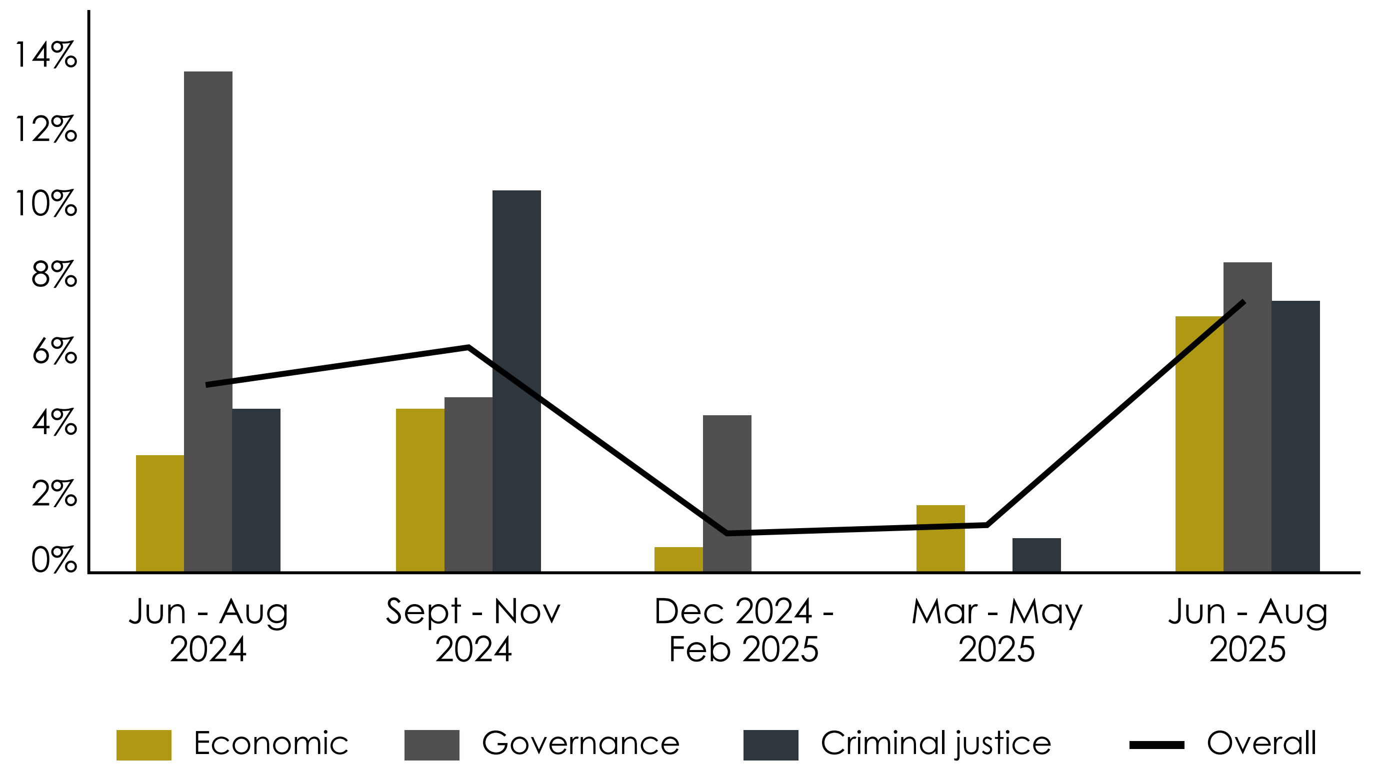
BLSA tracker Quarterly Review

tracker.blsa.org.za
August 2025

Reform momentum surges to highest level in five quarters



The reform momentum indicator* shows a sharp uptick in the number of reform deliverables that made progress in the last quarter.

Progress was even across the main reform categories which meant overall reform momentum was highest since we started tracking reforms. Economic reforms recorded its highest momentum since we began tracking reforms five quarters previously. Further analysis inside.

**The reform momentum indicator shows the change in the reform phase index that measures how close to complete reforms are on average. See the appendix for more details.*

Developed and managed by krutham

BLSA commissioned Krutham to analyse and track reform implementation, which Krutham has been doing since January 2024, initially monitoring more than 240 reform deliverables. Krutham is a research-led consultancy with specialist insight into policy in South Africa. For more information, visit krutham.com.

Welcome to BLSA tracker

The BLSA Tracker is designed specifically to assess reforms that are positive for the business environment, across criminal justice, governance and economic categories. These are key to unlocking economic growth in the country.

The reform areas measured are established focus points for both government and business. They have been placed firmly on the national agenda as a focus of reform (eg, electricity supply, climate change). Our analysts have identified reform areas in each top-level category by analysing speeches and policy documents as well as the reform agenda of key institutions such as Operation Vulindlela.

We then select deliverables within each reform area that have been mooted as important to delivering on the overall reform area. These have, at a minimum, been put forward as policy ideas and accepted to some extent as important for the reform agenda, though many are further advanced and in progress of being implemented.

The first review reflects significant progress

> This first BLSA Tracker Quarterly Review tells a "good news" story: 26 reform deliverables have been marked as "100% complete" out of about 240 that the research team has tracked for the past 18 months.

That means not only have the reform policies been legislated and implemented, but their effects are already being felt in the economy, that is, they are already making a difference. Of the rest, 59 deliverables are marked as making good progress, 108 are on track and 19 are facing major obstacles which need to be addressed.

The reforms tracked consist of a mix of those continuing from the previous administration and from the government of national unity. At least once a quarter, the total set of reforms which are tracked are reviewed, with new ones added where they are put on the agenda for reform through mechanisms like Operation Vulindlela or the national budget. Tracking is paused on those regarded to be fully complete. We also halted tracking on 26 other reforms, either because they are no longer appropriate given the changing environment or because there has been insufficient political will to continue progress, or they may have been merged into other, similar reform categories. Of the rest, 59 deliverables are marked as making good progress, 108 are on track and 19 are facing major obstacles which need to be addressed.

It is important to note that the completed deliverables are a subset of a much bigger set of reforms, all of which are tracked until they can positively answer the question, "does it work?" This final step is judged against the initial goal of the reform. Some reforms do conclude but do not result in the achievement of the intended goal.

This exemplifies the "onion" problem of reforms: as one layer of a reform is implemented, the next layer needs to be addressed. Given the complexity and interrelated nature of many of the reforms, sometimes another layer of required reform becomes apparent only after one deliverable is achieved.

The energy system reforms present a typical example. The Energy Action Plan and the National Energy Crisis Committee (Necom) were established to ensure implementation of reforms. Working in partnership with government on many reform areas, the business sector, through Business for South Africa, established the resource mobilisation fund, which provides capacity and support to drive reform implementation.

The first major achievement of the energy sector reforms was to end regular load shedding; that was particularly important, not only for the economy but also because it delivered a visible success, directly improving the everyday lives of citizens and businesses. Still, as the country achieved that important milestone, the need for further reforms to ensure long-term energy security became more pressing, including a wheeling framework and addressing debt owed by municipalities to Eskom. The Tracker monitors the progress of each deliverable within the wider energy reform ambit.

This tool assesses implementation progress, identifies barriers and highlights further work to be done. It will serve as a valuable guide for business leaders to make informed decisions, while it is also intended to be useful for government itself to drive progress, as it identifies blockages to be addressed and outlines the steps still to be taken in each reform area, effectively mapping out the reform path.

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A word from BLSA CEO

Busisiwe Mavuso

If the government fails, the country fails. If the country fails, business fails. For this reason, business is fully committed to the reforms designed to improve economic efficiencies. And a notable feature of the progress made so far in addressing the numerous structural problems that hold back the country's economic growth prospects is how effective the partnership between organised business and government has been. Given the enormity of the task still facing us in our aims to develop an efficient and growing economy, it's important to remind ourselves of the massive gains we have made.

> One of the main aims of launching the BLSA Reform Tracker is to provide further support to government. It enables both government and business to understand the mechanics of what drives reform momentum, but also to identify why a reform may be stalling and what is needed to overcome the blockage. The Tracker will also support business leaders in making informed decisions based on accurate information. We believe the Tracker will be an important contribution to the national effort to achieve our growth ambitions.

The BLSA Reform Tracker serves that purpose, tracking progress made and identifying where further interventions are needed to maintain momentum on each deliverable that is required to achieve the overall reform goals.

