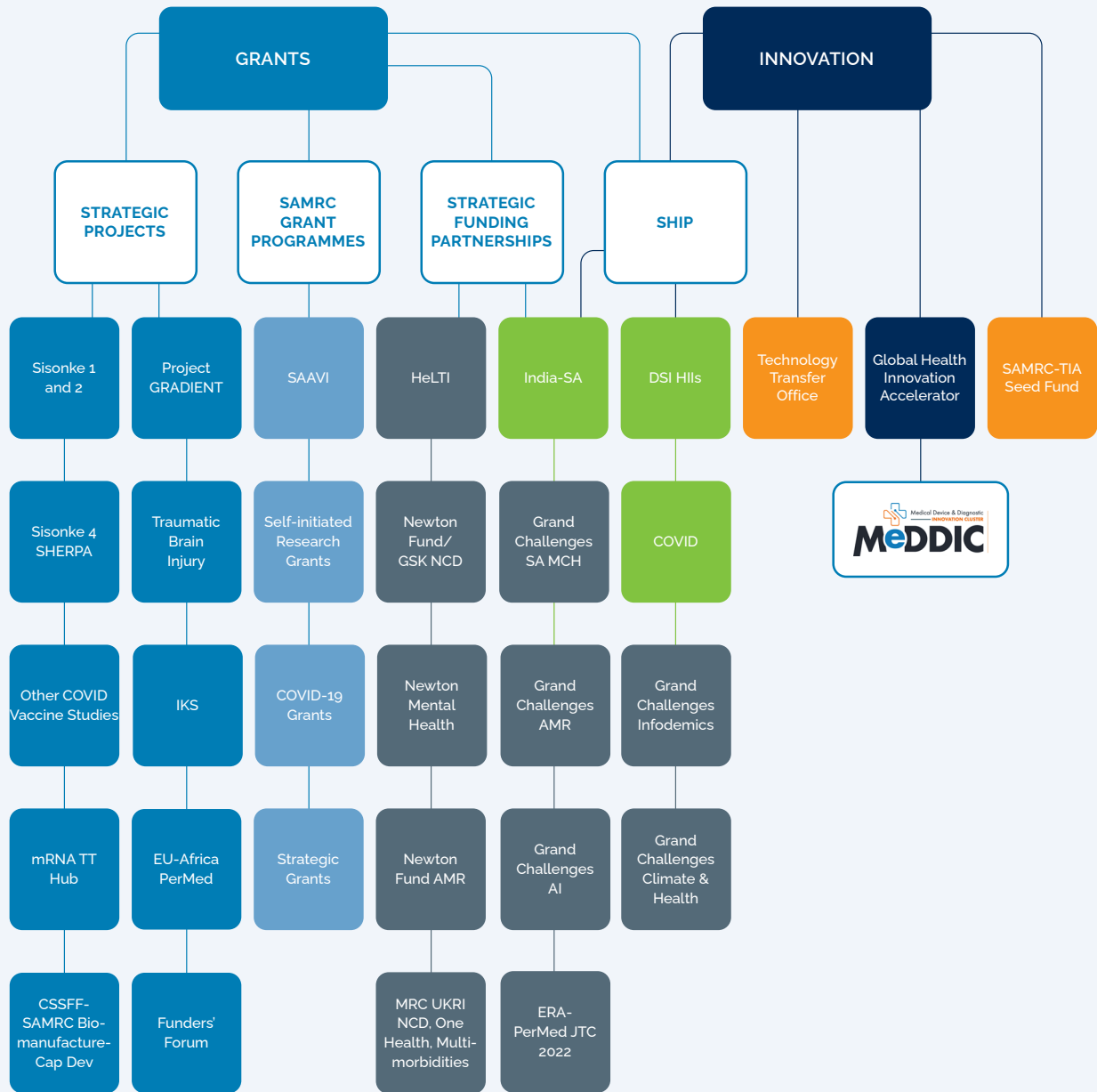
## FUNDING HEALTH INNOVATION THROUGH GRANTS INNOVATION AND PRODUCT DEVELOPMENT

Funding research and facilitating innovation are two of the core activities of the SAMRC that enable the organisation to contribute to the transformation of health in South Africa and beyond. These activities are largely managed by the Grants, Innovation and Product Development (GIPD) Unit, which manages over 300 active grants under 12 programmes (depicted in the figure below), with a total spend on research and innovation grants of R218,587,675 during the 2023/24 financial year. These funds contribute directly to the generation of new knowledge by the SAMRC's grantees, with high-impact publications, capacity development and the advancement of innovations being some of the key outputs that speak directly to the SAMRC's strategic objectives and are helping drive health transformation in the country. The unit's robust

