

**The Construction Industry  
Registration Proclamation  
No ..... /2013**

Final Draft

## **The Construction Industry Registration Proclamation No ..... /2013**

Whereas the construction industry plays an indispensable role for the economy of the country by alleviating poverty, providing physical infrastructure and vast opportunity for employment,

Whereas large public sector spending and private investment on construction works are required to be carried out by responsible and qualified professionals and organizations that ensure effective and economic utilization of resources with quality and timely delivery.

Whereas it is desirable to enforce professional ethics and discipline, to prevent impropriety that could harm the healthy development of the sector.

Now therefore in accordance with article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follow.

### **Chapter One** **General**

#### **1. Short Title**

This proclamation may be cited as “the Construction Industry Registration” proclamation no ...../2013

#### **2. Definitions**

A. In this proclamation unless the context requires otherwise;

- 1/ “Applicant” means a professional and organization who desires to engage in construction or **related construction works** and submits an application to acquire a certificate of competence.
- 2/ “Business License” means a business license duly issued in accordance with Commercial Registration and Business Licensing Proclamation No. 686 /2010.
- 3/ “Certificate of competence” means a certificate issued for a person who has met the educational level, manpower, office provision and equipment required under this and Commercial registration and business licensing proclamations, regulations and directive in accordance with this proclamation.

- 4/ "Contractor" means a person or organization who undertakes to execute and complete construction.
- 5/ "Construction" means a provisions of combination of goods and services carried out under or over ground for the development, extension, installation, repair, maintenance, renewal, renovation, alteration, excavation, dismantling or demolition of a fixed asset including building and engineering infrastructure.
- 6/ "Related Construction work" means related construction works, services or supplies used for constructions by persons engaged in the import, export, wholesale, trading and lease of construction inputs and equipments.
- 7/ "Consultant" means an individual or organization that provides feasibility study design, supervision and contract administration services on construction.
- 8/ "Ministry" and "Minister" means the Ministry and the Minister of Urban Development and Construction, respectively.
- 9/ "Organization" means a commercial entity engaged in construction and related construction works and established as sole proprietor or business organization.
- 10/ "Person" means natural or legal person.
- 11/ "Project" means a construction work contract or series or related construction contracts.
- 12/ "Professional" means qualified person in engineering, architecture and other specialty of construction works.
- 13/ "Register" means a register of professional, organization and project.
- 14/ "Registered professional" means a person registered after having satisfied the various requirements specified under this proclamation.
- 17/ "Registration" means the record containing entries of the names and other particulars of the Construction Professionals, Contractors related construction works who are qualified to be registered as provided for in this proclamation.

B. Any expression in the masculine gender includes the feminine and Organization.

### **3. Objective**

This proclamation has the objective of:

- 1/ Ensuring the establishment of a scheme for the transparent and accountable registration and certification of professionals, related construction works and organization engaged in construction.
- 2/ Promoting the contribution of the construction sector in meeting the national demand for improved efficiency and effectiveness, uniformity quality performance and delivery.
- 3/ Establishing a system for the application of best practices aimed at continuous improvement and follow up in the performance of the construction works to private and public sector clients by professionals, contractors, related construction works and other stakeholders.

### **4. Scope of Application**

This proclamation shall apply;

- 1/ On professionals and
- 2/ Organization engaged on construction and related construction works.

### **5. Registering body**

The establishment, detailed structure, duties and responsibilities of a registering body that shall carry out the duties and responsibilities provided under this proclamation and the regulations to be issued shall be determined by a regulation.

## **Chapter Two** **Certificate of Competence**

### **6. Obligation to Acquire Certificate of Competence**

- 1/ **Notwithstanding any provision to the contrary**, no professional or organization shall engage in any construction unless he obtained a certificate of competence issued in accordance with this proclamation.

- 2/ No business license may be issued to a professional or organization engaged in any c related construction works unless he acquire a certificate of competence.
- 3/ Any person who desire to employ a professional or organization on construction or related construction works shall before entering in to a contract shall ensure that the professional or organization posses valid certificate of competence and business license.
- 4/ Notwithstanding sub article (1), (2) and (3) of this article, the Minister may by a directive to be issued under this proclamation provide dispensation for certain kinds of construction.

#### **7. Category and Grade of Certificate of Competence**

A certificate of competence may have different category and grade for each professional and organization.