The Tracker is also useful in that it reflects overall progress made and we are encouraged that 26 deliverables have been completed during the 18 months of analysis so far, and their effects are already being felt in the economy. A further 59 are on track, making progress with implementation paths clearly mapped out, and 108 are progressing but inconsistently or behind schedule. The Tracker also identifies 19 that are stalled and require attention.

Operation Vulindlela can take much credit for much of the progress reflected in the Tracker, particularly the strides we've made in resolving the electricity crisis, improving the performance of our logistics system and providing visas for skilled workers. With its new agenda, it is taking on extra responsibilities in tackling municipal reform, spatial inequality and digital transformation. Operation Vulindlela's success has been driven by its focus on resolving blockages to policy reform. In doing so, business has provided extensive support, particularly in enabling it to access expertise and resources.

There is, however, a much wider reform agenda: one that is required across government, often in conjunction with social partners. For example, the numerous reforms required to remove South Africa from the Financial Action Task Force (FATF)'s grey list were formidable, including 22 action items that affected different spheres of government. Driven by National Treasury since the international financial watchdog put the country on its grey list in February 2023, it was a Herculean effort to have the FATF declare in June this year that South Africa had substantially completed its action plan on all 22 items.

The grey list success, together with the gains made in the energy sector, particularly in overcoming load shedding, as well as the progress in numerous other areas such as visa reform and completing the spectrum auction, fuel optimism that we will be able to overcome the country's major economic problems by continuing to work hard on progressing the reform agenda.

Many other government departments and public institutions have also committed to reforms that need to be followed through, from the police services through to the mining cadastral system. The Tracker follows the full ambit of all reforms that are designed to improve economic efficiencies and we believe it will be an important contribution to the national effort to achieve our growth ambitions.

BLSA looks forward to further supporting Operation Vulindlela and other areas of government in their reform efforts. We believe the Tracker will be an important contribution to the national effort to achieve our growth ambitions.

Key reforms

In this section we cover selected reforms from the Tracker, spanning the three categories of economic, criminal justice and governance, that we believe will have a significant impact, or are vital to develop an efficient state to enable the business environment to run smoothly and efficiently.

Operation Vulindlela phase 2

Phase 1	Electricity
	Freight logistics
	Water
	Telecommunications
	Visas
Phase 2 (continues all phase 1 reforms)	Local governance
	Digital transformation
	Spatial inequality

In May 2025, National Treasury and the presidency launched the second phase of Operation Vulindlela (OV2). Phase one, which ended with the sixth administration in 2024, tackled energy, freight logistics, water, telecommunications and the visa regime. These reforms aimed to unlock private investment and improve state systems – from clearing water licence backlogs to modernising visas. By 2024, nearly two-thirds were done or near completion, though delays remain.

Phase two builds on this base. It continues the work on phase one reform areas, ensuring the next required steps in each will be implemented, and adds:

- Municipal reform: strengthen local government and improve the delivery of basic services.
- Digital transformation: harness digital public infrastructure as a driver of growth and inclusion.
- Spatial inequality: "create dynamic and integrated cities" to enable economic activity (prioritises reforms in passenger rail services and affordable housing delivery).

Municipal reform

Possibly one of the most challenging of reform areas given the extent of misgovernance in local government, regularly highlighted in annual auditor-general reports. The 2023/24 report reflects R17.6bn lost to fruitless and wasteful expenditure over three years. The corruption is exacerbated by a lack of expertise in the areas targeted for reforms.

OV2 states it will focus on "improving service delivery and infrastructure investment by adopting a robust utility model for water and electricity services, led by professional, standalone utility companies".

Key reforms include "professionalising municipal administrations through competent senior appointments" and "reviewing the structure of local government and updating the fiscal framework and funding model to ensure sustainable service delivery".

Priority reforms are to:

- Adopt a utility model for water and electricity services.
- Standardise and professionalise senior appointments.
- Review local government structure.
- Review the local government fiscal framework.

The water and electricity reforms are deeply integrated into the industry-wide reform underway from OV phase one reforms and are indeed necessary for those to be effective. For the other "priority reforms", OV will consolidate existing government initiatives, aiming to increase momentum and inter-departmental co-ordination while refining strategy and plans.

Addressing spatial inequality: housing and passenger rail reforms

OV2 positions integrated urban development and affordable housing as key enablers of economic growth. Its reform agenda is built on five priorities: restoring rail services, expanding housing demand subsidies, releasing public land, clearing the title deed backlog and removing barriers to low-cost development.

> The economic case for integrated cities is strong. High commuting costs impose a heavy burden on the poorest households, reducing effective hourly wages and consuming over 20% of household budgets.

This forces cuts to productive spending on food, housing and education. Rail's collapse exacerbates this: passenger numbers fell 89% (649,787 to 73,557) between 2009-2024,[1] shifting demand to minibus taxis where weekly fares now average R600 versus rail's R58.[2]

Addressing supply and strengthening access

OV2 also targets long-standing supply-side blockages in affordable housing. These include the high costs of land, infrastructure and construction – key cost drivers that subsidies alone cannot fix. The reform agenda targets these cost pressures by releasing state-owned land for affordable housing, backed by measures to cut red tape around land use, building rules and other barriers to low-cost development. Fixed subsidy parameters for infrastructure, unit size and property specifications have often forced developers to cut costs by buying cheaper peripheral land – pushing projects to urban peripheries.

Policy is also shifting towards more inclusive financing tools. The redesigned First Home Finance subsidy now accommodates unsecured loans, pension-backed lending and rent-to-buy schemes. In line with this, OV2 introduces a demand-side rental subsidy to expand access for low- to middle-income households by boosting their purchasing power and drawing in private delivery. This can strengthen affordable housing supply for families who cannot or do not want to buy, while supporting urban densification and reducing spatial mismatches by bringing households closer to jobs and services.

Finally, the renewed focus on clearing the title deeds backlog could unlock the R242bn in "dead capital" identified during OV phase one. Only 25% of the 650,540 fully subsidised homes delivered between 2014 and 2024 received formal titles. Formalising ownership enables resale, transfer and financing, allowing state-subsidised stock to circulate and serve the gap market more effectively. This was targeted in OV's phase one and while limited progress was made, it delivered key legislative reforms to digitise the deeds system and reduce administrative bottlenecks.

Where reforms fall short

While these reforms are promising, caution is warranted. For two decades, policy has prioritised public spending and visible delivery targets over the market enablers needed to unlock affordable housing at scale. OV2 makes important shifts, but key blind spots remain. The construction sector has hollowed out: two-thirds of major contractors have exited and small-scale developers – key to rental and backyard supply – face regulatory and credit exclusion, extortion and delayed payments. Construction costs now exceed R600,000 for a basic 50m² home in most metros, excluding fees and permits. Yet there are few incentives for cost-saving

1. Derived from StatsSA's Land transport survey (Statistical release: P7162).
2. Stent, B. J. (2022, September 21). These graphs show PRASA's disastrous state. GroundUp News. https://groundup.org.za/article/these-graphs-show-prasas-disastrous-state/

innovations like modular construction or bulk procurement.

Regulatory and infrastructure misalignment further limit delivery. Thousands of housing projects remain stalled due to unresolved planning approvals, missing bulk infrastructure or overlapping regulatory challenges. Even where land is earmarked for development, it often takes 18 to 36 months before services are in place.

Municipal debt – now over R68bn – has made it harder for cities to fund this infrastructure, with metros like Johannesburg achieving only a fraction of their capital borrowing targets in 2023/24.

Meanwhile, OV2 does not address banks' conservative stance to lending in the affordable market. For instance, the FHF subsidy has strengthened borrower affordability yet uptake continues to fall short of targets, even with recent reforms. Banks have mainly used the subsidy as extra credit protection for borrowers who already qualify, rather than to grow the affordable mortgage market.

OV2's spatial reforms represent a significant step forward in addressing South Africa's fragmented and unequal urban landscape but their success hinges on resolving deep-seated supply-side failures. Without targeted interventions to strengthen the construction sector along with streamlined project planning processes and the introduction of risk-sharing mechanisms for lenders, the reforms risk repeating past mistakes: boosting demand without enabling responsive supply. The challenge ahead is whether policy momentum can translate into reforms that fundamentally restructure not just how many homes get built, but where, by whom, how and for whom they are delivered.

