

MEDIA RELEASE
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cidb and FNB sign a Memorandum of Understanding (MoU) to cement partnership in contractor development.

The Construction Industry Development Board (cidb) has partnered with First National Bank (FNB) to provide integrated support to emerging contractors registered with the cidb.



**cidb CEO Mr Ronnie Khoza with
FNB Executive Mr Howard Arrand.**

South Africa's historic background and its impact on the construction industry, means that very few of the emerging construction enterprises are able to meet the stringent and sometimes constraining 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 skills, capacity to deliver in volumes and to handle large projects. Most of these challenges relate to the issue of access to project finance and related financial management.

In an effort to address some of these challenges, FNB and the cidb are working together to provide services and products, inclusive of business management skills training and mentoring to cidb registered contractors, and to continually share information and give guidance to small enterprises that seek financial support.

In terms of the MOU, FNB will provide banking business accounts to cidb registered contractors enabling them to make and receive payments as well as providing tailored finance packages to contractors that meet the criteria set by the Bank.

Emerging contractors will also be eligible to receive assistance in developing business plans through FNB's small business channel Biznetwork.

FNB's Enterprise Development and Start-Up divisions whose objective is to provide small businesses across all sectors of the economy with financial and business development services (non-financial support), will capacitate and enable contractors to contribute significantly in the creation of sustainable employment, business growth and achieve long term profitability ensuring a move from second economy into first economy sector - an objective shared by the National Department of Public Works and cidb in the jointly established National Contractor Development Programme (NCDP). When signing the Memorandum, Mr. Arrand said "We are excited about this partnership and we believe it is the beginning of a process of building enduring and rewarding relationship with the CIDB," He concluded by saying that "FNB is committed to helping to grow small businesses for the betterment of South Africa's economy."

The cidb's role includes, among others, provision of guidelines on appropriate procurement methodologies for registered contractors; facilitation of access to cidb support initiatives for contractors referred to the cidb by FNB and to establish an enabling framework to deliver access to finance, training, mentoring and knowledge tools. The implementation of the MOU is through the Provincial Construction Contact Centres (CCC's) simultaneously allowing FNB direct exposure to cidb registered contractors. The CEO of cidb said that "This MOU is a commitment of the cidb and FNB to grow and develop contractors", he said that "the success is not in the signing of the MOU but in the results and the impact thereof to the industry and, most importantly, to the emerging contractors".

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