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## STATEMENT

### **MINISTER MACPHERSON UNVEILS FIRST-OF-ITS KIND PROJECT PREPARATION BID WINDOW TO EXTENSIVELY EXPAND INFRASTRUCTURE INVESTMENT TO ACCELERATE ECONOMIC GROWTH AND CREATE JOBS**

Minister of Public Works & Infrastructure, Dean Macpherson, and the Acting Head of Infrastructure SA, Mameetse Masemola, on Tuesday morning, unveiled a first-of-its-kind project preparation bid window to invite submissions from National and Provincial government departments, State Owned Entities, Public entities, municipalities and private sector projects to apply for project preparation support. The project preparation supports sets to extensively expand the ability of construction projects to be implemented in South Africa as one of the major contributing factors to under-investment in infrastructure is the lack of sufficient project preparation support.

Research from international institutions such as the World Bank, McKinsey Global Institute, and the International Monetary Fund (IMF) shows that state efforts to increase infrastructure investment by 1% can contribute to domestic economic growth of between 0.4% and 3%, a goal the Minister is committed to achieve during his term.

“The launch of our project preparation bid window will help to turbocharge infrastructure investment in South Africa as it will ensure that more Infrastructure projects are shovel-ready sooner while increasing the trust the private sector has to invest in state infrastructure projects. The project preparation will accelerate the pace and quality of infrastructure delivery which will undoubtedly contribute to economic growth, with the aim that infrastructure investment contributes up to 1.5% economic growth in the medium term,” Minister Macpherson said.

“As mentioned shortly after my appointment, it is my vision to turn the Department of Public Works & Infrastructure into the economic delivery unit of South Africa which will play a meaningful role in stimulating economic growth which creates thousands of new jobs the country desperately needs. The bid window for project preparation is a part of achieving that goal.

This new bid window builds on the 12 infrastructure initiatives President Cyril Ramaphosa previously announced at the Sustainable Infrastructure Development Symposium South Africa (SIDSSA) in March this year which already benefits from the first R179 million in project preparation funding allocated by National Treasury to ISA to support catalytic projects that otherwise would not progress to implementation stage.

Applications for the next phase of project preparation bid window announced by Minister Macpherson can be made at Infrastructure SA, or ISA. Applications closes on 06 December 2024 and is specifically for projects valued more than R1 billion which have the potential to crowd in investment from alternative sources such as Multilateral Development Banks and Development Finance Institutions other than the national fiscus. Successful applicants will be announced at the next Sustainable Infrastructure Development Symposium South Africa (SIDSSA) due to be held in South Africa next year. Successfully selected projects will receive comprehensive project preparation assistance, including funding/financial structuring support, technical support, legal support, institutional and governance arrangements, capacity deployment, and regulatory and/or compliance studies.

The following priority sectors will be considered for project preparation financing:

- Energy
- Water & Sanitation
- Transport (major roads, airports, ports and freight transport)
- Human Settlements (excluding student accommodation)
- Social Infrastructure (Education & Health)
- Municipal Infrastructure (focus will be on infrastructure projects that have potential to leverage private sector financing)
- Industrial Development Zones & Special Economic Zones (IDZs & SEZs)

“The announcement today forms part of the policy and regulatory changes we are embarking upon to rapidly turn South Africa into a construction site in order for us to ignite economic growth which will create jobs. I have no doubt that the project preparation bid window announced today - alongside expanding the role of Infrastructure SA and making it easier for the private sector to invest in state construction projects - we will be able to see more cranes in the sky to improve the lives of all South Africa. It is not truly the time to Build South Africa.”

*Guidelines for the project preparation bid window can be found on, and applications can be made on: [infrastructuresa.org](http://infrastructuresa.org).*

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