



## **MEDIA Statement**

**1 October 2010**

### **NEDBANK and Construction Industry Development Board partner to empower contractors.**

The Construction Industry Development Board (**cidb**) - an entity of the National Department of Public Works, which is mandated to register contractors for participation in public sector construction projects, has partnered with Nedbank Small Business Services for sustainable contractor development in line with the **cidb**'s efforts to facilitate support to emerging **cidb** registered contractors.

The two parties today signed a Memorandum of Understanding aimed to address some of the challenges confronting the emerging contractor. Given the historic background of our country, currently very few emerging construction enterprises are likely to meet the stringent and sometimes constraining financial conditions demanded for public and private sector projects. Some of the challenges that emerging contractors face include: high capital outlay requirements, project and business management capability, capacity to deliver in volumes and to handle large projects. Most of these challenges directly or indirectly relate to the issue of access to project finance and appropriate financial management.

Nedbank Small Business Services and the **cidb** agree to work together to develop innovative financial products and facilitate business management and financial skills development to **cidb** registered contractors.

Says Sibongiseni Ngundze, Managing Executive of Nedbank Small Business Services, "At Nedbank, we are committed to the sustainable growth and development of small business in South Africa - a crucial sector to job creation and ultimately the economy.

To this end, we take a holistic approach in terms of our service offering to small businesses, which not only focuses on fulfilling their banking and funding needs, but also ensuring that they are sustainable by empowering entrepreneurs with crucial skills and competencies by means of strategic initiatives and partnerships, such as the one we have entered into with the **cidb**, which will see us play a significant role in the emerging construction industry."

The partnership will further see small business move from the second economy into the first economy, an objective shared by the National Department of Public Works and **cidb** National Contractor Development Programme (NCDP).

Mr. Ronnie Khoza, CEO of the **cidb**, mentioned that the relationship between the two parties comes at a favourable time when the South African industry has shown capability and capacity to deliver world class projects through the World Cup 2010 infrastructure delivery - an encouraging fact for the industry and the South African economy. He encouraged the parties to consider financial and non financial support to ensure necessary growth and sustainability development; he especially alluded to the fact that issues such as Project Management have become a serious concern in the local construction industry and that the **cidb** and Nedbank must lookout for such opportunities for the sake of the emerging contractor and the industry at large'.

The **cidb**'s role includes, among others, to provide guidelines on appropriate procurement methodologies for registered contractors; to facilitate access to **cidb** support initiatives for beneficiaries which Nedbank refers to the **cidb** in terms of the agreement. It will also ensure participation in the national enabling framework including access to financing, training, mentoring and knowledge tools for contractors and make available information and feedback on such services to Nedbank. The partnership will be realized through the Provincial Construction Contact Centres -a footprint of the **cidb** in all the nine provinces.

"This is a meeting of the bank that makes things happen and the organisation that develops through partnership" a closing statement by Sibongiseni Ngundze.

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**For more information, please contact:**

Nedbank Corporate Communications  
Joanne Isaacs  
Tel: 011 295 8045 Mobile: 078 800 4989  
e-mail: joannei@nedbank.co.za

**cidb** Communications  
Kea Modise-Moloto  
Tel: 012 482 7200 Mobile: 078 459 7840  
e-mail: keam@cidb.org.za