

OPERATION VULINDLELA

Supporting
the Implementation
of Priority Structural Reforms



FACT SHEET

Operation Vulindlela Phase II

Operation Vulindlela Phase II accelerates reforms to **unlock growth, attract investment and create jobs** – building a more inclusive and resilient South African economy.

This fact sheet outlines the priorities, progress and impact areas driving the next phase of structural reform.



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA



WHAT IS OPERATION VULINDLELA AND WHY DOES IT MATTER?

South Africa's economy has struggled to grow fast enough to create jobs and shared prosperity. In response, Operation Vulindlela was launched in October 2020 by the Presidency and National Treasury to fast-track structural reforms.

Phase I focused on 35 priority reforms across five key areas: energy, logistics, telecommunications, water and the visa system. A dedicated Vulindlela Unit was set up to monitor progress and provide support to implementing departments and agencies based on four key functions:

1



DETERMINING PRIORITIES...

...and translating political objectives into actionable strategies.

2



TRACKING PROGRESS...

...through collecting, analysing and reporting on performance data.

3



INVESTIGATING AND INTERVENING...

...to solve problems where progress is off track.

4



PROVIDING HIGH-QUALITY INFO...


...to political principals to empower decision-making and intervention.

WHAT WAS ACHIEVED IN PHASE I OF OPERATION VULINDLELA?

Significant progress was made in OV Phase I to tackle key barriers to growth. Once fully implemented, these reforms will help reduce load shedding, improve logistics, lower data costs, enhance water supply and attract critical skills.

Key achievements include:


1



94%

Number of reforms completed or progressing well


2



R500 billion

New investment unlocked through reforms


3



22 500 MW

Pipeline of private investment in renewable energy projects


4



51%

Reduction in the cost of data for a 1.5 GB bundle

5



90

Number of days to obtain a water use license, down from 300

PRIORITIES FOR OPERATION VULINDLELA PHASE II



1 Transform the electricity sector to achieve energy security

While load shedding has eased, further reforms are essential to ensure affordable, reliable and low-carbon energy. Phase II will complete Eskom's restructuring, establish an independent Transmission System Operator, introduce a competitive electricity market and streamline regulations. Investment in transmission and distribution will support a stable and sustainable energy future.

Priority Reforms

1. Complete Eskom restructuring
2. Establish a wholesale market for generation
3. Streamline the regulatory framework
4. Reform the electricity distribution industry
5. Strengthen and expand transmission infrastructure



2 Create a world-class logistics system to support export growth

Fixing South Africa's struggling logistics system is key to unlocking growth, trade and jobs. Phase II will advance reforms through Transnet's restructuring, open rail access and the creation of independent port and rail authorities. Private sector investment will be mobilised via a dedicated PSP Unit, while a Transport Economic Regulator will ensure fair infrastructure access. The National Rail Bill will establish the legal foundation for a competitive rail sector.

Priority reforms

1. Complete Transnet restructuring
2. Enable open access to the freight rail network
3. Bring in private sector participation in ports and rail
4. Establish Transport Economic Regulator
5. Finalise the National Rail Bill



3 Ensure a reliable supply of quality drinking water

As a water-scarce country, South Africa faces growing risks due to historic underinvestment in infrastructure. Phase II will introduce a National Water Action Plan, backed by institutional reforms and a dedicated coordination model. Key actions include establishing the National Water Resources Infrastructure Agency and Catchment Management Agencies, continuing the implementation of the Revised Raw Water Pricing Strategy and supporting the Water Partnerships Office (WPO). Governance will be strengthened through the amending the Water Services Act and an independent water regulator.

Priority reforms

1. Develop and implement a National Water Action Plan
2. Implement institutional reforms to improve the management of water resources
3. Strengthen the regulation of water service provision
4. Support the introduction of private sector participation in the water sector through the Water Partnerships Office and PPP Unit



4 Reform the visa system to attract skills and investment

To attract critical skills and boost tourism, Phase II will implement a Points-Based System for work visas and operationalise the Remote Work Visa. This will allow visa holders to stay in South Africa for up to 12 months while working for a foreign-based employer. The Trusted Employer Scheme will be expanded to support major investors and an Electronic Travel Authorisation system will streamline tourist visa processing. These reforms aim to make South Africa a more competitive destination for global talent and business. Improved visa efficiency will also enhance the country's appeal to international travellers and investors.

Priority Reforms

1. Reform the work visa system to attract skills and investment
2. Streamline the tourist visa system to grow tourist arrivals

PRIORITIES FOR OPERATION VULINDLELA PHASE II - cont



Strengthen local government and improve the delivery of basic services

Many municipalities are failing to deliver essential services such as water and sanitation, electricity, roads and waste collection. Phase II will focus on improving service delivery and infrastructure investment by adopting a robust utility model for water and electricity services, led by professional, standalone utility companies. Key reforms include professionalising municipal administrations through competent senior appointments, reviewing the structure of local government and updating the fiscal framework and funding model to ensure sustainable service delivery.

Priority reforms

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



Create dynamic and integrated cities to enable economic activity

Spatial inequality, rooted in apartheid and colonialism, remains a major obstacle to growth and job creation in South Africa. Phase II will revitalise PRASA's passenger rail network. Additionally, it will shift housing policy from building large, low-density, peripheral settlements to an integrated urban development approach. Government will also accelerate the release of public land for affordable housing, clear the title deeds backlog, and review regulations to support low-cost housing development.

Priority reforms

1. Restore passenger rail services
2. Strengthen high-density, demand-led housing
3. Release public land and buildings for affordable housing
4. Clear title deeds backlog and simplify titling system
5. Review regulations to enable low-cost housing



Harness digital public infrastructure as a driver of growth and inclusion

South Africa has an opportunity to adopt a coordinated, delivery-focused approach to using technology to improve services and foster

inclusion. To harness the country's strengths in the digital sector, a Digital Transformation Roadmap will be implemented. Linked databases will enable better service delivery and targeting of social programmes. Government will also create a single digital platform to access services and information, improving efficiency and accessibility for all.

Priority reforms

1. Implement a Digital Transformation Roadmap
2. Roll out secure digital identity systems
3. Link data for better services and policymaking
4. Modernise payment systems
5. Create unified digital service channels

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