#### **8. Types of Category and Grade**

- 1/ There shall be different categories and grades of contractors under the following sectors:
  - (a) Building
  - (b) Road
  - (c) Railway
  - (d) Power
  - (e) Water and
  - (f) Other sub-sectors for specialized contractors to be prescribed by regulations.
- 2/ There shall be different categories and grades of consultants under the following sectors;
  - (a) Building;
  - (b) Road
  - (c) Railway
  - (d) Power
  - (e) Water and
  - (g) Other sub-sectors for specialized consultants to be prescribed by regulations.
- 3/ There shall be different categories and levels of professionals;

- (a) Building;
- (b) Road
- (c) Railway
- (d) Power
- (e) Water and
- (h) Other Contractors or professionals in specialized sub-sectors to be prescribed by regulations.

4/ The requirements for the type of category, grade and level may be determined by a regulations to be issued in accordance with this proclamation.

5/ A professional or an organization may have one or more certificate of competence of the foregoing sub-sectors. Details may be prescribed by regulations.

6/ There shall be threshold limit for a single project to be undertaken by each category, grade and level as determined by regulations taking to consideration the handling capacity.

7/ A Special category and grade shall be determined by a regulations to Small and micro enterprises.

8/ The Category, grade and level for related construction works may be determined by a regulation.

9/ Except in accordance with this proclamation and regulations to be issued, no evaluation requirement may be set on any or person or organization for construction or related Construction works.

## **9. Application for a Certificate of Competence**

1/ An application for a certificate of competence shall be made in a form prepared by the Registering body.

2/ An application for a certificate of competence by may be made by individual professional or organization.

3/ Individual applicant for a certificate of competence shall submit the following evidences;

- (a) Academic credential,

- (b) Evidence showing previous experience in related fields, as appropriate,
- (c) Result of assessment administered by the relevant body.
- (d) Other relevant documents required by a regulation to be issued under this proclamation.

4/ An organization applying to a certificate of competence shall submit the following evidences corresponding to each category and grade it desires to register;

- (a) The minimum number and type of registered professionals and equipment to be determined by a regulation.
- (b) Evidence of minimum annual turnover as determined by regulations.
- (c) Other relevant documents required by a regulation to be issued under this proclamation.

5/ There shall be threshold limit for a single project to be undertaken by each category, grade and level as determined by regulations taking into consideration the handling capacity.

#### **10. Issuance of Certificate of Competence**

- 1/ a certificate of competence shall be issued where the requirements under article 8 of this proclamation are fulfilled by the applicant.
- 2/ under circumstances where it is unable to issue the certificate of competence the Applicant shall be notified in writing and advised to take such other measure as may be appropriate.

#### **11. Renewal of Certificate of Competence**

- 1/ The certificate of competence issued under article 10 hereof shall remain valid for one year and must be renewed within two months following the end of the **Ethiopian** fiscal year.
- 2/ Renewal of a certificate of competence may be made after ascertaining satisfaction of the performance of the professional or organization in accordance with this proclamation.
- 3/ Renewal of a certificate of competence may be refused where the requirements under sub article 2 of this article are not satisfied and the applicant shall be informed in writing within 10(ten) Days to take such action as may be appropriate under the circumstances.

## **12. Suspension and cancellation of Certificate of Competence**

A certificate of competence may be suspended and cancelled where it is obtained fraudulently or through forged documents or the holder is charged and convicted for violation of laws contrary to this proclamation.

### **Chapter Three**

## **Registration of Professionals, Organizations, Projects, Performance and Related Construction Works**

## **13. Registration of Professionals and Organizations**

- 1/ There shall be established a register of professional and organization in which the name, type of category and grade, level, number and date of the certificate of competence issued, usual place of business and such other particulars required in accordance with the regulation issued by the under this proclamation.
- 2/ No person may be registered as professional unless he is
  - a/ of sound mind
  - b/ not charged and convicted of offence of improper conduct.
- 3/ The register shall be open to the public including on the web portal.

## **14. Registration of Working Professionals**

- 1/ Any organization engaged in construction shall have the obligation to notify in writing the employment or dismissal of all professionals.
- 2/ Where necessary and without prior notice a visit may be conducted on any organization or to check any document to verify compliance of the obligation provided under sub article 1 of this article.
- 3/ The procedure for the conduct of visits, checking or verifying documents and reporting by employees of **registering body** shall be determined by regulations.
- 4/ Any organization may not without the a prior consent of **the registering body** employ the following persons as working professionals.
  - (a) A person who is not registered or whose name is removed from the register.



