BLSA tracker
Quarterly Review
#2: February 2026

Monitoring and measuring South Africa's reforms designed to address structural inefficiencies and improve the business environment

- Momentum, bottlenecks and the "completion effect"
- What 21 months of tracking tells us about progress, reversals and what comes next
- Greylist exit delivers a real win
- Eskom unbundling decision threatens grid investment and energy security
- BLSA members on the impact of reforms on their businesses

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Developed and managed by krutham

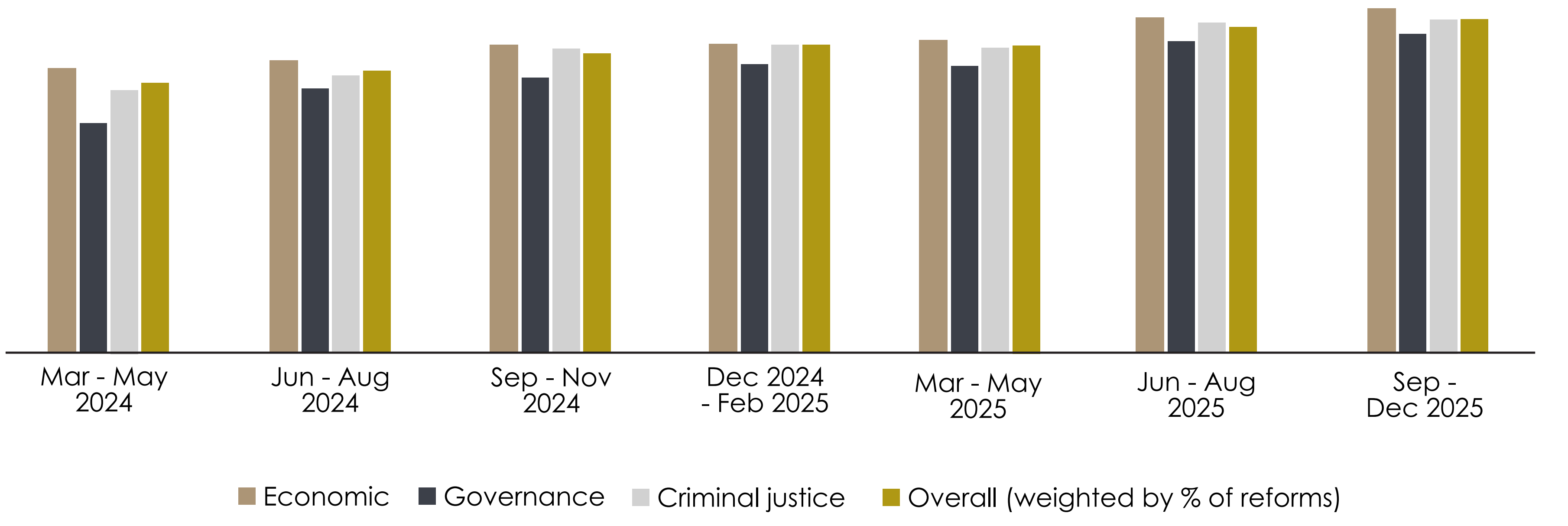
BLSA commissioned Krutham to analyse and track reform implementation, which Krutham has been doing since January 2024, initially monitoring more than 240 reform deliverables. Krutham is a research-led consultancy with specialist insight into policy in South Africa. For more information, visit krutham.com.

Reforms advance, with setbacks

South Africa entered 2026 with its reform programme showing encouraging progress – but with setbacks. The cumulative evidence on South Africa's reform programme collected by the BLSA Tracker now spans 21 months and the data tell a consistent story: the country is making measurable progress on the structural reforms required to restore growth and competitiveness.

Having climbed 2.3% between September and December 2025, the overall score has risen 23.7% from its starting point in March 2024. The score reflects progress to completion, with 100% reached when a reform is fully complete and effective. The Tracker has been following 245 separate deliverables; 34 are now complete, 192 are in progress and 19 have stalled or been abandoned. These numbers establish the scale of the task and the nature of implementation in a complex, contested environment.

Reform implementation scores



Separate to the implementation score showing progress to completion, our analysts also assess how "on track" a reform is. All reforms start at zero and then work their way through planning, actions and implementation. On this measure, 34 reforms are on track, 192 are making progress but behind schedule, while 19 are facing significant obstacles.

Economic reforms carry the largest weight, representing 70% of the reforms tracked. Within this category, freight logistics has recorded consistent gains in the period through improved port throughput, rail restoration and private operator entry. Spatial inequality reforms have begun to register progress through passenger rail restoration and housing subsidy reform, though these have a long way to go.

Electricity is emerging as a problem, with the reform area standing out as one of the only ones to have actually moved backwards on the path to completion. This is after the Department of Electricity and Energy broke with the approved reform plan and approved a revised unbundling strategy for Eskom that keeps the National Transmission Company of South Africa within Eskom, rather than being independent. This diverges from the model developed by Operation Vulindlela, the National Economic Development and Labour Council and National Treasury. The approved structure will effectively leave the Transmission System Operator unable to raise capital on its own balance sheet, prolonging grid constraints and deterring investment in renewable generation capacity. This is clearly not in the long-term interests of electricity stability and the business environment. Since that decision, the department has engaged with organised business and Eskom called a meeting with creditors.

Other economic reforms, however, have advanced encouragingly since the end-August period:

- **Freight logistics (67,6 → 73,9):** Turnaround plans showing progress, market reforms gaining traction, private sector participation initiatives advancing.
- **Spatial inequality (60,2 → 62,2):** Improvements in passenger rail line restoration; Prasa operational achievements; movement on housing subsidy reform.
- **Water (59,1 → 61,2):** Strengthening of regulation of water services advanced with legislation tabled in parlement. However, appointment of the National Water Resources Infrastructure Agency (NWRIA) board, initially targeted for December 2025, has not yet occurred with parliament yet to pass the necessary enabling legislation (NWRIA Bill).
- **Visas (78,8 → 80,9):** Strong progress in clearing backlog; e-visa operational for 38 countries, points-based system working.
- **Other infrastructure (48,9 → 73,4):** Deeds office reform benefiting from digitisation initiatives; backlog still daunting.
- **Financial sector reforms (82,7 → 83,9):** Following a surge in the August quarter, follow-up improvements recorded in retirement reform, financial inclusion/deposit insurance and innovation to improve competitiveness.

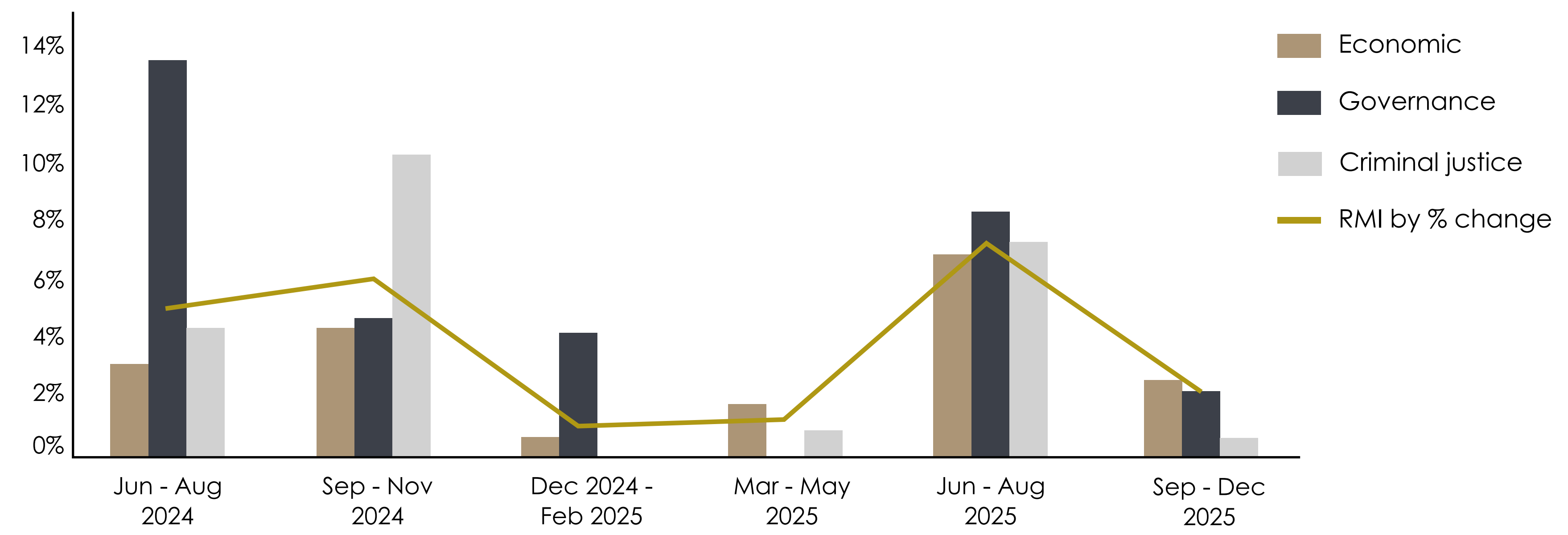
Under criminal justice reforms, completion of the Financial Action Task Force requirements and South Africa's removal from the grey list were notable achievements during the period. South Africa took 32 months to get off the grey list. Two countries, Mauritius (21 months) and Morocco (24 months), have spent less time on the list, while Botswana and Zimbabwe took 36 months to get off it, Pakistan 52 and the Philippines 44. The process required sustained effort across multiple government departments, coordination with international bodies and passage of legislation through parliament.

