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INFRASTRUCTURE DEVELOPMENT

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Ambitious plan finalised by Afreximbank and Infrastructure SA at IATF2025

SIPHELELE DLUDLA

SOUTH Africa's ambitious infrastructure development agenda received a significant boost on Monday with the establishment of a \$5 million (R87 million) Joint Project Preparation Facility (JPPF).

This initiative was formalised by the African Export-Import Bank (Afreximbank) and Infrastructure South Africa (ISA) during the week-long Intra-African Trade Fair 2025 (IATF2025) in Algeria.

This collaboration is expected to accelerate the preparation and delivery of high-quality, bankable infrastructure projects crucial for the country's growth.

The JPPF is set to mobilise resources effectively, enhance technical capabilities, and stimulate private sector participation—essential measures for addressing the chronic infrastructure investment gap facing South Africa, which is projected to reach R1.6 trillion by 2030.

The initiative will prioritise the preparation of projects in critical sectors including energy, transport and logistics, manufacturing, agro-processing, mining, tourism, and information and communications technology (ICT).

Speaking shortly after the signing ceremony, Mametse Masemola, acting head of ISA, said the JPPF was a crucial instrument in their strategy to fast-track infrastructure delivery, adding that the collaboration with Afreximbank will enhance their capabilities and ensure ISA builds a pipeline of viable projects that attract both public and private funding.

"This collaboration allows us to leverage Afreximbank's project preparation grants and blend that funding with Infrastructure SA's own allocations to support more catalytic projects of economic significance in the country," Masemola said.

"And we must indicate that this is an on-budget support to Infrastructure SA. It's not funding that is only accessed via their own technical assistance and via



OLURANTI Doherty, the managing director of the export development division at the Afreximbank, and acting head of Infrastructure South Africa, Mametse Masemola, carrying the documents of the landmark agreement to establish a Joint Project Preparation Facility (JPPF).
| SUPPLIED

consultants. So the funding sits with us to deploy to projects that we mutually agree on as projects that we will be supporting for project preparation."

The necessity for such a partnership is underscored by the overwhelming response to ISA's recent call for project preparation support.

Out of 277 proposals worth around R8.4 billion received from various municipalities, State-owned entities, and private sector firms last year, Masemola said they could only fund seven projects

with their R200m annual budget.

Despite many submitting high-quality projects, prioritisation was crucial to ensure maximum economic and social benefits, along with job creation.

"So the funding that we are now receiving and access to the facility brought in by the Afreximbank joint collaboration framework with Infrastructure SA means we can support even more projects beyond the seven that we are currently preparing and packaging," Masemola said.

The Framework Agreement between Afreximbank and ISA lays out key areas of collaboration which include project origination, advisory services, co-financing, capacity building, and knowledge sharing. This framework aims to be flexible and non-exclusive, with no binding financing commitments imposed, allowing for future agreements as needed.

Deputy Minister in The Presidency, Kenny Morolong, emphasised the importance of forming partnerships among governments, the private sector, and multilateral development banks to unlock the necessary capital and expertise.

"ISA plays a pivotal role as both an architect and a catalyst. It provides the technical expertise to prepare and package projects to the highest global standards. More importantly, it serves as a central hub for collaboration, a neutral confiner that brings all role-players to the table to ensure our projects are not only feasible, but are also aligned with our national and continental goals," Morolong said.

"By supporting infrastructure, South Africa embraces this model. We are not just building infrastructure for South Africa, we are strengthening a cornerstone for integrated growth across the African continent."

Moreover, Minister of Public Works and Infrastructure, Dean Macpherson, hailed the JPPF as a vote of confidence in South Africa's capacity to drive economic growth and job creation.

"I want to commend ISA and our partners for taking these bold actions to ensure that South Africa has a credible, bankable, and investment-ready pipeline of infrastructure projects. This is how we will get shovels in the ground, stimulate economic growth, and create thousands of jobs for our people," Macpherson said.

An Implementation Team with designated officers from both institutions has been established to ensure the effective execution of the agreement.