

Reform momentum rebounds

Economic reforms lift the completion index to a record high, but governance records its first decline



Contents

Introduction	page 2
Foreword	page 6
Economic reforms	page 8
Criminal justice reforms	page 19
Governance reforms	page 20
Appendix	page 21

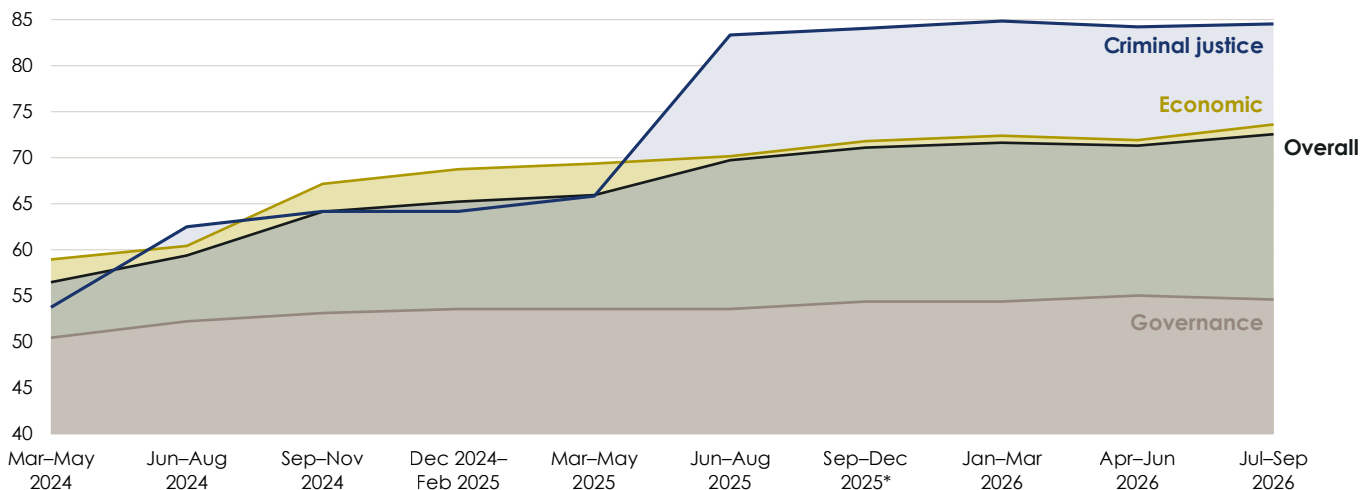
Developed and managed by  **krutham**

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.

South Africa's reform momentum rebounds

South Africa's reform completion index rose to 72.5 in the third quarter of 2026, up from 71.3 last quarter and 28.4% above the March 2024 baseline. This is the highest reading since tracking began. Economic reforms, which carry the largest weighting (74.6%), led the improvement, while criminal justice edged higher and governance declined for the first time.

Main reform area completion index



* September–December 2025 was a four-month period.

The tracker uses a "completion index" rather than a "completion score". The data is indexed from one quarter to the next to account for changes in the reform basket as deliverables are completed, halted or added. This allows quarter-on-quarter movements to be compared on a like-for-like basis. Because the basket changes over time, the index measures the direction and pace of reform progress rather than progress towards a fixed 100% completion point.

Overall completion index

72.5

Up from 71.3 last quarter
▲ +28.4% above baseline

Category performance

Economic 74.6% weighting	▲ 2.4% 71.91 → 73.61
Criminal justice 10.5% weighting	▲ 0.4% 84.21 → 84.53
Governance 14.9% weighting	▼ 0.8% 55.03 → 54.60

Looking ahead

Q4 2026 milestones include the National Rail Bill going to Cabinet, the November JIBAR-to-ZARONIA conversion and a detailed phase 2 NTCSA unbundling plan by December.

Reforms tracked

179

comparable deliverables

139 (77.7%) unchanged
33 (18.4%) improved
7 (3.9%) declined

Positive developments

Zero-rated platform (digital transformation)	▲ 40pts 50 → 90
Finalise the Network Statement (freight logistics)	▲ 25pts 62.5 → 87.5

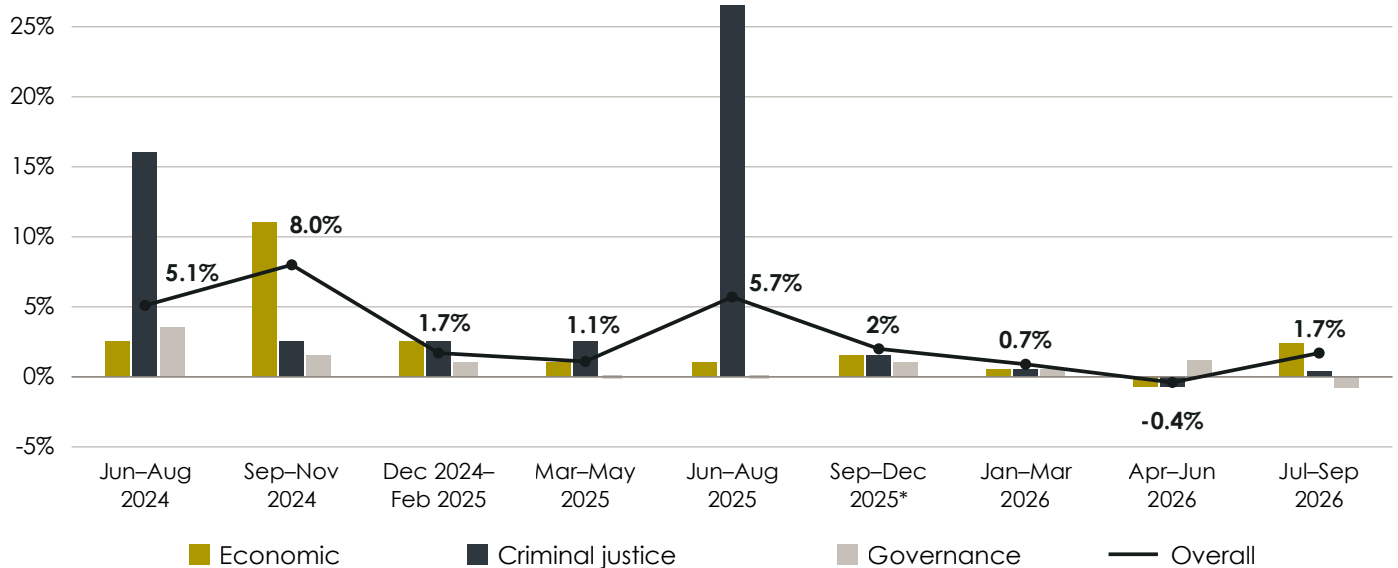
Negative developments

Public Procurement Act (sound finances)	▼ 37.5pts 87.5 → 50
COFI Bill (financial sector reforms)	▼ 12.5pts 87.5 → 75

Completion index rebounds as momentum turns positive

Quarter-on-quarter reform momentum rebounded from -0.4% to +1.7%, its strongest reading since September–December 2025. Of the 179 like-for-like deliverables, 40 changed: 33 advanced and seven declined, compared with 17 advances and 20 declines last quarter. Individual reforms showed a similar improvement: of 101 tracked, 29 advanced, five declined and 67 were unchanged.

Reform momentum indicator



Criminal justice remains the strongest pillar, with its completion index edging up from 84.2 to 84.5 (+0.4%). The Criminal Procedure Bill was its only deliverable to advance, rising from 50 to 55. Governance declined for the first time, falling from 55.0 to 54.6 (-0.8%), after the Constitutional Court declared the Public Procurement Act invalid.

Two deliverables were added to the tracker this quarter: the electricity reform paper and the revision of the Electricity Pricing Policy. In total, 181 deliverables were scored, with 179 comparable on a like-for-like basis with the previous quarter.

Economic reforms

The economic reform completion index rose from 71.9 to 73.6 (+2.4%) in the third quarter of 2026. Across 14 reform areas, 133 deliverables were tracked on a like-for-like basis: 30 advanced, six declined and 97 were unchanged.

The **digital transformation** index rose 4.8%, from 63.9 to 66.9. The zero-rated gov.za platform for access to government information became operational, lifting the deliverable's score from 50 to 90.

The **freight logistics** index increased 4.2%, from 69.6 to 72.5. Network Statement Version 4 and the Rail Access Agreement were gazetted on 18 September, lifting that deliverable's score from 62.5 to 87.5. Port concessioning advanced from 75 to 80, while TNPA corporatisation rose from 62.5 to 70 after Cabinet supported its separation on 23 September. The independent infrastructure manager deliverable, however, fell from 62.5 to 56.25. The structure remains interim, and the National Rail Bill has not yet been tabled.

The **water** reform index rose 4.0%, from 68.4 to 71.1. Publication of the National Water Action Plan on 23 July lifted its score from 50 to 62.5. The Watercom structure to oversee implementation also advanced, from 37.5 to 55.

The index for addressing **spatial inequality** increased 2.8%, from 60.5 to 62.2. The title deeds backlog was quantified at 1,000,856 properties, lifting that deliverable's score from 50 to 62.5. Land release regulations advanced from 62.5 to 70.

The public property audit score declined from 81.25 to 78.75 after the land asset registry and dashboard for priority public land, targeted for June 2026, were delayed to October.

The **electricity** reform index rose 2.4%, from 67.8 to 69.4, with eight deliverables advancing. Renewable Energy Independent Power Producer Procurement Programme bid window 8 led the gains, rising from zero to 18.75 as government focuses on a mega bid window.

Virtual wheeling protocols declined from 81.25 to 76.25 as trading rules were delayed again, to end-October.

The **other energy** index increased 2.1%, from 60.0 to 61.3. The Integrated Energy Plan score rose from 37.5 to 43.75 as the South African National Energy Development Institute and the University of Cape Town gathered and validated data.

The **financial sector** reform index rose 1.6%, from 88.1 to 89.5. Six deliverables advanced, with their average score increasing from 87.5 to 95. Progress included the draft Crypto Assets Manual, the JIBAR conversion, the SARB taking over PASA's payment role and a new FSCA standard.