Digital transformation infrastructure

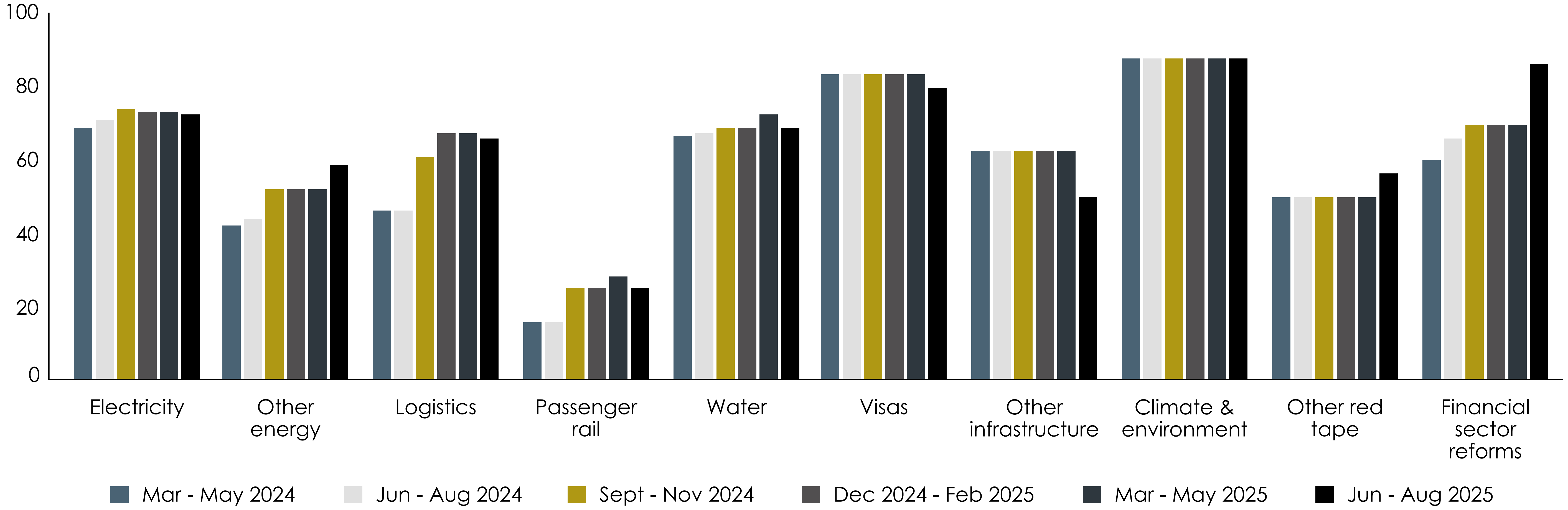
Another key focus area under the second phase of OV is digital transformation infrastructure. This reform area is at a nascent stage. Government, however, has already adopted a crucial roadmap for 2025-2030 that outlines a structured plan to modernise government services. This strategic plan is also intended to improve how residents and organisations interact with government in a unified, efficient and inclusive manner.

Full implementation of the roadmap will likely face challenges and potential delays. Anticipated challenges include a lack of digital skills, limited internet access and infrastructure and cybersecurity threats. Delays can significantly affect the overall timeline of SA's digital public infrastructure, leading to extended completion time, increased costs and reduced stakeholder confidence.

Mitigating the anticipated challenges, therefore, requires comprehensive planning that integrates a clear strategy.

Economic reforms

The quarterly progress of each reform area is tracked through the four phases: on the agenda; plans; actions; effectiveness. This is measured according to an index which represents the proportion of deliverables that move from one phase to the next (net of any that move backwards).



Energy sector

Of all the major reforms, none epitomises the onion peel problem described above as acutely as the energy sector. Here we highlight the massive gains already achieved, symbolised by the end of regular load-shedding since 26 March 2024. Here we must recognise that this was achieved largely as a result of the numerous reforms already undertaken – for example, doing away with the 100MW licensing threshold for private generation and the tax subsidy for rooftop solar. Those had a profound impact on increasing private generation and thus reducing demand on the national grid. Simultaneously, Eskom was improving its energy availability factor (EAF) through improved maintenance combined with a fall in unplanned outages and incidents of sabotage.

> These are significant achievements. Yet each success reveals another layer of challenges. For example, South Africa is in a situation where, despite a still healthy appetite from the private sector to develop renewable energy power plants, there is insufficient transmission capacity to accommodate the demand.

To achieve long-term security of supply, we still need to develop an estimated 56GW of new generation capacity over the next 10 years, according to the newly independent National Transmission Company South Africa (NTCSA), in its 2024 Transmission Development Plan.

Another layer of the onion is the 14,000km of new transmission lines needed to expand grid capacity, and the NTCSA has announced plans to spend R112bn over five years to connect as much as 30GW. It will have to rely heavily on the private sector to fund and build new grid infrastructure through the Independent Transmission Programme, of which the first phase of procurement is gaining ground.

In between and around those layers there are others – the difficulties in developing the wheeling framework; billing complexities for municipalities and the threat of them losing the electricity revenue they have come to rely on for other expenses; and their debt to Eskom and Eskom's own precarious financial situation, to name just a few. And cutting through all those peels is another complexity: the urgent need to reduce electricity costs for consumers while enabling Eskom to be financially self-sustainable, ideally even profitable.

In the sections below, we summarise developments of selected reforms that make up some of the parts of the overall energy reform onion.

ERA Act

Signed into law in August 2024, the promulgation of South Africa's Electricity Regulation Amendment (ERA) Act was announced by President Cyril Ramaphosa in January 2025, but it excluded the section related to reticulation due to a dispute over municipalities' role in electricity distribution. Municipalities, which have historically managed electricity distribution and relied on the income for revenue, oppose a new definition of "reticulation" that limits their role to serving only low-voltage users (below 11kV) and excludes them from electricity trading. This change, which was introduced late without public consultation, could have a severe impact on municipalities' finances. The ERA Act is aimed at bringing significant reforms to South Africa's electricity sector. It amends the 2006 Electricity Regulation Act to promote competition, reduce energy costs, increase investment in new generation capacity and improve energy security.

Key features include:

1. **Establishment of a competitive market:** The act creates a framework for a competitive electricity market with an open platform for buying and selling electricity.
2. **Independent transmission system operator (TSO):** The law mandates the establishment of an independent TSO within five years, with the National Transmission Company acting as the interim operator. This will manage the national grid and ensure non-discriminatory access.
3. **Market regulation:** The National Energy Regulator of South Africa (Nersa) will oversee market operations and approve prices, tariffs and charges, ensuring fair and efficient pricing while promoting renewable energy and security of supply.
4. **Incentives and penalties:** The act introduces penalties for sabotage or damage to infrastructure, including fines of up to R5m or 10 years in prison. This aims to protect critical infrastructure and reduce crime-related disruptions.
5. **Renewable energy and skills development:** The law aims to accelerate the adoption of renewable energy and generate new industrial activity, fostering innovation and skills and reducing unemployment.

This reform is part of a broader strategy outlined in the Energy Action Plan and Eskom Roadmap to modernise the electricity sector, end load shedding and ensure long-term energy security while promoting competition and lower energy prices for consumers.

National Transmission Company of South Africa

The NTCSA has been operational since 1 July 2024 after being separated from Eskom (but there is little movement on the unbundling of the distribution and generation businesses). Eskom and the NTCSA have satisfied all the requirements necessary to effect the operationalisation of the NTCSA. The NTCSA is now on course to be a duly constituted separate, distinct and wholly owned subsidiary of Eskom Holdings as per the provisions of the Companies Act. The five-year focus of the NTCSA, outlined in the updated Transmission Development Plan 2024, prioritises new transmission corridors and grid expansion to support nearly 30GW of renewable energy integration amid uncertainty over the Integrated Resource Plan (IRP) 2024. The NTCSA is expected to be the main offtaker of phase one of the independent transmission projects, which is expected to go to market by November 2025 and is expected to unlock 3GW of renewable energy projects. This is dependent on the finalisation of the Credit Guarantee Vehicle (CGV) that the National Treasury and the World Bank are developing. A potential problem area is the NTCSA's leadership issues. For now, Monde Bala has been appointed as the interim CEO to replace Segomoco Scheppers, who was removed from this position in June 2025.

Wheeling framework

South Africa's transition to a more open-market electricity system has implications for the electricity distribution industry (EDI), particularly municipalities, which are responsible for distributing 60% of South Africa's electricity.

> In March, Nersa approved the national wheeling framework to ensure uniform implementation nationwide. The rules also indicate how fees are to be determined.