- (b) A person charged for and convicted in an offence of improper conduct of the profession.
- (c) A public servant.

**15. Registration of projects**

- 1/ There shall be established a register of all projects of construction in which the name, total amount, status (progress) and such other particulars required in accordance with the directives to be issued by the Ministry.
- 2/ The professional, organization and procuring entities shall have the obligation to report and cause the registration of projects as per the procedure to be determined in the directive.
- 3/ The register shall be open to the public including on the web portal.

**16. Registration of performance**

- 1/ There shall be a register of performance for all construction projects which describe;
  - (a) Key performance indicators that include Client Satisfaction in terms of collaboration, Timely Delivery, Healthy and Safety Awareness, Value for Money, Quality of Service, Training, Productivity and such other particulars required in accordance with the directives to be issued by the Ministry.
  - (b) Number and type of accident that has occurred in any project in which the nature, the damage and causality of the accident and such other particulars required in accordance with the directives to be issued by the Ministry may be described.
- 2/ The professionals, organization and procuring entities shall have the obligation to report and cause the registration of all performance and construction accidents data as per the procedure to be determined in the directive.

**17. Registration of Related Construction Works**

- 1/ There shall be established a register of category and grade, level, date of the certificate of competence issued, usual place of business and such other particulars required in accordance with the regulation issued by the under this proclamation.
- 2/ The services and types of construction related works, Equipments and Machines, identification marks, fitness and type shall be registered, verified, issue evidence and control.

Chapter four  
About Complaint

**18. Complaint Committee**

1/ There shall be a Construction Industry Registration Complaint Committee (hereinafter referred, to as the "Committee"), that has the following members.

(A) Two representatives to be designated by the Minister.

(B) Two representatives of Construction professionals and Organizations Associations.

(C) A representative of higher educations.

2/ The term of office of a member shall be two years and the chairperson of the committee shall be designated by the Minister from among the members thereof.

**19. Powers and Duties of the Committee**

The Committee:

1/ shall, investigate a charge brought against a professional and organization violating the provisions of this Proclamation or the regulation and directive issued in accordance with this proclamation and the construction sector Code of Conduct.

2/ shall, where it ascertains that there is adequate evidence to entertain the charge, send the charge to the professional or organization notifying him in the summons to appear with his reply within 20 (twenty) days.

3/ shall submit, after examining the charge brought and evidence produced against the professional or organization, the professional or organization's reply and evidence thereto, the following recommendations to the Manager:

(a) acquittal of the of the professional or organization, by dismissing the charge, where the charge is improper or is not supported by evidences;

(b) where the charge is proper and supported by evidence according to the gravity of the offense:

1. a written warning to be given to him;
  2. to suspend him for a period of not more than five years;
  3. to impose a fine not exceeding birr 50,000 to professional and 100,000 (one hundred thousand) to organization.
  4. to revoke his certificate of competence and cause the removal the professional or organization from the Register;
  5. to give such other appropriate decisions.
- 4/ may temporarily suspend the certificate of competence until such time that an appropriate decision is given as per Sub-Article (3) of this Article;
- 5/ may examine, where deemed necessary, the antecedents and personal file of the professional or organization or any other similar evidences in determining the magnitude of the penalty to be imposed;
- 6/ shall cause the recording of any decision approved by the Minister given as per Sub-Article (3)(b) of this Article into the personal file of the professional or organization;
- 7/ shall undertake studies and submit recommendations to the Manager on ways of enhancing and the observance of professional conduct;
- 8/ shall submit to the Minister a recommendation regarding the final decision on any charge within a period not exceeding six months. Where there are sufficient grounds for failing to dispose of the case within such time, the committee may request the Minister in writing for an additional time not exceeding three months stating the reasons therein.

## **20. Meetings of the Committee**

- 1/ The Committee shall conduct meetings as frequently as required;
- 2/ There shall be a quorum where more than half of the members are present.
- 3/ Decisions of the Committee shall be passed by a majority vote of members present at a meeting. In case of a tie, however, the chairperson shall have a casting vote.
- 4/ without prejudice to the provisions of this Article the committee may draw up its own rules of procedure.