The COFI Bill score fell from 87.5 to 75. The bill had not been tabled in Parliament more than four months after publication of its explanatory summary in April.

The **visa reform** index increased 1.2%, from 85.8 to 86.8. Phase 2 of the trusted employer scheme launched on 20 July, lifting its score from 87.5 to 95. The Electronic Travel Authorisation system also edged higher, from 90.75 to 91.25.

The **climate and environment** index fell 7.7%, from 81.25 to 75.0. The deliverable tracking enactment of the Climate Change Bill was marked down because some regulations remain outstanding. Carbon budget regulations missed their June 2026 deadline.

Criminal justice reforms

The criminal justice reform completion index edged up from 84.2 to 84.5 (+0.4%) in the third quarter of 2026, remaining the highest-scoring of the three main reform categories. It was a quiet quarter: of 11 individual reforms tracked across seven reform areas, one advanced, none declined and ten were unchanged.

The **institutional reform** index rose 0.9%, from 80.3 to 81.0. The Criminal Procedure Bill was the only deliverable to advance, increasing from 50 to 55. The South African Law Reform Commission is reviewing the Criminal Procedure Act of 1977 and has published discussion papers. Written submissions were due by 2 October 2026.

The **corruption reform** index remained unchanged at 51.2. Although there was no movement this quarter, continued stagnation poses risks as South Africa undergoes reassessment by the Financial Action Task Force. Acting director-general of National Treasury Ismail Momoniat, who led the effort to secure South Africa's removal from the grey list last year, has warned of a significant risk of returning, highlighting weaknesses in anti-corruption measures. These concerns are compounded by the Madlanga commission's exposure of deep-rooted criminality within the South African Police Service. The tracker will incorporate and monitor retired Constitutional Court Justice Mbuyiseli Madlanga's recommendations once published.

Governance reforms

The governance reform completion index declined for the first time in the third quarter of 2026, falling from 55.0 to 54.6 (–0.8%). Of 15 individual reforms tracked across six reform areas, two advanced, one declined and 12 were unchanged. Public services and local government improved, while sound finances declined. The remaining reform areas were unchanged.

The **sound finances** index fell from 87.5 to 50 after the Constitutional Court declared the Public Procurement Act unconstitutional and invalid in September 2026. Parliament had not facilitated meaningful public participation at the National Council of Provinces stage. The act is the only deliverable tracked in this reform area, and National Treasury must now table a new bill.

The **public services** index rose 2.6%. The Public Service Amendment Act deliverable advanced from 62.5 to 75 following the appointment of a director-general in the Presidency as head of public administration. The act was enacted in April 2026.

The **local government** index increased 3.3%. The Public Service Commission Act, signed on 15 September 2026, will extend the commission's oversight to local government, lifting the deliverable's score from 62.5 to 75.

Looking ahead – Q4 2026 milestones

Expected deliverables

- Comments on the Electricity Pricing Policy and electricity market transformation position paper close on 28 October 2026. The pricing policy will then go to Nedlac and Cabinet.
- The JIBAR-to-ZARONIA transition included a CME dress-rehearsal conversion on 7 October. The primary conversion of cleared ZAR JIBAR swaps is due on 20 November, and final JIBAR publication on 31 December 2026.
- A detailed phase 2 implementation plan for NTCSA unbundling is due by December 2026.
- At least six further port concessioning tenders close between October 2026 and February 2027.
- Written submissions on the Criminal Procedure Act review were due to the SA Law Reform Commission by 2 October 2026.

Overdue and delayed deliverables

- SARB's standalone Synthetic Financial Centre (SFC) directive, originally promised for end-May 2026, was expected after the MTBPS on 21 October 2026.
- The National Rail Bill is now targeted for submission to Cabinet in October 2026, following postponement from its original end-2025 target.
- The Independent Transmission Project request for proposals, originally due in Q3 2026, is now expected in Q2 2027, with the second draft going to bidders in Q4 2026. The credit guarantee vehicle still requires its Prudential Authority licence.

Recent progress

- A data-validation workshop for the Integrated Energy Plan was held in early October.



A word from BLSA CEO

Busisiwe Mavuso

After three consecutive periods of slowing momentum, it is extremely encouraging to see more buoyancy in the July-September 2026 results, with the overall index rising to its highest level yet – 28.4% above the starting point when tracking began in March 2024.

Reforms within the economic sector category, which include the important areas of energy, transport/logistics and water reforms, drove the improvements. With local government elections next month, only one local government deliverable advanced: the extension of Public Service Commission oversight to local government. This is an important one: the Public Service Commission Bill was signed into law in September and, although it still has to be proclaimed, it extends the commission's mandate to include local government and public entities. This includes empowering the commission to investigate personnel and public administration management practices in municipalities.

There is, however, much overlap between direct local government reforms and those flowing from the water and energy sectors, mostly aimed at addressing municipal debt to Eskom and water entities. In that context, the National Water Action Plan, published by President Cyril Ramaphosa on 23 July, is particularly important for municipalities. It aims to address challenges in municipal water and sanitation delivery and to explore legal and regulatory mechanisms to improve municipal service delivery, and the crisis committee overseeing it includes the South African Local Government Association. In electricity, the strategy for working out municipal debt to Eskom, which now exceeds R119bn, moved up to the Eskom restructuring task team.

There were also numerous positive developments in transport sector reforms, with freight logistics climbing from 69.6 to 72.5. The Department of Transport gazetted Transnet's final Network Statement and the Rail Access Agreement on 18 September, allowing cargo owners to secure rail capacity directly and then hire an operator, and Cabinet approved the Transnet National Ports Authority becoming a standalone, state-owned company on 23 September.

Port concessions now span five ports, with at least six further tenders closing between October and February, although the National Rail Bill, which provides the legal framework for separating the rail infrastructure manager, has not yet been tabled.

The picture in criminal justice is far less encouraging. The category edged up 0.4% to 84.5, still the highest of the three, with only one deliverable moving: the Criminal Procedure Bill, from 50 to 55, after the SA Law Reform Commission published discussion papers, but it is two reform areas that have not moved that cause concern, because they put South Africa at risk of being reinstated onto the Financial Action Task Force's (FATF's) grey list. The first area is the FATF reforms themselves and the second is the anti-corruption reforms linked to the Zondo commission's recommendations following its inquiry into state capture.

The FATF is the global watchdog for money laundering, terrorist financing and financing of weapons of mass destruction. It is in the first area that South Africa has been most vulnerable, as it relates to the country's weak record of successfully prosecuting those implicated in corruption.

South Africa exited the FATF grey list in October 2025 after addressing the 22 action items. The hardest to address were legacy issues from the state capture era, in particular weak law enforcement and prosecution capacity for complex crimes and money laundering. The FATF's next assessment of South Africa began in mid-2026, and given the disclosures before the Madlanga commission into criminality and corruption in the criminal justice system, this is likely to be an area of focus.

Ismail Momoniat, who led South Africa's successful campaign to be removed from the grey list last year, warned parliament's Standing Committee on Finance in June that the country's ability to investigate organised crime, prosecute successfully and recover criminal assets could come under the spotlight if weaknesses in law enforcement persisted.

In a Financial Mail interview, he said, “we’ve seen corruption rise again after state capture”, and that a poor result in the FATF evaluation would show that our systems are not working.

The Zondo commission handed over the final parts of its report into state capture on 22 June 2022, and President Ramaphosa committed to implementing its recommendations that year. The tracker’s reform area covering the recommendations climbed from 19.6 in March 2024 to a peak of 53.6 in June to August 2025, with some early progress in the proposed anti-state capture and corruption commission, deferred prosecution agreements, whistleblower protection, a new statutory offence of abusing public office and the strengthening of the private sector’s duty to prevent corruption. But since mid-2025, it has plateaued for three periods before dipping to 51.2 in April to June 2026.

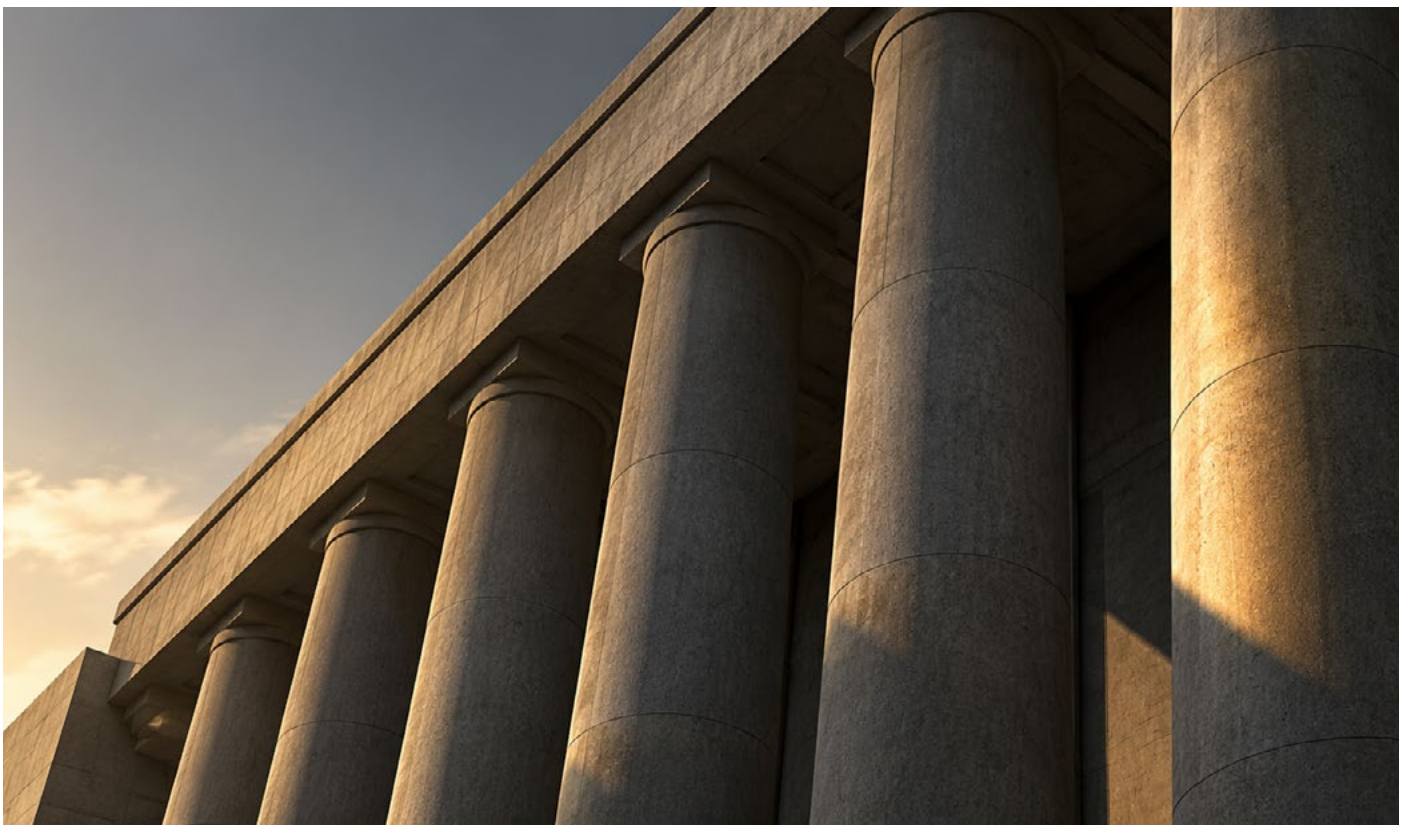
The FATF’s evaluation is likely to focus on law enforcement, and the disclosures at the Madlanga commission highlight how vulnerable the country is in this area. The commission submitted two interim reports, in December 2025 and May 2026, recommending criminal investigations and disciplinary action against police officials. Several law enforcement officials have since been charged with corruption and colluding with criminal underworld figures, so there already appears to be more progress than with the Zondo recommendations.