Nersa is also developing financial models to help municipalities manage electricity distribution complexities, including embedded generation and tariff levels to ensure their sustainability. Municipalities face risks from reduced electricity use as customers opt for alternative electricity providers, affecting their ability to cover costs.

This was an Energy Action Plan and Necom key performance indicator, with IPPs having long sought to improve access to the grid, and will help bring more renewable energy capacity onto the grid. The key dependency here is the implementation of the framework by Eskom.

However, virtual wheeling challenges remain as licensed electricity traders are excluded from the virtual wheeling system and this has raised concern and confusion within the energy sector. Eskom cited ongoing discussions with regulator Nersa over trading rules as the reason, despite recent public endorsements of trader-led initiatives like Ampli Energy – a Discovery-Sasol initiative which targets smaller businesses through a month-to-month energy contract.

Industry players argue this move undermines efforts to expand renewable energy access through virtual wheeling, particularly for small and medium-sized enterprises. Resolving this depends on the finalisation of trading rules that Nersa is developing because Eskom argues that the regulator's decision to grant trading licences to multiple applicants goes against existing distribution rules, so clarity in the industry is urgently needed. Nersa seeks to have the final trading rules gazetted by November 2025. In the meantime, electricity and energy minister Kgosientsho Ramokgopa has called on Eskom to drop legal challenges against licensed traders, as it might undermine reforms in the energy sector.

Municipal debt relief programme

National Treasury launched a debt relief programme for municipalities as mounting municipal debt was seen as a major threat to the effectiveness of its three-year, R254bn Eskom debt relief package in 2023. The scheme permits a three-year write-off of all debt owed to Eskom as of 31 March 2023, including interest and penalties, if certain conditions are met. Unfortunately, this is not as effective as hoped. According to Eskom, municipal debt as at March 2025 stood at R94.6bn and 87% of municipalities accepted into the debt relief programme, are failing to meet its conditions.

To counter this Eskom proposed an Eskom Distribution Agency Agreement (DAA), a mechanism where Eskom takes over electricity distribution in municipalities that are in arrears on their bulk supply bills, but it needs the support of National Treasury and the amendments to the ERAA to achieve this. Additionally, OV2 has made addressing municipal debt one of its priorities.

Conclusion

Overall, what the country has achieved in addressing the energy crisis is significant, but there is much still to do. The ultimate aim is to ensure not only that future generations never again have to suffer regular power cuts because of inefficiencies in a monopolised energy market, but also that prices for end consumers are competitive. Achieving this would provide a solid foundation for sustainable economic growth – marking a shift away from an economy crippled by 15 years of load shedding.

Transport and logistics

Government has established comprehensive reform frameworks, anchored by the 2023 Freight Logistics Roadmap (FLR) and Operation Vulindlela to address South Africa's dysfunctional transport networks. Several structural reforms have been completed, yet implementation remains patchy, with institutional progress overshadowed by persistent operational failures that continue to constrain exports and economic growth.

Separation and structural reform momentum

The most significant progress lies in unbundling Transnet entities. Transnet Rail Infrastructure Manager (TRIM) became operational in October 2024 under acting CEO Moshe Motlohi, while Russel Baatjies leads the new Transnet Freight Rail Operating Company (TFROC). This separation, supported by a R47bn National Treasury guarantee facility, creates the foundation for third-party rail access after decades of integrated monopoly control. However, corporatisation of the Transnet National Ports Authority (TNPA), mandated since 2005, has stalled. Despite a 30 April 2025 deadline, the TNPA advised the Ports Regulator of further delays on 27 April, citing financial sustainability concerns. A ministerial task team is now reviewing corporatisation options.

Private sector participation in rail and ports

- **Network Statement:** In December 2024, transport minister Barbara Creecy approved the final Network Statement, establishing the framework for third-party access to the rail network. It sets out the terms and conditions for private operators, including access criteria, capacity allocation and pricing structures. Following revisions in February 2025, TRIM made over 209Mt of capacity available to private operators, attracting 98 applications for network slots. This marks a major milestone, though uptake and operational integration remain at an early stage.
- **Finalising the PSP unit:** While the Department of Transport has yet to set up a dedicated private sector participation (PSP) unit, it is finalising an agreement with the Development Bank of Southern Africa (DBSA) and National Treasury to host the unit at the DBSA.
- **Port concessioning:** Transnet is extending private participation beyond the delayed Durban Pier 2 project. Concessions are planned or underway in Ngqura, Gqeberha, Cape Town and Richards Bay. In December 2024, the TNPA selected FFS Tank Terminals for a 25-year Cape Town liquid bulk concession, though the deal remains unsigned. An Ngqura RFP will be re-issued while the Gqeberha plans are still unclear. Tenders for a R17bn Richards Bay liquid bulk and container expansion are open. However, legal challenges persist – notably the Durban High Court's blocking of the ICTSI contract following a challenge from AP Møller-Mærsk, raising investor concerns.
- **PSP initiatives launched:** In March 2025, the DoT launched requests for information to guide PSP development in rail and ports, following Cabinet's adoption of the Rail PSP Framework. Three corridors were prioritised: (1) Northern Cape (iron ore and manganese), (2) Richards Bay (coal and chrome) and (3) the intermodal Gauteng–Durban corridor (containers and automotive logistics). The RFI, managed by the DBSA-hosted PSP unit, will inform bid packages ahead of the August 2025 request for proposals.
- **Tarif delays threaten viability:** A key risk is the unresolved tariff framework. Although the Network Statement included 2024/25 tariffs, TRIM's steep proposed increases for 2025/26 – up to 300% for some services – triggered lengthy consultations. The Interim Rail Economic Regulatory Capacity

Regulatory framework advancing but incomplete

The Economic Regulation of Transport Act (2024) establishes a single Transport Economic Regulator across road, rail, maritime and aviation. It brings independent oversight to rail for the first time, ending Transnet's control over tariff setting and enabling fairer, more competitive access. Shareholder oversight of Transnet now lies fully with the transport minister. An interim regulatory body was created during the transition.

Key gaps remain. The National Rail Bill – meant to set operational, licensing and compliance rules – is still not finalised. Without it, Transnet continues to control pricing and access, weakening the open-access regime set out in the Network Statement.

The National Rail Master Plan has also been delayed. Originally due in February 2025, the interim plan is now expected by year-end. It will map the strategic freight network, set performance targets, propose exit strategies for unviable lines and define private participation models. TRIM has a funding strategy in place, but delivery depends on securing additional investment, especially after the 2025/26 capital budget cuts.

Mixed operational performance

Structural reforms have yet to translate into stronger performance. Freight volumes rose modestly to 161Mt by March 2025 (from 151.7Mt) but fell short of the 170Mt target and well below the 193Mt stretch target in the Freight Logistics Roadmap.

Key constraints include:

- **Crime:** Cable theft caused R4bn in damages in 2024, with over 1,300 incidents on the North Corridor alone. Disruptions continue despite closer coordination with the SAPS.
- **Asset failures:** Ageing infrastructure and manual systems persist. Most notably, 394 new locomotives remain idle due to spare parts shortages – a R70bn fleet management failure that directly undermines capacity.
- **Funding crisis:** Transnet's debt is projected to reach R151bn in 2025, with R17bn in annual debt service costs while it is suffering a critical cash shortfall. Moody's warned in May that the state-owned company could run out of cash within three months. The auditor-general flagged going-concern risks after Transnet met just 28.6% of 2024 targets. Maintenance needs are more than R51bn in the next five years, but Treasury support remains uncertain.
- **Institutional capacity gaps:** The Department of Transport lacks the skills and capacity to manage complex access agreements and new institutions. Bodies like TRIM and the PSP unit will require major capability building. The interim regulator remains a placeholder until the full Transport Economic Regulator is operational.
- **Poor port performance:** South Africa's ports remain among the worst globally. In the 2024 Container Port Performance Index, Cape Town ranked last (405th), with Ngqura at 404, Durban at 398 and Gqeberha at 391 – far behind regional peers and reflecting decades of decline.

Moving forward: deepening reforms under OV2

South Africa's transport reform agenda has laid important structural foundations, including the unbundling of freight rail, a clearer framework for private participation and the introduction of economic regulation. But progress remains uneven. Operational failures, unresolved pricing disputes, institutional weakness and chronic underfunding continue to undermine delivery. To this end, OV's phase two agenda aims to complete outstanding reforms and introduce new measures to help reach the 3.5% growth target by 2029.

