

RESEARCH ARTICLE



Unmasking Greenwashing: Strengthening Nigeria's Legal Framework for a Sustainable Green Economy

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Abstract: A green economy enhances human well-being and social equity while substantially reducing environmental risks and ecological scarcities. In such an economy, growth in income and employment stems from public and private investments aimed at reducing carbon emissions and pollution, improving energy and resource efficiency, and preventing biodiversity loss and ecosystem degradation. Nigeria's pursuit of a sustainable future through a green economy holds significant promise. However, this potential is undermined by greenwashing—the deceptive practice of marketing products or activities as environmentally friendly when they are not. This study critically evaluates Nigeria's legal framework to assess its efficacy in fostering transparency, accountability, and genuine environmental progress in the green economy. The study identifies a critical deficiency through an analysis grounded in corporate responsibility, consumer protection, and sustainable development theories: the lack of robust legal mechanisms exposes investors and consumers to misleading green claims, thereby hindering true sustainability. The findings underscore the urgent need for specific greenwashing legislation aligned with global best practices, as current regulations lack the clarity and enforcement needed to combat such deceptive claims effectively. The study concludes that Nigeria's green economy's credibility and growth remain in jeopardy without solid legal safeguards. It recommends establishing clear standards to build a trustworthy green economy that supports sustainable development.

Keywords: greenwashing, sustainability, accountability, legislation, environmental claims, Nigeria

1. Introduction

The modern business landscape is increasingly shaped by critical global challenges such as climate change, social justice movements, the impacts of global pandemics, and rising expectations surrounding corporate social responsibility (CSR) [1]. These forces have significantly transformed how businesses operate, with an intensified focus on environmental, social, and governance (ESG) standards across industries. In response, companies are placing heightened emphasis on showcasing their sustainability credentials, leveraging multiple communication platforms to appeal to consumers and investors alike who are demanding environmentally friendly and socially responsible goods and services [2]. This shift reflects broader changes in market dynamics, where sustainability is not only a consumer preference but also an increasingly pivotal factor in financial and investment decisions [3].

Nigeria, as one of Africa's leading economies and a key player in the global green economy, occupies a strategic position within this shift toward sustainability [4]. However, despite the country's economic prominence, its regulatory framework remains underdeveloped in addressing greenwashing (GrWash)—a deceptive practice

where companies falsely market their products or operations as environmentally friendly when they are not. This poses significant risks not only to consumers but also to Nigeria's sustainable development trajectory. Without robust legal protections, GrWash threatens to erode consumer trust, distort markets, and undermine genuine sustainability efforts. Moreover, the global move toward green economies provides opportunities for countries like Nigeria to capitalize on sustainable investments, which, if unchecked, could be compromised by misleading environmental claims.

According to Dmuchowski et al. [5], in the global market, the rapid rise in sustainable investment underscores the importance of genuine ESG commitments. For instance, the issuance of green bonds increased from \$443.7 billion in 2022 to \$575 billion in 2023, reflecting a growing appetite for sustainable investments [6]. Similarly, ESG-oriented assets under management are projected to reach \$33.9 trillion by 2026 [7]. These trends signal an expanding global green economy, which presents both opportunities and challenges for Nigeria. If left unregulated, the prevalence of GrWash could deter sustainable investment in the country and hinder its ability to participate meaningfully in this global shift toward sustainability.

The core argument of this paper is that Nigeria's burgeoning green market faces significant obstacles due to the lack of comprehensive legislation addressing GrWash. As Nigeria positions itself in Africa's green economy, the absence of targeted

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regulations could lead to a surge in deceptive practices that misrepresent companies' environmental initiatives. This not only misleads consumers but also compromises the integrity of the green economy, discouraging genuine sustainability efforts and stifling credible investments.

To explore this issue, the paper is structured into seven sections. The introduction sets the context, while the second section explores green financing as a means to foster environmental sustainability. The third section provides a conceptual framework for GrWash, examining its environmental impacts. The fourth section evaluates Nigeria's existing legal structures concerning GrWash, assessing their effectiveness and potential shortcomings. The fifth section compares Nigeria's legal framework with international best practices, highlighting areas for improvement. The sixth section proposes regulatory strategies tailored to Nigeria's unique economic and environmental contexts, underscoring the need for robust legal responses to GrWash. Finally, the conclusion synthesizes the findings and stresses the importance of legal reform in safeguarding Nigeria's green economy.