The Madlanga commission also makes it clear how important it is to strengthen our anti-corruption institutions.

Paul Hoffman SC, a director of Accountability Now, has argued for more than a decade that South Africa needs a new Chapter 9 institution to prevent, combat, investigate and prosecute serious corruption. He argues that the Constitutional Court’s Glenister rulings mean the country needs to establish an independent anti-corruption body. The Scorpions, the anti-corruption unit within the National Prosecuting Authority, were dissolved in 2009. This could not happen to a Chapter 9 entity because that can be closed down only by a two-thirds majority in Parliament, so it would be protected in a way the Scorpions were not.

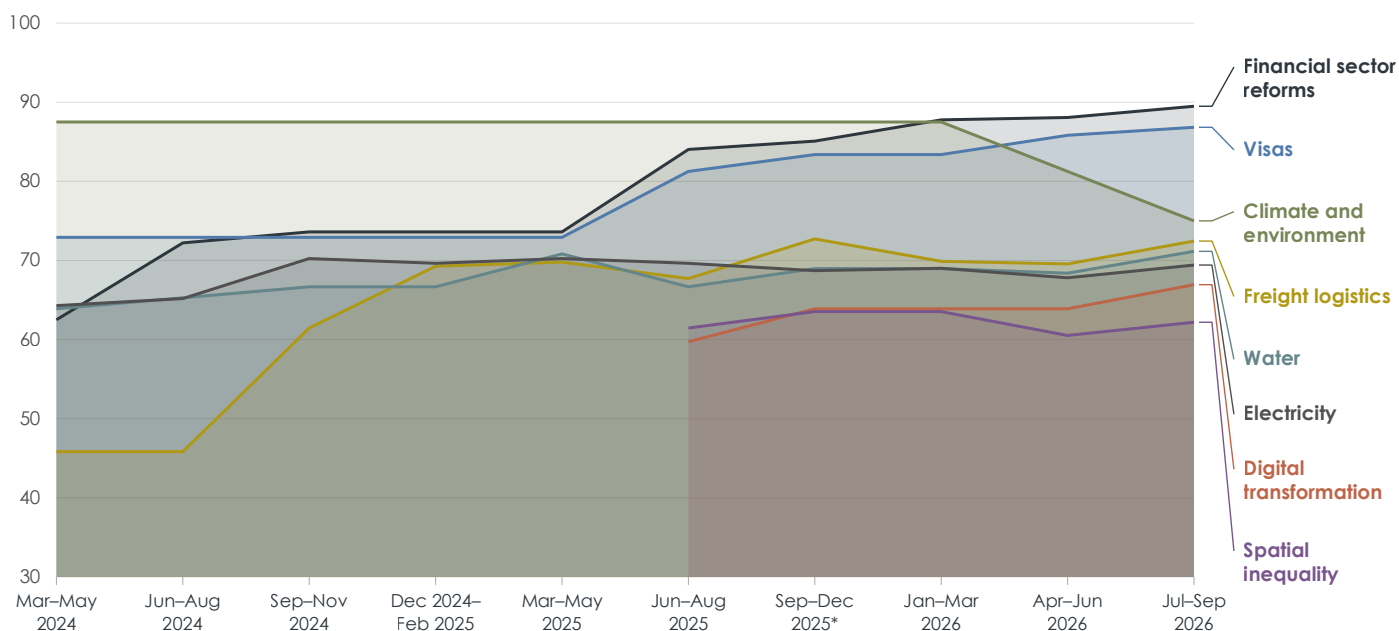
There are two private member’s bills in Parliament to establish such a Chapter 9 institution, both tabled in November 2024, but neither has even been put to a vote. Given the Madlanga commission’s alarming reports of pervasive corruption at the highest levels of the SAPS, BLSA believes that Parliament should give these a high priority. Justice Mbuyiseli Madlanga is due to submit the commission’s final report to President Ramaphosa by 25 January 2027. The Presidency has said the report will be made public and once it is, the BLSA Reform Tracker will incorporate its recommendations as a new reform area.

The timing, however, is a concern. The FATF evaluation runs to October 2027, so even if the Madlanga report is published before the FATF decides, little time will remain to implement its recommendations. That makes the lack of progress on the Zondo recommendations more concerning.



Economic reforms

Economic reform completion scores



* Sep-Dec 2025 covers four months

Freight logistics

Q3 saw some material advancements in the rail access framework and port governance but also exposed institutional, financial and operating deficiencies that will continue to undermine implementation for the foreseeable future.

On the positive front, the Department of Transport (DoT) gazetted the Transnet Rail Infrastructure Manager (TRIM)'s final Network Statement (NS) Volume 4 (V4) and its Rail Access Agreement (RAA) on 18 September 2026.

This final NS improves the investment proposition relative to earlier drafts but does not change the operational risks new operators face.

The condition of the network is central to these operational risks, which brings us to the less positive news. Transnet's annual results revealed the scale of the network's maintenance and rehabilitation funding shortage, and TRIM used the gazetted NS to flag this to National Treasury, requesting a further R26bn through the Budget Facility for Infrastructure. Procurement irregularities also surfaced this quarter alongside wins and losses in port and rail operational performance.

> Regulatory updates

The gazetted Network Statements

As we were finalising the previous quarterly report, the draft NS V4 was released on 3 July 2026. It contained several bankability improvements such as allowing cargo owners to hold an RAA and enabling lenders to enter into a direct agreement with TRIM, step in after a borrower default and take capacity rights as security. These changes provide a clearer route for cargo-owner-led access and project finance.

However, during the three-week consultation process that followed the draft, stakeholders raised problematic issues: network access on a voetstoots basis, TRIM's unilateral amendment rights, a six-month no-cause termination clause and no clear pathway for a nominated train operating company (TOC) to assume the safety and rolling-stock obligations of an access seeker, such as a cargo owner.

The gazetted NS resolves some of these issues and retains the bankability wins. The no-cause termination clause has been removed; there is more clarity on the lender agreement; and the NS now requires TRIM to settle penalties within 20 business days. Yet the voetstoots clause and

TRIM's unilateral amendment rights remain, and the RAA continues to lack a mechanism for a nominated TOC to meet a cargo owner's safety and rolling-stock obligations, with the amendment right arguably broader now that the NS runs from publication rather than lapsing in March 2027.

Furthermore, the wider authority of the NS is unclear, especially with regard to what will happen when the Transport Economic Regulator (TER) becomes operational. The TER is expected to assume much of the authority the NS currently exercises. Here, clarity on how this handover will work, as well as which decisions and agreements it will affect, is absent. This uncertainty is exacerbated by the unresolved separation of TRIM, which, despite likely still being a long way off, creates regulatory risk for operators and lenders entering into 15-year commitments.

National Rail Bill and economic regulation

While the National Rail Bill remains unpublished, as noted in our previous quarterly report, the silence has been broken, with the OV progress report targeting its release for comment in September and other stakeholders pointing to mid-October. The bill will provide a more complete statutory basis for rail governance, infrastructure management and market structure. In the meantime, third-party access is proceeding through existing instruments such as the 2022 National Rail Policy and the NS. Another problematic issue is that the Economic Regulation of Transport Act 2024 has commenced only in part. Government has begun establishing the Transport Economic Regulator, but the act's core regulatory provisions have not yet been proclaimed, and the regulator is not expected to be fully operational until April 2027.

> Structural separation

In late September, Cabinet supported the unbundling of the Transnet National Ports Authority (TNPA), a reform that has been years in the making. The proposed separation presented to Cabinet was devised by sector experts alongside the World Bank and appears to have also secured the approval of Transnet's management. Creditor approval comes next, including from Transnet's bondholders, and we expect discussions to begin in the coming months. Cabinet is also allowing for a minority stake for a local development finance institution.

An interesting question is what happens to the balance sheet. Several principles will likely inform this, including fair compensation for Transnet based on an independent valuation of TNPA, an equitable allocation of liabilities between TNPA and the Transnet group and the protection of employees and customers.