**21. Powers of the Minister**

- 1/ The Minister shall, after considering the recommendations submitted to him by the Committee in accordance with Sub Article (8) of Article 29, decide as appropriate.
- 2/ He may for once, direct the recommendation for reconsideration by the Committee where he is of opinion that certain facts or evidences have not been considered by same.

**22. Appeal Against the Decision of the Minister**

- 1/ The person who is aggrieved by the decision of the Minister may, where the decision has an error of law, appeal to the Federal High Court within twenty days from receipt of such a decision.
- 2/ The court shall decide on the question of law, without going into the merit, and shall return same to the Minister.
- 3/ If the decision of the Minister has an error of law, the Minister shall review the case on the basis of the decision of the court.

**Chapter five**  
**Miscellaneous provisions**

**23. Duties of the professional and organization**

Any professional or organization shall have the duty to:

- 1/ observe this Proclamation, and Regulations and directives to be issued in accordance with this Proclamation and orders and decisions given thereof,
- 2/ Observe the construction industry code of conduct,
- 3/ Refrain from any act that disgrace the profession and the construction Industry,
- 4/ Observe health, safety, standards and requirements applicable to construction,
- 5/ collaborate for the observation of the required quality and ensure timely delivery of construction,
- 6/ charge reasonable fee and profit margin.

**24. Penalties**

Without prejudice to administrative measures that may be taken by the agency pursuant to this Proclamation unless the provisions of the Penal code provide a more severe penalty,

- 1/ any person who renders or attempts to render services without having obtained a certificate of competence shall be punished with fine from Birr 150,000 (one hundred fifty thousand) to Birr 300,000 (three hundred thousand) and with rigorous imprisonment not more than 7 years.
- 2/ Any person who provide service with un-renewed, suspended or cancelled certificate of competence or employ or allow to work a professional not registered shall be punished with fine from Birr 150,000 (one hundred fifty thousand) to Birr 300,000 (three hundred thousand) and with rigorous imprisonment not more than 7 (seven) years. In the case of organization with 500,000 birr fine.
- 3/ Any person who knowingly enter in to a construction contract with a person that does not have a certificate of competence shall be fined by Birr 150,000 (one hundred fifty thousand) and up to 2 (two) years of imprisonment.
- 4/ Any person who intentionally got himself registered in the register of professional and organization or has obtained a certificate of competence certificate or has got his professional or organization registration a certificate renewed using false information shall be punished with fine from Birr 60,000 (sixty thousands) to Birr 120,000 (one hundred twenty thousands) and with rigorous imprisonment up to 10 (ten) years.
- 5/ Any person who intentionally fail to report or give inaccurate information on employed or dismissed registered professional, cause to be registered projects or performances or violates the requirements other provisions of the regulations or a directive which the Ministry may issue pursuant to this Proclamation shall be punished with fine up to Birr 60,000 (sixty thousand) to Birr 60,000 (sixty thousands) and with rigorous imprisonment up to 5 (five years).
- 6/Any civil servant or official who is assigned to perform duties related to issuance and renewal of certificate of competence to professional and organization, the registration of project and performance and who by taking bribes or through nepotism or favoritism or other illegal relationships, made or caused certificate of competence to be issued, renewed, upgraded and register project and performance or found

employed shall be punished with fine from Birr 60,000 (sixty thousand) and up to 7 years of rigorous imprisonment.

**25. Obligation to supply information**

All professional and organization shall have the obligation to supply the information requested by **the Minister** for the implementation of this proclamation regulations and directive issued in accordance with this proclamation.

**26. Inspection**

**The Ministry** shall have the right to conduct inspection with or without notice to ensure compliance of this proclamation on any professional and organization. The manner of inspections shall be prescribed by regulations.

**27. Obligation to cooperate**

Any person shall have the duty to co-operate for the implementation of this proclamation.

**28. Power to issue regulations**

The Council of Ministers may issue regulations necessary for the implementation of this proclamation.

**29. Power to issue directive**

The Ministry may issue directive for the implementation of the regulation to be issued by the Council of Ministers in accordance with sub article 28 of this article.

**30. Transitory provisions**

All professional and Organization shall fulfill the requirements of this proclamation and the regulations and directive issued in accordance with this proclamation to be registered, acquire certificate of competence and carry out other registration within six months of the effective date of the proclamation.

**31. Effective date.**

This proclamation shall enter in to force upon the date of the publication in the federal Negarit Gazeta.