



LEGAL APPROACHES TO PROMOTE SUSTAINABLE DEVELOPMENT THROUGH GREEN FISCAL POLICIES AND ECONOMIC STIMULUS IN NIGERIA

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Sustainable development has become pertinent to policymakers and, in recent years, has formed the bedrock of new developmental objectives of African countries. Nigeria has faced several challenges ranging from, legal, governance, socio-economic, and environmental issues in achieving the Sustainable Development Goals (SDGs). There is a need to take a cursory look at the legal approaches to promote the transition from the current pace of economic progress in Nigeria to a sustainable, green economy and high income through green fiscal policies, together with some economic stimulus mechanisms and existing financing strategies. This paper adopts a doctrinal legal research methodology in its analysis of how international and domestic law may be utilized to promote sustainable development. The findings reveal law and policy goals that ensure human well-being and social equity foster long-run economic development and transition from a traditional economy structure by ensuring job creation, and poverty alleviation to a green economy. The research and its results advance the need for Nigeria to undertake some legal strategies for integrating economic, social, and environmental aims in making decisions or solutions on how money is collected and spent to further the country's transition to and sustenance of a green economy in its national budget concerning financial emergency due to shortfalls in oil, and as a wider policy directive.

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1. INTRODUCTION

Nigeria straddles a pivotal position in the global community and remains one of the largest countries in Africa.¹ It has not been spared the bane of environmental degradation, coupled with dashed expectations; hence, this justifies the need for sustainable growth and for integrating fiscal policies with long-term policies.² This blend of fiscal and long-term development goals accounts for the concept of green fiscal policy,³ an oath perceived to minimize environmental degradation while ensuring revenue, employment, and economic objectives continue to be met.⁴ Accordingly, fiscal policy and its accompanying measures have been the subject of discussion, both at the national and supranational levels.⁵ Nonetheless, little attention has been paid to the intricate link between the legal system and fiscal legislation driven at combating environmental challenges, let alone an in-depth analysis of any existing Nigerian legislation and policies in this regard.⁶ It is in anticipation of resolving this that the provided essay aims to critically discuss available legal entities towards promoting

¹ V Adetula, 'Nigeria's Rebased Economy and Its Role in Regional and Global Politics' (2021) <<https://www.semanticscholar.org/paper/Nigeria%E2%80%99s-Rebased-Economy-and-Its-Role-in-Regional-Adetula/2d6657d768fd699e37d7f85873cc57ba671fb20a>> accessed 27 November 2024.

² TT Siyanbola, A Adegboyega and F Adegbie, 'FISCAL POLICY SUSTAINABILITY AND ECONOMIC GROWTH OF NIGERIA' (2020) Solid State Technology <<https://www.semanticscholar.org/paper/FISCAL-POLICY-SUSTAINABILITY-AND-ECONOMIC-GROWTH-OF-Siyanbola-Adegboyega/dec4903d4f625fff2d0ed5e88b6ade59e64c9fe9>> accessed 27 November 2024.

³ J Saka, AG Johnson and IO Onafowokan, 'Fiscal Policy and the Dynamics of Environmental Quality in Nigeria' (2020) <<https://www.semanticscholar.org/paper/Fiscal-policy-and-the-dynamics-of-environmental-in-Saka-Johnson/2175c6e9dc2c29ff5ebae5484a8f5c505c22ac5e>> accessed 27 November 2024.

⁴ Fanting Meng, 'Driving Sustainable Development: Fiscal Policy and the Promotion of Natural Resource Efficiency' (2024) 90 Resources Policy 104687.

⁵ J Saka, Dayo Olanipekun and A Johnson, 'FISCAL POLICY DYNAMICS, UNEMPLOYMENT AND TRADE IN WEST AFRICA' (2024) 63 The Nigerian journal of economic and social studies 51.

⁶ Department of Political Science Nigeria Police Academy, Wudil-Kano and others, 'Challenges and Prospects of the Legal Frameworks for Combatting Climate Change in Nigeria' (2024) 4 AKSU Journal of Administration and Corporate Governance 109.

sustainable growth, steered both by green fiscal policies and economic compulsions in Nigeria.

The central contention of this paper is that there is a vital relationship between the legal system and the various fiscal policies and legislations,⁷ particularly as capable of reorienting the nation and fostering favorable economic policies. Given that fiscal and monetary policies are conceived by the legal framework considering the danger of invalidation posed to the economy under conditions of weak fiscal regulations stated without contradictory laws.⁸ Hence, the research aim is to offer insight into the relationship between environmental protection, green fiscal policy, and available Nigerian laws. The paper comprises four sections. First, it derives information on Nigeria and its perspective on the sustainable development debate, as local circumstances may account for greater local concern for the environment. It can be used to generate little-known theories for debate. It is followed by the resultant second part, fundamentally charting out stakeholders' interpretation of social and economic sustainability vis-à-vis their concept of time in the Nigerian context. The third examines local impacts of non-sustainable local action and how these reflect, empower, or threaten legal environmental instruments in place, however symbolic they might be. Controversially, the fourth point states that legal mechanisms might not primarily be about protecting the environment but rather fostering the reorientation of local mindsets about the environment. This point of contended departure links this submission to broader themes in Nigerian law. The final section is the conclusion and wide-ranging deliberations.

⁷ Olawunmi Obisesan, 'Appraisal of the Relevant Laws, Health Care Policies, and Legal and Institutional Frameworks for the Health Care Support of Intimate Partner Violence Survivors in Nigeria' (2024) 4 NEWPORT INTERNATIONAL JOURNAL OF LAW, COMMUNICATION AND LANGUAGES 18.

⁸ Oleksandr Baranovskyi, 'Coordination of Fiscal and Monetary Policies' (2024) Finance of Ukraine 7.