Given the scale of institutional damage from state capture and the complexity of South Africa's financial system, this is a big win for the country. The result strengthens South Africa's integration into global financial systems and reduces transaction costs for business.

Governance reforms continue to lag. Public services have recorded incremental improvement through progress on electoral reform. Other governance categories show limited movement. The initiative to reduce the size of government has stalled to accommodate the government of national unity – a defensible political choice, but one that defers necessary work on state efficiency.

The rate of reform implementation has slowed in the latest period (see the Reform momentum indicators graph). This reflects two dynamics: some reform areas have genuinely lost momentum, but others are affected by the "completion effect", where strong gains in the previous period are followed by a slowdown (eg, FATF reforms). Slower momentum generally is expected as reforms get closer to completion as the final step of becoming fully effective can take some time.

Reform momentum indicators (RMI) % - like for like



Looking ahead, we expect good progress in the first quarter of 2026, with seven "high-certainty reforms" expected – including finalising the electricity trading rules and making appointments to the National Water Resources Infrastructure Agency – along with six "likely" deliverables.

Expected reform milestones			
High certainty deliverables		**Likely deliverables**	
Electricity trading rules finalised	March/April	SA Wholesale Electricity Market (Sawem) implementation plan	Initially January, delayed to March
Launch of SA Wholesale Electricity Market (ceremonial)	1 April	Network statement update	February
Electricity distribution industry reform roadmap publication	March/June	Nersa decisions on Eskom settlement	March
National Water Resources Infrastructure Agency board appointments	March	Gas masterplan to Cabinet	March/April
Green/Blue Drop assessments	March	Maydon Wharf preferred bidder	March/June
White Paper on Local Government to be published	March	TNPA corporatisation preparatory phase completion	March
Public sector bills enacted	March		

Why measuring reform matters – and what we've learnt after 21 months

A word from BLSA CEO
Busisiwe Mavuso

When BLSA launched the Reform Tracker in August 2025, we did so with a clear purpose: to create an independent, evidence-based accountability mechanism that would help South Africa move from reform rhetoric to reform delivery.

> Business cannot thrive in an environment where policy announcements remain unimplemented, where promised reforms stall in bureaucratic processes, or where progress is measured by speeches rather than outcomes.

Our members – South Africa's largest employers and investors – need certainty. They need to know which reforms are advancing, which are stuck, and what barriers need to be removed. Most importantly, they need government to know that someone is watching, measuring and reporting.

The Tracker is our investment in making reform real. It is a tool designed to support government by identifying blockages before they become crises, to inform business investment decisions with reliable data, and to hold all stakeholders – including ourselves – accountable for delivery.

After 21 months of systematic tracking, we can report that South Africa's reform programme is functioning. Not perfectly, not fast enough in all areas, but functioning. The overall reform score has risen by nearly a quarter since we began measuring in March 2024.

That gain represents tangible progress: freight moving more efficiently through our ports, electricity supply stabilising, visa backlogs clearing, and financial sector regulation meeting international standards.

This progress matters because it signals to investors that South Africa can implement difficult reforms in a contested political environment. It demonstrates that the partnership between government and business, forged through mechanisms like Operation Vulindlela and the National Economic Development and Labour Council, can deliver results.

But we cannot be complacent. The latest review reveals a concerning reversal in electricity sector reforms – the most critical infrastructure constraint facing our economy. The approved unbundling strategy for Eskom diverges from the independent Transmission System Operator model that we, alongside Operation Vulindlela and National Treasury, have been working towards. This decision keeps the National Transmission Company within Eskom, preventing it from raising capital independently and likely prolonging the grid constraints that deter renewable energy investment.

This is exactly the kind of backwards movement that the Tracker exists to expose. The electricity sector is too important to South Africa's economic future to accept compromised solutions that serve political convenience over long-term stability.

I am encouraged, however, by the engagement that has followed. The Department of Electricity and Energy has opened dialogue with business, and Eskom has convened meetings with creditors. This willingness to communicate, to explain decisions and to listen to concerns, is precisely what builds the confidence investors need.

The success story of this quarter remains South Africa's removal from the FATF grey list. This achievement required extraordinary coordination across multiple departments, sustained political commitment, and the passage of complex legislation through parliament. Given the institutional damage from state capture that we had to overcome, this demonstrates what South Africa can accomplish when government, business and other stakeholders align behind a clear objective.

Looking ahead to 2026, the Tracker team anticipates significant progress in the coming quarter, with important deliverables due in energy, water, local government and public sector reforms. These milestones will test whether the reform momentum we've built can accelerate into a new phase of implementation.

BLSA will continue to work closely with government on these reforms. We provide technical expertise, we mobilise private sector capacity and resources, and we advocate loudly when reforms veer off course. But we also measure progress systematically and report it transparently. That is our commitment to South Africa.

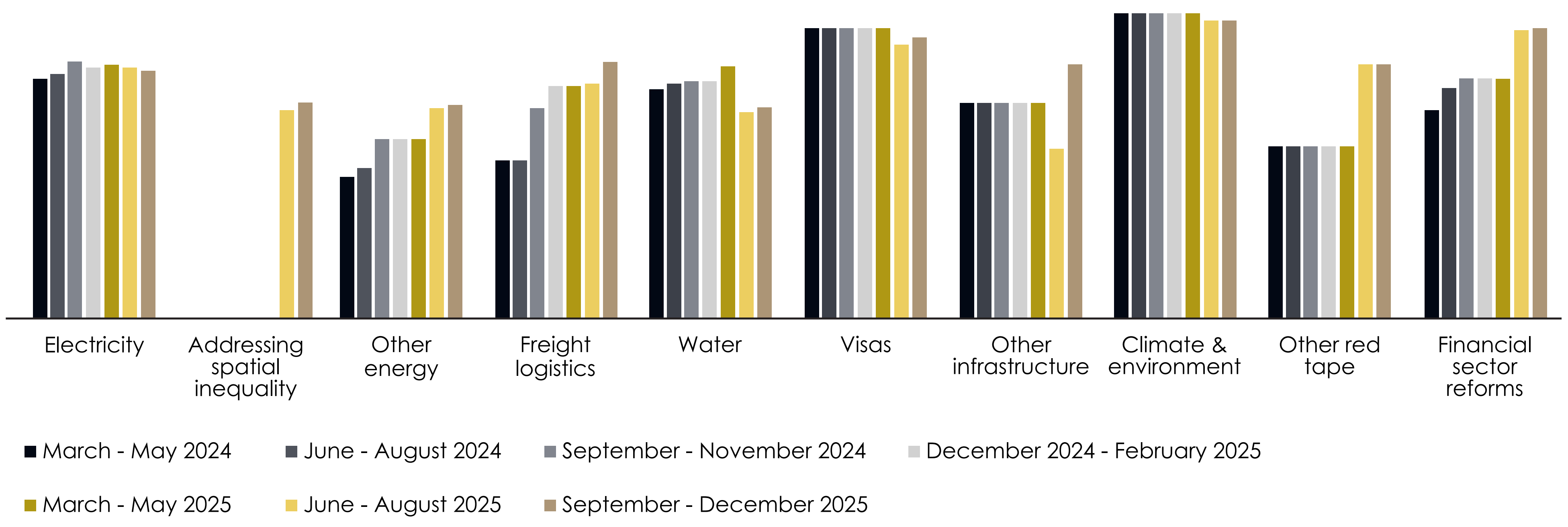
The question before us is not whether reform is happening – the data confirm that it is. The question is whether we can maintain focus, remove the blockages that slow progress, and resist the political compromises that undermine structural change. South Africa's economic future depends on getting this right.

The Tracker will continue to measure, to report, and to hold us all accountable.

BLSA is a business organisation that believes in South Africa's future and shares the values set out in the Constitution. BLSA is committed to playing its part in creating a South Africa of increasing prosperity for all by harnessing the resources and capabilities of business in partnership with government and civil society to deliver economic growth, transformation and inclusion.

Economic reforms

Economic reform implementation scores



New reform area: labour law reform

Labour reforms took a major step forward in 2025, with wide-ranging proposals published in the Final Nedlac Report on the Labour Law Reform Process, followed by the Department of Employment and Labour proposing more than 60 amendments to labour laws. These will require amendments to four acts: 47 amendments to the Labour Relations Act, 13 to the Basic Conditions of Employment Act, two to the National Minimum Wage Act and three to the Employment Equity Act.

Within these, there are four broad categories of reform areas: i) reforms to ease pressures on small businesses; ii) reforms to make it easier to hire and fire workers; iii) reforms to retrenchment processes, including doubling the payout amounts; and iv) strengthening the rights of gig workers. The reforms also aim to ease bottlenecks in existing systems and improve the efficiency of key institutions (CCMA and Labour Court).

This package of proposed reforms is the culmination of a process that began in 2021, when business and organised labour tabled proposals for labour law reform at Nedlac. In March 2022, Government also tabled proposals. These reforms are at a very early stage and still have to pass state legal vetting, Cabinet approval and parliamentary processes, including public consultation. Not all Nedlac parties approved all the amendments, so these processes are not likely to be smooth sailing.

Dismissals

Business has long argued that, with strong worker rights, the difficulties in firing underperforming employees deter hiring. The reforms address this to some extent, particularly related to early-stage employment and small businesses, but strengthen worker rights in other areas, particularly for gig workers, and include a proposal to double retrenchment payouts.