Transport priorities include:

- Finalising Transnet restructuring by establishing an independent Infrastructure Manager and completing TNPA corporatisation.
- Enabling open access to freight rail through finalised pricing models and network optimisation.
- Expanding private sector participation in ports and rail beyond Durban.
- Establishing the Transport Economic Regulator to end Transnet's control over tariffs.
- Finalising the National Rail Bill for a competitive rail sector framework.
- Restoring passenger rail services through corridor reopening and Prasa's rolling stock upgrades.

Climate change

South Africa is one of 195 signatories to the Paris Agreement, which means it commits to limiting greenhouse gas emissions so that global temperature rise can be limited to 1.5°C above pre-industrial levels. Although it is a developing country, South Africa is the biggest emitter of greenhouse gas emissions in Africa, and among the top 15 biggest carbon emitters in the world – with most of its emissions coming from its energy sector.

In 2021 South Africa entered into a world-first pact (Just Energy Transition Partnership or JETP) with wealthy nations – UK, Germany, France, the EU and the US – which pledged an initial $8.5bn to assist South Africa's efforts to reduce emissions in the energy sector, while also ensuring such a transition is just and does not disadvantage communities whose livelihoods are dependent on the fossil-fuel dominant sector.

Since then, the US withdrew from the pact but there have been new additions such as the Netherlands and Denmark, and other pledges toward South Africa's just transition from countries that are not formally part of the JETP. Unfortunately the JETP funding remains largely unspent with only $2bn disbursed by early 2025.

At a policy level South Africa has made strides by passing the Climate Change Act – which ensures the country's response to climate change is guided by law, and ensuring the commitments to the Paris Agreement have realisable pathways across domestic sectors and different spheres of government.

Climate Change Act

The Climate Change bill was passed by Parliament in early 2024 and assented to by President Cyril Ramaphosa in July 2024. It establishes a regulatory framework for a low-carbon and climate resilient economy, guiding South Africa's transition towards a net-zero future.

It also requires that all spheres of government – national, provincial and local – have climate change plans that address mitigation and adaptation. Furthermore, it sets sectoral targets for emissions reduction, including for large emitters. Along with the carbon tax, it aims to reduce carbon emissions so that South Africa can meet the targets of its Nationally Determined Contributions (NDCs) in terms of its commitments to the Paris Agreement.

The act came into effect in March 2025 and while it has got the ball rolling on a number of important climate action policies, several of its sections were delayed for further action in 2025/26. Three sections were gazetted in July 2025, focused on the Presidential Climate Commission (sections 30, 31 and 32) and two sections were gazetted in August, focused on how carbon budgets and mitigation plans will be implemented (sections 26 and 27). A further 15 sections of the Climate Change Act remain to be implemented.

Update on Nationally Determined Contributions

South Africa's current NDCs (2026-2030) limit emissions between 350 and 420 MtCO2e. South Africa is still finalising its updated NDCs for the periods 2026-2030 and 2031-2035. Forestry, Fisheries and Environment Minister Dion George published a draft of the updated NDCs on 30 July 2025; this upholds the existing target for the 2026-2030 period and for the period 2031-2035 proposes that emissions be limited to a range of 320-380 MtCO2e. The latter is arguably less ambitious than the target put forward by the Presidential Climate Commission of 248-329 MtCO2e.

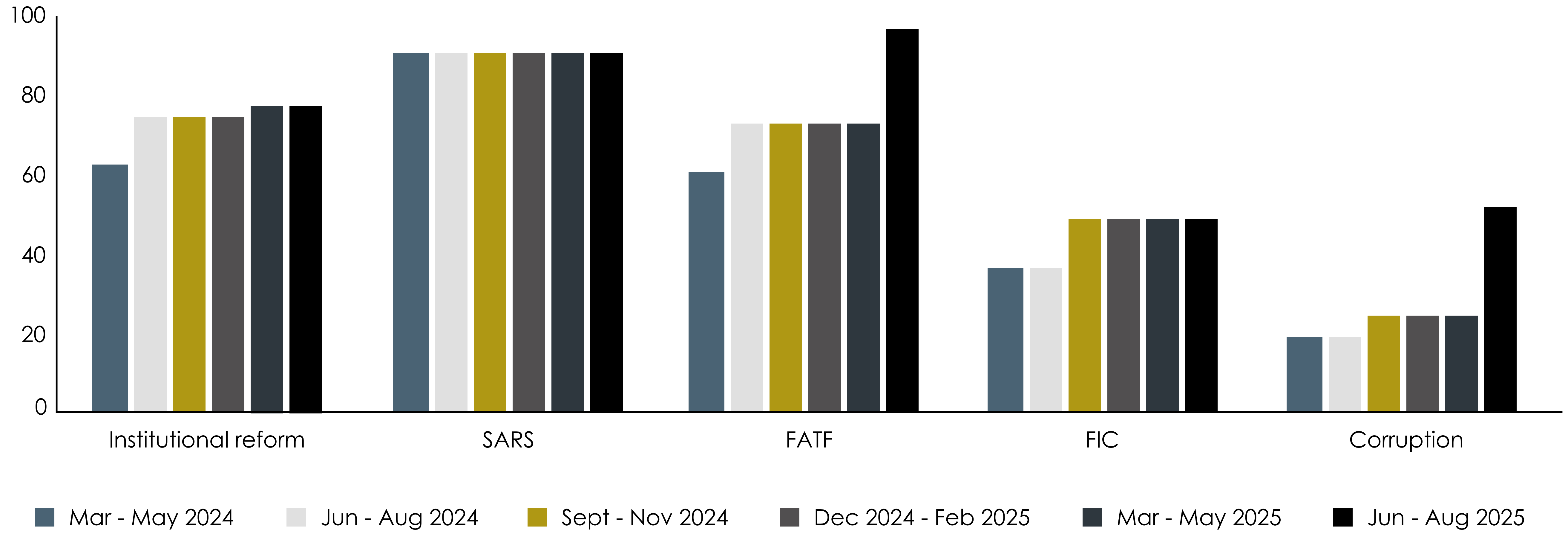
The draft also includes South Africa's first comprehensive adaptation communication strategy and maintains the country's net-zero by 2050 target. It seeks to access $8bn per year in climate finance by 2030.

A strong theme throughout the draft is that South Africa's efforts to tackle climate change and contribute to meeting the Paris Agreement global warming target of 1.5°C must be aligned to its needs and status as a developing country – emphasising that any transition must be just in that it supports economic development and poverty eradication.

Public consultation on the draft runs until 29 August 2025, with final submission to the UN expected by September 2025 ahead of COP30 to be held in Belém, Brazil.

Criminal justice reforms

Momentum has been strongest in addressing FATF requirements but there has also been a recent spike in momentum in anti-corruption reforms.



FATF reforms

South Africa has demonstrated its capacity to deliver decisive reform when it truly matters, having successfully completed all 22 action items required by the Financial Action Task Force (FATF) to address deficiencies in its anti-money laundering and counter-terrorist financing (AML/CFT) framework.

> This achievement, formally acknowledged by the FATF plenary in June 2025, marks a significant milestone in the country's commitment to international financial standards and signals renewed confidence in South Africa's regulatory environment. Completing the action plan underscores the government's resolve and highlights the nation's ability to mobilise resources and implement complex reforms under international scrutiny.

The FATF is the global money laundering and terrorist financing watchdog and it placed SA on its grey list after its 2021 evaluation identified substantial weaknesses across several domains, including money laundering investigations, terrorist financing prosecutions, beneficial ownership transparency and supervision of non-financial sectors. When the FATF places a jurisdiction under increased monitoring (the grey list), it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring.

In response, South Africa embarked on a comprehensive reform agenda, targeting each area with focused interventions.

The government enhanced the operational capacity of investigative agencies, significantly increasing both the number and complexity of money laundering cases investigated and prosecuted. Authorities substantially ramped up outbound mutual legal assistance (MLA) requests, strengthening international cooperation and facilitating critical financial intelligence exchanges.

Improvements at the Financial Intelligence Centre played a pivotal role. The agency expanded its analytical capabilities and provided actionable intelligence that led to identifying and seizing illicit assets. Authorities also implemented new measures ensuring effective tracing and confiscation of crime proceeds, demonstrating a robust approach to asset recovery.

Regarding terrorist financing, South Africa updated its national strategy, allocated additional resources and training to law enforcement and notably increased the prosecution of terrorist financing offences. SA also enhanced cooperation with international partners and adopted risk-based supervision approaches to complement these efforts.