2.0 LITERATURE REVIEW

2.1 The Concept of Sustainable Growth and Green Fiscal Policies

The decade from 2021 to 2030 has been declared to be the United Nations Decade on Ecosystem Restoration.⁹ In the coming years, governments of different countries around the world are supposed to present such policies and strategies. The restoration of many ecosystems is linked to the concept of sustainable growth.¹⁰ Sustainable growth is not only of theoretical but also of practical importance, as it offers a fair balance between economic development and the protection of the environment.¹¹ Good practices of some countries aimed at promoting sustainable growth using methods such as tight regulations of environmental protection and the application of green fiscal policies were economically beneficial.¹²¹³¹⁴ Nigeria, as the largest economy in Africa and a significant regional power, will need to take steps to find green solutions for socio-economic restructuring after COVID-19. The changes being undertaken should, in our opinion,

⁹ Sheikh Adil Edrisi and Purushothaman Chirakkuzhyil Abhilash, 'Need of Transdisciplinary Research for Accelerating Land Restoration during the UN Decade on Ecosystem Restoration' (2021) 29 *Restoration Ecology* e13531.

¹⁰ Sasha Alexander and others, 'Synthesis, Part of a Special Feature on Ecological Restoration, Ecosystem Services, and Land Use The Relationship between Ecological Restoration and the Ecosystem Services Concept' (2016) <<https://www.semanticscholar.org/paper/Synthesis%2C-part-of-a-Special-Feature-on-Ecological-Alexander-Aronson/17a84c3678f7820497f2c11032d8aeab407488fa>> accessed 27 November 2024.

¹¹ Azerbaijan Technical University and Arzu Jamil Safarli, 'THE ECONOMICS OF SUSTAINABLE DEVELOPMENT: BALANCING GROWTH AND ENVIRONMENTAL CONSERVATION' (2024) Elmi Əsərlər <https://proceedings.aztu.edu.az/uploads/articles/1718097236_52f3ebd47365e005f0de.pdf> accessed 27 November 2024.

¹² Hany M Elshamy and Khaled I Sayed Ahmed, 'Green Fiscal Reforms, Environment and Sustainable Development' *International Journal of Applied Economics, Finance and Accounting* (2017) <<http://onlineacademicpress.com/index.php/IJAEFA/article/view/6>> accessed 27 November 2024.

¹³ Kai Cui, Xinxue Li and Gang Li, 'What Kind of Fiscal Policies and Natural Resources Efficiency Promotes Green Economic Growth? Evidence from Regression Analysis' (2023) 85 *Resources Policy* 103941.

¹⁴ Julia Orlovska and Alyona Khlivitskaya, 'Economic Policy Of Sustainable Development In Leading Countries: Lessons For Ukraine' [2021] *Problems Of Systemic Approach In The Economy* <http://www.psae-jrnl.nau.in.ua/journal/4_78_2020_ukr/27.pdf> accessed 27 November 2024.

contribute to the promotion of sustainable growth through the new concept of the green economy and the use of an additional mechanism—green and efficient fiscal policies supported by the unlocking of economic forces.

Green fiscal policy is one of the tools for the treatment of community climate disease.¹⁵ The main goal of green fiscal policy is the reduction of harmful emissions.¹⁶ Green fiscal policy involves taking legal actions, particularly the moderation of laws, in the field of taxes, fees, and charges.^{17,18} This toolkit is called green fiscal policy because it gives the user leverage to influence agents who are active in the market. By modifying the system of taxes, charges, and fees introduced, the state may impact the income level of the taxpayers or make some forms of their consumption more expensive.¹⁹ A necessary condition for green fiscal policies to work efficiently on a long-term basis, i.e., to be beneficial for the objectives of emission reduction, is the existence of a system composed of multiple, complex, consistent, enforceable positive laws.

2.1.1 Defining Sustainable Growth

'sustainable growth' is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.²⁰ In its essence, sustainable development is an approach to building and ensuring environmental, social, and economic capacities

¹⁵ Aris Avgousti and others, 'The Climate Change Challenge and Fiscal Instruments and Policies in the EU' (2023) SSRN Electronic Journal <<https://www.ssrn.com/abstract=4424152>> accessed 27 November 2024.

¹⁶ *ibid.*

¹⁷ Adi Artino, Endy Grade Tampubolon and Apipudin Apipudin, 'Keterkaitan Peran Stakeholders Dalam Penerapan Green Fiscal Policy Pada Era Pandemi Covid 19 Di Indonesia' (2023) 11 *Jurnal Wilayah dan Lingkungan* 1.

¹⁸ Aris Avgousti and others, 'The Climate Change Challenge and Fiscal Instruments and Policies in the EU' (2023) SSRN Electronic Journal <<https://www.ssrn.com/abstract=4424152>> accessed 27 November 2024.

¹⁹ Musa Shamsudinovich Basnukaev and Islam Yanarsovich Elzhurkaev, 'Taxes In State Regulation System' 79.

²⁰ Khi V Thai and others, 'Sustainable Development in an International Perspective' in Khi V Thai, Dianne Rahm and Jerrell D Cogburn (eds) (1st edn, Routledge 2017) <<https://www.taylorfrancis.com/books/9781351564557/chapters/10.4324/97813515093253-2>> accessed 27 November 2024.

for different aspects of societies to endure.²¹ The concept of sustainable growth possesses various dimensions, the foremost of these being the economic, environmental, and social perspectives.²² From an economic standpoint, the primary objective of green growth is to provide different well-being opportunities and enhance the human development index, which is a composite index of life expectancy, education, and gross national income.²³ Discounts on future profitability due to resource scarcity and environmental degradation can be estimated through the use of shadow prices for resources or can be reflected in well-being indicators.

Environmental indicators of sustainable growth can reflect the quality of the environment and the level of resource use by nations.²⁴ These indicators can, amongst other things, reflect the tendency of the flow of natural services to exceed certain limits. Resources are considered by others to be inherently limited and exhaustible. Indicators of social equity include the distribution of wealth, unemployment rate, poverty, and gender equality. Others have emphasized the resilience characteristics of individuals, groups, and environments, and especially the contribution of biological diversity and genetic resilience to the well-being of communities and their capacity to absorb disturbance, manage uncertainty and change, and continue to meet their development objectives.²⁵ Similarly, some indicators measure asset accumulation of a nation as a basis for development.²⁶ These provide useful insights into whether resources are being accumulated or depleted in achieving development. There will

²¹ Inas Yahya Abdullah, 'Employing Sustainable Development To Build Societies' (2024) *Arid International Journal of Educational and psychosocial sciences* 222.