The employment and labour minister published the new Code of Good Practice on Dismissal, effective from 4 September 2025. The code aims to refine and clarify standards for workplace dismissals. A dismissal is fair if it is based on the employee's conduct, capacity, or the operational requirements of the employer's business. A dismissal is automatically unfair if, among others, it is discriminatory; it infringes on the fundamental rights of employees and trade unions; it is because the employee engaged in a lawful strike; or the employee is pregnant or intends to become pregnant. What is no longer unfair labour practices are disputes over promotions, demotions, probation, training and benefits, and these will no longer fall under the jurisdiction of the Commission for Conciliation, Mediation and Arbitration (CCMA).

The code expands the purpose of probation beyond mere performance assessment. Employers may now also evaluate an employee's compatibility with the broader team, their demonstration of appropriate conduct and their overall suitability for the organisation's character and culture.

Small businesses also get more flexibility, given that they typically do not have HR, legal and other resources. SMMEs may now call an employee into a meeting instead of setting up a full hearing and more easily end probation, and thus employment, if the employee proves unsuitable, beyond just poor performance.

Retrenchment reforms

These aim to offer greater protection to retrenched workers. A key component is effectively doubling the severance payments to two weeks of salary for every continuous year worked, from one week. This will be effective after promulgation of the legislation and will not be backdated.

Other key reforms include:

- Shifting the authority over facilitation rules for large-scale retrenchments from the minister of employment and labour to the CCMA.
- Allowing all aspects of a retrenchment dismissal to be challenged after the dismissal (shifting from challenges being allowed only before retrenchments).
- Disputes involving facilitated retrenchments could also go straight to the Labour Court, bypassing the usual conciliation step.

Small business reforms

The proposed amendment seeks to exempt small, start-up businesses – those that have been in operation for less than two years and have fewer than 50 employees – from the conditions of employment prescribed by extended bargaining council collective agreements. This excludes businesses acquired through the transfer of a going concern, or businesses formed through the division or dissolution of an existing entity. Excluding small businesses that are older than two years is likely to limit the reform's impact.

Gig workers

Labour rights are extended to the estimated two million gig workers in South Africa – typically ride-hailing drivers, food delivery couriers and platform freelancers. The proposed amendment would expand the definition of "employee" to include such independent contractors. This would protect them against unfair dismissal and deactivation from platforms; give them the right to access the CCMA for dispute resolution; make them eligible for basic conditions such as minimum wage, paid leave and rest periods; and protect them from arbitrary treatment or algorithmic discrimination.

Energy

Energy reforms have advanced slowly, with electricity showing some backwards steps.

Eskom's generation performance seems to be turning the corner after years of load shedding that crippled the economy. Having limited load shedding to just 13 days in 2025, the utility is now focusing on sustaining the progress. Its unbundling strategy has not moved at all, but late last year, Eskom and the Department of Electricity and Energy issued separate statements indicating that a revised unbundling strategy is now being followed, but questions remain on the independence of future subsidiaries. Eskom is also still working toward financial sustainability – tackling municipal debt with Distribution Agency Agreements (DAAs) after Treasury's debt relief programme for municipalities failed. The effectiveness of the DAAs remains to be seen, but Eskom has identified 14 municipalities to enter into these agreements with.

The Independent Transmission Projects (ITP) procurement programme and development of the Credit Guarantee Vehicle (CGV)to back the projects seem to be on track, unlike the generation procurement programmes for renewables and gas, which have been impacted negatively by grid constraints. A lot is riding on the CGV and the ITP programme – transmission rollout is needed to support energy security, decarbonisation, economic growth and job creation.

Eskom unbundling

The Department of Electricity and Energy in December 2025 approved Eskom's revised unbundling strategy, which would see the holding company unbundled into GenerationCo, the National Transmission Company of South Africa (NTCSA), the National Electricity Distribution Company of South Africa (Nedcsa) and the new addition of Eskom Green.

This step is in contrast to the agreed reform plans that Operation Vulindlela, Nedlac and National Treasury developed alongside the private sector. Concerns remain about the independence of the subsidiaries and the continued conflicts of interest with regard to grid access given that the NTCSA will retain ownership of transmission assets. The original strategy envisaged the assets being unbundled into a separate Transmission System Operator (TSO). The failure to follow through on this plan will limit the TSO's ability to raise capital at reasonable costs to expand the grid at the pace and scale outlined in the Transmission Development Plan.

Eskom Green, Eskom's planned renewable energy business, also remains a sticking point, as it raises conflicts of interest and possible anti-competition risks with regard to grid access. The projects are to be located near existing Eskom transmission lines at its coal power stations.

> What's missing is a reform roadmap clearly outlining the end state of Eskom's balance sheet and the actions and responsible parties needed to achieve an unbundled Eskom that supports a competitive electricity market. The current unbundling strategy just entrenches Eskom's monopoly.

Energy availability factor

Eskom's Energy Availability Factor (a measure of plant performance) in 2025 has risen and remained consistently above 60% from the lows of 55% in 2023, the worst year of load shedding. Much of the improvement can be attributed to the Generation Recovery Plan implemented in 2023, which prioritised maintenance of power stations that had been neglected over many years. Treasury's debt relief to Eskom was instrumental to the progress, allowing the utility to direct cash flows toward bolstering maintenance and reducing unplanned outages (down to 25.14% in 2025 compared to 33.04% in 2023).

Eskom in November 2025 also had the benefit of securing the long-term operation of Koeberg Unit 2 (roughly 900MW) for another 20 years and the addition of generation capacity from Kusile Unit 6 and Medupi Unit 4 (both 800MW) to ensure a reliable energy supply.

It's important to note that demand for Eskom's power has reduced over the years as energy-intensive users in the commercial and industrial space rely increasingly on Independent Power Producers, which has eased pressure on Eskom's fleet.

Looking ahead, the focus is on sustaining recovery and plant reliability. Eskom will do this by improving outage planning (incidents of load shedding in 2025 were attributed to plants not returning to service as scheduled following planned outages), executing refurbishment of mid-life stations, focusing on leadership development and culture of excellence among staff. Eskom targets an EAF of 70% by March 2026; it has met this target on 55 occasions but is yet to do so consistently.

Municipal debt relief programme

Municipal debt owed to Eskom is at R105bn, as of November 2025. While National Treasury's 2023 debt relief programme to deal with municipalities' outstanding debt to Eskom has failed, an alternative arrangement (DAAs), is now being considered to reduce future arrears.

The DAAs allow Eskom to manage the electricity service delivery, billing and collections on behalf of municipalities, which will retain their electricity reticulation licences. However, DAAs are only an interim solution to arrest the growth of municipal debt and a long-term solution for financial sustainability is needed.

Such a long-term solution is the focus of Electricity Distribution Industry (EDI) reform being led by Operation Vulindlela and includes input from the South African Local Government Association, the Association of Municipal Electricity Utilities, Eskom, the South African National Energy Development Institute and the Department of Electricity and Energy. The National Energy Crisis Committee (Necom) has drafted an EDI reform paper to be issued for public comment by March 2026 – and will set out clear steps for municipalities to achieve financial stability and sustainability.

Independent transmission projects

Approximately 14,200km of new transmission lines must be developed by 2034, according to the NTCSA's Transmission Development Plan. But the NTCSA can't fund this on its own balance sheet. To this end, the development of a Credit Guarantee Vehicle (CGV) led by Treasury and the World Bank is underway to derisk transmission projects and crowd in private finance for an Independent Transmission project procurement programme, the first round of which is underway.

Last year in October, Treasury and the Department of Electricity and Energy confirmed that the CGV – a non-life insurance company – with initial capital of $500m – is on track for finalisation by the second half of 2026. Subsequently, the Request for Proposals (RFPs) for Bid Window 1 of the ITP programme has been delayed to at least the third quarter of 2026 to align with the CGV's readiness. The RFP was to be issued in December 2025, following the announcement of the prequalified bidders.

The Request for Qualification (RFQ) process has remained on schedule, and electricity and energy minister Kgosientsho Ramokgopa announced seven out of 17 prequalified bidders on 15 December. The seven firms are all foreign-owned, and this has led to local construction and steel industry players raising concerns that the RFQ is exclusionary. Ideally, as the procurement programme matures, South African firms are expected to lead the ITP programme. Government sees the ITP as a means to drive local industrialisation, so it will be important to monitor progress and guard against pitfalls.

The prequalified bidders, who will build 1,164km of transmission lines, meanwhile, are now engaged on the draft RFP.

> The finalisation of the CGV remains critical to the rollout of much-needed grid capacity to connect an estimated 53GW of new generation projects in the next decade.

