



REPUBLIC OF KENYA
THE NATIONAL TREASURY

PRESS STATEMENT

FOR IMMEDIATE RELEASE

Date: Wednesday, 24th September 2025

STATEMENT ON INACCURATE MEDIA REPORTING ON THE HIGH GRAND FALLS
DAM PROJECT

The National Treasury has noted with concern the inaccurate claims published by *The Standard* on September 22, 2025, and subsequently broadcast on KTN News of the same date. For transparency, The National Treasury wishes to provide the following clarifications.

By way of context, on 30th January 2023, the National Irrigation Authority (Contracting Authority) submitted to the National Treasury a proposal for the High Grand Falls Project. This was a Privately Initiated Proposal from the GBM consortium, which included ERG International. Further, on 8th May 2023, the project received preliminary approval to move into the next stage - the project development phase. This phase allowed GBM consortium to carry out detailed studies to test whether the project was practical, sustainable, and beneficial before any construction could begin. To guide this process, the National Irrigation Authority and GBM consortium signed a Project Development Agreement (PDA) in line with the PPP Act. The PDA sets out how the private party will carry out the studies, the rules they must follow, and the requirements provided for in the law.

The Contracting Authority submitted the Project Development Report (PDR) to the PPP Directorate, on 14th March 2024, with a request for a joint evaluation of the Report. Following completion of the evaluation exercise, the Contracting Authority submitted the Report to the PPP Directorate on 31st July 2024 for consideration. The Report was tabled before the PPP Committee at a meeting held on 2nd July 2025. The Committee deliberated on the report, and noted that the project development report did not meet a number of statutory requirements. Accordingly, the Committee approved the termination of the project in accordance with Section 43(11)(c) of the PPP Act. Further, the Committee recommended that the Contracting Authority could re-submit the project afresh for competitive procurement. Against this background, here below are responses to the claims raised in the said media coverage;

First, the claim that taxpayers could lose up to KSh. 317 billion from the cancellation of the High Grand Falls Dam Project is inaccurate. Under the Public Private Partnerships (PPP) framework, no obligation arises until a binding PPP Project Agreement approved by the PPP Committee is signed by project parties. We wish to confirm that no project agreement was signed for this project, and therefore no such liability exists for the government.

Second, allegations that the PPP Committee acted under the influence of foreign interests are not grounded in fact. The Committee is an independent statutory body, that has a fiduciary responsibility in the conduct of its business. The proposal by the GBM consortium underwent evaluation and the proponent was accorded a number of opportunities to provide clarifications. In addition, a separate Privately Initiated Proposal was submitted by Électricité de France (EDF). The receipt of this second proposal confirmed broader market interest, which, under the law, requires that the High Grand Falls Project be subjected to an open and competitive procurement process.

Indeed, the law requires that direct negotiations with a private party can only ensue if the Contracting Authority determines that the proposal shall not generate market interest under the competitive procurement process. In addition, it is important to note that the EDF proposal is yet to be considered and approved for implementation, hence the claim that it was considered by five different government agencies in one day, is completely false and meant to mislead. The Committee's decisions are in principle, guided by considerations of affordability, risk allocation, and value for money.

Additionally, on the same point, it is worth noting that the exit of ERG International as a partner in the project with GBM changed the structure of the project from the one that was granted preliminary approval by the PPP Committee.

Third, the claim that GBM had already “won the tender” or that promises were made to foreign leaders are misleading. In 2017, the National Irrigation Board (NIB) invited bids for the High Grand Falls Dam Project under the Public Procurement and Asset Disposal (PPAD) Act, and not under the PPP framework.

Subsequently in January 2023, as highlighted above, a fresh GBM consortium submitted the project under the “privately initiated proposals” procurement PPP framework for consideration and approval. The news pieces, however, give the misleading impression that the present termination was pursuant to a competitive process that GBM won. The tender process under the PPAD Act cited above, was duly terminated by the courts, following which, GBM instituted another separate independent application under the PPP regime, details of which are as provided above.

The National Treasury affirms that the decision to terminate the High Grand Falls Dam Project under the PPP framework was lawful, transparent, and fully in line with the PPP Act. We assure the public that the Treasury remains committed to delivering infrastructure projects that are viable, sustainable, and beneficial to Kenyans, while upholding the highest standards of transparency and accountability in all procurement processes.

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CABINET SECRETARY
THE NATIONAL TREASURY AND ECONOMIC PLANNING