NIGERIA DESERVES A CONSTRUCTION ACT: SAFER PROJECTS, PAYMENT CERTAINTY AND INVESTOR CONFIDENCE THROUGH STATUTORY REFORM

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ABSTRACT

Nigeria's construction industry is vital to growth and job creation but remains constrained by fragmented regulation, uneven enforcement, payment delays, and an alarming record of building collapses. This paper argues for a Nigerian Construction Act that consolidates existing instruments and introduces targeted statutory interventions to improve safety, governance, payment certainty, and bankability. Drawing comparative lessons from the United Kingdom's Housing Grants, Construction and Regeneration Act 1996 (as amended) and Security of Payment regimes in Australia and Singapore, the paper proposes five co-equal, interdependent and mutually reinforcing legislative pillars: (a) contractor registration and grading; (b) health, safety & environmental standards, (c) governance and anti-corruption safeguards, (d) payment timelines and statutory adjudication; and (e) skills transfer and local-content obligations. The analysis links these pillars to development finance norms used by multilateral development banks (MDBs) and development finance institutions (DFIs), showing how legal predictability lowers transaction costs and expands access to capital. The paper concludes with a pragmatic roadmap, stakeholder consultation, legislative drafting, and federal-state coordination acknowledging constitutional and political economy constraints. A Construction Act, tailored to Nigeria's context, would align incentives across clients, contractors, regulators, and financiers, reduce disputes and collapses, and strengthen investor confidence in the built environment.

KEYWORDS:

Nigeria; Construction Law; Procurement; Anti-Corruption; Built Environment; Development Finance.

INTRODUCTION

Nigeria's construction sector underpins national development yet operates within a fragmented legal and regulatory architecture. Building planning and control are addressed by the Urban and Regional Planning Act 1992,

[1] (URPA) and by the (non-binding) National Building Code of 2006 (revised 2017)(NBC). [2] Procurement is governed by the Public Procurement Act 2007(PPA),[3] while occupational health and safety relies on legacy provisions in the Factories Act 2004 (the "Factories Act") [4] and subsequent regulations. Professional competence and licensing are further dispersed across discipline-specific statutes and councils.

The result is a regulatory environment characterised by jurisdictional overlap, inconsistent enforcement, and recurring systemic failures. One of the most visible consequences is the persistent crisis of building collapses. The Building Collapse Prevention Guild (BCPG) has documented more than 650 recorded incidents between 1974 and 2025, with deaths exceeding 1,600 persons. [5] In addition, payment insecurity and protracted disputes remain endemic, discouraging investment and eroding trust between employers and contractors.

This paper asks a simple but pressing question:

Which statutory intervention(s) would most effectively improve safety outcomes, payment certainty, and investor confidence in Nigeria's construction sector?

Using doctrinal analysis and comparative insights from the United Kingdom's Housing Grants, Construction and Regeneration Act 1996 (as amended) (the "UK Construction Act") and Security of Payment regimes in Australia[6] and Singapore[7], the paper proposes a Nigerian Construction Act structured around five core co-equal, interdependent and mutually reinforcing pillars: (a) contractor registration and grading; (b) health, safety & environmental standards, (c) governance and anti-corruption safeguards, (d) payment timelines and statutory adjudication; and (e) skills transfer and local-content obligations.

By articulating these pillars and linking them to development-finance conditions applied by multilateral development banks (MDBs), development finance institutions (DFIs) and domestic

[1] Urban and Regional Planning Act, Cap U2, Laws of the Federation of Nigeria (LFN) 2004.
[2] National Building Code (Federal Republic of Nigeria, 2006; revised 2017).
[3] Public Procurement Act 2007 (Nigeria).
[4] Factories Act, Cap F1, LFN 2004.
[5] Building Collapse Prevention Guild (BCPG), *Summary Table of Recorded Cases of Building Collapse in Nigeria from 1974 to 2024* (BCPG 2024) https://bcpgikeja.com/wp-content/uploads/2024/07/SUMMARY-TABLE-OF-RECORDED-CASES-OF-BUILDING-COLLAPSE-IN-NIGERIA-FROM-1974-TO-2024.pdf accessed 9 September 2025. See also Punch (Lagos, 7 June 2025) 'Operators lament as building collapse deaths hit 1,616'.
[6] Building and Construction Industry Security of Payment Act 1999 (NSW).
[7] Building and Construction Industry Security of Payment Act 2004 (Singapore).

lenders, the paper contends that legal predictability can reduce transaction costs, curb corruption, and unlock both domestic and international finance for infrastructure projects.