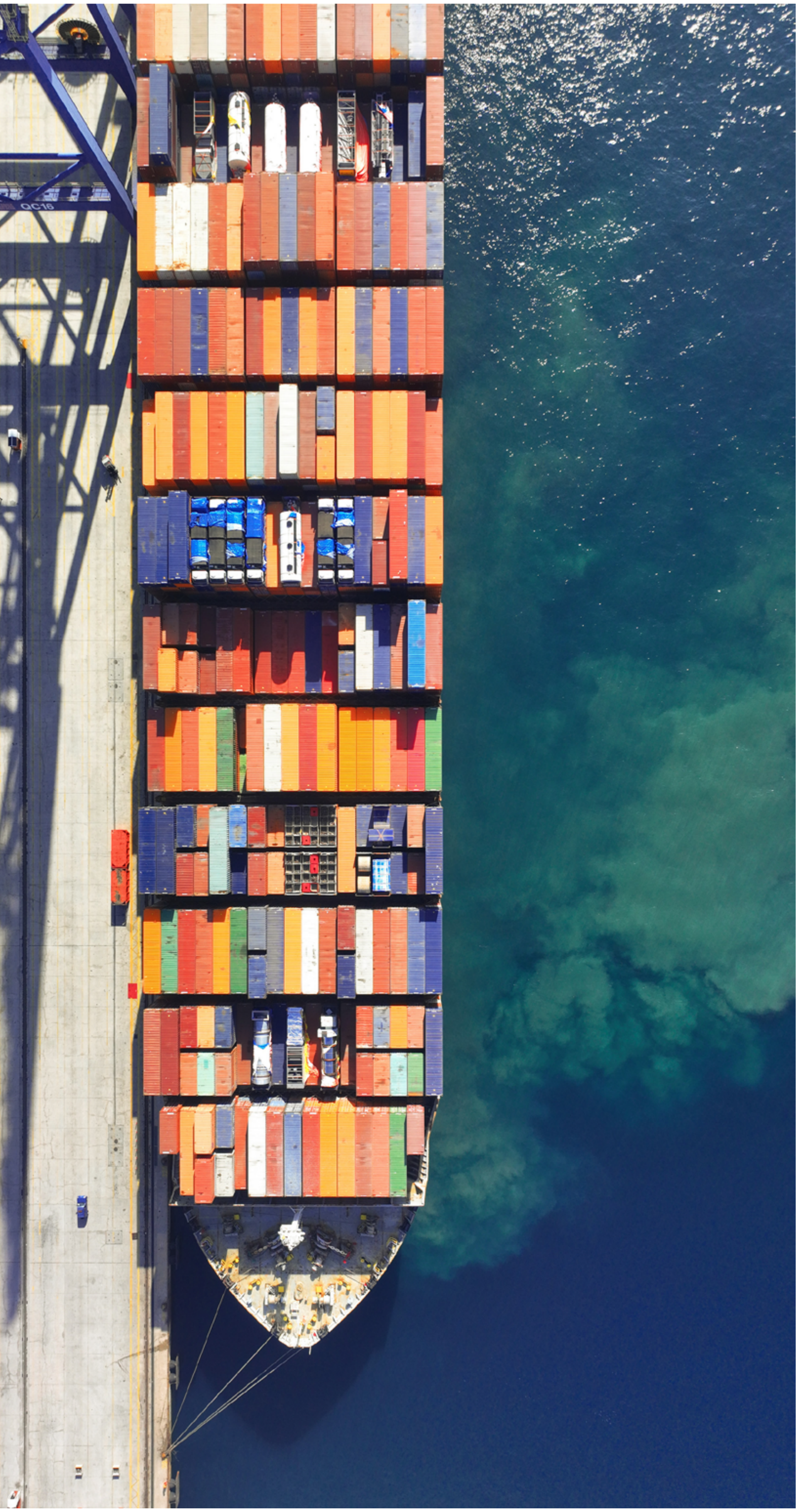
Renewable energy and gas bid windows

There's been muted progress on the public power procurement programmes, largely owing to grid constraints.

Bid Window 5 of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) launched in April 2021 saw four additional projects (three solar PV and one wind) come into commercial operation in December 2025, bringing the total operational projects to six. Five projects remain under construction.

There's been slow progress on the subsequent REIPPPP bid windows. Only two out of the six preferred bidders of Bid Window 6 have reached financial close so far. The remaining four are expected to reach financial close in 2026. In December 2025, Minister Ramokgopa named four additional solar PV projects as preferred bidders of Bid Window 7 following value for money negotiations. Eighteen solar PV projects will be developed if they reach financial close. Grid constraints prevented any wind projects from being named preferred bidders in the round. The launch of Bid Window 8 has been delayed pending a review of the public power procurement process, expected to be completed in 2026. The review is aimed at making the REIPPPP more efficient, so recommendations will be important to keep an eye on.

South Africa's first gas bid window, targeting 2,000MW and launched in December 2023, has seen its submission deadline extended for a third time to May 20, 2026, due to significant changes in the request for proposals. Bidders will have to source fuel supply, including transportation and infrastructure. If all goes well, the first projects should come online after 2030 – but hurdles are expected, given bankability risks and possible legal challenges from non-governmental organisations over environmental concerns.



Transport & logistics

Progress – with qualifications

In Q3 2025, our quarterly review painted a familiar picture: structural foundations laid, implementation lagging and a long list of "pending" items. The Durban Pier 2 deal was stuck in court and key legislation meant to underpin reform – including the National Rail Bill – remained unfinalised.

The past four months brought some movement. The High Court dismissed APM Terminals' challenge to the Pier 2 concession and the deal finally closed after two years of delay. Eleven private train operators received conditional access awards and the Passenger Rail Agency of South Africa (Prasa) delivered a clean audit and a sharp rise in passenger trips. The private sector participation (PSP) unit's memorandum of agreement between the Department of Transport (DoT), the Development Bank of Southern Africa (DBSA) and National Treasury was concluded, appointing the DBSA as the implementing agent.

But structural gaps persist. The National Rail Bill has still not reached Cabinet. Corporatisation of the Transnet National Ports Authority remains stalled. The tariff framework for third-party rail access is unresolved, with proposed increases of up to 300% for some services still under consultation. Deadlines keep slipping.

Things moved in Q4, but the hard institutional work remains paramount.

The state of play on rail

Market sounding: cautious appetite

On 26 October 2025, Transport Minister Barbara Creecy released the results of the DoT's first market-sounding exercise for private sector participation in rail and ports. The requests for information, issued in March, tested market appetite and the conditions required for commercially viable transactions.

There is genuine interest among financiers, train operators and logistics firms to partner with Transnet, including strong international participation. But appetite comes with conditions. No corridor scored above 2.4 out of five for current performance. Investors want operational control, predictable revenue through take-or-pay contracts and transparent governance. The message was consistent: fix what exists before expecting capital to flow.

The PSP unit's next task is to translate these responses into RFPs. The first RFP, expected by end 2025, has spilled over into 2026. The delay is defensible. Converting market appetite into bankable 25-year concession agreements is a complex legal, financial and technical exercise.

Third-party access: conditional everything

In August 2025, the Transnet Rail Infrastructure Manager concluded adjudication of applications from train operating companies (TOCs). Of 25 applicants, 11 received conditional awards across six major corridors.

The word "conditional" matters. Awards depend on safety approvals, operational readiness and access to port capacity. Slot allocations range from one to 10 years, and operations begin only once conditions are met – language that provides scope for delay.

Transnet estimates that these TOCs could carry an additional 20 million tonnes of freight a year from 2026/27. Government's target is 250 million tonnes by 2029. The gap remains large, but the direction is encouraging.

Traxtion, a rail services company based in Johannesburg that operates across Africa, is betting on it. In December, it announced a R3.4bn investment in rolling stock, the largest private freight rail investment by fleet size in South African history.

Should we get excited about commuter rail?

Alongside the freight results, Creecy launched a passenger rail RFI targeting private investment in Prasa. Private operators would lease and manage Prasa's new trains under performance-based contracts – a significant departure from the status quo. The target: 600 million passenger journeys per annum by 2030, up from 77 million in 2024/25.

The focus on Transnet sometimes means Prasa's achievements are easily missed. The state-owned enterprise achieved a clean audit last year for the first time in nine years and doubled passenger trips. Credit is due. But Prasa needs 350 million to 400 million trips annually to become financially sustainable. It has just over four years and a R7bn budget cut to absorb in 2025/26. The arithmetic is unforgiving.

Ports

Durban Container Terminal Pier 2

In December 2025, Transnet and International Container Terminal Services Inc (ICTSI) signed a 25-year partnership agreement for Durban Container Terminal Pier 2. This is South Africa's first formal port privatisation deal. It took two years longer than planned, due to legal challenges from APM Terminals that the High Court dismissed in October.

The structure is familiar: a special-purpose vehicle with Transnet holding 51% and ICTSI taking 49%. The investment commitment runs to approximately R11bn over the concession period. Performance targets include lifting terminal capacity from 2 million to 2.8 million twenty-foot equivalent units annually, improving gross crane moves per hour from 18 to 28 and extending ship working hours from 60 to 120.

ICTSI assumed operational management on 1 January 2026. Pier 2 handles 72% of Durban's throughput and 46% of South Africa's container volumes. There are reasons for optimism: ICTSI brings a strong operational track record, clear performance incentives and capital committed upfront. But scepticism is equally warranted, given Transnet's retained control and unresolved rail constraints.

Beyond Pier 2

The ICTSI deal at Durban Container Terminal Pier 2 attracted most of the headlines, but it was not the only port concession to advance in Q4 of 2025. In September, a Grindrod-led consortium was appointed to develop the country's first privately operated container terminal at Richards Bay – a strategic diversification for a facility historically dominated by coal.

Durban's Maydon Wharf multipurpose terminal is progressing through evaluation after an RFP in March, and Cape Town issued an RFP in October for a 10-year fish cold storage concession. These are not headline deals, but they represent the most comprehensive private participation programme in South African port history. The ICTSI concession is the bellwether. Early performance will shape investor confidence for everything that follows.

The test ahead

Q4 2025 delivered more concrete progress on logistics reform than most quarters in recent memory. Now it is critical for execution to match the announcement. South Africa has a long history of impressive policy documents and disappointing implementation. But the pieces are now in place for something different. The next two quarters will reveal whether this time is, in fact, different.

