



TERMS OF REFERENCE FOR A SOLICITED WRC PROJECT

THEME	Water Availability
TITLE	Decision support tool for prioritising catchments for compulsory licensing
TOR NUMBER	

1. Rationale for the Study

The National Water Act (NWA) provides for a mechanism of compulsory licensing to enable the Minister of Water and Sanitation to initiate a process 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. As a result, it is important for a careful process of prioritisation to be followed to determine where limited resources should be deployed to do compulsory licensing. In line with the criteria outlined in the NWA, there is also a need to be able to show how a decision to initiate compulsory licensing in a particular catchment was made.

The Water Research Commission (WRC) is working with DWS to accelerate the implementation of compulsory licensing. The scope of work outlined in these terms of reference focuses on developing a consistent, transparent, data-driven approach to identifying priority catchments for compulsory licensing. This work should take account of and potentially build on preparatory work that has been done previously on this subject¹.

The process for developing the approach 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 custodian of the compulsory licensing mechanism.

2. Main Objective

Develop a decision support tool to assist in prioritising catchments for compulsory licencing

Specific Objectives

1. Develop a suitable approach and identify the sources of data necessary to implement the approach
2. Adopt a participatory approach to the development of the tool
3. Apply and test the tool to generate a preliminary list of catchments that should be prioritised for compulsory licensing

3. Deliverables

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

1. Inception report, including detailed project workplan
2. Draft tool and data for consultations with stakeholders
3. Workshops and other mechanisms for stakeholder involvement
4. Final print-ready report and tool, including all necessary editing and design

Time Frame:

Planned project start date: 1 April 2026

Duration: 12 months

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

Total Funds Available:
R1,000,000 including VAT