LITERATURE REVIEW

Scholarship on Nigeria's construction industry highlights a longstanding pattern of regulatory fragmentation, inefficiency, and poor safety performance. The sector operates under a multiplicity of statutes and codes including the URPA, NBC, PPA, and the Factories Act, yet no single framework provides comprehensive statutory direction. Scholars argue that this patchwork has created jurisdictional overlap, weak enforcement, and inconsistency across states, leaving projects vulnerable to disputes and governance failures.[8]

Studies of industry performance confirm the consequences of this fragmentation. Al Saeedi and Karim, in a global review, found that more than sixty per cent (60%) of construction projects in developing countries overrun their budgets, [9] a pattern evident in Nigeria, where delays, abandonment, and litigation are endemic. Payment insecurity is a particular challenge, with arrears and disputes destabilising contractor cashflow.[10] Research on corruption within African construction industries underscores how governance failures erode delivery and investor confidence.[11] Parallel data on safety are sobering: between 1974 and May 2025, Nigeria recorded 653 collapses, with at least 1,616 lives lost.[12]

In addition, Nigeria faces a significant infrastructure financing deficit. The World Bank Group (WBG) and International Finance Corporation (IFC) estimate a requirement of US$100 billion annually to 2045, warning that gaps in the regulatory framework increase transaction costs, undermine bankability, and deter private investment.[13]

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[8] N I Umeokafor, *Realities of Construction Health and Safety Regulation in Nigeria* (University of Greenwich PhD Thesis 2017) https://gala.gre.ac.uk/id/eprint/23437/ accessed 9 September 2025.

[9] H Al Saeedi and A Karim, 'Major Factors of Cost Overrun in Construction Projects: Critical Review' (2022) *International Journal of Engineering Research and Technology* https://www.researchgate.net/publication/359310464_Major_Factors_Of_Cost_Overrun_In_Construction_Projects_Critical_Review accessed 9 September 2025.

[10] The Effect of Delayed Payments and Retention on Contractors Cash Flow (PM World Journal Vol IX, Issue VIII, August 2020) https://pmworldlibrary.net/wp-content/uploads/2020/07/pmwj96-Aug2020-Okereke-effect-of-delayed-payments-and-retention.pdf accessed 13 September 2025.

[11] A Aderibigbe, N Umeokafor, T Umar and Y Upadhyay, 'Impact of Corruption on Achieving Sustainable Development Goals within Africa's Construction Industry' in YG Sandanayake and others (eds), *Proceedings of the 12th World Construction Symposium* (2024). https://ciobwcs.com/downloads/papers24/S16031.pdf

[12] Punch (Lagos, 7 June 2025) 'Operators lament as building collapse deaths hit 1,616' https://punchng.com/operators-lament-as-building-collapse-deaths-hit-1616/#:~:text=The%20Building%20Collapse%20Prevention%20Guild,1974%20and%20May%2025%2C%202025.

[13] World Bank Group and International Finance Corporation, *Crowding in the Private Sector: Nigeria's Path to Faster Job Creation and Structural Transformation* (World Bank 2020) https://www.ifc.org/content/dam/ifc/doc/mgrt/cpsd-nigeria.pdf accessed 9 September 2025

Comparative scholarship offers insights into statutory reform. The UK Construction Act introduced following the Latham Report[14], is widely studied for establishing statutory payment rights, prohibiting "pay-when-paid" clauses, and mandating 28-day adjudication. Although not a panacea, commentators in the UK have observed that statutory adjudication under the UK Construction Act has helped address cash flow constraints in construction projects by providing a "*pay first, argue later*" mechanism, thereby reducing reliance on lengthy litigation and helping projects maintain momentum[15].

The security of payment legislation in both Australia and Singapore provides contractors with statutory rights to prompt payment and access to expedited adjudication. This has been recognised as crucial for facilitating cash-flow in the industry and protecting smaller firms and subcontractors who are often vulnerable to delayed payment practices.[16]

While Nigerian scholars and industry commentators have repeatedly identified the problems of inefficiency, corruption, and safety lapses, there remains a clear gap in the literature: no sustained academic proposal for a unified Nigerian Construction Act. Existing studies such as Umeokafor's study[17], critique regulatory weakness or analyse project-level risks, but few articulate statutory pathways tailored to Nigeria's concurrent federal and state framework. This paper therefore contributes originality by drawing on comparative regimes and development finance expectations to outline five legislative pillars for reform.