Water

Many reform deliverables are contributing to the overall drive to improve water and sanitation services in South Africa. Despite some visible progress in certain areas, there are critical items that demand immediate action. The appointment of the board for the National Water Resources Infrastructure Agency (NWRIA), initially targeted for December 2025, has not yet occurred and is now expected to take place in March 2026. The NWRIA will be responsible for financing, developing and managing SA's water infrastructure, reducing the existing fragmentation of water management as the functions of the Trans-Caledon National Authority (TCTA) will be folded into the agency. Parliament has yet to pass the necessary enabling legislation (NWRIA Bill) to formally designate NWRIA as a Schedule 2 public entity under the Public Finance Management Act. This step is essential to disestablish the TCTA.

On a positive note, meaningful steps are under way to strengthen the regulation of water services. The Water Services Amendment Bill and the National Water Amendment Bill have been tabled in parliament and are now under consideration. The former introduces a licensing system for water service providers to enhance accountability and improve water and sanitation service delivery, while the latter strengthens the protection of water source areas and regulates the transfer of water use authorisations.

While committing to fast-track water-use licence applications within 90 days is essential, progress towards processing 80% of applications in this financial year remains unclear. In the 2023/2024 financial year, approximately 75% of applications were processed. These sustained delays risk stalling infrastructure improvements, potentially jeopardising broader goals under the MTDP 2024–2029.

The updated Green Drop Progress Assessment Report, which was expected to be published last December, remains unreleased. As with the Blue Drop reports, Green Drop reports should be published annually to track municipal wastewater treatment performance and drive accountability.

The Water Action Plan is still to be developed. This will outline measures to be implemented at all levels of government. Its overarching strategy is to ensure reforms and legislation are prioritised and sequenced correctly. The proposed independent water regulator is also yet to be established – it is expected to play a similar role as Nersa in the electricity sector. However, the Water Services Amendment Bill, which enables the formation of the regulator, has been tabled in parliament.

OV2.0 and the affordable housing agenda

Plagued by blocked projects, missed targets and institutional dysfunction, government's history of delivery of affordable housing has been suboptimal. Now it is a priority reform area in Operation Vulindlela's second phase. Over the past four months, the OV team has made clear that it is zeroing in on a genuine policy shift – and many municipalities and provinces appear to be on board.

As ever, it is important to weigh modest gains against familiar gaps. Progress remains uneven. Projects continue to stall. The Social Housing Regulatory Authority (SHRA) faces funding gaps that threaten to write off hundreds of millions in sunk costs. Affordable housing must compete for attention and resources against logistics, water and energy – crises that shout louder and burn hotter – cautious optimism, then, rather than enthusiasm. Here is what Q4 2025 delivered.

The demand-side pivot

The demand-side subsidy pivot represents a consequential shift in housing policy. After years of entrenching apartheid spatial patterns through peripheral development projects, government is finally recognising that household agency over location is fundamental to economic inclusion. The redesigned First Home Finance programme and new rental subsidy – due for implementation in early 2026 – could allow beneficiaries to access housing where jobs actually exist.

While promising, OV2 remains mute on risk-sharing mechanisms, credit enhancements or regulatory incentives to de-risk affordable housing, despite envisioning a greater role for the private sector. Demand-side reforms are outpacing supply-side fixes such as serviced land, infrastructure finance, streamlined approvals and solid project preparation. Without alignment, even strong subsidies and lending products fail to build new, well-located units. They risk fuelling price hikes in tight submarkets instead.

Provincial and municipal gains

Municipal innovation demonstrates what happens when local authorities stop waiting for Pretoria. Cape Town's amended planning by-law now enables township micro-developers to build up to 12 units without costly rezoning. Stellenbosch's inclusionary zoning has approved over 900 units, with 144 already built.

The Western Cape accounts for 44% of building plans passed nationally – Gauteng manages 28%. This gap reflects regulatory environments, not budgets. It is replicable. Other metros require the political will to facilitate progress.

At a MinMEC meeting in early December, Human Settlements Minister Thembi Simelane commended provinces for accelerating delivery and increasing expenditure. Provinces spent 52% of the R14.15bn Human Settlements Development Grant (HSDG) and 60% of the R2.8bn Informal Settlements Upgrading Partnership Grant (ISUPG) by September. The Free State earned praise for its sharp turnaround – 85% ISUPG and 65% HSDG spent after years of underperformance.

Against national targets of 39,436 units and 14,525 serviced sites, the sector delivered 18,068 and 9,682, respectively, by mid-year. The gap between budgeted activity and on-the-ground delivery remains stubbornly wide. Spending money is not the same as building homes.

SHRA's stalled projects

In November, the SHRA underscored the urgency of OV2's housing reforms. In a report to parliament's human settlements portfolio committee, it identified at least 10 major developments that were grinding to a halt – from Midrand to Secunda and Kimberley to Newcastle. Fifty-two projects face varying degrees of blockage nationally. Several stalled schemes were costed before Covid and operate on hopelessly outdated budgets. The SHRA seeks urgent funding top-ups; the alternative is terminating failing projects and writing off R553m as unrecoverable.

There was some progress at the provincial level. In KwaZulu-Natal, MEC Siboniso Duma reported reducing blocked projects from 68 to 15 – a commendable turnaround. Yet the fact that 68 projects could simultaneously reach blockage status speaks to systemic failures in pipeline management that transcend individual administrations.

The solar home systems scandal

In November 2025, the Institute for Security Studies published a sharp critique of the decision to fund solar home systems through the HSDG. Former minister Mmamoloko Kubayi announced the intervention during 2023's loadshedding crisis – effectively using bricks-and-mortar budgets to compensate for Eskom's failures.

South Africa has now experienced over eight consecutive months without load shedding. Yet the intervention remains firmly in place, every rand continuing to flow away from roofs, walls and serviced sites. This exposes a broader weakness in South Africa's policy architecture: the absence of automatic sunset clauses for crisis-response interventions and the institutional inertia that allows temporary measures to become permanent line items.

What comes next

As 2026 opens, the sector stands at an inflection point. OV2.0's reform ambitions are clear. Municipal innovation proves spatial transformation is achievable. Interest rate cuts have improved first-time buyer access. Whether these signals translate into systemic change depends on whether government can do what it has consistently been weak at: execution.

Climate change

Climate change

South Africa closed 2025 with strong climate diplomatic positioning, showing that it was able to chair the G20 and weather a diplomatic assault from Washington. COP30 in Belém, however, delivered unintended climate drama – torrential rains, and a fire at the Africa Pavilion that shut negotiations down a day early. Amid the chaos, the conference failed to produce a fossil fuel phase-out roadmap, while South Africa's delegation was thrown into uncertainty after its leader, then minister of forestry, fisheries and the environment, Dion George, was suddenly dismissed during the summit.

South Africa and COP30: between BRICS and hard places

As organisers put out literal fires, negotiators stoked a political one. Disagreements flared over the Mutirão Call for a Fossil Fuel Roadmap, backed by more than 80 countries but blocked by Saudi Arabia, Russia and India. By COP30's close, the proposal had been deferred to a voluntary discussion in Colombia in April 2026.

For the first time, the United States sent no delegation – unsurprising, given that weeks earlier, US President Donald Trump had told the UN General Assembly that climate change was "the greatest con job" in the world. In Washington's absence, China stepped into a more prominent role, championing adaptation finance and leading pushback against unilateral trade measures like the EU's carbon border adjustment mechanism (CBAM).

South Africa, as a BRICS member, did not join the call. Most African states stayed silent, with only Kenya, Sierra Leone and a few island nations backing the proposal. The resulting Belém Package reaffirms the $1.3tn annual mobilisation target, commits to tripling adaptation finance by 2035 and establishes a Just Transition Mechanism. These are not nothing.

> But the inability to name fossil fuels suggests climate action remains largely a matter of elaborate aspiration.

Johannesburg: Africa takes the chair

As negotiators haggled in Belém, world leaders gathered 8,000km away for the G20 Summit in Johannesburg, the first hosted on African soil. South Africa's G20 presidency created space to align climate and development priorities and keep African concerns visible.

The Johannesburg declaration reinforced several COP30 outcomes. Leaders reaffirmed the 1.5°C goal, endorsed trebling renewable capacity by 2030 and acknowledged the need to scale climate finance from "billions to trillions". A new Critical Minerals Framework recognised that green technologies require secure supply chains – and that mineral-rich countries should benefit from local beneficiation. For South Africa, with its platinum group metals and manganese reserves, this matters.

Yet the G20 mirrored COP30's central weakness: no explicit language on transitioning away from fossil fuels. The alignment between the world's largest economies and the UN climate process is welcome. Less welcome is the inability of both forums to address implementation questions with anything resembling specificity.