²² *ibid.*

²³ João J Ferreira and others, 'Diverging or Converging to a Green World? Impact of Green Growth Measures on Countries' Economic Performance' (2023) *Environment, Development and Sustainability* <<https://link.springer.com/10.1007/s10668-023-02991-x>> accessed 27 November 2024.

²⁴ Milan Majerník and others, 'Development of Indicators of Sustainability of Economic Growth and Quality of Life', *Ecological Engineering & Environmental Technology* (2021) <<http://www.ecoet.com/Development-of-Indicators-of-Sustainability-of-Economic-Growth-and-Quality-of-Life,133330,0,2.html>> accessed 27 November 2024.

²⁵ Sara Meerow, Pani Pajouhesh and Thaddeus R Miller, 'Social Equity in Urban Resilience Planning' (2019) 24 *Local Environment* 793.

²⁶ Partha Dasgupta, 'Measuring the Wealth of Nations' (2014) 6 *Annual Review of Resource Economics* 17.

always be room for academic arguments when linking a set of indicators to human progress. The majority of African states became independent in the last 60 years, and the cases of Botswana, South Africa, Seychelles, Tunisia, Mauritius, Morocco, and Algeria provide invaluable examples of sustainable growth and development.²⁷

2.2. Types of Economic Stimulus Measures

Economic stimulus measures espouse direct and indirect channels for shifting the economy from conventional to a sustainable pathway.²⁸ Direct investment channels are fiscal measures involving payments or subsidies that are designed to provide compensation for initial high investment costs and make private investors shift to green solutions.²⁹ It may involve cash handouts, financial or fiscal support to green firms. Direct fiscal stimulus may include financial handouts and subsidies³⁰. There have been several clear subsidy schemes for solar cooking, solar water heating, solar street lighting, solar lanterns and its distribution, bio-gas plants and the like since the 1980s together with an institutional network of agencies to promote the same.³¹ Also, many industrialized countries have had long experiences with guaranteed feed-in tariffs for renewable energy supply.³²

Alternatively, businesses might be facing high current costs because the government has imposed standards that demand high environmental quality levels. Measures in the financial assistance policy category can be designed to lower the costs to businesses of complying with such

²⁷ Wim Naudé, 'Development Progress in Sub-Saharan Africa: Lessons from Botswana, Ghana, Mauritius, and South Africa' in Augustin K Fosu (ed) (Oxford University Press 2013) <<https://academic.oup.com/book/25349/chapter/192403853>> accessed 27 November 2024.

²⁸ Mats Kröger and others, 'A Green New Deal after Corona: What We Can Learn from the Financial Crisis' (2020) <<https://www.semanticscholar.org/paper/A-Green-New-Deal-after-Corona%3A-What-We-Can-Learn-Kr%C3%B6ger-Xi/0b11eba384a8f9ccbcb7525f2f456d3aecfe378>> accessed 1 December 2024.

²⁹ Matteo Deleidi, Mariana Mazzucato and Gregor Semieniuk, 'Neither Crowding in nor out: Public Direct Investment Mobilising Private Investment into Renewable Electricity Projects' (2020) 140 *Energy Policy* 111195.

³⁰ *ibid.*

³¹ Ashma Vaidy, 'Stakeholders' Perception About the Effectiveness of Renewable Energy Subsidy in Nepal: A Review of Biogas Subsidy' (2020) 15 *Journal of the Institute of Engineering* 375.

³² *ibid.*

regulations. On the other hand, indirect fiscal stimulus measures are geared at facilitating a shift to environmentally friendly types of production, or the consumption of output from these types of production, by changing relative prices rather than by directly reducing resource costs.³³ Regulation-related incentives include environmental quality standards that work as a market-based incentive strategy, as much as green public procurement that uses large purchases by the government to steer private providers in the desired direction.³⁴ Consumer-based demand incentives indicate a wide range of indirect incentives that change the relative prices between green and conventional consumption in the minds of the catalyst in the concerned subsystem.³⁵ Sectoral market development incentives could be considered as indirect incentives: 'green rebate' programs that provide credit to an eco-friendly company for shifting the comforts of staff from non-green to green utilities to create an initial demand for these eco-friendly utilities and thus push the production capacity in the economy.³⁶ Trade measures like eco-labeling and eco-rating are widely used as indirect fiscal measures in industrial countries.³⁷ Green incentives can also include indirect measures for the financial sector, such as changing the capital adequacy ratios of banks to make direct lending to environmentally sound investments more attractive than lending to others or pricing the currency in a method supportive of the green system.³⁸ Numerous packages of green stimulus measures have been taken with good results. It provided immediate economic relief to homes, as well as investment in the renewable energy sector. As a result, three gigawatts of

³³ Dimitri Zenghelis, 'In Praise of a Green Stimulus' (2014) 5 WIREs Climate Change 7.

³⁴ Edward B Barbier, 'Markets and Governments in Environmental Policy' in *Companion to Environmental Studies* (Routledge 2018).

³⁵ *ibid.*

³⁶ Tobias Kruse and others, 'Green Revenues, Profitability and Market Valuation: Evidence from a Global Firm Level Dataset' (2020) <<https://www.semanticscholar.org/paper/Green-revenues%2C-profitability-and-market-valuation%3A-Kruse-Mohnen/37f27397b463388ff5e931dc7721f686512b2c9f>> accessed 1 December 2024.

³⁷ Wendy Hollingsworth, *Eco-Labeling and International Trade* | *Commonwealth iLibrary* (2021) <<https://www.thecommonwealth-ilibrary.org/index.php/comsec/catalog/book/570>> accessed 1 December 2024.

