



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

NATIONAL TREASURY ISSUES SOUTH AFRICA'S FIRST SOVEREIGN INFRASTRUCTURE AND DEVELOPMENT FINANCE BOND

The National Treasury has successfully raised R11.795 billion under South Africa's first Infrastructure and Development Finance Bond. The auction attracted strong market interest, with bids exceeding R26 billion and achieving a 2.2-times subscription rate.

This issuance forms part of a suite of reforms, first outlined in the 2024 Medium Term Budget Policy Statement, to boost investment in the infrastructure required to drive higher economic growth and improve service delivery.

The bond will support projects under the Government's Budget Facility for Infrastructure (BFI). The BFI is a mechanism within the budget process that supports the execution of national priority infrastructure projects by using robust project screening methodology to assess eligibility for public funding.

During 2025, the government reconfigured the BFI to run four bid windows annually instead of just one. The four bid windows enable public institutions, including national departments, provinces, municipalities and state-owned enterprises, to request funding for part of the cost of a project, as a basis to attract additional private funding. This allows government to improve the quality and scale of the public infrastructure pipeline and embed private sector participation in infrastructure delivery.

Key Details of the Bond Issuance

The inaugural auction size was allocated in line with current market rates to optimise the cost of government borrowing. The total issuance amount was split across 10 and 15 year maturities as follows:

- RI2036: R6.996 billion was issued at an interest rate of 8.575%
- RI2041: R4.799 billion was issued at an interest rate of 9.13%

The proceeds from the Infrastructure and Development Finance Bond will be used exclusively to finance projects under the BFI programme. As part of the funding strategy, the National Treasury plans to tap these bonds in future auctions to finance further BFI-aligned infrastructure projects. These reforms include the development of long-term financing instruments to crowd in investment for priority public infrastructure.



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