



**Construction Industry Development Authority (CIDA)**  
**Directive to Sustain the Construction Industry under Conflict-Induced Disruptions**  
***(Supply Chain Shocks, Fuel Volatility & Labour Mobility Constraints)***  
**Gov/CIDA/Directive/101/2026**



All Stakeholders of the Construction Industry,

As you are aware, the country is presently experiencing a period of significant disruption arising from prevailing conflict-related developments and associated economic and logistical challenges. These conditions may have adversely impacted supply chains, fuel availability, material imports, and labour mobility, thereby placing considerable strain on the construction industry.

The construction sector, which contributes circa 9% of the Gross Domestic Product, is currently facing multiple constraints, including delays in material supply, cost escalations, reduced workforce availability, and interruptions to project execution. In this context, all stakeholders must act collectively and pragmatically to ensure the sustenance and continuity of industry operations.

Accordingly, all stakeholders are hereby advised to take note of the following directives:

**1. General Approach**

- All contracts shall be administered with a practical and cooperative approach, recognizing that the present situation was not fully foreseeable at the time of contract formulation.
- Stakeholders are encouraged to adopt a collaborative stance, prioritizing industry survival and continuity over adversarial positions.

**2. Supply Chain and Labour Constraints**

- Disruptions to material supply and transportation, as well as limitations in labour mobility, shall be duly recognized as legitimate factors affecting project performance.
- Contractors are expected to take all reasonable measures to mitigate such impacts, including alternative sourcing, re-sequencing of works, and efficient resource utilization such as multi-skilling, rotational basis, etc.

**3. Time Extensions**

- Implementing agencies and contractors shall engage proactively to agree on Extension of Time (EOT) where justified on valid technical grounds.
- All such extensions shall be processed strictly in accordance with the provisions of the Standard Bidding Documents (SBD), supported by proper records and documentation.

#### **4. Cost Implications**

- It is reiterated that construction price indices are based on prevailing market conditions and inherently reflect fluctuations arising from fuel price variations and global developments. No separate adjustment solely for fuel unless contractually allowed.
- Contractors may seek compensation for proven prolongation costs where applicable under the contract, subject to proper substantiation.
- In situations where the contract does not provide for price escalation, or where escalation is not calculated using indices, or fails to adequately reflect significant increases in market prices of a given material, it is advisable to seek guidance from CIDA on a case-by-case basis.

#### **5. Mitigation Obligations**

- Contractors are reminded that mitigation is an implied contractual obligation. Every effort shall be made to minimize delays and additional costs through precautionary measures.
- Employers and consultants shall facilitate timely decision-making, approvals, and certifications to support mitigation efforts and encourage Work From Home where possible.

#### **6. Payments and Financial Support**

- Implementing agencies are strongly encouraged to ensure timely certification and payment to contractors to maintain liquidity within the industry.
- Consideration may be given to advance payments, flexible financial arrangements, and other supportive measures where appropriate, such as new disbursement of payment on preliminaries.

#### **7. Force Majeure**

- At this stage, it is considered premature to declare a blanket force majeure situation across all projects.
- Each case shall be assessed individually based on its specific circumstances, supported by verifiable evidence.

#### **8. Role of Consultants**

- Consultants shall act impartially and expeditiously in the certification of payments, evaluation of claims, and approval of necessary design adjustments.
- Value engineering and material optimization strategies shall be encouraged to address resource constraints.

## 9. Adoption of Circular Economy Principles

- All stakeholders are encouraged to adopt circular economy practices to enhance resource efficiency and reduce dependency on constrained supply chains.
- This includes reuse of materials, recycling of construction waste, optimization of material usage, and increased reliance on locally available resources and adoption of modular and material-efficient construction methods

## 10. Contractual Discipline

- All parties are required to adhere strictly to contractual provisions and maintain transparency, proper documentation, and good faith in all dealings.
- Disputes shall be avoided through proactive engagement and timely resolution mechanisms. Contemporary records are of utmost importance.

In conclusion, the present situation demands a unified and responsible approach from all stakeholders. The survival and resilience of the construction industry depend on mutual support, flexibility, and adherence to sound contractual and professional practices.

Your cooperation in disseminating this directive among all relevant parties and ensuring its effective implementation is highly appreciated.

Chairman  
Construction Industry Development Authority

March 25, 2026

The logo for the Construction Industry Development Authority (CIDDA) is centered at the bottom of the page. It features a large, stylized, light yellow 'CIDDA' text. Above the text is a faint, grey, geometric logo consisting of a hexagon with internal lines forming a cube-like structure.