The Cabinet decision in late September puts port separation ahead of rail. TRIM's corporatisation did not progress in Q3, and we don't expect this to change soon. This matters for the overall open access regime, which requires an infrastructure manager that is operationally independent, financially viable and trusted by both Transnet Freight Rail (TFR) and third-party operators. Some of the credibility problem, however, will be addressed when TER becomes operational and is able to independently oversee access, tariffs, capacity allocation and disputes.

> Operational updates

Transnet annual results 2025/26

Released on 10 September, Transnet's annual results show that it returned to a profit of R4.6bn – its first profit in four years. This headline result was, however, driven by the R12.5bn gain from selling its 49.999% share of the Durban Gateway Terminal, the Durban Pier 2 concession, to ICTSI. When we exclude this transaction, the Transnet group's headline loss widens to R4.8bn from R3.5bn the year before. Revenue grew 7.1% to R88.6bn, but operating costs rose 11%.

The results showed some wins in operational recovery. Rail volumes rose to 167.9 million tonnes (Mt), up from 160Mt in 2024/25, driven mainly by coal, iron ore and manganese exports. However, 167.9Mt is 12.1Mt below target, and domestic volumes remained weak, with sharp declines in steel and cement, iron ore and grain. So, instead of increasing the target, we see the 180Mt goal rolled over to 2026/27, which will require substantial growth to meet.

The SOE's annual results show that infrastructure investment remains a major problem.

Transnet spent R8.8bn on maintaining operations, down from R19.7bn, while TRIM's R46.3bn five-year allocation falls well short of its estimate of the R70bn needed to restore the network to nameplate capacity.

TRIM also remains heavily reliant on access fees from TFR, creating a difficult trade-off between funding network recovery and maintaining rail's competitiveness.

DGT operational setbacks

Towards the end of Q3, operations at Durban Gateway Terminal deteriorated sharply, triggered by a mid-August migration from Transnet's shared terminal operating system to ICTSI's NAVIS N4 system. Weekly throughput fell 26%, waiting times reached eight to 12 days and average port call times more than doubled compared with late June. This disruption also exposed pre-existing

constraints such as straddle-carrier availability, yard congestion, reefer-plug capacity and truck slots. Ship arrivals fell from 62 in June to 52 in July and 33 in the first three weeks of August.

This triggered growing calls from industry for an urgent recovery plan, with the South African Association of Freight Forwarders escalating the issue to the Presidency. This is an unfortunate stain on the first port concession in Transnet's broader concession pipeline, which is intended to showcase how these transactions can improve terminal performance and attract investment.

On the procurement pipeline

In our previous quarterly update, we drew attention to overlooked tenders on Transnet's B-network and non-rail concessions such as sidings and stations. In Q3, much of this was reversed:

TRIM withdrew its RFPs for the 11 sidings after irregularities emerged in the bid process. These were not the only irregularities.

A Fundudzi Forensic Services report found R1.2bn in irregular and fruitless expenditure at Transnet Port Terminals (TPT), arising from TPT's use of a confinement clause to award a Richards Bay equipment contract to a bidder that had lost the original tender.

On the B-network, TRIM issued a request for information (RFI) – intended to test market appetite for its 9,098km B-network – while three branch line concessions were already open. However, it acknowledged that these individual concessions had largely failed to attract bidders, citing line conditions and the scale of new network investment these lines would require to become commercially viable. For instance, the Wolseley bidder briefing recorded encroachments, including a restaurant built over the track, and washaways on the Rosmead line prevented a trolley inspection.

Despite the setbacks above, an important addition to the pipeline came on 23 September when Transnet issued a request for qualification (RFQ) for the Ngqura Manganese Export Corridor (NMEC). This is the first integrated corridor (rail to port) project in Transnet's private sector participation (PSP) pipeline so far.

Yet the PSP label might be misleading as, contrary to expectations, the transaction does not entail a standalone port or rail concession. Instead, one private consortium will establish a holding company with stakes in two special purpose vehicles (SPVs).

The contract will run for 25 years, and the holding company will own 49% of SPV1, with Transnet retaining 51% through an in-kind contribution of rolling stock and the operating business. SPV1 will build and operate the Ngqura terminal and manage rail haulage, rolling stock and customers, while the holding company will own 100% of SPV2, which will rehabilitate and maintain the rail infrastructure in return for availability payments from TRIM. This structure could undermine bankability, as lenders will price in Transnet credit risk while private partners take market, operating and construction risk on an estimated R30bn-R44bn investment despite holding a minority stake. Two further factors will define bankability: how SPV1 can secure 25-year access when the regulatory framework provides for 15 years, and what backing will stand behind TRIM's payments to SPV2.

We did see more RFPs on the port side, especially for Cape Town as the table below shows.

Tender	Port/precinct	Closing date
LNG import terminal operator	Port of East London	22 Feb 2027
Multi-purpose terminal operator – B – D berths	Port of Cape Town	29 Jan 2027
Floating dry dock operator	Port of Cape Town	7 Dec 2026
Liquid bulk and bunkering terminal operator	Port of Cape Town – Liquid Bulk Precinct	12 Nov 2026
Richards Bay Dry Bulk Terminal RFQ	Richards Bay	30 Oct 2026 (extended)
NMEC RFQ	Port of Ngqura and Northern Cape rail corridor	26 Feb 2027

The tenders follow similar terms that place material risk on bidders. Where specified, terms include a functionality score threshold, a discretionary finance direct agreement and no revenue floor. Force majeure termination carries no compensation, a clause TNPA appears to apply uniformly.

> Outlook

Q4 should provide regulatory clarity through the National Rail Bill, which is expected to move into public consultation. We may also see updates on the TER's establishment ahead of its targeted April 2027 operational date. A key question is how these reforms will interact with the gazetted NS and divide responsibilities between TRIM and the future regulator.

For TNPA, Q4 shifts the focus to how unbundling might be implemented, including valuations and risk allocations. Operators and lenders will remain focused on how the current access framework works in practice while the longer-term institutional model takes shape.

For much of the remaining financial year, the operational focus will be whether Transnet can convert recovery volumes into improved network performance and, crucially, address the maintenance backlog and funding gap – and what Budget Facility for Infrastructure (BFI) allocations it will get.

October's NMEC briefings will indicate market appetite for the peculiar PSP structure and integrated corridor deals. The B-network RFI could reveal private-sector appetite for branch lines, while port concession tenders approach closing dates. Durban Gateway Terminal's performance remains important as ICTSI works through the N4-related disruption. Together, these processes should clarify whether the emerging concession and open-access model can attract private capital despite continuing network condition, procurement and contractual risks.

Energy

Progress in three areas over the past quarter – consensus on an independent Transmission System Operator (TSO), the revised Electricity Pricing Policy and the electricity market transformation position paper – has a huge bearing on the pace of reform across the sector.

The TSO independence confirms a policy decision that now shifts to implementation, while the other two are still in the early stages of defining policy. Across them all, collaboration between government, industry and civil society remains important to achieve delivery.

> TSO

Following engagements between the Presidency and Eskom board chairperson Mteto Nyati, and between Eskom and BLSA, there is agreement on the policy direction. This was promptly followed with the Development Bank of Southern Africa (DBSA), issuing on behalf of Treasury, a request for proposals for a transaction advisor to guide the unbundling and complex lender negotiations.

The RFP also sets out clear timelines for the unbundling over the next 18 months, signalling a shift towards implementation.

Maintaining this momentum to reach a point of no return by the time President Cyril Ramaphosa leaves office is critical.

> Pricing policy

The Department of Electricity and Energy (DEE) issued the revised Electricity Pricing Policy for public consultation on 28 August. The 30-day comment period has been extended to 28 October. The revised draft has been introduced as a new deliverable.

It modernises the 2008 policy with a shift in focus to a multi-market model with competition in the electricity sector.

While the revised EPP has been a long time coming, it still falls short of its objectives in many respects. For example, it aims to ensure cost-reflectivity, affordability and transparency but provides no implementation framework to get to that point. In fact, much of this work is deferred to the National Energy Regulator of South Africa (Nersa) to develop appropriate regulations. Some provisions around revenue requirements also protect the incumbent, Eskom, as opposed to promoting competition.

The policy will need to be enhanced, and the public consultation requires meaningful engagement to shape the policy into one that is fit for purpose.

> Market transformation paper

The electricity market transformation position paper was also released for public consultation in the past quarter. The paper is supposed to set the tone for reform across the electricity sector but, at a mere 25 pages, it zones in on the South African Wholesale Electricity Market (Sawem) structure and briefly touches on Eskom's restructuring.

Compared with the 82-page freight logistics roadmap, which speaks to the entire sector and identifies key actions, timelines and responsible parties, the DEE's position paper comes across as unfinished. There is a need to engage in deeper consultation, via workshops with industry players, as seen with the freight logistics roadmap, to produce a more detailed document with mechanisms for accountability.

The release of the latter two documents shows that simply meeting a timeline is not the full measure of reform delivery. There is still an opportunity to ensure that the consultation processes are more detailed and collaborative with the stakeholders that ensure reform is genuine.

These and other issues are unpacked below.

> Transmission

The DBSA's RFP for a transaction advisor to guide the establishment of the independent TSO with asset ownership (essentially unbundling it from Eskom) is welcome, given the initial plan was to pick from a list of existing advisors who would not have the expertise to handle such a global emerging market credit event. The open tender widens the scope for Treasury to appoint a credible transaction advisor, and given the National Transmission Company South Africa's (NTCSA) high profile, the creditor community will monitor it closely.

There is still a risk that Eskom will resist the process, especially with regard to the pace of change. The RFP's terms of reference however set out an 18-month timeline for the unbundling. It will be important to secure credit consents and ensure international financial institution support is confirmed before Ramaphosa leaves office.

Looking ahead, the Eskom Restructuring Task Team's phase 2 work kicked off in July and involves the development of an implementation plan which should be tabled with the president by October 2026, if there are no delays.

Also related to transmission, the R2bn backlog on curtailment compensation payments to IPPs was cleared by 31 August 2026 after the NTCSA streamlined its claims handling process.