grant management standard operating procedures ensure that health research funding is effectively and efficiently administered by the SAMRC and, together with successive clean audits, have contributed to attracting substantial funding from a variety of local and international funders. These strategic funding partnerships enable the SAMRC to expand the funding pool for research and innovation substantially and have contributed to the SAMRC continually exceeding its targets for indicators 2.3.1, 3.1.1 and 3.1.2. During 2023/24 they included the Department of Science and Innovation (DSI), the Bill and Melinda Gates Foundation (BMGF), the Technology Innovation Agency (TIA), the ELMA Vaccines and Immunization Foundation and the Gabriel Foundation.







Overview of the grant and innovation programmes and strategic projects managed by the Grants Innovation and Product Development unit

# REPORT OF THE CHIEF EXECUTIVE OFFICER & PRESIDENT

## General financial review

(All figures R'000, prior year in parenthesis.)

Revenue for the year showed an increase of 6% to R1 347 255 (R1 270 637). This consists of a decrease in government grants of 2% to R660 413 (R677 264) offset by an increase in contract income of 16% to R686 842 (R593 373).

Other income has decreased significantly by 26% to R20 648 (R28 030) decrease in conference and seminar activities and exchange gains generated on foreign currency grant income.

Operating expenses reflected an increase of 9% to R1 451 905 (R1 333 008). This is mainly the result of continued increased research activities funded from contract income.

This has resulted in an operating deficit of R84 001 for the year compared to an operating deficit of R34 340 in 2022/23. A significant increase in investment income of 48% to R62 795 (R42 545) due to an increase in the average balance of investments during the year under review as well as the higher interest rates resulted in a net deficit for the year of R21 366 compared to a net surplus of R7 545 in 2022/2023.

The organisation remains financially strong with accumulated reserves of R412 948 (R434 315).

Total assets have decreased by 14% to R1 009 310 (R1 171 837) due mainly to a decrease in cash and cash equivalents of R197 602 offset by an increase in Property, Plant and Equipment of R34 755 due to increased capital expenditure on Laboratory equipment and Information Technology.

Deferred income has decreased by R100 995 to R448 637 (R549 632).

The SAMRC generated a negative operating cashflow of R142 334 compared to a positive

operating cashflow of R75 981 in the prior period due mainly to an increase in payments to suppliers and a decrease cash received.

Net cash flows from investing activities were positive due mainly to capital expenditure of R43 423 (R52 981).

The net impact of the above is a decrease of R195 708 in cash and cash equivalents compared to an increase of R21 547 in cash and cash equivalents in the prior year.

## Spending trends

Operating expenses reflected an increase of 9% to R1 451 905 (R1 333 008). This is mainly the result of continued increased research activities and includes increases in employee costs of R67 883, travel and subsistence of R12397, collaborative research costs of R6 828 and the surrendering of surplus to National Treasury of R20m.

Employee related costs have increased by 14% to R551 948 (R484 065) driven mainly by basic salary costs which have increased by 12% to R445 861 (R399 495). Employee related costs include net bonus provision costs of R15 815 (R6 391). The net asset pertaining to the Pension Fund and Post-Retirement medical aid obligations has increased by R2 081 compared to an increase of R2 428 in the prior year.

The net deficit for the year of R21 366 compared to a final budget deficit of R25 878. Revenue was R117 928 over budget while expenditure was R113 417 over budget. This was due to higher than anticipated contract income recognised of R115 151 due to the increase in research activity as well as other non-tax revenue of R35 128.

Compensation of employees exceed the budget by R87 580 and Goods and Services by R20 083 due to recognition of external contract and grant revenue.

## Requests for roll over of funds

The organisation remains financially strong with accumulated reserves of R412 948 (R434 315). The necessary approvals will be sought for the rollover of funds received from Government but not yet spent.

## Supply chain management

There were no unsolicited bid proposals received during the year. The revised Materiality Framework was approved by the Minister.

