



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

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## **MEDIA STATEMENT**

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### **NATIONAL TREASURY ANNOUNCES THE ISSUANCE OF A NEW INFRASTRUCTURE AND DEVELOPMENT FINANCE BOND**

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The National Treasury has launched a new Infrastructure and Development Finance Bond which will be issued to the market under government's domestic borrowing programme.

This is part of a suite of reforms, first outlined in the 2024 Medium Term Budget Policy Statement, to boost investment in the infrastructure needed to foster stronger economic growth and service delivery, including by developing new long term financing instruments. This is the first time government has issued an infrastructure bond. It aims to take advantage of investors' appetite for infrastructure as an asset class to raise funding at favourable market rates.

Raising the level of public infrastructure investment remains central to South Africa's long-term growth strategy. As outlined in the 2025 MTBPS, government is shifting the composition of expenditure from consumption toward investment, supported by the reconfigured Budget Facility for Infrastructure (BFI), which now operates four bid windows annually. In its first two quarters, the reconfigured BFI received 28 submissions with nine progressing to detailed appraisal.

The introduction of the new bond forms part of government's strategy to broaden available funding mechanisms to improve the efficiency of capital allocation and enhance transparency in the financing of large-scale public investment.

#### **Purpose and Use of Proceeds**

Proceeds from the bond will be earmarked exclusively for financing eligible BFI projects. These include critical energy, water, transport, and social infrastructure investments that have undergone rigorous technical and financial evaluation. The funds will be disbursed through the Infrastructure Fund in the Development Bank of Southern Africa, to ensure that outlays are made in line with project delivery milestones.



## **MEDIA STATEMENT**

To support these projects, National Treasury will issue the bond to mobilise a minimum of R15 billion, with the potential to upsize this depending on prevailing market conditions and investor demand.

### **Alignment with the Debt Management Strategy**

The issuance aligns with government's debt management strategy, which aims to:

- deepen and diversify the domestic capital market;
- lower the long-term cost of borrowing; and
- ensure predictable and transparent funding conditions.

Absa Bank Limited, in partnership with Tsys Capital Group, has been appointed as Co-Arrangers for the transaction.

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