Whether this is sustainable in the long run remains to be seen, as curtailment is expected to rise in coming years and the NTCSA probably does not have the deep pockets needed to continue paying for power it does not collect revenue for. The auditor-general of South Africa has also flagged the rising costs of curtailment, warning that it could become a real financial burden for the NTCSA. The deployment of battery storage and incentivising power consumption with lower tariffs during the day should remain among the long-term options considered to balance the grid.

As for grid expansion, the release of the RFP for bid window 1 of the Independent Transmission Project programme has been delayed from this quarter to Q2 2027. This is a significant

delay largely owing to the need to align with operationalising the Credit Guarantee Vehicle (CGV), which still requires licensing from the Prudential Authority. National Treasury and the Department of Electricity and Energy on 1 October issued a statement indicating plans to hold another consultation round with prequalified bidders, with the hope of releasing a second draft of the RFP by the end of the year. If bankability issues remain after the second consultation, it risks further delays that will harm the credibility of the programme. All this translates to is prolonged grid constraints that remain the primary hurdle for unlocking new renewable energy investment.

Nersa's records of registered independent power projects exceed R400bn in value, and these need grid access to move forward.

> Sawem

Nersa has fallen behind on its schedule to finalise key regulatory frameworks for Sawem, which signals that its 1 April 2027 target date for its launch to external participants may be missed. The deadline for the market code has moved from 31 August to 31 October, reflecting Nersa's poor capacity to manage various rulemaking processes in addition to licensing and tariff decisions. There is also the threat of judicial review of the market code by Eskom, which has not been removed and risks further delaying the Sawem launch.

Delays are also expected in the finalisation of the wholesale price methodology and vesting contracts framework – as these are also due on 31 October 2026. But during public hearings, there were strong calls to put in place technical workshops to finalise the frameworks, given their complexity, which Nersa has underestimated.

Nersa's capability is under the microscope, and it commissioned an organisational performance assessment to align its management systems with international standards. But it will take time to implement any recommendations. It still has not filled key vacancies – including chairperson and CEO – and the three newly appointed regulators do not have any background in energy, which casts further doubt on its capacity to produce regulations that support sector reform.

This is concerning as the draft electricity pricing policy lists several frameworks that Nersa must complete in the next 12 months to support tariff reforms ahead of a competitive electricity multi-market. Nersa has requested additional budget allocations from Treasury to plug its resource gaps but this is still undecided.

> Electricity pricing policy

The revised EPP is essential to guiding tariff reform as the electricity sector transitions to an unbundled, competitive, multi-market structure.

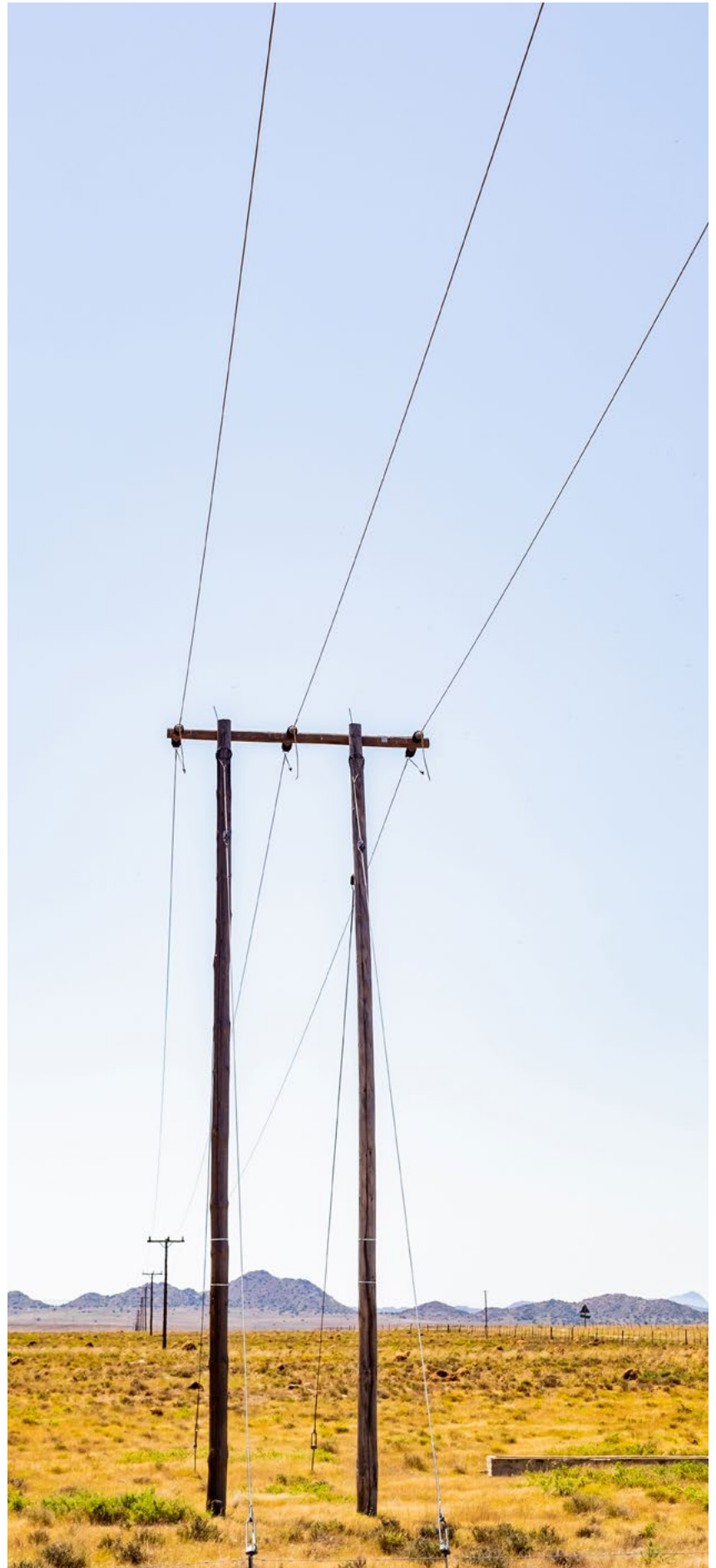
While it upholds the principle of affordability, it is silent on how to achieve a credible pathway to lower tariffs – this with electricity prices rising more than 900% since 2007, as much as five times above inflation.

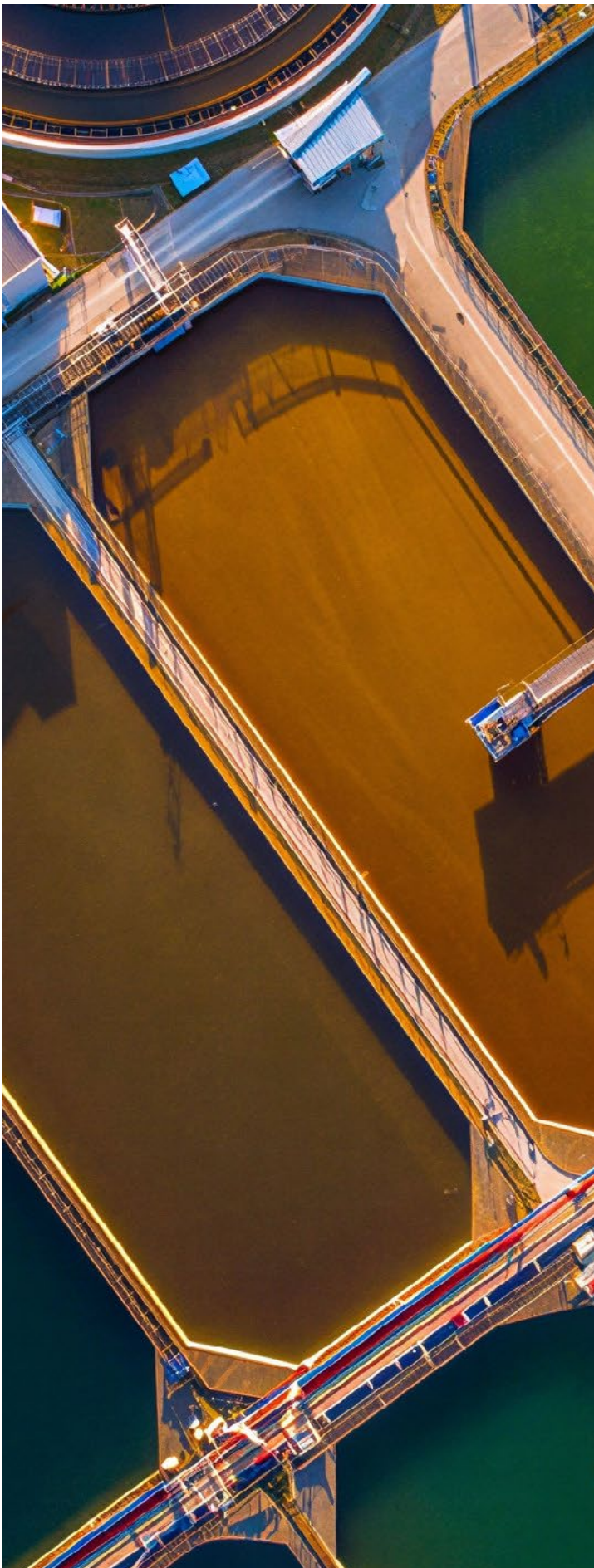
It instead leaves the bulk of the work to Nersa to set out a price outlook for the next five years.

As far as free basic electricity (FBE) goes, the pricing policy avoids Minister Kgosientsho Ramokgopa's grandstanding statements to expand the programme without explaining the funding. The draft is more measured; it makes no binding commitments, affirms the programme is to be funded through fiscal allocations and calls for a National Subsidy Framework to be developed over the next 12 months. This is a long-awaited intervention because FBE does require a separate review process, given its poor reach in the past. The policy also critically introduces a review of the FBE every two years to ensure effectiveness.

There are still questions around negotiated price agreements (NPAs), which will likely surface during the public consultation. It repeats requirements for the DEE to develop a transparent NPA application and approval process. But there is no requirement to publish the value of these agreements, leaving the transparency issue unresolved.

The consultation process is hardly going to be simple given the complexity of achieving affordability. Based on the long list of regulatory frameworks to be developed by Nersa, the policy objectives are also a long way off from implementation.