Beneficial ownership transparency represented a major area of focus. The government mandated registering beneficial owners for companies and trusts, operationalised new registries and enforced compliance through targeted inspections and sanctions. These measures significantly improved the accessibility and reliability of beneficial ownership information, addressing a key FATF concern. Authorities strengthened and effectively implemented the legislative framework for beneficial ownership, demonstrating their capacity to apply sanctions for non-compliance.

Supervision intensified for designated non-financial businesses and professions, such as real estate agents and attorneys. Regulatory bodies increased both the frequency and depth of compliance inspections, resulting in higher adherence to AML/CFT obligations. Authorities also targeted unlicensed cross-border money or value transfer services, mitigating risks associated with informal financial flows and enhancing financial system integrity.

Institutional capacity building became a cornerstone of South Africa's approach. The government invested in training and resources for supervisory and law enforcement agencies, fostering a culture of compliance and accountability. These efforts have led to sustained improvements in detecting, investigating and prosecuting financial crimes.

The FATF will conduct a site visit and if its assessment is positive, the country could be removed from the grey list at the FATF's plenary in October 2025.

The implications of these successful reforms are far-reaching. South Africa's alignment with FATF standards has strengthened its financial system, reduced systemic risks and improved its standing in the global financial community. Completing all 22 action items paves the way for the country's removal from the FATF grey list, restoring investor confidence and enhancing South Africa's attractiveness as an international business destination. This achievement stands as a testament to what the country can accomplish when aligning national priorities with global best practices and pairing the imperative to act with determination and effective execution.

Anti-corruption measures

The work to improve the efficiency of criminal justice Institutions is bearing fruit. Former chairperson of the now defunct VBS Mutual Bank Board, Tshifhiwa Matodzi, was sentenced to 15 years in jail in July for theft, fraud and money laundering. While this is an important achievement, successful prosecutions of high-profile people, particularly those linked to state capture, remain elusive.

Apart from making the Investigating Directorate (ID) a permanent entity, independent of the National Prosecuting Authority (NPA), little has happened to rebuild confidence and trust in the criminal justice system after the Zondo

Commission into state capture found that it was politicised and compromised at the highest levels.

The Democratic Alliance's private bill, the Constitution Twenty-First Amendment Bill ("anti-corruption bill"), has been tabled in parliament under the current administration. Aligned with the Zondo Commission's recommendations, the bill seeks to establish an independent anti-corruption commission to help the NPA investigate and prosecute serious corruption cases. As recorded in the bill, this commission "will concentrate on a strictly defined and legislated space, dealing only with large-scale grand corruption and high-level organised crime, harnessing the capabilities of the Special Tribunal of the SIU more effectively, and providing a quicker, more efficient and effective method of dealing with the type of corruption and high-level organised crime we see daily, but which cannot be dealt with effectively within current existing structures".

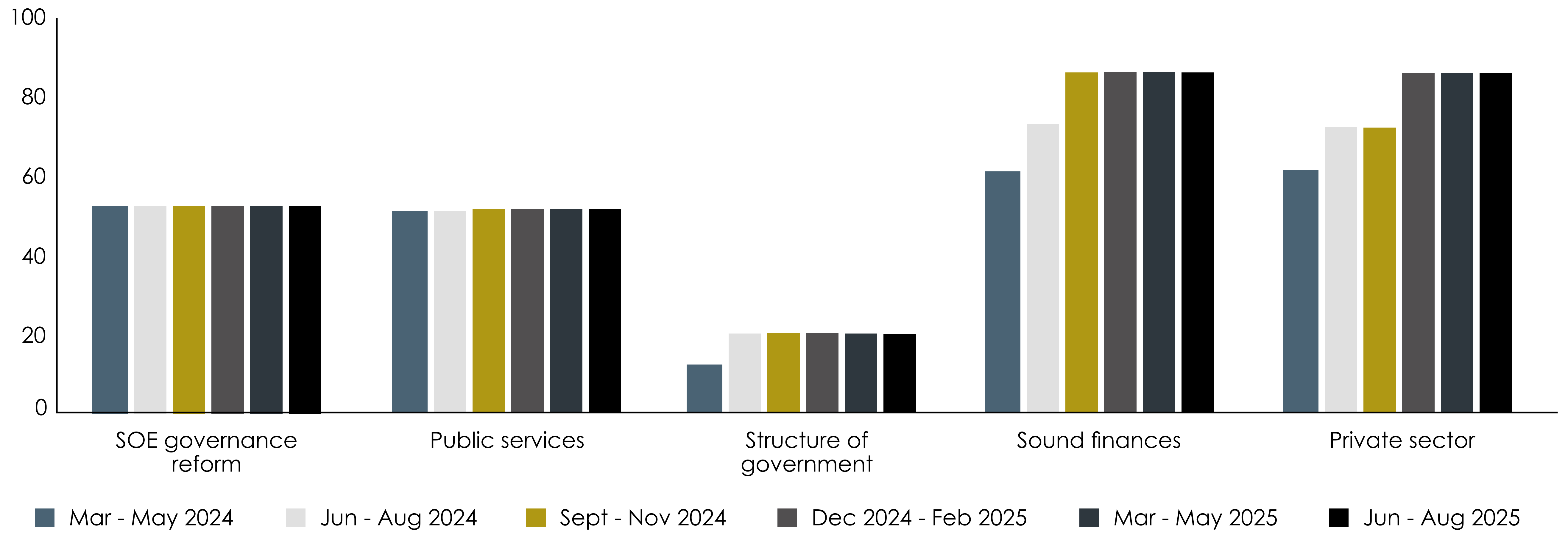
> In his findings, Judge Zondo was extremely concerned that the extent and impact of the weakening of key criminal justice institutions seriously undermined their independence, weakened judicial oversight of the executive and in turn their capacity to fight corruption. Many of those implicated by the Zondo Commission have returned to parliament and even to the Cabinet of the government of national unity.

An important step in strengthening the fight against corruption was government enacting the National Prosecuting Authority Amendment Bill into law in May 2024. This enabled the establishment of the ID as a permanent entity, housed as a statutory body within the NPA. Previously, the ID was a temporary unit, established by presidential proclamation in 2019 to deal with corruption cases that arose during the Zondo Commission. These included the controversial R280m Estina dairy farm case, which came to an end when it was struck off the roll in the Free State High Court in August 2024.

The ID now has powers similar to those of the disbanded Scorpions (a specialised unit that was disbanded soon after Jacob Zuma became president). There is an argument that because it was established by legislation, it will therefore be difficult to disband, as happened with the Scorpions which did not enjoy legislative protection. However, it and the NPA still rely on budgetary allocations and, as such, cannot be said to be truly independent as they may still be subject to political influence. In January last year, then Justice Minister Ronald Lamola said the NPA and ID suffered from a lack of funds to deal with corruption and state capture cases – even though the NPA budget allocation increased over the medium term, from R4.9bn to R5.7bn. Moreover, heads of the NPA and ID are appointed by the president, as per sections 10 and 13 of the NPA Act (1998), without a formal requirement for consultation with an independent panel or parliament. This means they cannot be fully independent. The ID and NPA will also need to demonstrate that they can investigate and prosecute complex financial crimes.

Governance reforms

Governance reforms have shown little momentum after some early advances.



Professionalisation of the public services sector

The push to professionalise the public service comes from two directions. The first is the dire state of service delivery across all levels of government (national, provincial and local governments and public entities) which prompted President Cyril Ramaphosa to launch the National Framework for the Professionalisation of the Public Service in October 2022. The framework encompasses amendments to pieces of legislation governing the public sector, incorporates merit-based recruitment and selection, and establishes professional ethics that must be promoted and maintained. Government is now prioritising local government under OV phase two, ahead of the 2026/27 municipal elections. A new White Paper on Local Government (updating the 1998 version) will be gazetted early next year, outlining necessary steps for institutional, governance and financial reforms.

The second driver to professionalise the public service comes from the Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector including Organs of State (the Zondo Commission). After hearing evidence of rampant corruption at state-owned enterprises and government ministries when the commission sat from 2018-2022, chairperson Judge Raymond Zondo recommended measures to prevent corrupt and incompetent appointments to senior positions within the state.

Central to the inefficiencies and corruption is cadre deployment, which Judge Zondo ruled was unconstitutional, but cadre deployment is not even mentioned in either the Framework for the Professionalisation of the Public Service nor in any pieces of legislation the government has generated in this area.