METHODOLOGY

This study adopts a literature research method, as articulated by Lin[18] alongside doctrinal and comparative legal analysis. Following Lin's framework, the research systematically peruses, reviews, and analyses relevant literature, including Nigerian statutes, regulatory codes, judicial decisions, scholarly commentary, and industry reports. The material is sorted thematically; regulatory fragmentation, payment mechanisms, health and safety enforcement, corruption and governance, and investor risk, to identify recurring patterns and gaps in the Nigerian construction law framework.

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[14] M Latham, Constructing the Team: Final Report of the Government/Industry Review of Procurement and Contractual Arrangements in the UK Construction Industry (HMSO 1994). https://constructingexcellence.org.uk/wp-content/uploads/2014/10/Constructing-the-team-The-Latham-Report.pdf

[15] Construction disputes: global markets embrace adjudication" Pinsent Masons (28 January 2022) https://www.pinsentmasons.com/out-law/analysis/construction-disputes-global-markets-adjudication accessed 13 September 2025

[16] Chow KF, Security of Payments and Construction Adjudication (2nd edn, LexisNexis 2013) 25–28. https://store.lexisnexis.com/en-sg/security-of-payments-and-construction-adjudication-third-edition.html accessed 13 September 2025

[17] N I Umeokafor, *Realities of Construction Health and Safety Regulation in Nigeria* (University of Greenwich PhD Thesis 2017) https://gala.gre.ac.uk/id/eprint/23437/ accessed 9 September 2025.

[18] Y Lin, Higher Education Research Methodology: Literature Method (2009) https://www.researchgate.net/publication/42386223_Higher_Education_Research_Methodology-Literature_Method accessed 13 September 2025.

The doctrinal method enables close examination of Nigeria's fragmented statutory framework. Core instruments include the URPA, NBC, PPA, and the Factories Act, which collectively regulate planning, procurement, building standards, and workplace safety. Alongside these, a range of professional and sectoral statutes play a significant role, including the Council for the Regulation of Engineering in Nigeria (COREN) Act,[19] the Quantity Surveyors (Registration, etc.) Act,[20] the Builders (Registration, etc.) Act, [21] the Architects (Registration, etc.) Act, [22] the Standards Organisation of Nigeria (SON) Act,[23] and the National Environmental Standards and Regulations Enforcement Agency (NESREA) Act[24]. Analysing these provisions doctrinally highlights the extent of institutional overlap, weak enforcement, and the absence of a unifying legislative framework for the construction sector.

The comparative method draws on statutory regimes from other jurisdictions, notably the UK Construction Act, the Australian and Singapore security of payment acts. These frameworks are not presented for wholesale adoption, but as models whose lessons on statutory payment rights, adjudication mechanisms, and subcontractor protection may be adapted to the Nigerian context.

Finally, a policy-oriented lens is applied, drawing on materials from multilateral development banks and international financial institutions, to show how regulatory certainty influences infrastructure finance and investor confidence. This triangulated approach ensures the research links Nigeria's domestic legal challenges with comparative statutory best practice and international development finance expectations.

COMPARATIVE LESSONS AND NIGERIAN APPLICATION

Comparative experience demonstrates that targeted statutory reform can professionalise market participants, raise safety and competence standards, embed governance and integrity in project delivery, and at the same time provide payment certainty and rapid remedies for disputes. The United Kingdom, Australia, and Singapore each offer instructive models that, while differing in detail, illustrate how legislation can recalibrate industry practices in ways directly relevant to Nigeria's context.