Water

President Cyril Ramaphosa launched the long-awaited National Water Action Plan (NWAP) in July, having initially scheduled it for mid-March.

The National Water Crisis Committee (Watercom), a new entity similar to the National Energy Crisis Committee, will oversee its implementation.

Broadly, the NWAP consists of five interventions to be implemented over the short, medium and long terms, with some initiatives already in progress:

- **Accelerating reforms to address the systemic causes of the water crisis.** Some of the targeted reforms include introducing a mandatory licensing system for water service providers, establishing the National Water Resource Infrastructure Agency (legislation and board already in place), ringfencing revenue from the sale of water through the Metro Trading Services Programme and establishing a water economic regulator.
- **Addressing challenges in municipalities.** Priority areas include improving wastewater treatment and water quality and restructuring Joburg Water.
- **Attracting infrastructure investment.** The Water Partnership Office and Infrastructure Fund are working to develop an expanded pipeline of opportunities for private sector participation in the sector.
- **Exploring legal & regulatory mechanisms to improve municipal service delivery.** Among the key areas is reviewing and strengthening the legal framework allowing national and provincial governments to intervene in failing municipalities.
- **Addressing corruption and criminality in the water sector.** This entails partnering with the National Joint Operational and Intelligence Structure (Natjoints) to fight water tanker mafias and the sabotaging of water infrastructure. Natjoints is an inter-departmental body responsible for coordinating joint security, safety and intelligence operations.



Visa reforms

The Department of Home Affairs made some key changes to the immigration system in the last quarter – through some low-key technical adjustments. These include an expanded Trusted Employer Scheme (TES) for phase two and the rollout of an Electronic Travel Authorisation (ETA) system for all foreign nationals who require a tourist visa to enter SA.

The government finally moved forward with the TES, a flagship initiative to attract skilled foreign talent and investment, by streamlining work visa processes for pre-vetted, accredited employers through reduced administrative requirements and faster turnaround times. The department opened the second application window between July and September 2026 and expects to notify successful applicants by October.

The second phase was initially anticipated in 2025 but was delayed. The programme's initial phase in 2023 approved 71 companies.

On a positive note, TES beneficiaries have reported faster visa processing times. Visas are now processed between five and 20 business days, compared with weeks or months before the programme's implementation. We expect the second phase to attract more applicants, as eligibility has been widened to include companies involved in strategic infrastructure projects, businesses establishing regional or global headquarters in SA and qualifying entities in the financial sector.

Another significant change is that the ETA system was officially opened more broadly in August, rather than being limited to travellers from China, India, Indonesia and Mexico. Last year, it was trialled only for delegates from these countries attending the G20 Summit and related working groups. Travellers who require a visa and are eligible for the ETA can therefore now apply digitally instead of following the traditional visitor's visa process. Applications are submitted through the department's ETA portal and require payment of an application service fee of R500.

Spatial inequality

This quarter, one deliverable in this oft-overlooked reform area made substantive progress. In July, OV's titling project and 71point4 published a title deeds backlog and transfers dashboard. We will delve into what this dashboard reveals and its implications for the broader reform area below.

OV's latest progress report also indicated some progress in public land release, with the audit of under-utilised public properties now completed. However, most of the remaining reforms are off track – the pilot subsidies slipped further, and even passenger rail, usually OV2.0's strongest performer, made little headway this quarter.

> The quantified title deeds backlog

The dashboard has been developed through the Cities Support Programme's Titling Project and draws on cadastral data overlaid with surveyor-general general plans, Deeds Office ownership records and Google footprint imagery. It puts the national title deeds backlog at 1,000,856 outstanding deeds across 223 municipalities. The data splits the backlog into two phases of the titling framework (see the figure on the next page).

- **Township establishment, 264,477 cases.** Most have a general plan, meaning erven have been surveyed, pegged and approved by the surveyor-general, but the township register has not been opened and the township remains unproclaimed (steps 3 to 4 in the figure on the next page).
- **Beneficiary administration, 736,379 cases.** The township is proclaimed and the property occupied, but transfer to the beneficiary was never finalised, whether through deceased estates, missing subsidy documentation or municipal conveyancing constraints (steps 5 to 7). This is largely an administrative-throughput problem.

The titling framework

Phase 1: Township establishment

- 1 Land legal issues**
Servitudes cleared, boundary set by subdivision or consolidation, land vested or LAA signed.
- 2 Town planning**
Land safe to occupy, layout and zoning approved, services report agreed, CoE set.
- 3 Surveyor-general**
Erven surveyed and pegged, general plan approved, GP number issued.
- 4 Township register**
Conditions certified, township proclaimed, register opened with all erven.

Phase 2: Beneficiary administration

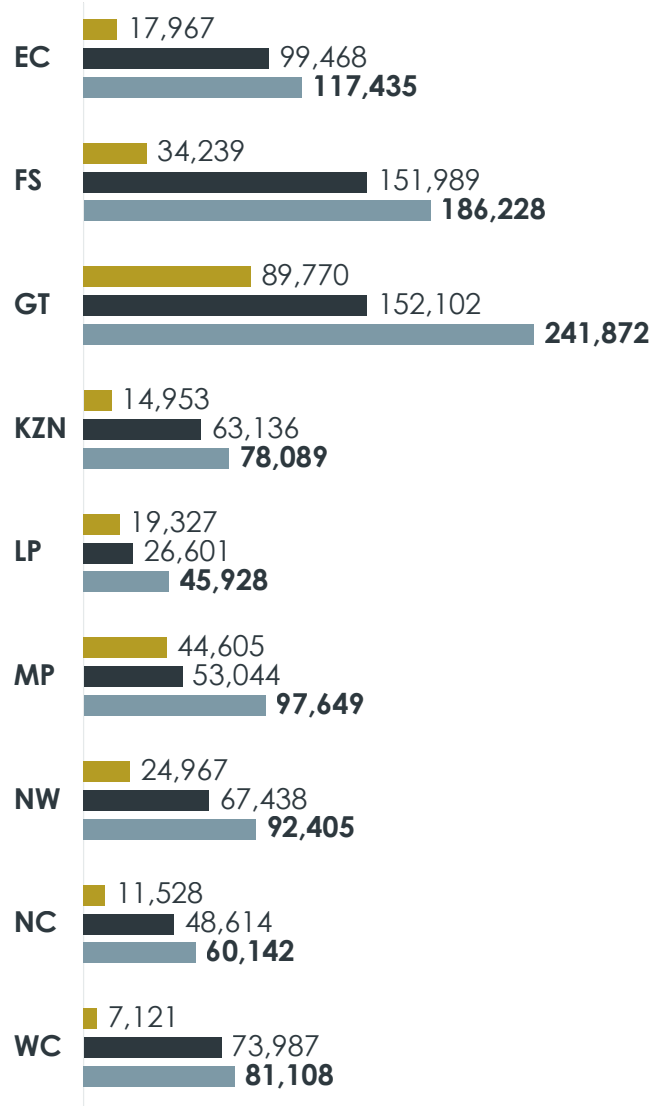
- 5 Beneficiary verification**
Rightful owner identified & confirmed. In case of death, informal transfer = regularisation. Ownership disputed = arbitration.
- 6 Transfer & handover**
Rates clearance & certificates, documents prepared, title registered in the owner's name, deed handed over.
- 7 Muni integration**
Ownership & zoning loaded to land information system, valuation roll updated, billing account activated.

Source: 71point4 (2026)

At a provincial level, Gauteng carries the largest share at 241,872 deeds – nearly a quarter (24.2%) of the total backlog. The Free State is next at 186,228, followed by the Eastern Cape with 117,435.

The backlog is highly concentrated in a relatively small number of municipalities, but the nature of the problem differs by province. The 20 municipalities with the largest backlogs account for 617,174 cases, or 61.7% of the national total, while the eight metros account for 42.7% on their own. In the Western Cape and the Free State, most outstanding deeds relate to beneficiary administration, consistent with older housing stock. In Limpopo, Mpumalanga and North West, the backlog skews towards township establishment, as newer, more rural housing delivery has outpaced the lengthy proclamation process. These are just examples of how the causes of the backlog require different solutions and cannot be addressed using a cookie-cutter approach.

Backlog per province



■ Township establishment
■ Beneficiary administration
■ Total backlog

EC: Eastern Cape; FS: Free State; GT: Gauteng; KZN: KwaZulu-Natal; LP: Limpopo; MP: Mpumalanga; NW: North-West; NC: Northern Cape; WC: Western Cape

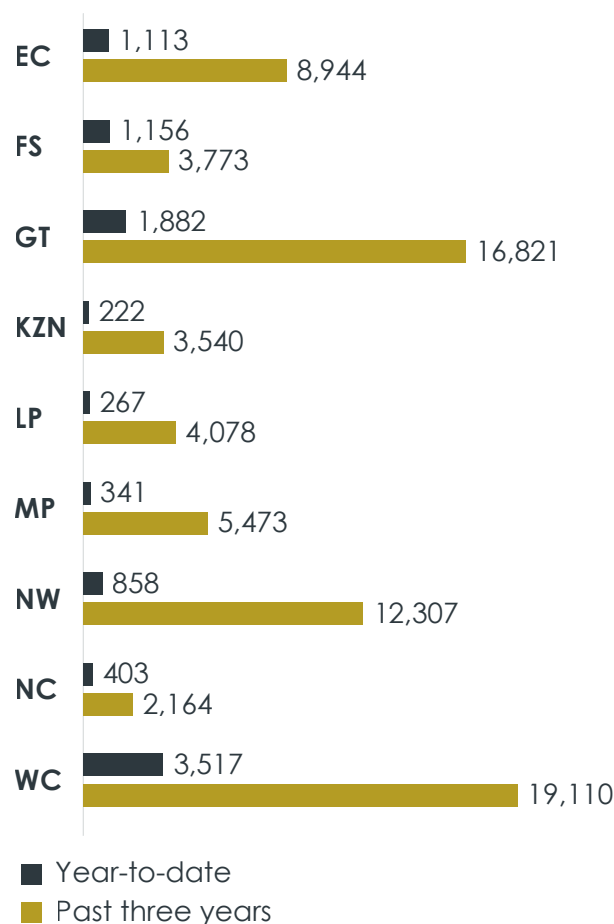
Source: 71point4 (2026)

The dashboard's transfer data is also revealing and not necessarily encouraging. The figure on the next page shows transfers per province over the past three years and year-to-date, to July 2026. Over the past three years, 76,210 transfers have been recorded, averaging 25,403 per year.