³⁸ Dongyang Pan, 'The Economic and Environmental Effects of Green Financial Policy in China: A DSGE Approach' (Social Science Research Network) <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3486211> accessed 1 December 2024.

solar photovoltaic power were installed in 2009 alone.³⁹ Schemes such as these have potential multiplier effects on local ecosystems and generate work and income for the poor while assisting the greening of production systems and technologies.⁴⁰ Analogously, the territories under the Renewable Energy Fund program have piloted solar PV and solar water heating for poor families since 2009.⁴¹ This will also have the added benefit of making the energy supply system more resilient. A range of stakeholders need to be coordinated to provide well-targeted green stimulus to the poor. Such informed policymakers should offer multi-year funding that phases out and mainstreams the energy-efficiency measures into the conventional plan of social development. If properly scaled, these approaches could help transform the economic infrastructure of the territories.

2.3 Green Fiscal Policies and Their Importance

A policy is fiscal with a green goal or cause when it is dedicated explicitly to the environment, is embodied in financial rules, and focuses on regulatory instruments to deter pollution and encourage the conservation of the ecological and climatic environment.⁴² Hence, green fiscal policy contains environmental rules that inspire environmental responsiveness.⁴³ Green fiscal policy is an ongoing innovative policy instrument that induces and encourages good environmental behavior. It is known to be desirable for sustainable growth.⁴⁴ There is little more that can be done with respect to fiscal measures. There is no further room to diminish the rate on assets or to implement any additional institutional adjustments to cater to the desired growth in other sectors.

³⁹ Emna Omri, Nouri Chtourou and Damien Bazin, 'Rethinking the Green Recovery through Renewable Energy Expansion' (2015) 18 *International Journal of Sustainable Development* 59.

⁴⁰ 'Publications' (*OECD*, 21 November 2024) <<https://www.oecd.org/en/publications.html>> accessed 1 December 2024.

⁴¹ 'Deploying Off-Grid Technology to Eradicate Energy Poverty | Science' <<https://www.science.org/doi/10.1126/science.1222307>> accessed 2 December 2024.

⁴² Murray Petrie and Murray Petrie, 'Environmental Governance and the Greening of Fiscal Policy' 109.

⁴³ *ibid.*

⁴⁴ *ibid.*

In a bid to administer an economy through the divestiture scheme such as green fiscal policy, the directing facility becomes significant through achieving the green desire. The government must play its role and achieve growth by tapping into the most lucrative prospects. The term 'green' pertains to the financial consideration whereby a certain figure is quoted, denoting economic benefit, and has the capacity to make use of any property.⁴⁵ Following this definition, green fiscal policy reforms involve carving out assets so they are easier to transact for business and individual growth. Nigeria, being part of the global economy and now a contracting party to numerous international agreements, therefore needs to consider some form of green fiscal policy and green economic stimulus to buoy it to advantages. Nigeria is aspiring to create an economy that is stimulating, empowered, helping with jobs, and promoting development because it is healthy; hence, the need for green fiscal policy to ensure a balance in economic trends towards sustainable growth.⁴⁶ The need to construct and maintain such an economy then unavoidably impacts policy facilitation.

2.4 The Relationship Between Legal Frameworks and Sustainable Growth.

2.4.1. International Legal Frameworks

At the international level, several treaties, conventions, charters, decisions, recommendations, and declarations provide persuasive and sometimes legally binding obligations for sustainable growth across a wide range of issues.⁴⁷ Nigeria is a party to several treaties and conventions relevant to policies for a green economy, including agreements within the United Nations framework and those that address issues such as trade,

⁴⁵ Ben Dalton and Franz Fuerst, 'The "Green Value" Proposition in Real Estate' in Sara Wilkinson and others (eds) (1st edn, Routledge 2018) <<https://www.taylorfrancis.com/books/9781317223962/chapters/10.1201/9781315622750-12>> accessed 27 November 2024.

⁴⁶ Department of Economics, Nigerian Defence Academy, Kaduna. Kaduna- State and others, 'GREEN ECONOMY AND FISCAL POLICY IN DEVELOPING ECONOMY: EVIDENCE FROM NIGERIA' (2024) 07 *Caleb International Journal of Development Studies* 63.

⁴⁷ BA HONS. BUSINESS ECONOMICS AMITY SCHOOL OF ECONOMICS, AUUP and Mehak Nihalani, 'International Laws and Their Implications for Sustainable Growth' (2024) 08 *INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH IN ENGINEERING AND MANAGEMENT* 1.

investment, biotechnology, and human rights.⁴⁸ Where Nigeria is distinctively a party, the country is required to take national measures that give effect to its international obligations, on which the government can base its policies. Conventions, protocols, and treaties can range from binding agreements, where parties to the treaty are legally obligated to comply with its provisions, to voluntary agreements where no formal process of ratification is required.⁴⁹ International law facilitates international cooperation in the absence of a single state authority and serves to minimize the concept of 'free-riding' against a backdrop of national sovereignty.⁵⁰

The usual purposes of most multilateral environmental agreements are to minimize transfrontier externalities from pollution or resource degradation, to prevent state assistance to national firms causing reduced rivalry globally, to ensure that national policies do not jeopardize the achievement of an agreed global goal such as the right to life, health, or basic economic needs, and to achieve prosperity as an aim of sustainability for collective long-term gain, which includes economic growth.⁵¹ Some agreements focus on the fair distribution of global resources. The multilateral agreements also trigger compliance mechanisms that can produce decisions, recommendations, agreements, protocols, measures, and sanctions of a potentially legally binding nature.⁵² Although treaties contain explicit rights and obligations, customary international law, which evolves from state practice and consent, governs most open access regimes and states that common resources are to be managed in a responsible manner.⁵³ The international regime also recognizes the need for integrating

⁴⁸ Agaptus Nwozor and others, 'Transition to Green Energy and Sustainable Development in Nigeria: A Prospective and Evaluative Analysis' (2021) 665 IOP Conference Series: Earth and Environmental Science 012029.

