



public works
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STATEMENT

MINISTER MACPHERSON BELIEVES LONG-AWAITED TREASURY PPP REFORMS WILL HELP ATTRACT R100 BILLION IN INFRASTRUCTURE FUNDING

- Public Works & Infrastructure Minister, Dean Macpherson, has welcomed the amendments to Section 16 of the Public Finance Management Act, which will make it easier for PPP to gain approval, and for unsolicited bids to be submitted.
- The amendments will support the Minister in achieving his goal to attract R100 billion in additional infrastructure investment during the seventh administration.
- The regulations, which have long been advocated for by the private sector, will allow PPPs with a total cost of under R2 billion to proceed without requiring Treasury approval.

The Minister of Public Works & Infrastructure, Dean Macpherson, welcomes Finance Minister Enoch Godongwana's amendments to Section 16 of the Public Finance Management Act, which will make it easier for Public-Private Partnerships (PPPs) under the value of R2 billion to gain approval, and for unsolicited bids to be submitted. The amendments align with the work the Department has undertaken over the past seven months to attract additional private sector funding towards infrastructure investment.

The new regulations, which will come into effect in June this year, will create a separate approval process for PPP projects with an estimated total cost of under R2 billion, exempting these projects from having to obtain Treasury approval. However, the projects will still be required to engage with the Treasury's PPP Advisory Unit, significantly reducing the procedural complexity of implementing PPP projects. Furthermore, the amended regulations allow for unsolicited bids to be submitted for the creation of PPP projects.

"The move by the National Treasury will greatly assist the Department of Public Works & Infrastructure in achieving our goal of attracting an additional R100 billion in private infrastructure funding during the seventh administration. It is clear that the state lacks the financial resources to fund new infrastructure projects alone, and therefore, additional Public-Private Partnerships will help us realise our vision of turning South Africa into a construction site that will grow the economy and create jobs," Minister Macpherson said.

"The amendment of the regulations by the National Treasury demonstrates that the Government of National Unity is not merely talking about building a better South Africa but is actively taking steps to improve the lives of all South Africans. These new regulations signal to the private sector that we are serious about enabling investment into South Africa and that we are open to new ideas from the private industry on how to optimise state infrastructure and

assets. I look forward to engaging with the private sector in the weeks ahead to explore how they can contribute to funding public infrastructure.”

The Minister said the reforms to the National Treasury regulations—long advocated for by the private sector—are among the many efforts being made by the Department of Public Works & Infrastructure to get more cranes in the sky and shovels in the ground. These efforts include engaging with foreign development financiers such as the Asian Infrastructure Investment Bank, which has yet to fund any projects in South Africa, and directly intervening in municipalities to ensure more projects are completed.

“It is clear that we are taking decisive action to achieve our vision of a reignited South Africa, where infrastructure investment drives economic growth and builds a better future. Soon, communities across the country will start to experience the impact of a revitalised construction sector as we build a better South Africa.”

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