

SPEAKER NOTES

HONOURABLE MINISTER DEAN MACPHERSON

MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE

CONSTRUCTION FUND LAUNCH

12 MAY 2026 | MODDERFONTEIN

ACKNOWLEDGEMENTS

Programme Director,

Honourable Minister of Small Business Development, Ms Stella Ndabeni,

Honourable Deputy Minister of Public Works and Infrastructure, Mr Sihle Zikalala

Chairperson of the Construction Industry Development Board, Mr Khulile Nzo,

Interim Chairperson of SEDFA, Mr Patrick Makape,

Leadership of government, SEDFA and the cidb,

Distinguished stakeholders, contractors, business leaders, members of the media, ladies and gentlemen,

Good morning.

THE CHALLENGE FACING THE CONSTRUCTION INDUSTRY

South Africa cannot build a capable state, grow the economy, or meaningfully reduce unemployment without fixing the challenges facing the construction industry.

Construction is not simply another sector of the economy.

It is the sector that builds the roads we drive on, the schools our children learn in, the clinics and hospitals our communities depend on, and the infrastructure that enables economic growth and social development.

Yet despite its importance, too many contractors across South Africa continue to face significant barriers to growth and sustainability.

Many contractors possess the technical capability, experience, and determination to deliver infrastructure, but remain locked out of meaningful participation because they cannot access developmental finance, mobilisation support, or sustainable opportunities.

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Directors: Mr Khulile Nzo (Chairperson) | Prof Susan Bouillon (Deputy Chairperson) | Ms Yvonne Mbane | Dr Karabo Siyila | Dr Julia Petla | Mr Johan van der Walt | Dr Deenadayalen Konar | Ms Thembisa Jimana | Dr Elizabeth Makgae | Mr Bongani Dladla (CEO)

Others secure work but struggle with cash flow constraints, delayed payments, weak support systems, and limited access to growth opportunities.

And when contractors struggle, infrastructure delivery suffers.

Projects are delayed.
Communities are left waiting.
Jobs are lost.
Economic growth slows.

The cidb's Construction Monitor for January 2026 highlights these realities very clearly.

While progress has been made in transforming the construction industry, the data shows that transformation and participation still decline sharply as contractor grades increase.

The Monitor shows that black-owned contractors account for approximately 65% of registered contractors overall, yet participation at higher contractor grades remains significantly lower.

Youth-owned contractors remain critically underrepresented at approximately 10% across Grades 2 to 9.

Women-owned enterprises average only 26% across the sector.

Even more concerning is the value of public sector contracts awarded.

According to the 2026 cidb Construction Monitor, black-owned contractors access only around 45% of public sector awards overall, while women-owned contractors access approximately 15%.

This remains far below the cidb's transformation vision that:

"90% or more of the capacity of the construction industry is 90% or more black-owned, and delivers 90% or more of construction contracts by value."

What this tells us is simple:

Transformation without support does not work.

We cannot expect emerging contractors to compete effectively if they do not have access to developmental support, sustainable financing mechanisms, technical capability-building, and long-term market access.

THE CIDB BUILD PROGRAMME

This is precisely why the cidb BUILD Programme is so important.

The BUILD Programme represents a strategic intervention aimed at strengthening contractor development through enterprise support, skills development, procurement reform, and sustainable participation in infrastructure delivery.

The Programme recognises that contractor development cannot happen in isolation.

It requires:

- access to opportunities,
- blended finance solutions,
- technical support,
- mentorship,

- business development support, and
- long-term sustainability interventions.

At its core, the BUILD Programme is about creating an enabling environment for contractors to grow from survivalist enterprises into sustainable businesses capable of delivering quality infrastructure at scale.

Because when contractors grow, the economy grows.
When contractors succeed, jobs are created.
When infrastructure moves, South Africa moves.

The BUILD Programme therefore aligns directly with government's broader commitment to infrastructure-led growth, economic inclusion, and transformation.