⁴⁹ Kal Raustiala, 'Form and Substance in International Agreements' (2005) 99 *American Journal of International Law* 581.

⁵⁰ Henrique Marcós, Antonia Waltermann and Jaap Hage, 'From Sovereignty to International Cooperation: Lessons from Legal Logic and Social Ontology (Short Paper)' (2021) SSRN Electronic Journal <<https://www.ssrn.com/abstract=3907962>> accessed 27 November 2024.

⁵¹ *ibid.*

⁵² N Goeteyn and F Maes, 'Compliance Mechanisms in Multilateral Environmental Agreements: An Effective Way to Improve Compliance?' (2011) 10 *Chinese Journal of International Law* 791.

⁵³ Hannes Hansen-Magnusson and others, 'Responsibility on the High Seas' 346.

economic, social, and environmental objectives at both national and international levels to promote sustainable economic growth, poverty eradication, and prosperity for the well-being of all.⁵⁴ Once nations assent to a treaty, the provisions become a part of the legal context in which they have committed to act. In international relations, compliance with treaties is generally achieved through synergy with domestic law.⁵⁶ In a domestic legal system that takes into account the legal imports of international treaties, treaty provisions may be directly or indirectly enforceable in national courts and through administrative and regulatory institutions.

2.4.2. Domestic Legal Frameworks in Nigeria

Nigeria has an established domestic legal framework for promoting sustainable growth and protecting the environment.⁵⁷ The laws and policies are aligned with Nigeria's international obligations in environmental protection. Given Nigeria's peculiar and specific environmental and developmental challenges, a number of laws and policies have been promulgated and proclaimed to safeguard the environment and natural resources, while also promoting sustainable economic growth.⁵⁸ The Federal Ministry of Environment is saddled with the responsibility to manage and protect the country's environment.⁵⁹

⁵⁴ Don Wallace, 'The UN Regime and Sustainable Development: Agenda 2030' in Charlie Karlsson and Daniel Silander (eds) (Edward Elgar Publishing 2020) <<https://china.elgaronline.com/view/edcoll/9781789909968/9781789909968.00006.xml>> accessed 27 November 2024.

⁵⁵ Vitor F Ferreira, 'The Future We Want' (2012) 23 *Journal of the Brazilian Chemical Society* 795.

⁵⁶ Audrey L Comstock, *Committed to Rights: UN Human Rights Treaties and Legal Paths for Commitment and Compliance* (1st edn, Cambridge University Press 2021) <https://www.cambridge.org/core/product/identifier/9781108908979/type/book> accessed 27 November 2024.

⁵⁷ Felicia Anyogu and E Nyekwere, 'Appraisal of the Legal and Institutional Framework for Sustainable Environmental Management in Nigeria' (2022) 16 *The Nigerian Juridical Review* 155.

⁵⁸ *ibid.*

⁵⁹ Ahmed Abubakar and others, 'ROLE OF GOVERNMENT INSTITUTIONS IN MANAGING THE ENVIRONMENT IN NIGERIA: POLICY AND GOVERNANCE REVIEW' (2023) 43 *Borneo Science | The Journal of Science and Technology* <<https://jurcon.ums.edu.my/ojums/index.php/borneo-science/article/view/4402>> accessed 27 November 2024.

Other stakeholders are responsible for enforcing the various national laws and regulations dealing with the environment.

Nigeria is a federation composed of 36 states and the Federal Capital Territory of Abuja, and has a three-tier government structure consisting of federal, state, and local councils.⁶⁰ This means that three different governments are operating in Nigeria within their constitutional boundaries. Both federal and state governments have constitutional authority to make laws regarding natural resources and the environment.⁶¹ Each state and the FCT in Nigeria has its own Ministry of Environment.⁶² At the international level, many regulatory frameworks have compliance and enforcement-related problems.^{63,64} It is important to have law enforcement practices in environmental conservation in order to ensure effective environmental protection and management.⁶⁵ Based on the existing legal framework, overlap, duplication, and conflicts have been identified. This study also shows that there is a lack of integration and legal

⁶⁰ O Adeyemi, 'LOCAL GOVERNMENT AND THE CHALLENGES OF SERVICE DELIVERY: THE NIGERIA EXPERIENCE' (2013) <<https://www.semanticscholar.org/paper/LOCAL-GOVERNMENT-AND-THE-CHALLENGES-OF-SERVICE-THE-Adeyemi/d2e7ab77ab9c07ad103cf8df595948c3ab3dad89>> accessed 27 November 2024.

⁶¹ B Hudson, 'Dynamic Forest Federalism' (2014) *Political Economy - Development: Environment eJournal* <<https://www.semanticscholar.org/paper/Dynamic-Forest-Federalism-Hudson/28bdc48d3356b40f53dce1c1c63347c93285ecec>> accessed 27 November 2024.

⁶² Ahmed Abubakar and others, 'ROLE OF GOVERNMENT INSTITUTIONS IN MANAGING THE ENVIRONMENT IN NIGERIA: POLICY AND GOVERNANCE REVIEW' (2023) 43 *Borneo Science | The Journal of Science and Technology* <<https://jurcon.ums.edu.my/ojums/index.php/borneo-science/article/view/4402>> accessed 27 November 2024.

⁶³ George W Downs, David M Rocke and Peter N Barsoom, 'Is the Good News about Compliance Good News about Cooperation?' (1996) 50 *International Organization* 379.

⁶⁴ Florentin Blanc and Giuseppa Ottimofiore, 'Regulatory Compliance in a Global Perspective: Developing Countries, Emerging Markets and the Role of International Development Institutions' in Benjamin Van Rooij and D Daniel Sokol (eds) (1st edn, Cambridge University Press 2021) <https://www.cambridge.org/core/product/identifier/9781108759458%23CN-bp-13/type/book_part> accessed 28 November 2024.

