



**CERTIFICATE
OF
FINANCIAL IMPLICATIONS**

(Made under S.76 of the Public Finance Management Act, 2015)

THIS IS TO CERTIFY that **DRAFT PRINCIPLES TO AMEND THE BUILDING CONTROL ACT, 2013, CAP 136** has been examined and I wish to report as follows:

A) That the Bill has the following objectives:

The main objective of the Bill is to enhance the performance of the National Building Review Board (NBRB). The specific objectives of the Bill are as below:

- i) Streamline the functions of NBRB and other Industry implementing entities like the Building Committees for effective implementation and enforcement of building control activities.
- ii) Strengthen the enforcement mechanisms of approval of plans, quality assurance and inspection of buildings.
- iii) Promote certification and adherence to building standards.
- iv) Incorporate emerging and contemporary issues so as to conform to international best practices.
- v) Consolidate, and harmonize the existing legal and regulatory framework in the built environment with national, regional and international policy, legal and regulatory frameworks.
- vi) Provide a framework for enforcement of Building Control Act.

B) That it is expected to achieve the following major outputs:

The Bill provides for amendment of several sections under the Building Control Act, 2013. The amendment is aimed at achieving the following outputs:

- i) The functions of NBRB and other Industry implementing entities like the Building Committees for effective implementation and enforcement of building control activities streamlined.
- ii) The enforcement mechanisms of approval of plans, quality assurance and inspection of buildings strengthened.
- iii) Certification and adherence to building standards promoted.
- iv) Conformation to international best practices in-order to incorporate emerging and contemporary issues.
- v) The existing legal and regulatory framework in the built environment with national, regional and international policy, legal and regulatory frameworks consolidated and harmonized.
- vi) Framework for enforcement of Building Control Act provided.

C) Funding and budgetary implications

The direct annual expenditure cost arising from the Draft Principles to Amend the Building Control Act, 2013 is **UGX 13.2 billion**. In terms of revenue generation, the amendment of the Bill will result in increased revenue generation to government of through; Rollover of BIMS across the Local Government Authorities; and Collection of Non-Tax Revenue through express penalties based on the new fines to be included in the amended Building Control Act, 2013 as summarized in Table 1.

Table 1: Medium term revenue and expenditure projections FY 2024/25-2026/27

EXPENDITURE	2024/25 UGX Bn	2025/26 UGX Bn	2026/27 UGX Bn
NBRB Administration (Including Wage and Non-Wage recurrent Expenditure)	9.200	9.200	9.200
Construction of the National Building Research Centre (NBRC)	2.000	2.000	2.000
Investigation tools and equipment: <i>"These are tools and equipment used in the laboratory to test construction material"</i> .	0.380	0.380	0.380
Building Industry Management System (BIMS) ICT equipment. <i>"The Building Industry Management System (BIMS) is already in place. However, there are ICT equipment i.e. computers, printers and Internet connectivity required for deployment of BIMS in all the Local Authorities"</i> .	0.720	0.720	0.720
Other Capital expenditure for operations, including: i). <i>Procurement of Furniture and fixtures;</i> ii). <i>Procurement of ICT equipment for new staff: These are ICT equipment for NBRB staff;</i> iii). <i>Procurement of a Mobile Laboratory to enhance compliance;</i> iv). <i>Repair and maintenance of ICT equipment; and</i> v). <i>Repair and maintenance of motor vehicles among others</i>	0.900	0.900	0.900
Total Expenditure (A)	13.200	13.200	13.200
REVENUE	2024/25 UGX Bn	2025/26 UGX Bn	2026/27 UGX Bn

EXPENDITURE	2024/25 UGX Bn	2025/26 UGX Bn	2026/27 UGX Bn
Non-Tax Revenue (NTR) generated through BIMS	8 083	10.200	12.500
Non-Tax Revenue (NTR) generated through Express Penalties	12.690	12.690	12.690
Total Revenue (B)	20.773	22.890	25.190
Net Revenue (B-A)	7.573	9.690	11.99

It is anticipated that the costs of the Bill will be accommodated within the existing Medium-Term Expenditure Framework ceiling.

Given that the total expenditure arising from implementation of the Bill is **UGX 39.60 billion** and the total revenue projection is **UGX 68.85 billion** over the medium term, the Bill will therefore, yield net revenue of **UGX 29.25 billion** to Government over the period.

D) Impact on the Economy

The Bill will result in a well-regulated Building sector which will improve professionalism and reduce infrastructure risks. It also has the potential to attract investment and encourage innovation, thereby leading to economic growth and technological advancement.

Submitted under my hand this ^{29th} day of January, 2025.

Matia Kasaija (M.P.)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Received by

Date