Contractor Registration & Grading; Safety Competence

Singapore offers the clearest template for a national registration-and-grading regime. The BCA Contractors Registration System (CRS) classifies firms by workhead and financial grade, which directly caps the public-sector tender values firms may bid for; grades are renewed annually and

[19] Engineers (Registration, etc.) Act, Cap E11, Laws of the Federation of Nigeria 2004, as amended by the Council for the Regulation of Engineering in Nigeria (Establishment, etc.) (Amendment) Act 2018 (Nigeria).
[20] *Quantity Surveyors (Registration, etc.) Act*, Cap Q1, Laws of the Federation of Nigeria 2004 (Nigeria).
[21] *Builders (Registration, etc.) Act*, Cap B13, Laws of the Federation of Nigeria 2004 (Nigeria).
[22] *Architects (Registration, etc.) Act*, Cap A19, Laws of the Federation of Nigeria 2004 (Nigeria).
[23] *Standards Organisation of Nigeria Act* No 14 of 2015 (Nigeria).
[24] *National Environmental Standards and Regulations Enforcement Agency (Establishment) Act* No 25 of 2007 (Nigeria).

tied to capacity and track record. This embeds a transparent, capacity-based market gatekeeping function.[25] Complementing CRS, Singapore's Licensing of Builders Scheme requires minimum standards of management, safety performance and financial solvency to lift professionalism and quality.[26]

Australia achieves similar aims via state licensing: e.g., the New South Wales Government requires a contractor licence for most building work above a statutory threshold[27]; Queensland (QBCC) imposes eligibility tests spanning technical/managerial qualifications, experience, financial information and fitness, essentially a de-facto capacity screen.[28]

In the UK, while there is no national contractor licence, competence is embedded through the Construction (Design and Management) Regulations 2015 (UK CDM): regulation 8 requires that appointed designers/contractors (including principal contractors) have the skills, knowledge and experience appropriate to the project.[29] Public buyers also use standardised pre-qualification (e.g., PAS 91)[30] to test competence, governance and health & safety before tender.[31]

A national register with financial/technical grading (Singapore-style CRS) combined with mandatory competence/HSE duties (UK CDM-style) and licensing tests (Australian states) would directly professionalise the market, reduce unqualified participation, and create a clean interface for public procurement and DFI-funded projects.

Governance & Anti-Corruption

Registration/grading and licensing are governance tools: they create auditable entry criteria (capacity, solvency, HSE record), facilitate transparent pre-qualification, and give regulators levers to suspend/downgrade firms for misconduct which are all aforementioned features present in the CRS and Australian licensing frameworks.

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[25] Building and Construction Authority (Singapore), Contractors Registration System (CRS) (BCA 2025) https://www1.bca.gov.sg/procurement/pre-tender-stage/contractors-registration-system accessed 14 September 2025.

[26] Building and Construction Authority (Singapore), *Licensing of Builders Scheme* (BCA 2025) https://www1.bca.gov.sg/procurement/pre-tender-stage/licensing-of-builders-scheme accessed 14 September 2025.

[27] NSW Licensing Framework:
New South Wales Government, Contractor Licence (NSW Government 2025) https://www.service.nsw.gov.au/transaction/apply-contractor-licence accessed 14 September 2025.

[28] Queensland Building and Construction Commission, Licensing (QBCC 2025) https://www.qbcc.qld.gov.au/licences accessed 14 September 2025.

[29] Construction (Design and Management) Regulations 2015, SI 2015/51, reg 8.

[30] British Standards Institution, PAS 91:2013+A1:2017 Construction Prequalification Questionnaires (BSI 2017) https://knowledge.bsigroup.com/products/construction-prequalification-questionnaires. accessed 14 September 2025.

[31] Health and Safety Executive, Managing Health and Safety in Construction: Construction (Design and Management) Regulations 2015: Guidance on Regulations (L153) (HSE 2015) https://www.hse.gov.uk/pubns/books/l153.htm accessed 14 September 2025.

Payment, Statutory Adjudication & Project Bankability

As previously mentioned, the UK Construction Act which established statutory payment rights and a mandatory right to adjudication within 28 days, is credited with improving liquidity and reducing reliance on litigation through a "pay now, argue later" mechanism. For Nigeria, the lesson is that statutory adjudication can provide a low-cost, rapid remedy for cashflow disputes without overburdening courts. Given reports of arrears, dispute resolution gaps, and delays associated with the implementation of the PPA 2007,[32] a statutory adjudication process could directly address one of the sector's most destabilising risks.

Australia's security of payment statutes adopt a similarly robust approach, entitling contractors and subcontractors to progress payments and fast-track adjudication. Scholars emphasise that these measures are particularly valuable for small and medium-sized enterprises (SMEs), which are most vulnerable to payment delays.[33] The Nigerian parallel is striking: subcontractors on public and private projects are frequently exposed to delayed or withheld payments, with little recourse short of costly litigation. Embedding statutory rights to progress payments, enforceable through interim adjudication, would significantly improve liquidity and resilience for Nigeria's domestic contractors.