⁶⁵ Nur Insani and Suud Sarim Karimullah, 'Justice for Nature: Integrating Environmental Concerns into Legal Systems for Adequate Environmental Protection' (2023) 12 *Jurnal Hukum dan Peradilan* 129.

approaches with the various economic and energy policies in Nigeria.⁶⁶ There appear to be some capacity problems at the regulatory authorities when dealing with these issues. There may be little, sufficient, or larger capacity at the federal level, i.e., the Federal Ministry of Environment. There is also evidence that the existing environmental legal framework should be reformed.⁶⁷ Given these, Nigeria still needs to make maximum use of the current legal tools and improve them continuously. There should also be compliance with laws as well as effective enforcement, which is a prerequisite for sustainable development. In addition, Nigeria needs to integrate its legal approach with other economic and policy frameworks to facilitate consolidation.

In an effort to facilitate a better understanding of relevant national laws for many policy initiatives in various sectors such as energy, transport, industry, government, and technology, this paper has identified some aspects of the legal structure that Nigeria can build to foster or inhibit the development of environmental economy and financial policies. The need for sustainable growth and development is also important, as compliance and sanction language are significant follow-ups of a sound and strong legal framework for environmental protection.

2.5. Case Studies of Successful Green Fiscal Policies in Other Countries

There are several case studies of the successful implementation of green fiscal and economic stimulus measures in different countries. This section reviews these case studies to understand the attributes of the successful implementation of these measures to inform the process in Nigeria.

For example, Costa Rica earned the distinction of having a large share of renewable energy through careful nurturing and long-term incentives for

⁶⁶ Olujobi Oluola Joshua, Olujobi Oluwatosin Michael and D Ufua, 'The Legal Regime on Renewable Energy as Alternative Sources of Energy in Nigerias Power Sector: The Impacts and the Potentials' (2020) *Academy of Strategic Management Journal* <<https://www.semanticscholar.org/paper/The-Legal-Regime-on-Renewable-Energy-as-Alternative-Joshua-Michael/1968b148ed2f2f2a9fea58428c9d82bde206a3e6>> accessed 29 November 2024.

⁶⁷ *ibid.*

renewables in a model that is much admired internationally.⁶⁸ The Costa Rican government introduced a package of incentives for this reason, which includes carbon incentives and environmental incentives, and the National Biodiversity Strategy, designed to protect and conserve biodiversity by explicitly integrating the multiple values of biodiversity in sectoral policies, plans, programs, and projects.⁶⁹ Under this strategy, payments for environmental services play a crucial role. This program was initiated in the 1980s to generate finance for the expansion of the primary forest cover initiative, developing incentives to preserve the small existing areas of biodiverse rainforests.⁷⁰ Payments incentivize the additional preservation and management of natural resources. Costa Rica is the only country in the tropics to have seen substantial reforestation alongside its gains in primary rainforest.⁷¹ In Tanzania, a financing strategy for national environmental management and protection has been established to support national priorities, programs, and projects, including income-generating activities that contribute to poverty alleviation while conserving and managing the environment.⁷² Moreover, reforms in Zambia are on the cards to eliminate energy subsidies.⁷³ Resettlement of

⁶⁸ Benjamin Kroposki and others, 'Achieving a 100% Renewable Grid: Operating Electric Power Systems with Extremely High Levels of Variable Renewable Energy' (2017) 15 *IEEE Power and Energy Magazine* 61.

⁶⁹ Ludovico Feoli, 'The Policy and Institutional Effects of Contentious Politics in Costa Rica's Energy Sector' (2018) 0 *European Review of Latin American and Caribbean Studies | Revista Europea de Estudios Latinoamericanos y del Caribe* 75.

⁷⁰ Kelly W Jones and others, 'Forest Conservation Incentives and Deforestation in the Ecuadorian Amazon' (2017) 44 *Environmental Conservation* 56.

⁷¹ Martin T Ross, Brooks Depro and Subhrendu K Pattanayak, 'Assessing the Economy-Wide Effects of Costa Rica's Payments for Environmental Services Program' (2007) <<https://www.semanticscholar.org/paper/Assessing-the-Economy-Wide-Effects-of-Costa-Rica's-Ross-Depro/b127c0515c26f055907411d11c84f1f9d1b18008>> accessed 2 December 2024.

⁷² G Patenaude and K Lewis, 'The Impacts of Tanzania's Natural Resource Management Programmes for Ecosystem Services and Poverty Alleviation' *International Forestry Review* (2014) <<http://www.ingentaconnect.com/content/10.1505/146554814813484077>> accessed 2 December 2024.

⁷³ Nicole M Mason, TS Jayne and Rhoda Mofya-Mukuka, 'A Review of Zambia's Agricultural Input Subsidy Programs: Targeting, Impacts, and the Way Forward' (Unknown 2013) <<https://ageconsearch.umn.edu/record/162438>> accessed 2 December 2024.

game management areas and strict penalties against poaching are also underway.⁷⁴

Several African countries have also implemented green fiscal policies with varying degrees of success. Botswana has introduced policies for sustainable water supply and forest management.⁷⁵ Zimbabwe has implemented wildlife user rights, while Ghana, Botswana, and Zimbabwe have addressed urban waste management.⁷⁶ However, adopting green growth strategies can be challenging, as demonstrated by Malawi's reliance on inorganic fertilizers, Mozambique's biofuel production, and South Africa's coal-based energy.⁷⁷ These countries face trade-offs between environmental sustainability and critical development needs. Despite potential resistance, especially from the poor, environmental fiscal reforms (EFR) in East and Southern Africa show promise. Fuel taxes, for instance, appear to be progressive rather than regressive.⁷⁸ While many African countries have introduced environmental taxes, there is still considerable potential to improve revenue generation and environmental benefits through EFR.⁷⁹

⁷⁴ Peter A Lindsey and others, 'Underperformance of African Protected Area Networks and the Case for New Conservation Models: Insights from Zambia' (2014) 9 PLoS ONE e94109.