The ultimate goal is for the public sector to provide quality public services that meet the needs of citizens and for the sector to be more accountable for its decisions and actions and to manage resources more prudently. Zondo's recommendations emphasise the need to remove appointments and dismissals from undue political influence by executive authorities – the president, ministers and members of the executive council – in operational and administrative matters that are the responsibility of accounting officers/senior officials – directors-general, heads of department and municipal managers, as well as chief executive officers of SOEs.

In its efforts to implement the recommendations of the Zondo commission and the framework, government has proposed legislative frameworks in the public sector. Draft pieces of legislation, including the Public Service Amendment Bill (2023), the Public Administration Management Amendment Bill (2023) and the Public Service Commission Bill (2023), which are before parliament's National Council of Provinces, promise to promote integrity systematically. Some of the key reforms proposed in these bills include:

- **Devolution of administrative powers.** A new position of director-general in the Presidency is to be created to act as the head of public administration, aiming to enhance coordination and accountability across government operations by creating a central figure to oversee operational and organisational matters across government departments. Furthermore, heads of departments will be empowered to perform administrative acts and manage human resources more independently within their departments, including appointing or dismissing persons in a department. Executive authorities (the president and national ministers, premiers and MECs) will no longer have discretionary power. Prohibiting public sector employees from doing business with organs of the state aims to reduce potential conflicts of interest.
- **The Public Service Commission is to become a secretariat,** ensuring that it executes its mandate fully as an independent constitutional entity, as well as ensuring accountability in the public sector. The commission currently lacks the freedom to act independently due to vulnerability to political interference and manipulation.

Ministerial performance agreements

Last year, President Ramaphosa indicated that he would sign performance agreements with ministers serving in the seventh administration after the approval of the Medium-Term Development Plan (MTDP). Cabinet announced the approval of the MTDP in February. There is still no sign of performance agreements, but the Presidency has said President Ramaphosa intends to sign these agreements with his ministers.

If precedence is followed, these performance agreements will be made available to the public, but the performance reviews/assessments will not. President Ramaphosa does not use the findings to sanction those who are not up to scratch but rather to support them in addressing their shortcomings.

Performance agreements are meant to foster a culture of accountability by committing ministers to specific targets and deliverables, both for the duration of their five-year term of office and each financial year. A critical aspect of this is conducting assessments of ministers' performance against the targets.

The president is responsible for assessing the performance of ministers, with the help of the Department of Planning, Monitoring and Evaluation. The president is also responsible for consequence management and has received criticism on this front.

The Democratic Alliance (DA) was vocal in calling for the publication of performance reviews of ministers during the term of the sixth administration. Now that the DA is part of cabinet, with six ministers, it has promised that its ministers will make their targets (essentially performance agreements) and achievements (performance assessments) public, should the president opt against publishing these.

> The GNU therefore provides an opportunity for parties to demonstrate their commitment to accountability, which they expressed strongly while in the opposition benches. That said, the president is the custodian of the performance review process and its outcomes and may therefore impose conditions that prohibit any minister or party from disclosing information related to this publicly. Defiance of these may be seen as insubordination and result in consequences for the concerned ministers or parties.

Lifestyle audits

Lifestyle audits, launched in 2021, are one of the tools used to try to detect and prevent fraud and corruption in the public service, the aim being to ensure that the lifestyles of government employees are in line with their income levels.

As per the 2021 "Guide to implement lifestyle audits in the public service", the audits should be conducted by all national and provincial departments and government components. The Public Administration, Ethics Integrity and Disciplinary, Technical Assistance Unit provides technical support to departments for this exercise. The ultimate plan is to roll out audits to municipal employees as well.

While progress has been generally slow, lifestyle audits are gaining momentum. The Special Investigating Unit (SIU) has reported an increase in requests for it to help conduct these, and more departments are also reporting that they have conducted lifestyle audits. The City of Johannesburg committed to conducting lifestyle audits on its councillors and senior executives as far back as 2022.

> More concrete progress came in June this year when Gauteng Premier Panyaza Lesufi removed three heads of departments for failing lifestyle audits. This is one publicised case which has demonstrated the value of conducting lifestyle audits.

Earlier, in January 2025, following investigations into procurement irregularities, the SIU recommended lifestyle audits for supply chain officials in the cities of Johannesburg and Tshwane. The SIU reported that the City of Tshwane had requested it to conduct the lifestyle audits on the metro's behalf.

Importantly, in response to a parliamentary question, President Ramaphosa revealed that for 2024/25, members of the executive of the seventh administration have all consented to lifestyle audits.

The audit process includes three phases: lifestyle review, lifestyle investigation and lifestyle audit (quantification and evaluation). About 200 senior management services members' reviews were referred for investigation in the 2023/24 financial year. By September 2024, government reported that 191 senior management services members – seven from national departments and 20 from provincial departments – were referred for investigation, including cases of conflicts of interest, unexplained wealth and conducting business with the state.

While slow, departments have made progress. The next priority should be to assess the effectiveness of lifestyle audits in deterring fraud and corruption in the public service, which should be the ultimate aim of the process.

Immigration system

In his 2025 Sona, President Cyril Ramaphosa announced that the Department of Home Affairs, under Minister Leon Schreiber, had cleared over 90% of the visa backlog of more than 300,000 applications (with some applications dating back to 2014). The minister is expecting to address the remaining backlog by the end of the year.

Moreover, he has gazetted a points-based system for assessing critical skills work visa applications to create more flexible pathways for highly skilled applicants. The system is now in effect. In doing so, the minister is fast-tracking the work of the previous administration and Operation Vulindlela, tackling the country's critical skills shortage which is particularly prevalent in key sectors, including science, technology, engineering and mathematics (STEM) and information technology. These are vital skills for the functioning of the economy, which affects business growth and ultimately the country's GDP.

Facing difficulties filling vacancies in skilled positions, corporations in SA are forced to go beyond its borders, but the Department of Home Affairs has experienced a significant visa backlog for some time due to inefficiencies and capacity challenges.

Joining the department in July 2024, Schreiber revealed that it faced a backlog of over 300,000 visa applications. A dedicated team has been set up to reduce this backlog. Due to the lack of a modern digital system to process all applications, the minister has called for the department's services to become fully automated and digitised. He also extended the temporary concession for foreign nationals awaiting the outcomes of their visa, waiver and appeal applications until September 2025 to enable the department to process the applications.

Schreiber also officially enacted visa regulations about how the points-based system for critical skills and general work visas will function, making the immigration process more predictable and fairer. If an applicant's occupation is on the department's critical skills list, they are automatically granted a critical skills work visa. An applicant who has received a job offer from a company that is part of the trusted employer scheme and meets other requirements is issued a general work visa.

Reforms to the immigration system do not just aim to attract international critical skills but also to promote tourism in SA as part of the Tourism Sector Recovery Plan (2021) to rejuvenate the industry post-pandemic. Another development in the visa system is the switch from the manual to the digital visa application process. The electronic visa (e-visa) system is for short-term visas for tourism purposes only and is now available for 38 countries across Africa, Europe and South America. The department could also expand the list of countries that are eligible to apply for the e-visa.

The electronic system indicates a shift towards a more paperless future although it is still a work in progress. Other visa categories such as long-term visas (work visas) are not yet part of the digital journey, and the processing will continue to be manual. In addition, the department is scheduled to roll out the Electronic Travel Authorisation system in September, designed to automate and streamline the visa or travel authorisation process for travellers.

The new visa regulations also spark hope for efforts to attract investment through digital nomadism. The most noteworthy amendment is the creation of a new visa category, the remote working or digital nomad visa, which forms part of a visitor's visa, for a foreign employee conducting work for a foreign employer on a remote basis.

Completed deliverables

Energy

- Raising licensing threshold on self-generation to 100MW: implemented June 2021.
- Removal of 100MW licensing threshold: implemented July 2020.
- Reduce Nersa registration timeline: Also part of the energy action plan, timeframes for regulatory approvals required to develop energy projects have been reduced significantly.
- Standard Offer to acquire electricity: To enable new and existing generators of electricity to sell surplus power to Eskom.
- Environmental permit timeline: Time taken for environmental permits and approvals for new renewable energy plants has been cut from 100 days to 57 days.

Transport/ logistics

- Establish interim Infrastructure Manager: Successfully established, with a mandate to manage rail infrastructure to improve rail capacity and access.
- Establish Interim Rail Economic Regulatory Capacity (IRERC): To guide strategic direction for implementing economic regulation in the rail sector and serve as an interim arrangement until the Transport Economic Regulator (TER) is established.