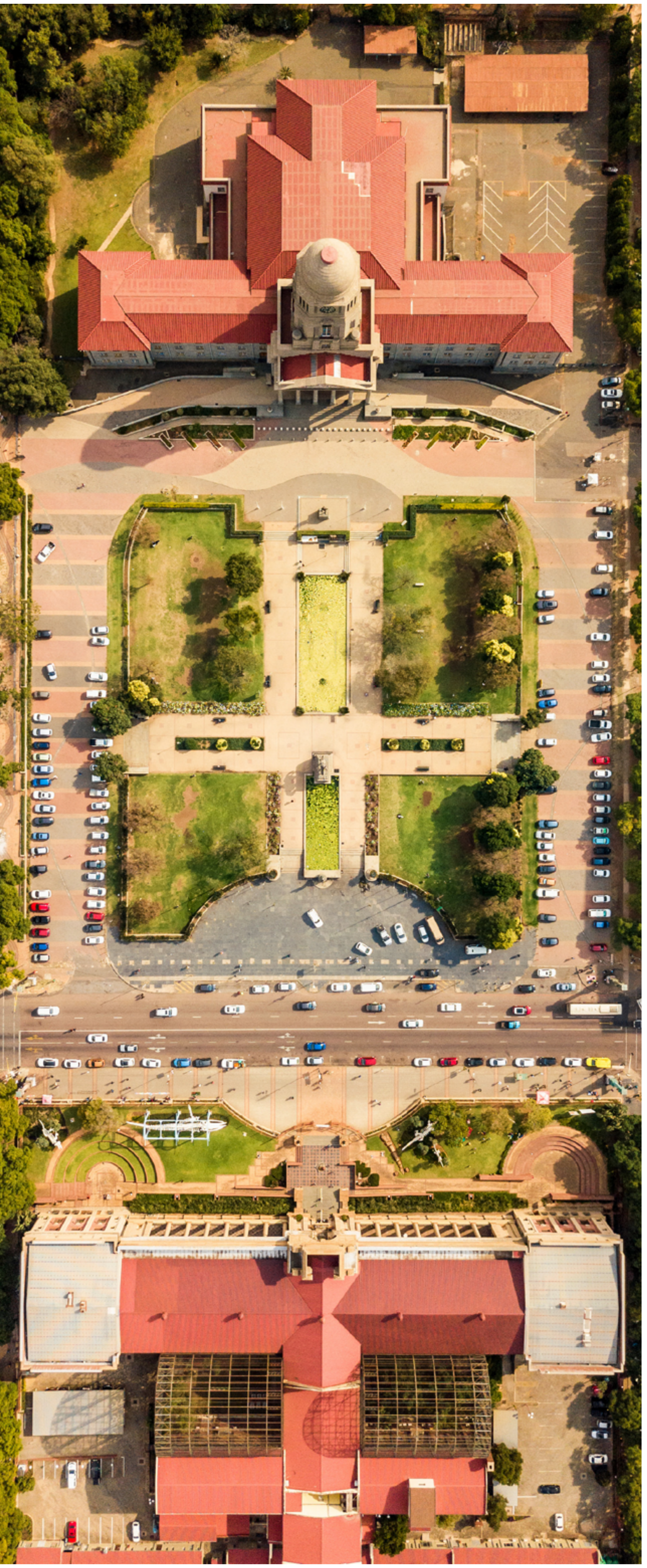
At home: the gap between intent and infrastructure

Domestically, the nationally determined contribution (NDC) process drew scrutiny. The draft second NDC proposed a 2030 target range of 398-440 $MtCO_2e$ – higher than the current 350-420 $MtCO_2e$ range. The upward revision reflects South Africa's slower-than-expected coal transition and energy security priorities. Labour and business backed decarbonisation in principle but clashed with civil society over targets, warning that rapid commitments without fiscal support and job protections risked energy insecurity and large-scale job losses.

What the NDC lacks in mitigation ambition, it offsets through adaptation. Eight goals backed by 36 "investable options" cover water systems, disaster risk, transport infrastructure, food security and early warning systems – a shift towards structured, bankable programming. The emphasis on adaptation aligns with COP30 and G20 priorities. The gap is in finance. The Presidential Climate Commission's October report showed that while climate finance flows increased 30% from the previous assessment, adaptation accounts for only 11% – less than a quarter of the roughly R96bn needed annually.

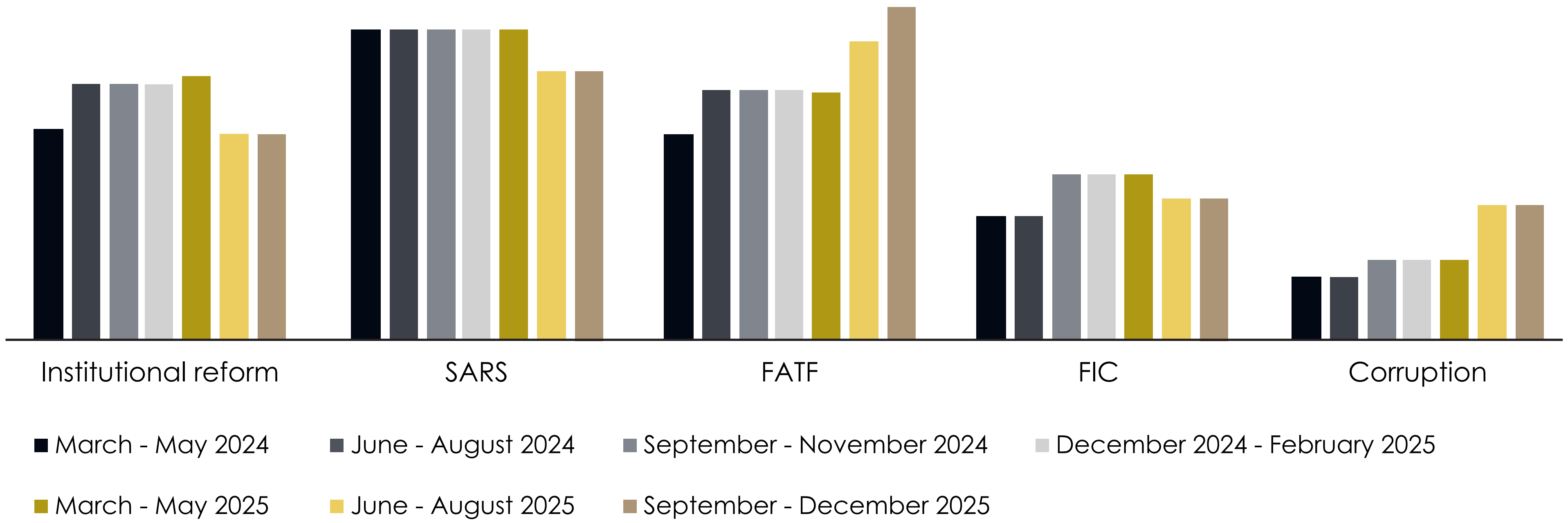
The test ahead

What lies ahead is less about summit choreography and more about navigating a harder diplomatic climate. Trump's announcement that he will not invite South Africa to participate in G20 engagements, alongside open climate denialism in Washington, signals a more fragmented global order in which climate cooperation is no longer assumed. Domestically, the strong adaptation priorities run ahead of infrastructure, institutions and funding. The next test will be whether high-level commitments translate into pipelines, projects and capital at scale. Climate politics has bought time. Climate economics will decide what is done with it.



Criminal justice reforms

Criminal justice reforms implementation scores



Figures for the June-Aug 2025 and Sept-Dec 2025 periods have been rebased to ensure they are like for like. The March-May and June-August quarters are not like for like, therefore the drop in scores from end-May for Institutional Reform and SARS does not reflect deterioration in scores.

FATF reforms

South Africa's FATF greylist exit in June 2025, combined with the European Union's January 2026 removal of the country from its list of high-risk, third country jurisdictions, marks a decisive shift in the reform story between the August and December 2025 quarters: the focus has moved from "crisis response compliance" to consolidating a durable, systemwide integrity framework that can support investment, trade and broader state capability.

In the August Quarterly Review, FATF reforms were still presented mainly as a major but discrete strand within a wider reform surge – alongside energy, logistics and visa changes. The primary narrative was the effort to close 22 FATF action items and prove South Africa could meet global AML/CFT standards. By December, that effort has translated into tangible credibility dividends, with global standard setters (FATF, the EU and the UK) now affirming that South Africa no longer has "strategic deficiencies" in its AML/CFT regime. What now matters for stakeholders is less the legislative catch-up and more whether enforcement, data quality and institutional capacity can keep pace with rising expectations as South Africa enters a new FATF evaluation cycle culminating in an October 2027 mutual evaluation, where backsliding could reopen the risk of renewed greylisting in the outer years.

From a macrofinancial perspective, the combination of FATF and EU delisting reduces the formal risk flags that had forced foreign financial institutions to apply automatic enhanced due diligence on South African exposures. As a result, this lowers friction in cross-border transactions, trade finance, payments and capital flows for banks, corporates and investors. The August review could only project these benefits in principle, emphasising that greylist compliance was a prerequisite to unlock lower funding premia and restore correspondent bank confidence.

> By December, policy statements from National Treasury make clear that the European Commission now explicitly recognises that South Africa "no longer has strategic deficiencies" in its AML/CFT framework and has removed the legal obligation on EU institutions to treat the country as high-risk, even if some counterparties may keep conservative internal risk appetites.

For domestic stakeholders – including banks, nonbank financial institutions, real economy corporates and the sovereign – this shifts the discussion from "avoiding penalties" to actively leveraging a stronger reputation. This includes using improved perceptions to support tighter spreads on debt issuance, smoother trade settlement and reduced administrative costs tied to intrusive documentation and approvals of transactions with EU counterparts.