⁷⁵ Jennifer Rietbergen-McCracken and Hussein Abaza (eds), *Economic Instruments for Environmental Management* (Routledge 2014) <https://www.taylorfrancis.com/books/9781134198542> accessed 3 December 2024.

⁷⁶ *ibid.*

⁷⁷ Danielle Resnick, Finn Tarp and James Thurlow, 'THE POLITICAL ECONOMY OF GREEN GROWTH: CASES FROM SOUTHERN AFRICA' (2012) 32 *Public Administration and Development* 215.

⁷⁸ Daniel Slunge and Thomas Sterner, 'Environmental Fiscal Reform in East and Southern Africa and Its Effects on Income Distribution' in Laura Castellucci and Anil Markandya (eds) (Palgrave Macmillan UK 2012) <http://link.springer.com/10.1057/9780230392403_4> accessed 3 December 2024.

⁷⁹ *ibid.*

3.0 GAPS IN THE LAW, CHALLENGES AND BARRIERS TO IMPLEMENTING GREEN FISCAL POLICIES IN NIGERIA

Several challenges and barriers confront the implementation of fiscal policies to promote green growth in Nigeria.⁸⁰ Political commitment to a green economy, one that supports the minimization of environmental impact in development, has undoubtedly been weak in Nigeria.⁸¹ Unlike other countries where transitioning to green development means a change in lifestyle among others, Nigerians are still inclined to push for industrialization and subsequent improvement in technological growth to keep up with the advancing world.⁸² In a similar fashion, adequate funding is critical and has always been a barrier to the realization of any project in Nigeria. To date, greening the economy is not financed adequately, so there is a dearth of policies; to mention a few, the government has not been able to conclusively come up with a workable climate policy or an effective network in place to build and support growth.⁸³ The government, not due to lack of trying, must come to terms with global donor agencies. The dissemination and coordination of activities have been weak; irrespective of the sector implementing the policy, government synergy is key.⁸⁴

⁸⁰ 'Fiscal Policy Implementation in Nigeria: Issues & Challenges' <<https://www.internationaljournalsrsg.org/IJEMS/paper-details?Id=949>> accessed 2 December 2024.

⁸¹ 'Transition to Green Energy and Sustainable Development in Nigeria: A Prospective and Evaluative Analysis - IOPscience' <<https://iopscience.iop.org/article/10.1088/1755-1315/665/1/012029>> accessed 2 December 2024.

⁸² Oludele Mayowa Solaja, 'Prospects and Challenges of Green Practices Adoption by Manufacturing Companies in Ogun State, Nigeria' (2022) 58 *Uchenie zapiski Instituta Afriki RAN* 17.

⁸³ Monsuratu Kadiri, 'Nigeria as a Global Hub for Traditional and Islamic Green Financing' (Social Science Research Network) <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3862687> accessed 2 December 2024.

⁸⁴ Asekhamhe Oshiomah, 'Towards Net Zero: Understanding Nigeria's Green Bond Policy Framework' (Social Science Research Network) <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4000044> accessed 2 December 2024.

Another daunting challenge is the lack of public acceptance for green issues.⁸⁵ The amount of education required to sensitize the public cannot be effectively managed for now due to bureaucratic activities of different governmental agencies. Institutional strength to implement GPIs under the watch of the government alone has always been a mirage because the government, going by the principal, society, and economics theory, should be the watchman of the people. Lack of capacity, lack of knowledge, legislative changes, and non-compliance are only a few of the reasons why the proliferation of GPIs for sustainable growth has not worked in the past.⁸⁶ Lastly, inconsistency with the current socio-economic malaise and environmental performance has discouraged the government.⁸⁷ Despite widespread environmental degradation, the government still supports oil and gas pollution of the River Niger, which has affected agriculture, fishing, and has impoverished the people.⁸⁸ How effectively then can the government plan for green industries to show empathy when it has not shown any empathy for the oil and gas drilling that feeds it? This clearly indicates that it is a task that still has to be carried out. Public dissatisfaction with the government's plan can trigger civil disobedience that can lead to underachievement; thus, what needs to be handled first is the bureaucracy that is central in government. These barriers will need to be addressed to create an efficient policy and a conducive environment for green fiscal promotion in Nigeria.

3.1. Effectiveness of Economic Stimulus in Nigeria

The Nigerian government has previously used stimulus packages to address its economic challenges and intervene in the pursuit of sustainable economic development.⁸⁹ These initiatives have involved collaborations

⁸⁵ Oludele Mayowa Solaja, 'Prospects and Challenges of Green Practices Adoption by Manufacturing Companies in Ogun State, Nigeria' (2022) 58 *Uchenie zapiski Instituta Afriki RAN* 17.

⁸⁶ 'BARRIERS TO SUSTAINABLE GREEN BUILDING PRACTICE IN NIGERIA | FUDMA JOURNAL OF SCIENCES' <<https://fjs.fudutsinma.edu.ng/index.php/fjs/article/view/2114>> accessed 2 December 2024.

⁸⁷ *ibid.*

⁸⁸ EC Onwuka, '<no Title>'.

⁸⁹ 'Simulating the Impact of the Economic Sustainability Plan on the Performance of the Nigerian Economy in the Post COVID-19 Era'

between the government – through the dedicated ministries and departments, the Central Bank, and finance institutions, researchers, and stakeholders for specific economic sectors or the economy as a whole.⁹⁰ Some of the main components of programs and projects have included loans, subsidies, and grants for specific sectors or technologies; infrastructure development; and support for governance programs and research.⁹¹

Not all of these have been successful in supporting economic growth and encouraging a flight to sustainability.⁹² However, there are success stories. One of the more successful packages is the partial risk guarantee schemes offered by the Nigerian government to support investments into large-scale power infrastructure.⁹³ The Support to Agricultural Research for Development of Strategic Crops proposed and developed research projects to assist and encourage Nigerian agricultural policy leaders to face the challenges of sustainability.⁹⁴ Although generally a think tank body, it has government representation and serves as the policy research arm of the Nigerian Economic Summit Group.⁹⁵ One outcome of this work is a well-researched document prepared for the public titled the ‘Citizen Perception Report of the Federal Government of Nigeria’s Intervention in the Economic Crisis’.⁹⁶ In their view, this allowed for increased access to sustainable development since the money could only be used on green products.

