



## **TERMS OF REFERENCE FOR A SOLICITED WRC PROJECT**

<b>THEME</b>	<b>Water Availability</b>
<b>TITLE</b>	<b>Revision of guidelines for compulsory licensing</b>
<b>TOR NUMBER</b>	<b>1010039</b>

### **Rationale**

The National Water Act (NWA) enables the Minister of Water and Sanitation to initiate a process of compulsory licensing to review, reallocate, or confirm existing water use entitlements in a particular area. Sections 43-48 of the NWA set out the framework and triggers for compulsory licensing. These include areas where the demand for water exceeds, or will soon exceed, the available supply, or where it is necessary to protect the quality of water resources. Compulsory licensing also provides a mechanism for reviewing and addressing inequalities that exist in how water is allocated between existing users, or to make provision for the entrance of new users.

Ultimately, it provides a tool for the Minister to facilitate more efficient water resource management and use, protect the quality of water resources, and address problems of over-allocation and inequitable allocation. This enables the country's limited water resources to be allocated in a way that redresses race and gender inequalities, addresses poverty, generates economic growth, creates jobs, promotes social stability and stimulates investor confidence.

The three compulsory licensing processes concluded to date have proven to be costly and complex to implement. There is a need to examine how the process can be expedited and simplified within the parameters set down in the NWA. There is an equally strong need to examine how to enhance the transformative outcomes of compulsory licensing as a tool for bringing about more equitable sharing of water resources. Some level of consistency and standardisation is required in how compulsory licensing is approached in different parts of the country. Potential exists for the introduction of innovation in aspects including process automation and the participatory dimensions of compulsory licensing.

The Water Research Commission (WRC) is working with the Department of Water and Sanitation (DWS) to accelerate the implementation of compulsory licensing. The scope of work outlined in these terms of

reference focuses on further development of the knowledge base on good practice for compulsory licensing. In particular, the existing draft guideline<sup>1</sup> needs to be reworked and expanded to include the topics listed in Appendix 2 of the guideline, along with any other emerging issues.

The process for updating the guidelines should be consultative and iterative, involving key stakeholders, especially DWS and Catchment Management Agencies. It will be particularly important to work closely with DWS, as the owner of the current guidelines and any future updates.

## **Objectives**

### ***General***

Further develop the guidelines for compulsory licensing

### ***Specific***

1. Gather and synthesise published and unpublished knowledge and experience necessary to address the topic list appended to the draft guidelines
2. Identify and fill any remaining gaps in the guidelines
3. Adopt a participatory approach to the development of the guidelines
4. Produce a print-ready set of guidelines for compulsory licensing

## **Deliverables**

The following deliverables are indicative and may be tailored to suit the proposed approach:

1. Inception report, including detailed project workplan and final list of issues to be addressed by the guidelines
2. Updated draft guidelines for consultations with stakeholders
3. Workshops and other mechanisms for stakeholder involvement
4. Final print-ready guidelines, including all necessary editing and design

## **Notes:**

1. Proposals must be submitted online via the WRC [Business Management System](#) (BMS). A user guide to BMS is available [here](#). For technical queries regarding BMS, contact [bms-support@wrc.org.za](mailto:bms-support@wrc.org.za). **Closing date for submission of proposals is 16:00 on 12 August 2025.**

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<sup>1</sup> Accessible at [1573 Deliverable 6 Draft CL Guide.pdf](#)

2. Prior to capturing a proposal on BMS, proposers should familiarise themselves with the [guidelines for submission of research proposals](#). Please take note of the section in the guidelines on budgeting.
3. Project team composition must reflect the full range of experience and skills necessary to undertake this assignment. Proposals must include the details of all team members, their experience and expertise relevant to this assignment and their role in the project.
4. Contact person for enquiries on these terms of reference: John Dini ([johnd@wrc.org.za](mailto:johnd@wrc.org.za))

**Time Frame:**

Planned project start date: 1 November 2025

Duration: 8 months

**Total Funds Available:**

R500,000 including VAT