Singapore's security of payment legislation, the Building and Construction Industry Security of Payment Act 2004 (Singapore) ("SOPA") also secures contractors' rights to timely payment and expedited adjudication, with the adjudication process administered centrally by the Singapore Mediation Centre as the designated authorised nominating body.[34] SOPA specifically empowers the Minister, who by notification in the Gazette may appoint any body as an authorised nominating body for the purposes of the act.[35] This institutional arrangement has fostered consistency and industry confidence by ensuring adjudication is procedurally reliable. For Nigeria, where regulatory authority is fragmented between federal, state, and professional bodies, a centralised adjudication framework could reduce forum shopping, enhance transparency, and restore confidence in enforcement.

Taken together, these regimes illustrate that statutory intervention can recalibrate industry incentives. Payment rights and adjudication mechanisms can be designed to maintain cashflow, reduce adversarial disputes, and safeguard weaker parties in contractual hierarchies. Importantly,

[32] OJ Oladiran, 'Public Procurement Act and Project Time Outcomes in Nigeria's Building Projects' (2024) Covenant Journal of Engineering Technology https://journals.covenantuniversity.edu.ng/index.php/cjet/article/download/4215/1701/10135 accessed 14 September 2025.
[33] A Aderibigbe, N Umeokafor and T Umar, 'Constructing for the Future: Can the Duty of Good Faith Improve Payment in the UK Construction Industry?' in A Tutesigensi and CJ Neilson (eds), *Proceedings of the 39th Annual ARCOM Conference*, 4–6 September 2023, University of Leeds, Leeds, UK (Association of Researchers in Construction Management 2023) 14–23 https://www.arcom.ac.uk/-docs/proceedings/5c951cf7298bd1f0dc839d996f1d8ef3.pdf accessed 14 September 2025.
[34] Building and Construction Industry Security of Payment Act 2004 (Singapore), s 28.
[35] Ibid

these lessons align with the requirements of multilateral development banks and development finance institutions. For instance, the World Bank's Guidance on PPP Contractual Provisions[36] emphasizes the inclusion of clear payment mechanisms and remedial dispute resolution in PPP contracts. Similarly, the African Development Bank (AfDB)'s Operations Procurement Manual mandates that borrower contracts under its programs adhere to contractual obligations for transparency, prompt payments, and effective dispute handling.[37] Nigeria's inability to guarantee these conditions increases transaction costs and deters investment, leaving smaller firms excluded from bankable projects.[38]

Summary of Comparative Analysis

Accordingly, while wholesale transplantation of foreign models is neither feasible nor desirable, the comparative experience demonstrates that carefully tailored statutory reforms can address Nigeria's most pressing challenges. The following section therefore sets out a five-pillar framework for a Nigerian Construction Act, designed as co-equal, interdependent, and mutually reinforcing measures to professionalise contractors, strengthen safety, embed governance and anti-corruption safeguards, secure payment certainty, and promote skills transfer.

FIVE-PILLAR FRAMEWORK FOR A NIGERIAN CONSTRUCTION ACT

Building on the comparative insights, this paper proposes a framework of five core co-equal, interdependent, and mutually reinforcing pillars: (a) Contractor Registration and Grading; (b) Health, Safety & Environmental Standards, (c) Governance and Anti-corruption Safeguards, (d) Payment Timelines and Statutory Adjudication; and (e) Skills Transfer and Local-Content Obligations.

The aim is not to transplant foreign legislation wholesale, but to adapt tested mechanisms into a coherent Nigerian Construction Act that responds to the sector's distinctive challenges of regulatory fragmentation, weak enforcement, and chronic payment delays.

By designing the pillars as a single integrated package rather than discrete interventions, the framework seeks to professionalise contractors through transparent registration, elevate health and safety into a statutory duty, embed integrity and oversight into project governance, secure

[36] World Bank Group, *Guidance on PPP Contractual Provisions* (2019 edn, World Bank Group 2019) 5–7 https://ppp.worldbank.org/sites/default/files/2021-03/Guidance%20on%20PPP%20Contractual%20Provisions_2019%20edition.pdf accessed 14 September 2025.

[37] African Development Bank, *Operations Procurement Manual, Part A – Volume 2: Procurement of Goods, Works and Non-Consulting Services* (AfDB 2023) paras 3.12–3.16 https://www.afdb.org/sites/default/files/2023/12/15/opm-part_a-volume_2-en.pdf accessed 14 September 2025.