<<https://www.scirp.org/journal/paperinformation?paperid=116235>> accessed 2 December 2024.

⁹⁰ *ibid.*

⁹¹ *ibid.*

⁹² Alfred John Ogbonna, ‘Examining the Success Factors for Sustainable Development in Nigeria’s Economic Growth and Development’ (2022) 1044 IOP Conference Series: Earth and Environmental Science 012012.

⁹³ *ibid.*

⁹⁴ Francis S Idachaba, ‘Agricultural Research in Nigeria: Organization and Policy’ in *Policy For Agricultural Research* (CRC Press 1987).

⁹⁵ *ibid.*

⁹⁶ EA Odedokun, ‘AN ASSESSMENT OF GOVERNMENT INTERVENTIONS DURING COVID-19 LOCKDOWN IN NIGERIA’ (2020) <<https://www.semanticscholar.org/paper/AN-ASSESSMENT-OF-GOVERNMENT-INTERVENTIONS-DURING-IN-Odedokun/2b0e27ef2d7408b870fce0e51385fa2ab6692e41>> accessed 2 December 2024.

This mix of successes and failures from programs and projects that were all designed to stimulate Nigeria's economy provides insight into the role that the Nigerian government can expect to play in a sustainability vision of green growth.⁹⁷ This suggests that, depending on the level of governmental buy-in to such a vision, collaborations between the government, researchers, and stakeholders may not always be successful. In all likelihood, a simple, top-down federal-only approach is in no way sufficient to green Nigeria. More than that, interviews have shown that project funding and administration issues are one factor that prevents these economic stimulus packages from assisting in the transition to a green economic model.⁹⁸ Interviewees also identified a lack of time and funds as major reasons for not being able to follow up with the monitoring process and impact assessment framework.⁹⁹ Furthermore, not all ministers nor ministries have been equally supportive of previous economic stimuli.¹⁰⁰ Some interviewees have argued that there may not be enough buy-in at the political level or that there were too many voices in policy implementation, causing dissonant distractors.¹⁰¹ Suggestions to improve on the past and future stimulus packages have included hiring the best and most competent facilitators, frequent and early engagement with the government and ministries, ensuring that the starting point is right with the top management of the organizations involved, minimizing red tape in projects to encourage people to get involved, etc.¹⁰² Some departments have identified and proposed infrastructure projects that require funding in order to make the chances of implementing a stimulus

⁹⁷ Kehinde Adekunle Adetiloye and others, 'Powering the Sustainable Development Goals for Green Growth in Nigeria' (<https://services.igi-global.com/resolvedoi/resolve.aspx?doi=10.4018/978-1-5225-8547-3.ch008>, 1 January 1AD) <<https://www.igi-global.com/gateway/chapter/www.igi-global.com/gateway/chapter/230588>> accessed 2 December 2024.

⁹⁸ LS Kabir, 'STATE SUPPORT FOR «GREEN» INVESTMENTS AND MARKET «GREEN» FINANCING: FOREIGN EXPERIENCE' [2019] *Innovatics and Expert Examination* 97.

⁹⁹ *ibid.*

¹⁰⁰ Bredino Samson, Fiderikumo Peter and Adedoyin Adesuji, 'Fiscal Policy Implementation in Nigeria: Issues & Challenges' (2022) 9 *International Journal of Economics and Management Studies* 32.

¹⁰¹ *ibid.*

¹⁰² Makuachukwu G Ojide and others, 'Nigerian Economic Policy Response to COVID-19: An Evaluation of Policy Actors' Views' (2022) 14 *Poverty & Public Policy* 69.

package as high as possible – that is, food security, energy, and access to finance.¹⁰³ Transforming the Nigerian economy to a zero net emissions economy is a complicated multi-tiered process that may be made slightly simpler if applied in a coordinated fashion.

4.0. RECOMMENDATIONS

Economic stimulus packages, in conjunction with green growth targets, can be redesigned as interventions that raise the environmental footprint of current activities or replace filthy practices with cleaner alternatives. Not only do those packages trigger economic rebounding, but they also stimulate long-term investment and job creation in industries, as seen in countries that have integrated renewable energy into their rebounding strategies. For Nigeria to enjoy such benefits, proper legal scrutiny and the design of a logical national green fiscal policy framework which would include participatory stakeholder consultations, strong regulatory structures, citizen mobilization, and strengthening institutional capacity; Legal convergence and the learning of successful international practices with a view to their adoption in the Nigerian context, and a comparative analysis of previous fiscal laws like NITRA (1939) and NITDA (2007) are recommended to inform harmonization and appropriate incorporation of sustainability into Nigeria's fiscal space.

5.0 CONCLUSION

The government plays a central role in the development and execution of green fiscal policy by establishing legal frameworks, institutional structures, and fostering stakeholder collaboration between federal, state, and local governments. Its successful implementation relies on adequate financing, transparency, public education, and dynamic engagement of civil society and the private sector. However, political resistance, institutional weakness, and legal uncertainties can be hindrances to progress. Policy creation involves agenda setting, information collection, consensus building, and inter-agency coordination, established on formal

¹⁰³ O Omoju and others, 'Empirical Review of Youth-Employment Policies in Nigeria' (2023) <<https://www.semanticscholar.org/paper/Empirical-Review-of-Youth-Employment-Policies-in-Omoju-Ikhide/768958256699388162b5c712c23748408980b92d>> accessed 2 December 2024.

and informal processes. Enforcement and compliance are also crucial for regulation, which needs detailed standards, trained enforcement personnel, transparency, and public involvement. Corruption needs to be addressed and voluntary compliance promoted, alongside public sensitization on green fiscal functions. Finally, effective enforcement and policy design innovation are necessities towards the advancement of the sustainability agenda and the promotion of environmental citizenship in the society.