The institutional reform story is also deepening. The August quarterly review highlighted how the FATF action plan drove coordination across multiple arms of the state – from National Treasury and the financial regulators to law enforcement agencies – and framed this as a case study of how targeted reforms can succeed when political leadership, technical capacity and business partnership align. By December, the emphasis must pivot to demonstrating that this coordination is not a one-off mobilisation but a new baseline for how South Africa manages financial integrity risks. Regulators and investigative bodies now need to sustain higher levels of inspections, sanctions and prosecutions, as well as to extend their focus beyond banks to sectors such as estate agents, designated nonfinancial businesses and professions, along with crypto asset service providers that were explicitly flagged in the original greylisting. Stakeholders in business and civil society, therefore, have an interest in supporting the buildout of investigative and prosecutorial capacity. This includes monitoring that corrective actions are taken in response to supervisory findings and insisting that high-profile corruption and financial crime cases move from inquiry to courtroom, since the 2027 mutual evaluation will judge "effectiveness" rather than just the existence of laws and regulations.

Anti-corruption measures

Zondo recommendations

A general assessment of the implementation of the Zondo recommendations to tackle corruption reflects slow progress.

> However, a closer assessment of deliverables indicates varying levels of government interest in seeing the reforms through.

For example, the Protected Disclosure Bill (whistleblower protection) is expected in the last quarter of 2025/26 according to the Justice Department, but there are no publicly available plans regarding the National Anti-Corruption Charter, while the establishing of the Standing Appointment and Oversight Committee is off the table as the presidency sees the National Enterprise Bill as adequately addressing concerns about SOE executive and board appointments.

Importantly, many of these recommendations will have long-term effects on the criminal justice system. As a result, several bodies, including the South African Law Reform Commission and the National Anti-Corruption Advisory Council (Nacac) have been conducting research on some of these recommendations.

These typically take time. For example, in August 2025, Nacac published its final report, which recommended the establishment of the Office of Public Integrity and Anti-Corruption (OPI), in response to the recommendation by the Zondo Commission for the establishment of an anti-state capture and corruption commission. The OPI would absorb the mission, powers and resources of the SIU, maintaining its full portfolio of work. Nacac's report is still under consideration. In December 2025, the minister of justice and constitutional development highlighted that a technical consultation workshop was held with all the law enforcement agencies to source their comments on the recommendations. Preliminary comments have been received and will be processed by the justice, crime prevention and security ministerial cluster.

Institutional reform

Security/intelligence services

President Cyril Ramaphosa signed the General Intelligence Laws Amendment Bill into law in March 2025. It aims to split the State Security Agency into the South African Intelligence Agency, which focuses on domestic intelligence, and the South African Intelligence Service for foreign intelligence. However, in December 2025, minister in the presidency Khumbudzo Ntshavheni indicated that the act has not come into operation as it is awaiting a presidential proclamation. In the meantime, the intelligence services were doing preparatory work required to operationalise the act, including the development of regulations contemplated in it and the design of organisational structures, systems and processes.

Judiciary

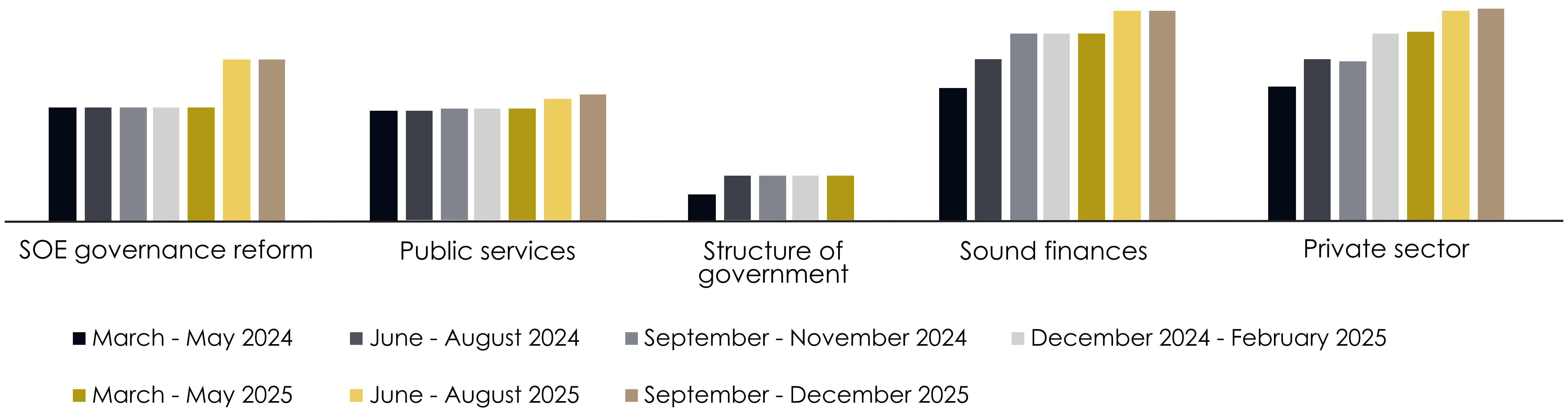
There are three important bills in relation to the judiciary. The first is the Criminal Procedure Bill, which aims to improve the justice system by streamlining legal processes and enhancing investigative capabilities. The Criminal Procedure Act (1977) is being reviewed by the SA Law Reform Commission and the Department of Justice and Constitutional Development plans to have this piece of legislation in effect at the latest by the end of the term of the seventh administration.

The second is the Extradition Bill, which aims to bring the Extradition Act (1962) in line with the Constitution, modern extradition practices and international best practice. The bill has, however, not been introduced in parliament. In June 2025, the Department of Justice and Constitutional Development published an explanatory summary of the bill, signalling that its introduction in parliament was imminent.

The third is the Judicial Matters Amendment Bill (2025) which aims to make minor amendments to several acts, including the Judicial Service Commission Act (1994), Promotion of Access to Information Act (2000), Child Justice Act, Legal Practice Act (2008), Prevention and Combating of Corrupt Activities Act (2004) and the Cybercrimes Act (2020). The bill is already under parliamentary consideration, but there were no notable movements in the period under review.

Governance reforms

Governance reforms implementation scores



Business reforms

Two crucial business-related bills were tabled by the Department of Trade, Industry and Competition in August 2023 and enacted in July 2024: the **Companies Amendment Bill** and the **Companies Second Amendment Bill** to amend the Companies Act (2008). These address a range of issues, including issuing new shares, providing financial assistance to subsidiaries and share buybacks. But they also make it easier to disqualify directors, mandate remuneration disclosure and require all public entities or state-owned companies to prepare and present a remuneration policy for shareholders' approval, which must include pay-gap disclosures listing the highest paid and lowest paid employees.

Ministerial performance contracts

President Cyril Ramaphosa has yet to publish the performance contracts of ministers in the seventh administration. Although he indicated in 2024 that these agreements would be signed after the Medium-Term Development Plan was approved in February 2025, this now appears to have slipped down the list of priorities.

Notably, performance agreements for ministers in the sixth administration were only made public in December 2020. In addition, there is broad support for their publication from parties serving in the GNU, including the ANC, as demonstrated by ANC NEC member Fébé Potgieter's call in December 2025 at the party's National General Council to publish performance contracts of GNU ministers.

Lifestyle audits

Lifestyle audits are now being widely conducted in the public service and have been somewhat effective in detecting corruption. The public service and administration department reported that by September 2025, 8,982 senior officials had undergone lifestyle reviews. Of these, 117 cases were referred for internal departmental investigation and 24 were flagged by the presidency for suspected undeclared income or hidden assets. In its 2024/2025 report, the Gauteng Ethics Advisory Council revealed that of the 19 audited directors-general, heads of departments and CEOs of Gauteng provincial entities, 37% were classified as high risk or failed the assessment, 16% were medium risk and 47% low risk. As a result, Premier Panyaza Lesufi dismissed three HODs from their positions for failing lifestyle audits.

President Ramaphosa revealed that for 2024/25, members of the executive of the seventh administration all consented to lifestyle audits.

Despite this progress, there are still some challenges. In December 2025, the public service and administration department reported a lack of investigating capacity to see the lifestyle audit process through. As a result, the department is considering establishing a team of highly skilled investigators who would help other departments carry out lifestyle audits. The department is also considering partnering with the SIU, which has already helped several parts of the public service conduct lifestyle audits.

Electoral reform

Electronic voting is a long-term objective, with its development and implementation being driven by the Electoral Commission. In September 2025, the IEC concluded its public consultation process on e-voting. The review of the public submissions (20 stakeholder engagement workshops and more than 200 written submissions) was initially meant to be concluded in October 2025, while the findings of the consultation process were meant to be published in November 2025. The drafting of the green paper is meant to take place from March 2026, with final stakeholder workshops scheduled for May 2026. The IEC has made it clear that e-voting will not be used in the upcoming local government elections.

BLSA members say reforms are effective - and expect a bigger impact in the next 12 months

Almost half of BLSA members say reforms have been effective or highly effective over the past 12 months, with another quarter saying they have been neutral. The outlook is even more positive with 63% of responding members expecting reforms to have a positive impact in the next 12 months.

BLSA surveyed member companies in December 2025 and January 2026. Of BLSA's membership of large South African corporates, 23 responded to the survey. These businesses employ millions of South Africans between them and are the biggest investors in the economy. The survey sought member companies' views on economic, governance and criminal justice reforms over the past year, plus their outlook for the coming year.

