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# “OUR TAKE”

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**“WHO IS THE LIAR?”**

***The Controversial Adani-Kenya Airports Authority Deal***

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## Introduction

In recent months, a proposed deal involving Indian multinational conglomerate, Adani Group, and Kenya's Jomo Kenyatta International Airport (JKIA) has sparked a national debate. The deal, reportedly valued at about Ksh. 260 billion, aims to expand JKIA under a Public-Private Partnership (PPP). Despite mounting speculation, the Kenyan government has repeatedly insisted that no formal agreement has been signed. The public response to the Adani-KAA deal has been mixed. On one hand, proponents argue that the expansion of JKIA is necessary for Kenya's continued economic growth and will enhance its position as a regional hub. On the other hand, critics point out the lack of transparency and worry about foreign control over critical national infrastructure.

Moreover, the strike by aviation workers highlighted broader anxieties over potential job losses and the future of the airport under private management. KAWU's involvement in the negotiation process has brought these concerns to the forefront, ensuring that any future deal will have to take into account the welfare of the workers and the public interest.

"Our take" this week explores the controversies surrounding the deal, including concerns raised by various stakeholders, the legal framework governing such deals, and the process of awarding tenders under Kenya's PPP Act.



## Government's Stance: No Signed Agreement

Transport Cabinet Secretary Davis Chirchir has clarified that while discussions are ongoing, no binding contract has been signed with Adani Group. Hon. Chirchir acknowledged a communication lapse on the part of the government, which led to widespread public misunderstanding.

“Today and over the past few weeks we have attempted to communicate. There was a bit of a lapse in communication in the way we have carried the privately initiated investment by Adani in this airport,” he said during a press briefing at JKIA. He assured the public that the government intends to disclose more details of the proposal, particularly in court, where a case related to the matter is currently being heard.

Hon. Chirchir emphasized that the government is committed to transparency and will involve the public in the decision-making process by releasing all relevant documents.

## Opposition from Aviation Workers

A key aspect of the controversy arose from the Kenya Aviation Workers Union (KAWU), which staged a 24-hour strike in protest against the proposed deal. The strike paralyzed operations at JKIA and other airports across the country, leaving thousands of travelers stranded.

KAWU argued that the government had not been transparent enough about the terms of the deal and expressed concerns about how it could impact job security for aviation workers. Following the resolution of the strike, the government agreed to share key documents with KAWU, enabling them to review the proposal within ten working days and raise any concerns.



In a joint statement by KAA, Kenya Airways, and KAWU, it was agreed that no final agreement would be signed without the union's concurrence. The strike highlighted the need for stakeholder engagement and clear communication from the government.

## The Public-Private Partnerships (PPP) Framework

The controversy surrounding the Adani proposal brings to light the importance of understanding the Public-Private Partnership (PPP) framework, which governs such agreements in Kenya. The PPP Act, first enacted in 2013 and revised in 2021, allows private investors to submit investment proposals for public infrastructure projects.

The PPP process includes the following key steps:

- **Submission of a Privately Initiated Proposal (PIP):** A private investor like Adani can submit a proposal to the government for a project. In this case, Adani's proposal to expand JKIA was received in March 2024.
- **Project Evaluation and Stakeholder Engagement:** Once a proposal is submitted, the government is required to evaluate the viability of the project. This stage includes stakeholder consultations to ensure transparency and address any potential social or economic impacts. Stakeholders in the JKIA expansion includes the aviation workers, airlines, KAA, and other airport service providers.



- **National Treasury and Cabinet Approval:** For large-scale infrastructure projects, approval from the National Treasury and the Cabinet is required before any formal contract can be signed. This ensures that the government thoroughly vets the proposal and its implications for the country's economy and public finances.
- **Public Participation:** The law mandates public participation to ensure that the interests of all affected parties are considered. This stage provides an opportunity for concerned stakeholders like KAWU to express their views and ensure their rights and interests are protected.
- **Finalization of the Contract:** After going through these stages, the government can enter into a formal contract with the private investor. However, as emphasized by both the Transport Cabinet Secretary and Government Spokesperson Isaac Mwaura, no such contract has been signed with Adani.

## The Case in Court: Transparency and Public Interest

The fact that the Adani deal is currently under litigation underscores the public's concern over the transparency and potential impact of the proposed expansion. The government has committed to presenting all relevant documents in court, which will allow for public scrutiny and participation in the decision-making process.



Transport CS Chirchir reaffirmed that the court proceedings would provide an opportunity for public engagement, stating, “All documents will be put out and this will help the government continue public participation to ensure everybody gets what the government is trying to do to employ the PPP framework to open our infrastructure.”

## **Conclusion: The Road Ahead**

The proposed Adani-JKIA deal remains a contentious issue, primarily due to concerns over transparency, public participation, and its potential impact on aviation workers. While the government has yet to finalize the deal, it must now prioritize open communication with all stakeholders and ensure that the public is fully informed throughout the PPP process. As the proposal continues to undergo due diligence and legal scrutiny, the outcome of the court case and the subsequent negotiations between the government, KAWU, and Adani will determine the future of one of Kenya’s most significant infrastructure projects. Only time will tell whether the deal will be a boon or a bane for the country’s aviation industry.

By following the provisions of the PPP Act and ensuring full disclosure, the government can strike a balance between attracting private investment and safeguarding public interests, especially for vital infrastructure like JKIA.





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