FATF

- Consolidation of four ombuds offices into a single redress system.
- Corporation for Deposit Insurance deposit insurance scheme: In line with the SARB's mandate to ensure financial stability, CODI was launched in April 2025. It protects qualifying depositors, including individuals and non-financial businesses, should a bank fail.
- Restructuring the Gold and Foreign Exchange Contingency Reserve Account to manage forex reserves and reduce government borrowing.
- Anti-Money Laundering and Combating Terrorism Financing Amendment Act (AML/CFT).
- Protection of Constitutional Democracy Against Terrorism and Related Actives Amendment Act.
- Outbound mutual legal assistance requests: Streamline for proactive response.
- Action taken against unlicensed entities: For effectiveness of measures at borders to detect and seize illicit cash flows and identify and address unlicensed cross-border money transfers.
- Improve risk-based categorisation and supervision: To ensure that smaller financial institutions and designated non-financial businesses and professions (must be able to both identify and understand their money laundering risks).
- The Financial Sector Conduct Authority's role has been strengthened, to build strong AML/CFT supervisory capacity and ensure all supervisors enforce remedial actions and apply effective, proportionate, and deterrent sanctions.
- The Financial Intelligence Centre (FIC) power to detect and combating money laundering and terrorist financing has been strengthened.
- Beneficial ownership information: Law amended to make it easier for regulatory authorities to gather information on companies and trusts.
- SAPS enforcement action: Information gathering improved, the success of which has been demonstrated through increased information requests. This should ensure that more police officers and other crime experts are provided with and have access to the relevant (and adequate) information to tackle all crimes.
- Legal framework for sanctions: Framework is in place to ensure the effective implementation and enforcement of targeted financial sanctions, primarily in compliance with United Nations Security Council resolutions and related international obligations.
- Boost NPA institutional capacity and training: More skilled financial investigators and forensic accountants to proactively pursue complex, high-level money laundering cases have been hired, with support provided by BLSA through its memorandum of understanding with the NPA.
- Deficiencies in anti-money laundering and combating terrorist financing have been addressed through various pieces of legislation.
- Counter terrorism financing strategy plan: Strategy approved and being implemented.
- Terrorism financing risk assessment – non-profit organisations: Policy amended to improve identification of terrorist financing activities.
- SAPS institutional capacity and training: More police officers and other crime experts are being hired and trained to enable the institution to combat both financial and non-financial crimes.
- Institutional framework for sanctions: Framework in place to identify strengths, weaknesses and areas which need improvement in country's ability to combat financial activities associated with sanctions evasion.

Appendix: Analysis and research process

Three overall reform categories, criminal justice, governance and economic, are broken down into individual reforms. These have been identified from many policy pronouncements by empowered officials. Each reform proposal is logged and then updated with any developments as they happen, with an overall check every quarter.

Progress is tracked through four phases

The Tracker monitors progress on each policy deliverable in four distinct phases:

Is it on the agenda?

When a policy proposal is first mooted it takes time to make its way onto the agenda of government for implementation. The agenda is set through key policy pronouncements in the state of the nation addresses, the national budget and the departmental plans of government.

Are there plans in place?

A policy can be put on the agenda, but there then needs to be a clear plan drawn up for implementing it. This will set out what is being done to ensure the policy is turned into reality, including research and consultation and action plans for different government actors. Such plans can include white papers, Operation Vulindlela plans, reform roadmaps, etc.

What government actions have there been?

This is where implementation is key – are the plans being put into action? This can include new laws being tabled, regulations being amended, new institutions established or others restructured, people hired, new systems developed and launched, all to ensure the plans are made a reality.

Does it work?

This is an assessment of substantive efficacy, whether South Africans are truly benefiting as intended by the policy change.

Our team analyses the progress of each deliverable through these four phases and assesses whether the goals have been achieved. The goals serve as the threshold for completion of the deliverable. The team interrogates progress on the deliverable across the four phases, assessing public announcements and speaking to key stakeholders from policy holders to business to understand where reforms have got to and what may be holding up further progress. Each reform deliverable is assessed once per quarter, though it can be updated more regularly if specific new information is made public.

The assessment is provided at a granular level for each deliverable. Deliverables are categorised in reform areas, which are major reform themes within each of the three top-level reform categories: criminal justice, governance and economic.

Colour indicators

The online Tracker shows colour heat maps at reform area level as well as at the level of each deliverable. These reflect the extent to which the reform is "on track".

- The reform or deliverable is on track, making reasonable progress in line with the planned timeline.
- The reform or deliverable is progressing but inconsistently or is behind schedule.
- Major delays or obstacles are holding the reform or deliverable back. Without urgent action, it risks stalling or being abandoned.
- The reform or deliverable has been halted and is no longer being tracked. This might be because it has been superseded or because there is no longer political commitment.

How the scoring works

The four phases are shown in the analysis of each reform deliverable in the Tracker. A brief update is given under each phase with a traffic light colour signal showing how far that phase has gone, from green to amber to red, depending on whether the phase is complete, in progress, or stalled.

Separately an "on track" score is determined for each reform deliverable. Every deliverable starts out as incomplete, and then follows a process toward finally delivering the changed environment. We assess this separately to the phase analysis, assessing whether the reform process is following the timetable set out as part of the goals and plans for the reforms. We similarly score that from green to amber to red depending on whether the reform is progressing as expected, is progressing but not on schedule, or is facing major blockages and at risk of stalling. This view is shown in the rev counter for each of the deliverables:

Some deliverables are no longer tracked and these can be seen on the heatmaps with the symbols showing a tick ✓ for those that are completed and no longer tracked, or a ⏸ sign for those that are halted, either because the reforms are no longer appropriate given the changing environment or superseded by other reforms, or because the political will to implement the reforms has been lost for other reasons. Most reforms, however, are in progress, indicated by the symbol ◌.

To enable higher level assessment and easier navigation, reform deliverables are grouped into one or more reform areas, being a group of deliverables that together are intended to achieve a broader goal such as "stable electricity". That may have a set of further reform areas such as "higher energy availability factor" or "pathway to electricity markets", before you get a set of deliverables within those reform areas. The Tracker provides an aggregated view of progress for each reform area which is colour coded in the heat maps when seen at a reform area level (the image below shows the general structure of top categories, reform areas and deliverables).

Reform momentum indicator (RMI)

The reform momentum indicator (RMI) is a composite measure designed to track, quantify and compare the progress, over successive quarters, of reforms across the three broad categories: economic, governance and criminal justice. The data feeding into the RMI is drawn from a detailed assessment of reform progress in each sub-reform area, such as electricity, freight logistics, financial sector reforms (under economic); SOE governance reform and public services (under governance); and institutional reform or judicial system changes (under criminal justice).

For each reporting period, progress is assessed and scored in four phases: agenda, plan, actions, effectiveness. This results in an index that reflects the overall phase position of all reforms. For example, a reading of 50 implies that, on average, the reforms have completed the first two of the four phases. The RMI assesses the aggregate rate of change of all the individual reform areas in any one quarter. For example, a 5% reading indicates that in aggregate all reform areas in that category moved forward by five percentage points on a pathway to 100% complete. The index incorporates reforms that enter the Tracker and exit the Tracker over time.

Each sub-reform area's score is assessed at least once a quarter. Only like-for-like comparisons are made, so new reforms that are introduced in one quarter are only incorporated into the RMI in the subsequent quarter.

Economic reforms carry the largest weight in the composite index at 57%, governance accounts for 17% while criminal justice represents 26%. These weighted reform scores combine to produce the overall phase scores for both the main reform areas as well as for the sub-reforms areas. The graph plots the overall RMI and the top categories, reflecting the quarter-on-quarter growth in the overall index.

The RMI chart plots the change in momentum across the main reform areas, revealing acceleration phases (September-November 2024) and slowdowns (December 2024-February 2025), which can indicate either bottlenecks or consolidation periods in implementation.

The RMI provides a view of the trajectory of reform progress. The phased-growth patterns evident in the graphs highlight that reform implementation often progresses in bursts, influenced by policy cycles, political will and overcoming operational bottlenecks.

The RMI's methodology ensures that the headline number is not just a static performance rating but a living measure of reform vitality, helping stakeholders understand both the depth and the direction of change. This representation empowers policymakers and stakeholders alike with both the "what" (the degree of progress) and the "how" (the actuality and sustainability of reform momentum). Such analysis provides clarity in areas where further action is needed and where sustainable gains have been made.

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BLSA Tracker Project Team

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