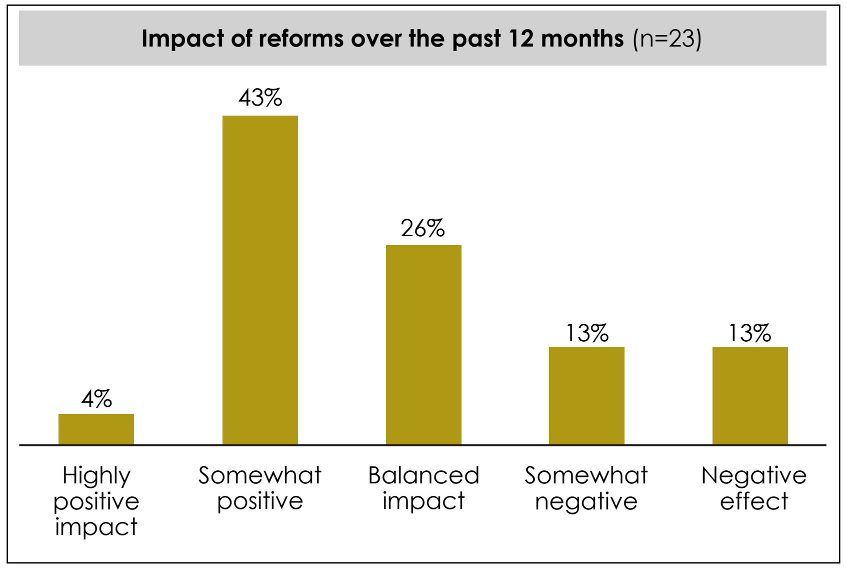
The survey showed that overall, the business community feels cautiously optimistic, tempered by concerns over significant implementation challenges. Some reforms, such as energy, are viewed as the most successful with tangible benefits, while others, like freight logistics, show mixed results. The broader private sector environment is perceived as deteriorating, largely due to regulatory burdens and misaligned policies.

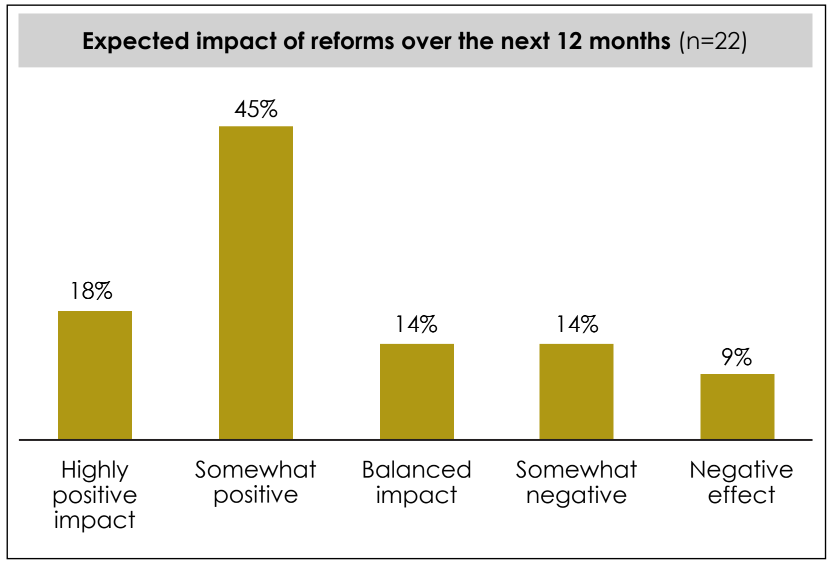
While members note challenges in translating policy into practical impact, including regulatory and implementation hurdles, there is optimism for the year ahead, with a majority expecting positive outcomes.

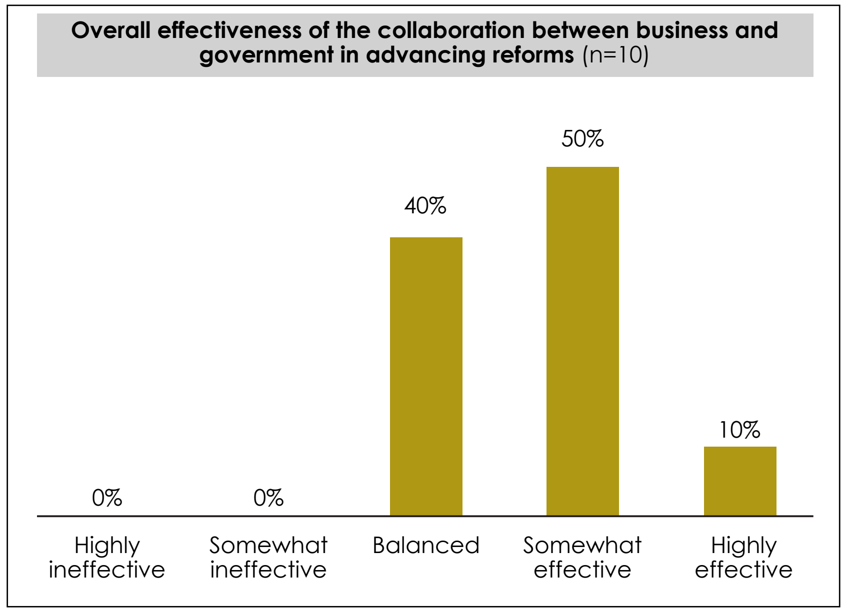
- While almost half report positive effects of reforms over the last 12 months, a significant share of respondents report neutral or negative impacts, pointing to uneven implementation and persistent challenges.
- The outlook for the coming year is notably more optimistic than the assessment of the past year's impact. However, a smaller but persistent group remains cautious, reflecting ongoing concerns about implementation and sector-specific risks.
- Respondents rate reform effectiveness positively overall, with 48% saying they are "highly" or "somewhat" effective.
- Government-business collaboration is viewed positively, with most respondents rating it as effective and none considering it ineffective. However, the high "balanced" rating suggests that while the engagement is seen as functional, many members perceive it as not yet translating decisively into faster or more impactful reforms.

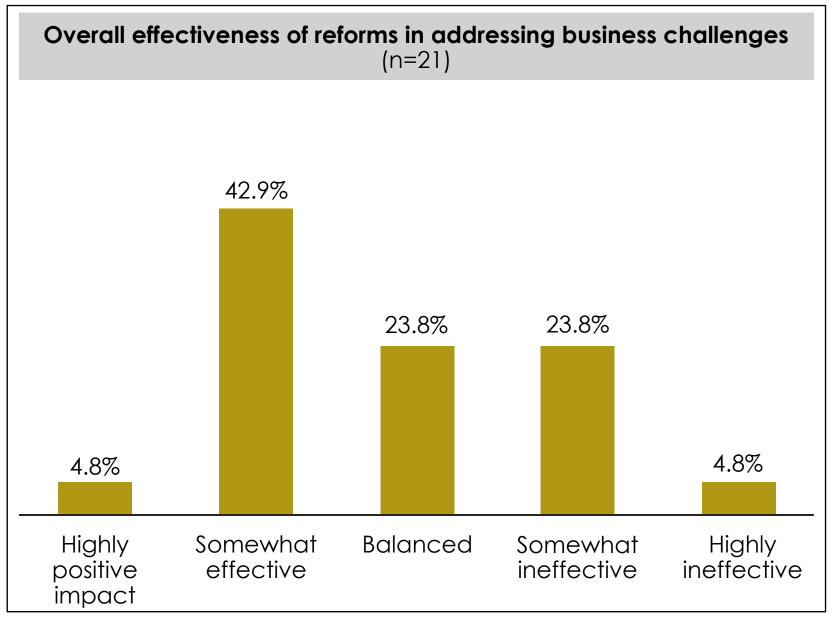
Electricity reforms are viewed positively, with most respondents reporting improvements in the business environment. Freight logistics reforms also receive a net positive view, though more moderate. In contrast, broader private sector reforms are seen as largely detrimental, highlighting challenges with regulatory burdens and misaligned policies.

In essence, BLSA members acknowledge and welcome reform efforts, particularly where they address important infrastructural crises like electricity and logistics. However, they express strong concern that the cumulative effect of broader economic policy and slow, siloed execution is stifling growth, investment and competitiveness.









Respondents were asked to indicate how reforms have affected the business environment

Area	Better	Same	Worse
Electricity	75%	13%	13%
Freight logistics	50%	38%	13%
Private sector	11%	11%	78%

Appendix: Analysis and research process

This report covers a four-month period, September to December 2025, compared with three-month periods previously. The timing was adjusted to align with the state's fiscal year. Future quarterly reports will be for three month periods.

Each quarter some reforms are completed or halted, while new ones are initiated. This means that the basket of reforms of one quarter is not identical to the basket of reforms in the next quarter, meaning average completion scores change purely because of the change in the makeup of the basket rather than because of progress or the lack of it. To ensure the completion scores meaningfully reflect progress from one quarter to the next, we reset the prior quarter basket such that it is consistent with the subsequent basket of reforms enabling a like-for-like comparison. We also index the base score such that the reset basket starts with the same closing score as was reported for the prior period. This means that over time the quarterly scores are comparable.

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.

Disclaimer

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BLSA Tracker project team

The Tracker engine was developed by Krutham directors **Peter Attard Montalto** and **Stuart Theobald**.

Individual Krutham analysts update each reform category and contribute editorially:

- **Lameez Omarjee**: energy, water and JET-related reforms.
- **Thabani Madlala**: OV phase one and phase two reforms; governance structures and professionalisation of the public service; criminal justice reforms, including NPA, IPID governance structures.
- **Nduduzo Langa:** public service governance, office holder propriety, electoral reform, improved education outcomes and skills, institutional reform, legislative developments, SARS upgrades and Zondo recommendations.
- **Tinashe Kimbadza**: financial sector reforms and all FATF processes for grey list removal.
- **Cecilia Schultz**: OV2 reforms including freight logistics, passenger rail, deeds office reform, housing and spatial planning.
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