



KENYA USA HEALTH INFRASTRUCTURE DEAL: WHAT IT SIGNALS FOR AFRICA'S HEALTH FINANCING FUTURE

The landmark 1.6 billion USD Kenya-USA health infrastructure agreement announced in December 2025 represents a significant shift in how African nations engage in large-scale health financing partnerships. As the first bilateral health deal of its kind between the United States and an African country, it reflects rising geopolitical interest in Africa, the urgent need to modernize health systems, and the continued pressure on domestic health budgets

This development highlights both the opportunities and the structural risks facing African governments as they seek to strengthen health systems while navigating shrinking fiscal space and declining external aid.

Kenya–USA Health Infrastructure Deal at a Glance.

**\$1.6
Billion**

Deal Type: Bilateral Health
Infrastructure Financing



Hospitals



Digital Health



Primary Care



Supply Chains

A Response to Stressed Systems and Flattening Aid

The agreement focuses on upgrading Kenya's health infrastructure, expanding digital health capabilities, improving supply chains, and financing new hospitals and primary care facilities. It arrives at a time when Kenya faces rising debt, health budget pressures, and flattening development assistance for health across the continent.

Kenya needs significant investment to fill gaps in infrastructure, technology, and primary care capacity. National assessments estimate a **health infrastructure financing gap exceeding USD 2 billion**, driven by aging facilities, limited equipment, and insufficient service coverage. Only **15 percent** of Kenya's approximately 9,000 public health facilities meet the Ministry of Health's minimum infrastructure standards. Service reliability remains a major challenge, with **47 percent** of facilities lacking consistent electricity supply according to WHO's global assessment of essential energy in health facilities. Digital health readiness is also low, with fewer than **20 percent** of facilities equipped with interoperable electronic medical records.

Primary care capacity is overstretched, with Kenya averaging **1 doctor per 5,000 people**, far below the WHO recommended **1 per 1,000**, and a nurse density of **1 per 1,300**, compared to the WHO benchmark of **1 per 400** (WHO, 2023). These gaps contribute to uneven health access across the country, especially in counties where facility-to-population ratios fall between **30 and 50 percent** below national norms.

Political reactions to the deal vary. Critics highlight Kenya's already high public debt, which exceeds **70 percent of GDP**, warning that substantial new external financing may worsen fiscal pressures and create long term dependence. Supporters argue the investment is overdue, noting that Kenya allocates only **4.6 percent of GDP** to health, well below the Abuja target of **15 percent**, while **out-of-pocket payments account for 25 to 27 percent** of total health expenditure, placing financial strain on Kenyan households.

The United States has framed the agreement as part of a broader effort to strengthen global health security, modernize Africa's health systems, and deepen strategic ties with the region.

Implications for the Future of Health Financing in Africa

The agreement reinforces three structural trends shaping Africa's health financing landscape.



1. Health infrastructure financing is increasingly shaped by geopolitics

Large bilateral agreements reflect strategic interests as much as development needs. Countries under fiscal pressure may welcome such deals, but risk losing autonomy in setting health priorities if safeguards are not clear.



2. Domestic resource mobilization remains central to sustainability

External financing can complement national budgets but cannot replace the need for governments to improve the efficiency of existing health spending, expand pro poor domestic revenue strategies, and strengthen public financial management systems.



3. Evidence driven decision making is essential to manage fiscal trade offs

Governments need clear analysis to understand the debt implications, expected returns, and fiscal risks of major financing agreements. A key part of AHFIA's mandate is to provide governments, key stakeholders, and partners with this evidence so that decisions stay country-led and rooted in fiscal reality. Maintaining Africa's health sovereignty, African leaders must stay firmly in control of long-term health system priorities. Major financing agreements should support national strategies, enhance Universal Health Coverage reforms, and strengthen domestic systems rather than create parallel structures.

Key priorities include:

- Better allocation and efficiency within existing health budgets
- Strengthened strategic purchasing and governance
- Closer integration of health financing with climate resilience and economic recovery agendas
- Coordination with development partners to reduce fragmentation

Kenya's commitment to modernizing its health system presents an opportunity to accelerate ongoing reforms. However, long-term success will depend on how effectively the country manages this financing within its broader fiscal and policy frameworks.

A New Chapter for Africa-Led Health Financing Partnerships

As other African countries observe Kenya's experience, there is an urgent need to support governments in structuring smarter, more transparent, and sovereignty-affirming financing agreements. This includes:

- Strengthening national capacity to negotiate complex financing arrangements
- Ensuring all decisions are grounded in rigorous fiscal space analysis
- Leveraging high-level champions who can keep health at the top of political and budget agendas
- Coordinating engagements with donors and development finance institutions

The Kenya-USA deal signals that Africa has entered a new phase of health financing. With the right leadership, evidence, and advocacy, it could catalyse more resilient and climate-ready health systems. Without careful design, however, it could widen fiscal stresses and undermine long-term sustainability.

