



the **dpw**

Department of Public Works
North West Provincial Government
Republic of South Africa

MEC JERRY THIBEDI SIGNS A MEMORANDUM OF UNDERSTANDING WITH STANDARD BANK

DATE: THURSDAY, SEPTEMBER 06, 2007

North West Public Works and Standard Bank today (Thurs) signed Memorandum of Understanding (MOU) geared towards supporting, developing and empowering emerging contractors and suppliers.

The move, described as “a milestone” in empowering the Small Micro Medium Enterprises (SMMEs) sector, by Public Works MEC Jerry Thibedi, is the first of its kind for the department.

Both parties signed on the dotted line in Rustenburg.

The MOU is centered on Standard Bank’s contract financing product (CFP) which allows the bank to lend money to emerging contractors struggling with start-up capital.

CFP was described as a coup for Standard Bank as no other financial institution has packaged such a product.

The bank’s provincial business support manager, Nick Coetzee, said CFP would enable the bank to lend money to emerging contractors doing business with the department of Public Works (North West).

The new arrangement would enable the bank to use the contractors’ contracts as security before lending. Currently banks require collaterals as guarantees before they can lend money.

“What we hope to address in the end is to ensure sustainable business for emerging contractors and the SMME’s as a whole,” he said.

Thibedi described the SMME sector as “the centre piece of the development agenda” in North West.

“Our success as a province will radiate from how we develop SMME’s and the emerging black business,” he said.

Thibedi said the department was mindful of the fact that many emerging contracts lacked financial and business management skills and the partnership with the bank will address those ills with monitoring as well as mentoring programmes.

He added that while the move would ensure great strides in SMME development, allocation of finance would be preceded by capacity building to ensure responsible spending by emerging contractors.

Standard Bank's provincial director, Mita Koebe said the signing of the MOU with the department was also aimed at aligning the bank's business objectives with that of the province.

Included in some of the objectives is, halving unemployment and poverty by 2014.

Issued by Communication Directorate
Contact Person: **Matshube Mfoloe**
Contact Number: (018) 387 2447 / 0823054594
E-mail: mmfoloe@nwpg.gov.za