## Audit report matters

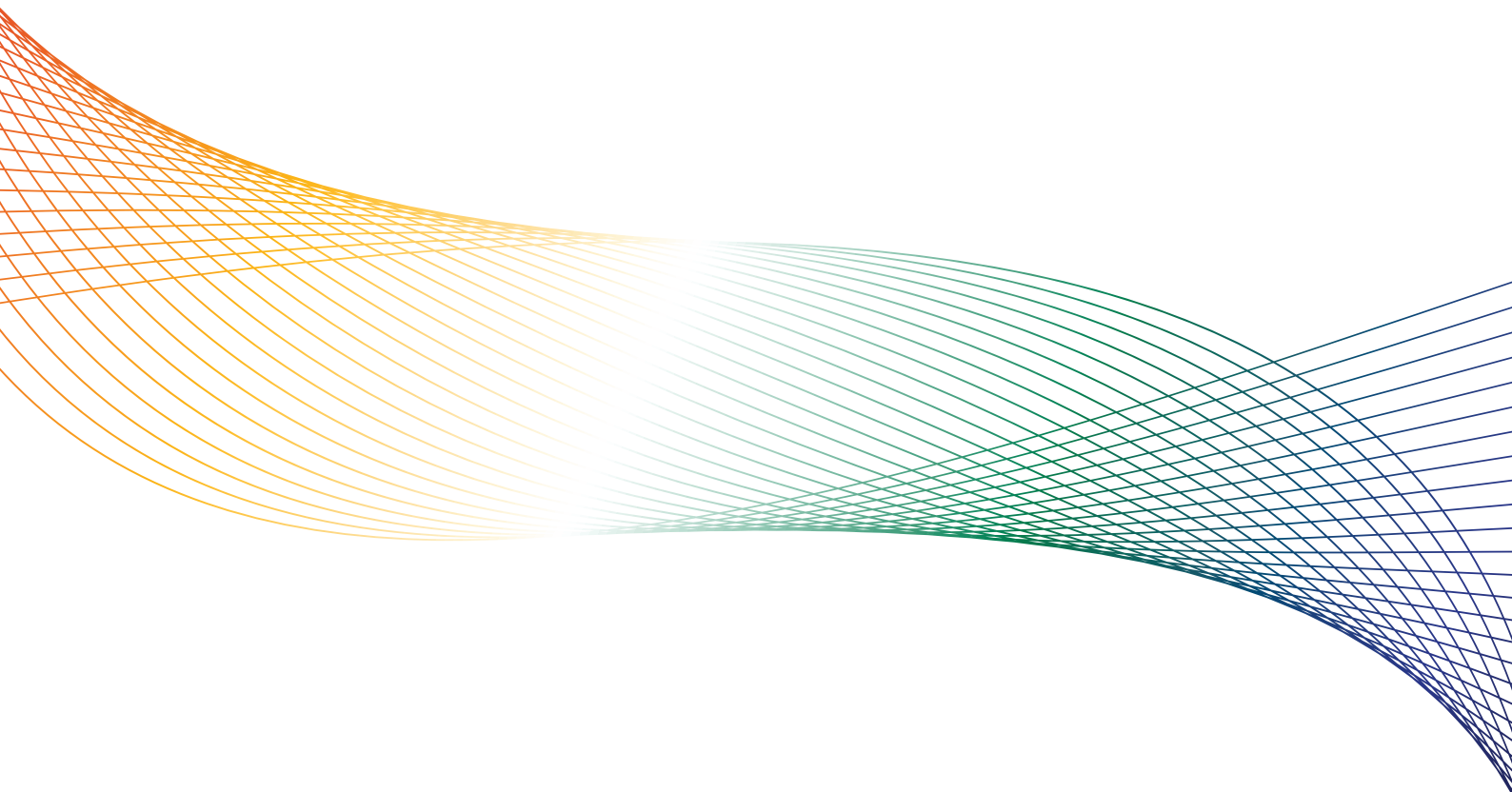
There were no matters to report.

## Events after the reporting date

No significant events were identified after the reporting date that may have an impact on the financial statements.

## Economic viability

Funding allocations of R724 161 for 2024/25 have been approved by Government. This together with accumulated reserves of R412 948 and the increase anticipated in the value of grants received will ensure that the SAMRC will continue to operate.



## SAMRC CONTACT DETAILS

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