WHY THIS FUND MATTERS

Today's launch of the cidb–SEDFA Construction Fund is therefore not a standalone initiative.

It is a strategic intervention directly aligned to the mandate of the cidb and the objectives of the BUILD Programme.

This Fund responds directly to one of the biggest structural barriers facing contractors: access to developmental finance and sustainable business support.

Through this partnership, the cidb and SEDFA are establishing a dedicated Construction Fund aimed at supporting qualifying construction MSMEs and driving transformation within the sector.

Importantly, this initiative recognises the capital-intensive nature of construction and the reality that many black-owned enterprises remain excluded from meaningful participation because they cannot access the support mechanisms required to grow sustainably.

This is why government is stepping forward with a collaborative solution.

OVERVIEW OF THE FUND

In terms of the Memorandum of Agreement and Service Level Agreement signed between the cidb and SEDFA, both institutions will contribute up to R150 million each towards the Fund, creating an initial allocation of up to R300 million.

The Fund is designed to provide blended finance solutions tailored to the realities of the construction sector.

These solutions are intended to support contractor sustainability, mobilisation capacity, infrastructure delivery readiness, working capital requirements, and long-term enterprise growth.

The purpose of the Fund is clear:
to increase growth, transformation, and inclusive participation in the construction sector while addressing the developmental support challenges faced by contractors.

Importantly, this initiative goes beyond financial support alone.

The Fund also includes structured non-financial support interventions such as mentorship, technical support, business support, investment monitoring, and market access facilitation through appointed Retail Financial Intermediaries.

This is important because sustainable contractor development requires more than capital alone.

It requires support ecosystems that strengthen businesses, improve contractor performance, and enable long-term sustainability.

GOVERNANCE, ACCOUNTABILITY AND PERFORMANCE

The Fund also places strong emphasis on governance, accountability, oversight, and transparency.

The agreements establish governance structures, reporting obligations, monitoring systems, and investment oversight mechanisms to ensure measurable developmental impact and responsible use of public resources.

This is critical because public resources must deliver public value.

We want this Fund to produce measurable outcomes:

- stronger contractors,
- improved contractor grading progression,
- better-performing infrastructure projects,
- increased participation of black-owned enterprises,
- sustainable businesses,
- increased employment opportunities, and
- improved infrastructure delivery across South Africa.

BUILDING SOUTH AFRICA THROUGH INFRASTRUCTURE

As government, we are determined to turn South Africa into a construction site.

But that vision cannot be achieved if emerging contractors remain excluded from economic participation.

We need a construction industry that is transformed, competitive, ethical, developmental, and capable of delivering infrastructure at scale.

We need contractors who can build roads, schools, bridges, housing developments, water systems, and energy infrastructure while simultaneously creating jobs and supporting local economies.

Most importantly, we need infrastructure delivery to become a tool for economic transformation and social inclusion.

Because infrastructure is not only about concrete and steel.

It is about dignity.
It is about jobs.
It is about participation.
It is about restoring hope.

CALL TO CONTRACTORS

To every contractor listening today:

This Fund is an opportunity.

An opportunity to grow.
An opportunity to formalise and strengthen your business.
An opportunity to build capacity.
An opportunity to participate meaningfully in South Africa's infrastructure economy.

But it also comes with responsibility.

We need ethical businesses.
We need quality delivery.
We need accountability.
And we need contractors committed to building South Africa with integrity and excellence.

CONCLUSION

This partnership between the cidb and SEDFA demonstrates what becomes possible when institutions work together around a shared developmental purpose.

The cidb brings sector leadership, contractor development expertise, and industry oversight. SEDFA brings developmental finance capability, systems, and implementation expertise.

Together, this partnership creates a stronger platform to support construction businesses and unlock inclusive economic growth.

Let us use this initiative to build not only infrastructure, but also sustainable businesses, stronger communities, and a more inclusive economy.

Because when we build contractors, we build jobs.
When we build jobs, we restore dignity.
And when we build infrastructure,

we build South Africa.

I thank you.