[38] See World Bank Group, *Doing Business 2020: Comparing Business Regulation in 190 Economies* (World Bank Group 2020) 38–40 https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf accessed 14 September 2025; African Development Bank, *Nigeria Country Strategy Paper 2020–2024* (AfDB 2020) 12–13 https://www.afdb.org/en/documents/nigeria-country-strategy-paper-2020-2024 accessed 14 September 2025.

predictable payment and adjudication mechanisms, and promote skills development and local participation. These principles draw on comparative experience, the national grading systems of Singapore, the statutory safety duties of the UK, the governance and disclosure frameworks used in Australia, the payment regimes of the UK and Singapore, and the skills and local-content requirements found in MDB/DFI-financed projects. What follows is an adaptation of these lessons to Nigeria's unique institutional and economic context.

Contractor Registration & Grading Pillar

A central element of reform is the establishment of a national statutory register that grades contractors by financial and technical capacity. As comparative experience shows, transparent registration and grading schemes such as Singapore's CRS, Australia's state licensing, and the competence standards embedded in the UK CDM Regulations, operate as governance tools as much as market filters. They ensure that only firms with demonstrable solvency, managerial competence, and safety records can tender for projects at particular scales.

For Nigeria, where professional oversight is fragmented across COREN, the Quantity Surveyors' Registration Board, and other professional statutes, the absence of a unified register creates space for unqualified firms to participate in public procurement and donor-funded projects. This contributes directly to poor workmanship, recurrent building failures, and loss of public trust. A statutory register, jointly overseen by COREN and a dedicated construction regulator, could harmonise entry criteria across disciplines, embed auditable financial and technical thresholds, and mandate annual renewal tied to safety and performance.

By integrating registration and grading into the Nigerian Construction Act, the state would create a clear interface for procurement, reduce unqualified participation, and provide a platform through which sanctions such as downgrading or suspension for misconduct can be applied consistently. This would professionalise the market, increase transparency, and align Nigeria's construction sector with the expectations of multilateral development banks, which increasingly condition financing on transparent and competent procurement frameworks.

Health, Safety & Environmental Standards Pillar

Embedding health, safety, and environmental (HSE) duties within a Construction Act would strengthen a part of Nigeria's regulatory system that has long been under-enforced. Although statutory provisions exist in the Factories Act and in the NBC, enforcement is fragmented across multiple agencies, and compliance is often treated as discretionary. Comparative experience demonstrates that clear statutory duties, such as those contained in the UK's CDM Regulations, lift safety from the level of voluntary practice to a binding obligation on all project participants.

For Nigeria, the challenge is not an absence of standards but the lack of a statutory anchor and an enforcement mechanism that applies uniformly to contractors, consultants, and developers. A

Construction Act could require HSE plans as a condition of registration and grading, make safety breaches a basis for suspension from the national register, and empower inspectors to enforce sanctions proportionate to the scale of violation. Integrating environmental obligations would also align Nigeria with its commitments under the SDGs and provide comfort to development finance institutions that increasingly condition funding on demonstrable environmental and social safeguards.

By elevating HSE compliance into the statutory framework, Nigeria would signal that safe and sustainable construction is not a matter of professional discretion but a legal duty tied directly to the right to participate in the industry.

Governance & Anti-Corruption Safeguards Pillar

Weak governance and endemic corruption have long undermined confidence in Africa's construction sector, inflating project costs, enabling rent-seeking, and eroding investor trust.[39] Nigeria is no exception.[40] While existing statutes such as the PPA establish transparency principles, enforcement has been uneven, and gaps remain in monitoring contract awards, change orders, and contractor performance. Comparative practice shows that governance safeguards can be embedded directly into sectoral legislation. In Australia, for example, as earlier mentioned, licensing and disclosure frameworks require contractors to demonstrate financial solvency and probity as a precondition for participation, while periodic reporting obligations allow regulators to monitor compliance.

A Nigerian Construction Act could build on these models by mandating disclosure of beneficial ownership in public contracts, requiring contractors to maintain auditable records of subcontracting and payments, and empowering regulators to suspend or downgrade firms found guilty of fraud, collusion, or misrepresentation. Linking governance obligations to the national contractor register would create a single point of enforcement and enable sanctions to be applied consistently across the industry.