At this rate, it would take nearly 40 years to deal with the backlog.

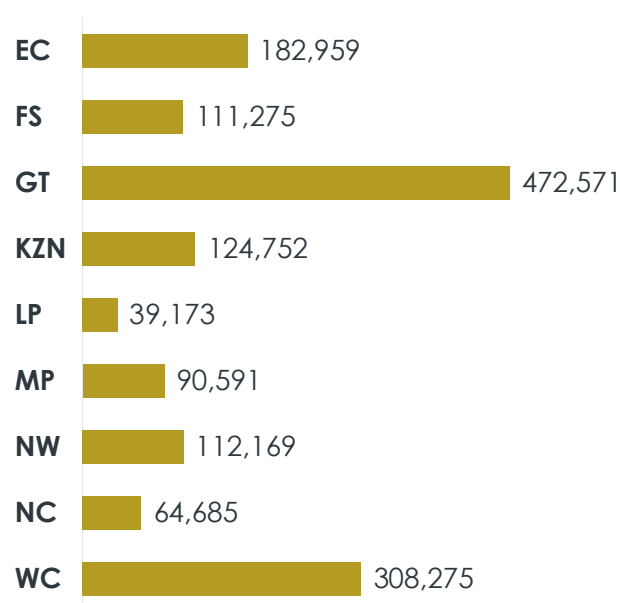
To shorten this timeline to 15 years, annual transfers would need to be more than double the current rate.

Transfers year-to-date vs past three years



Source: 71point4 (2026)

Beneficiary title deed transfers by province, 1994–2026



Source: 71point4 (2026)

The quantification of the backlog gives National Treasury, the Department of Human Settlements and provincial and municipal authorities a reference point to prioritise actions and set comparable targets. However, this needs to be backed up by meaningful action and accountability.

> Slippages elsewhere

As mentioned, the other deliverables in this reform area slipped, as OV's latest progress report confirmed. Design work on the two pilot subsidies – demand-side rental and capital – has been pushed to December 2026, with pilot-scale introduction moved to the next financial year (2027/28). While passenger rail has seen the most progress in OV phase II, Q3 has been quiet. Public consultation on the National Rail Master Plan closed in Q3, and it is unclear how it will progress the devolution deliverable. Corridor restoration held at 35 of 40, with the remaining ones presenting significant complexities. Most of these are in KwaZulu-Natal and involve infrastructure owned by Transnet rather than Prasa. In Cape Town, reopening the closed corridor would require relocating 5,195 households through processes Prasa does not control, including land acquisition, expropriation and municipal land-use approvals.

> Outlook

We could see the planned township establishment and beneficiary verification pilots in Ekurhuleni and Johannesburg in Q4, as they are scheduled for October. However, there is little information on their scope, targets or funding. Furthermore, the public land asset registry could also come online alongside more detailed plans for a proposed model to release priority properties. The Department of Human Settlements is due to complete the design of demand-side and capital subsidies by December, but introduction has already shifted to 2027/28. Beyond these milestones, prospects for tangible progress remain limited: no timetable exists for passenger-rail devolution, no national land-release model has been published and no package of housing-regulation reforms has been gazetted.

Cyber resilience

The main objective of this reform is to strengthen the management of cyber risks and responses to such incidents in the financial sector. Given the rapid development in information technology – particularly artificial intelligence (AI) – cyber security has become an important global issue and in line with global standards, South Africa is enhancing its regulatory frameworks.

Developments in AI have resulted in a heightened level of urgency to the risk of cyber attacks. As noted by SARB in its Financial Stability Review, AI raises risks to financial stability by making it easier for hackers to launch attacks and exploit vulnerabilities.

Cyber resilience increasingly focuses on financial institutions' ability to continue operating and protect critical data while contending with cyber attacks.

An extended failure in bank systems can quickly result in loss of confidence in the wider financial sector.

On this basis, South Africa has been prudent in implementing a regulatory framework to address these issues. Joint Standard 2 of 2024 on cybersecurity and resilience took effect on 1 June 2025. This requires financial institutions to maintain processes to manage cyber risks and to respond to and recover from such issues.

From 1 September 2026, financial institutions subject to the joint standards must use a common template issued by the Prudential Authority (PA) and Financial Sector Conduct Authority (FSCA) to report material IT and cyber incidents to the relevant regulator.

Events in Q3 2026 highlighted the importance of cybersecurity progress. In August, Financial Stability Board (FSB) chair Andrew Bailey cautioned G20 finance ministers that AI-driven cyber risks are now one of the most significant threats to global stability. He noted that many countries still lack adequate systems to manage the deployment of advanced AI in finance. This is a serious concern, given that the global economy is becoming more reliant on IT developments.

This warning has direct implications for South Africa. SARB's June Financial Stability Review (FSR) notes that cyber risk has shifted from random, non-consequential incidents to persistent, ongoing threats.

Momentum for a new standard appears to be building but financial institutions must demonstrate resilience in practice when cyber attacks occur. They must limit the impact, maintain essential services and protect consumers and market confidence.

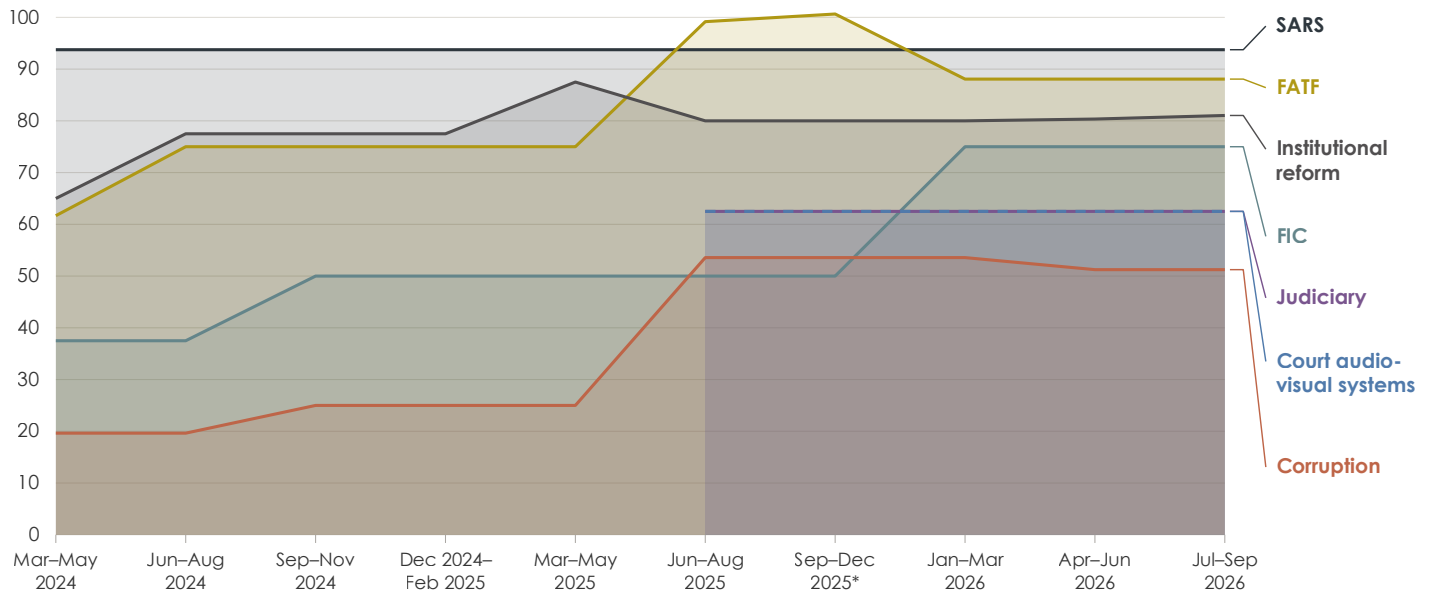
Banks are increasingly reliant on frameworks they do not fully control, with systems connected to outsourced services such as payments and other data providers. Disruptions at one or more of these services can potentially interrupt banking services, even if the bank's own networks have not been directly attacked. Therefore, while third-party services should be integrated with banking services, this must be done prudently to protect customers effectively.

This is critical particularly in payment systems. Cyber attacks on such networks may affect both retail and institutional clients, which could result in uncertainty on various transactions. This is when operational incidents potentially turn into a loss of confidence in the wider market.

South Africa's payment ecosystem modernisation (PEM) makes the issue even more important, particularly with the system opening to non-bank players such as fintechs. More efficient payments will likely lower costs and increase access; however, this also means cybersecurity must become more effective and be designed within the new framework.

Criminal justice reforms

Criminal justice reform completion index



* Sep-Dec 2025 covers four months

The lack of movement in this category of reforms is a concern on two fronts: the Financial Action Task Force's (FATF's) assessment of South Africa, and inadequate government measures on anti-corruption.

The FATF began its Fifth Round Mutual Evaluation of South Africa in mid-2026, following the country's removal from the grey list in October 2025. SA successfully addressed the FATF's 22 items, the most challenging relating to state capture legacies, particularly weak law enforcement and prosecution capacity for complex crimes and money laundering. One requirement was to demonstrate a sustained increase in investigations and prosecutions of money laundering networks.

The country was always going to be vulnerable in this current assessment round. And given the disclosures at the Judicial Commission of Inquiry into Criminality, Political Interference and Corruption in the Criminal Justice System (Madlanga commission), this is likely to be an area of focus for the FATF.