Such measures would not only improve the integrity of procurement but also meet the expectations of MDBs/DFIs, which routinely condition project financing on demonstrable anti-corruption frameworks. By embedding governance and anti-corruption safeguards into the Construction Act, Nigeria would reduce opportunities for rent-seeking, improve investor confidence, and reinforce the credibility of its regulatory regime.[41]

[39] A Aderibigbe, N Umeokafor, T Umar and Y Upadhyay, 'Impact of Corruption on Achieving Sustainable Development Goals within Africa's Construction Industry' in YG Sandanayake and others (eds), Proceedings of the 12th World Construction Symposium (2024). https://ciobwcs.com/downloads/papers24/S16031.pdf
[40] Ibid
[41] Ibid

Payment Timelines & Statutory Adjudication Pillar

Payment insecurity is one of the most persistent risks in Nigeria's construction industry, destabilising contractor cash flow and driving disputes that overwhelm the courts.[42] Despite provisions in the PPA and standard-form contracts, arrears and delayed certification remain routine, with smaller firms most affected. Comparative regimes illustrate how statutory intervention can address this. The UK's Construction Act introduced mandatory interim payment rights and a fast-track adjudication process, ensuring liquidity through the "pay now, argue later" principle. Australia and Singapore have adopted similar security of payment legislation, granting contractors statutory rights to prompt payment and binding interim adjudication determinations administered by an authorised nominating body.

For Nigeria, a Construction Act could codify strict payment timelines for public and private projects, backed by a statutory right to refer disputes to adjudication within days of a payment default. Determinations would be binding on an interim basis and enforceable in court, while preserving the right to later arbitration or litigation. This dual-track model would preserve legal certainty while ensuring that contractors, particularly small and medium enterprise (SMEs), are not forced into insolvency by prolonged arrears.

Embedding statutory adjudication within Nigeria's construction framework would align the industry with global best practice, reduce the adversarial burden on courts, and increase the attractiveness of projects to development finance institutions that prioritise payment security and efficient dispute resolution.

Skills Transfer & Local-Content Obligations Pillar

Sustainable growth in Nigeria's construction sector requires not only stronger regulation of firms but also deliberate investment in workforce capacity and indigenous participation.[43] Despite repeated policy commitments to local content, enforcement remains inconsistent, and many large projects continue to rely heavily on expatriate expertise without structured knowledge transfer.[44] Comparative practice shows the value of embedding training and local-content duties within statutory frameworks. For example, in Singapore, contractors bidding for public contracts must be registered under the Building and Construction Authority's Contractors Registration System (CRS), which evaluates their financial standing/capacity, safety performance, technical capability and

[42] The Effect of Delayed Payments and Retention on Contractors Cash Flow (PM World Journal Vol IX, Issue VIII, August 2020) https://pmworldlibrary.net/wp-content/uploads/2020/07/pmwj96-Aug2020-Okereke-effect-of-delayed-payments-and-retention.pdf accessed 13 September 2025.

[43] Aniekwu, A. N., Indigenous Participation in a Developing Construction Industry: A Case of Nigeria (Uniben, 2014) https://www.researchgate.net/publication/263653576_Indigenous_Participation_in_a_developing_Construction_Industry accessed 14 September 2025;

[44] Ibid

track record,[45] while in South Africa, local-content thresholds are mandated under the Preferential Procurement Policy Framework Act 2000[46] and related regulations. Nigeria itself has precedent in this regard: the Nigerian Oil and Gas Industry Content Development Act 2010[47] demonstrates how statutory obligations on local participation and skills transfer can reshape an entire sector.

For Nigeria, a Construction Act could require that both domestic and foreign contractors demonstrate structured programmes for skills transfer as a condition of registration and grading. This might include mandatory apprenticeship quotas, partnerships with technical colleges, or certification pathways aligned to project scale. Local-content obligations could also be linked to thresholds for subcontracting, ensuring that indigenous firms have equitable access to large-scale projects while meeting international quality and safety standards.

By tying participation in the construction industry to demonstrable commitments on skills and local capacity, Nigeria would not only address chronic shortages of skilled labour but also ensure that infrastructure investment leaves a durable legacy of human capital. Such provisions would further align with the expectations of MDBs/DFIs which increasingly condition funding on measurable social impact alongside financial and technical compliance.

ROADMAP AND IMPLEMENTATION

The transition from comparative lessons to statutory reform in Nigeria requires more than aspiration; it demands an institutionally grounded roadmap. A Nigerian Construction Act must reflect constitutional realities, political economy constraints, and implementation capacity.

1. **Federal–State Coordination.**
   Because land use, planning, and building control sit concurrently under federal and state authority, a Nigerian Construction Act should delineate clear areas of competence. Federal law can provide baseline standards for registration, safety, and adjudication, while states supplement with context-specific regulations. This cooperative framework would mirror arrangements in environmental law and public health.
2. **Institutional Anchor.**
   Implementation requires a statutory regulator, potentially styled the Nigerian Construction Authority (NCA). Overseen by the Federal Ministry of Works and Housing with professional councils (e.g., COREN, NIOB, NIQS), the NCA would manage the contractor register, enforce standards, and administer adjudication. Centralisation would reduce fragmentation and forum shopping

[45] Building and Construction Authority (Singapore), Contractors Registration System (CRS) Registration Requirements (BCA 2023) https://www1.bca.gov.sg/procurement/pre-tender-stage/contractors-registration-system-crs
accessed 14 September 2025.
[46] Preferential Procurement Policy Framework Act 2000 (South Africa)
[47] Nigerian Oil and Gas Industry Content Development Act 2010 (Nigeria)

3. **Sequencing and Phasing.**

   Reform is best introduced in stages, not to rank priorities but to match institutional readiness. An initial phase could establish the contractor register and adjudication framework, giving immediate impact on market entry and cash flow. Later phases would embed safety and governance duties, followed by measures on skills transfer and local content to secure a durable legacy of indigenous capacity.

4. **Stakeholder Consultation.**

   Successful passage requires broad consultation with industry associations, professional bodies, labour unions, and civil society. Input from MDBs and DFIs should be solicited to align provisions with financing norms. Consultation builds legitimacy, reduces resistance, and incorporates diverse concerns.

5. **Drafting and Political Economy.**

   The drafting process should be transparent and consultative, led by a technical committee of legislators, regulators, industry experts, and academics. Political economy factors—vested interests, resistance from unqualified contractors, and inter-agency rivalries—must be anticipated. Mitigation includes incremental rollout, regulator training, and clear enforcement backed by credible sanctions.

6. **Financing and Capacity Support.**

   Implementation will require investment in regulatory capacity. Technical assistance can be sought from MDBs and DFIs, which often support legal and institutional reforms linked to stronger safeguards. Development partners can also help design monitoring frameworks and provide initial funding for capacity-building.

Summary

Implementation of a Nigerian Construction Act should be seen as a reform process rather than a single legislative event. Anchoring the Act in a central authority, phasing reforms pragmatically, and aligning with federal–state competencies and international financing expectations would maximise its chances of success.

CONCLUSION

Nigeria's construction sector sits at the intersection of urgent national needs and systemic regulatory weaknesses. Fragmented statutes, uneven enforcement, payment insecurity, and recurrent building collapses have eroded public confidence and deterred investment. This paper has argued that a Nigerian Construction Act, drawing from comparative statutory experience in the United Kingdom, Australia, and Singapore, offers a credible pathway to professionalise contractors,

safeguard health and safety, embed governance and anti-corruption safeguards, secure payment timelines through statutory adjudication, and institutionalise skills transfer and local-content obligations.

The five pillars proposed are not discrete measures but co-equal, interdependent and mutually reinforcing elements of reform. Together, they would recalibrate incentives across clients, contractors, regulators, and financiers, reducing systemic risks while raising standards of competence and integrity. By anchoring payment certainty, strengthening safety, and embedding transparency, the Act would align Nigeria's construction sector with international norms and the requirements of MDBs and DFIs.

Yet legislation alone is insufficient. Successful reform will depend on careful phasing, robust institutional anchoring, and broad stakeholder consultation to overcome entrenched interests and capacity constraints. If sequenced effectively and supported by regulatory investment, a Nigerian Construction Act could shift the industry from a cycle of collapses, arrears, and disputes to one of predictable delivery and inclusive growth.

Ultimately, the adoption of a Nigerian Construction Act would represent more than technical reform. It would signal a political commitment to protect lives, empower local firms, and ensure that infrastructure investment leaves a durable legacy of competence and trust. By consolidating existing instruments into a coherent framework, Nigeria has the opportunity to create a safer, more transparent, and more investible construction sector fit for the challenges of the twenty-first century.

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