In June, acting director-general of National Treasury Ismail Momoniat warned parliament's Standing Committee on Finance that the country's ability to investigate organised crime, prosecute and recover criminal assets could come under scrutiny if law enforcement weaknesses persisted. In a Financial Mail interview, he said FATF evaluations get progressively tougher, and that "we've seen corruption rise again after state capture, and this needs to be dealt with speedily".

Momoniat, who led South Africa's campaign for removal from the grey list, warns that

"if we do poorly in the mutual evaluation, it will just reinforce the reality that our systems are not working. We need to drastically improve them so they can deal with crime, and organised crime in particular."

Last quarter, we "halted" tracking the Zondo commission recommendation to establish a national anti-corruption charter. This deliverable has made no progress since tracking began, and it is clear the government lacks the will to see it through.

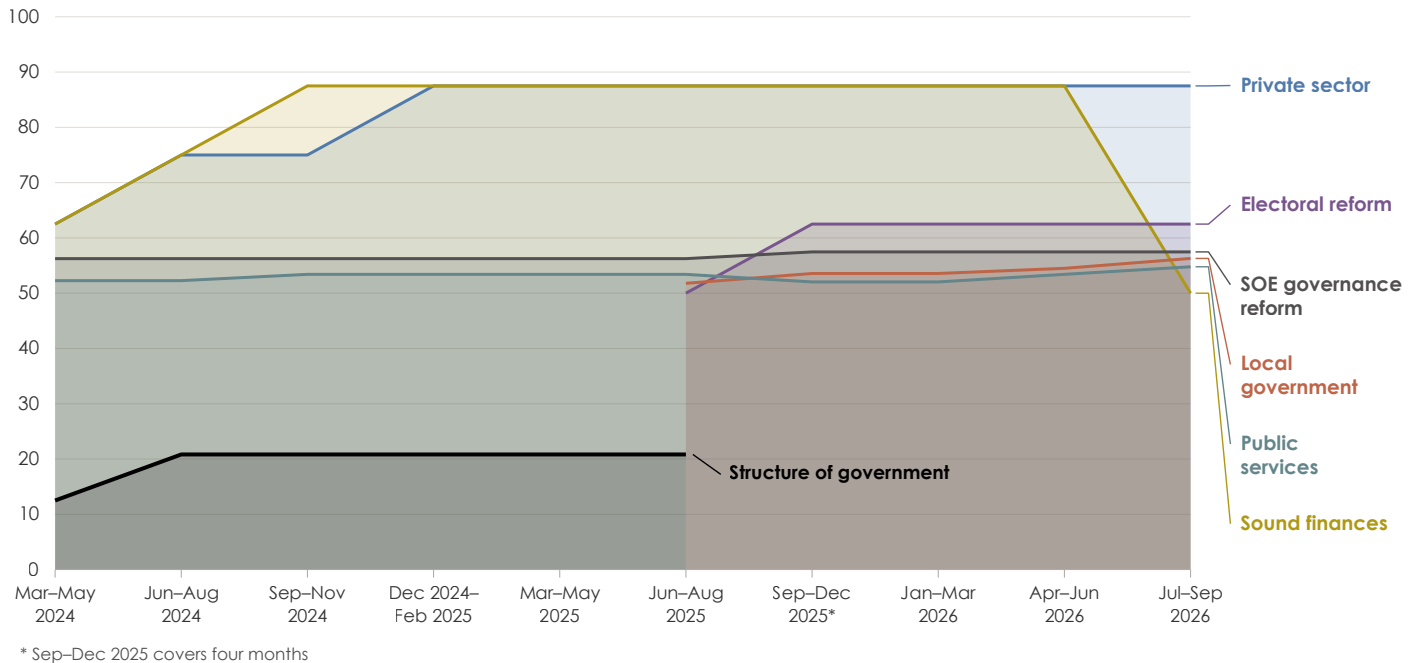
The Madlanga commission's two interim reports, submitted in December 2025 and May 2026, recommended criminal investigations and disciplinary action against police officials.

Several law enforcement officials have since been arrested and charged, already reflecting more progress than Zondo's recommendations.

The commission is scheduled to submit its final report to President Cyril Ramaphosa on 25 January 2027. We will include its recommendations as a new reform area in the tracker, but timing is a concern for the FATF assessment. Even if the report is released publicly before the FATF reaches its decision, time to implement the recommendations will be limited. This makes the lack of progress on Zondo's anti-corruption recommendations more concerning.

Governance reforms

Governance reform completion index



Public service professionalisation

President Ramaphosa finally signed the Public Service Commission (PSC) Bill into law on 15 September 2026, and it will come into operation on a date fixed by the president by proclamation in the Government Gazette. This act was the last remaining piece of legislation, alongside the Public Service Amendment Act (2025) and the Public Administration Management Amendment Act (2025), related to the public sector, aligned with the National Framework towards the Professionalisation of the Public Sector of 2022. The legislation gives the PSC greater powers to oversee and professionalise the public service in local government and state-owned entities. Previously, its focus was on national and provincial government.

Under its expanded mandate, the commission will play a more active role in monitoring personnel practices and organisational structures. However, its limited capacity remains a concern and could undermine its effectiveness and credibility, especially given the scale of overseeing more than 250 municipalities. This is a complex sphere of government and will be the biggest test for the commission to address its long-standing weaknesses in addressing incompetent governance.

To avoid being set up for failure, the PSC will therefore need adequate resources, including funding, infrastructure and personnel, to take on these responsibilities.

Appendix

Analysis and research process

This report covers a three-month period, July - September 2026.

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

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 policymakers 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.

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.

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).

Quarterly updates

Each reform window on the BLSA Reform Tracker website reflects a “last updated” date; this reflects the date on which the analyst checked for progress. Similarly, the “next update due” date reflects when the analyst will next check for any progress if none has been announced up to that point.

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 74.6%, criminal justice accounts for 10.5% and governance represents 14.9%. These weighted reform scores combine to produce the overall phase scores for both the main reform areas as well as for the sub-reform 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.

How we calculate the rebased progress index

The problem

Each quarter, we track a set of reform deliverables and score each one on how close it is to completion (0-100%). To understand whether reform progress is improving, we need to compare average scores from one quarter to the next. But the list of deliverables isn't static. New reforms get added over time – for example, 160 deliverables were tracked from March 2024 to May 2025, but by June 2025 the list had grown to 238.

New deliverables typically start with lower scores because they're earlier in their lifecycle.

If we simply averaged all deliverables each quarter, the overall score would drop whenever new items were added – not because progress stalled, but because we changed what we were measuring. This makes it impossible to tell real progress apart from changes in scope.

Solution

We use a technique called chain-linking (the same method used in retail same-store-sales analysis and inflation indices). The principle is simple: When comparing one quarter to the next, only count deliverables that existed in both quarters. Here's how it works step by step:

1. Start with Quarter 1. Take the average score of all deliverables present – this becomes our baseline (eg, 56.4%).
2. Move to Quarter 2. Identify the deliverables that exist in both Q1 and Q2 (the "common set"). Calculate the average score of this common set in Q1 and again in Q2. The ratio between them tells us the true rate of progress – unaffected by any additions or removals.
3. Update the index. Multiply the previous quarter's index value by that ratio to get the new value.
4. Repeat for each subsequent quarter.

A worked example

Method	Q1	Q2	Interpretation
Simple average (all deliverables)	50%	46.90%	Looks like regression
Chain-linked (common set only)	50%	55%	Shows real progress

The simple average is dragged down by the new low-scoring items. The chain-linked index correctly shows that existing reforms advanced by 10%.

What the numbers mean

Each value in the index represents relative progress from the starting period. The base quarter (Mar-May 2024) is anchored at the actual average completion score of deliverables present at that time. Subsequent values show how much progress has been made on a like-for-like basis relative to that starting point.

Because the index is chain-linked from the base period average, it can exceed 100 as reforms advance. A value above 100 does not mean all reforms are complete – it means the like-for-like average has risen above the base period level. The index should be read as a measure of relative progress over time, not as a percentage toward completion.

Where this is applied

The index is calculated at three levels of the reform hierarchy:

- Reform type (economic, criminal justice, governance)
- Reform area (eg, electricity, freight logistics, FATF)
- Individual reform (eg, pathway to electricity markets, transmission reform)

At every level, the same like-for-like principle applies: each quarter's change reflects only genuine progress among items that were measured in both periods.

Disclaimer

The opinions or recommendations contained in this report and the BLSA Reform Tracker website represent the true views of the analysts responsible for preparing the report. Krutham believes all content in this report and the BLSA Reform Tracker website contain accurate information and is up to date, but BLSA and Krutham cannot be held responsible for any incorrect information. The analysts' remuneration is not affected by any opinions or recommendations contained in this report.

The information contained in this report is based on sources that Krutham believes to be reliable, but Krutham makes no representations or warranties regarding the completeness, accuracy or reliability of any information, facts, estimates, forecasts or opinions contained in this document. The information and opinions could change at any time without prior notice.

Krutham may have, or be seeking to have, a consulting or other professional relationship with the organisations, companies, sovereigns or individuals mentioned in this report. A copy of Krutham's conflicts of interest policy is available on request by emailing mail@krutham.com. Relevant specific conflicts of interest will be listed here if they exist.

The BLSA Reform Tracker may include content generated with the assistance of artificial intelligence (AI) tools, which may have been used to enhance efficiency, streamline data analysis and support insights. Krutham remains responsible for the content and we have assessed any AI output to determine that it is accurate.

© 2026. All rights reserved. The BLSA Reform Tracker content, reports and other material are copyrighted to Business Leadership South Africa. The research and models are copyrighted to Krutham SA (Pty) Ltd.

BLSA Reform Tracker project team

The tracker engine was developed by Krutham directors **Peter Attard Montalto** and **Stuart Theobald**. Individual Krutham analysts update each reform category:

Lameez Hyman: 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 Kambadza: 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.

BLSA Member Survey: **Thembi Khumalo**

Project manager: **Stuart Theobald**

Editor: **Colin Anthony**

Website manager & co-ordinator: **Woodman Hurford-Maphalala**

Data analyst: **Tinashe Kambadza**

Publication design: **Roline Pretorius and Asanda Buthelezi**

Web development: **Laurence Tuck**