2. Green Finance: Driving Environmental Sustainability and Economic Prosperity

Finance has become a central focus in contemporary climate change and environmental sustainability discussions. According to Falcone and Sica [8], this growing emphasis has spurred interest in nurturing a sustainable finance sector. The United Nations has projected that the annual costs required for climate change adaptation in developing countries are currently estimated at approximately \$70 billion. However, these costs could escalate to as much as \$300 billion by the year 2030, highlighting the urgent need for increased financial resources to support vulnerable nations in addressing climate impacts [9]. Moreover, the World Bank stresses the significant financial commitment required for climate adaptation, estimating an annual investment range of USD 200 billion to 1 trillion [10]. Additionally, the International Energy Agency projects a USD 36 trillion investment by 2050 to achieve carbon emission reductions consistent with the 2-degree target [11]. Given the global scale of climate change, the global response must be equally commensurate in scale and scope.

One such response is green finance. According to Zhou et al. [12], green finance promotes investments that reduce environmental impacts. It seeks to harmonize financial activities with environmental protection and ecological balance. Similarly, according to Ilić et al. [13], green financing integrates environmental protection into financial processes, facilitating global sustainability and economic prosperity. This encompasses various technologies, projects, and industries related to nature and habitat preservation, focusing on balancing environmental degradation through carbon assimilation with economic growth [14]. The concept covers multiple financial services to support environmental protection projects, including energy sustainability, eco-friendly transportation, and green building initiatives, by facilitating credit availability for achieving a sustainable green environment [15].

Agrawal et al. [16] highlight the essential role of green finance in promoting ecological development by encouraging entrepreneurs to adopt eco-friendly practices and products, thereby reducing pollution levels. Du et al.'s [17] study emphasizes two perspectives on green finance's importance in sustainable development, particularly in fostering renewable energy growth. The study points out that from a broader perspective, green finance optimization enhances economic structure through supply-side quality improvements and demand-side awareness, encouraging sustainable development. From a regulatory

standpoint, green finance promotes transparency and accountability in investment decisions, ensuring capital flows toward environmentally friendly projects [18]. Additionally, it incentivizes innovation in clean technologies and sustainable practices, paving the way for a greener future. By aligning financial incentives with eco-conscious initiatives, green finance drives positive environmental outcomes while increasing stakeholder value [19]. It enables entrepreneurs to innovate green products and processes on a narrower scale, minimizing transaction costs and guiding consumer behavior. This innovation fosters sustainable practices within businesses, reducing operational expenses and fostering eco-conscious customer choices. Streamlining the processes and products facilitates a more efficient supply chain and boosts overall competitiveness in the market. This shift toward green solutions benefits the environment, improves the brand image, and fosters a sense of corporate responsibility in the community.

Unlike traditional financial endeavors, green finance prioritizes environmental advancement and protection projects, reflecting a shift toward sustainable development [20]. As governments, businesses, and individuals increasingly recognize the urgent need for environmental preservation, green finance becomes pivotal in aligning financial activities with ecological objectives. Thus, through innovative financial mechanisms and incentives, green finance enables the reallocation of resources toward initiatives prioritizing the well-being of future generations and the present. Shen et al.'s [21] study indicates that recent advancements in green hydrogen, eco-innovation, and digitalization in major hydrogen-consuming economies like the G7 (The Group of Seven (G7) is an informal alliance of the world's leading economies: Canada, France, Germany, Italy, Japan, the United Kingdom, the United States, and the European Union.) drive environmental sustainability. This underscores the importance of green financing as a critical catalyst for environmental sustainability and economic growth, as highlighted in previous studies by Khan et al. [22] and Qadri et al. [23]. Similarly, Udeagha and Muchapondwa [24] found that within the BRICS nations (BRICS—Brazil, Russia, India, China, and South Africa—represents emerging economies with significant global influence. Economist Jim O'Neill coined the term in 2001.), the integration of green finance, financial technology (fintech), and energy innovation in the banking sector is essential to environmentally friendly economic growth and achieving corporate CSR objectives, ultimately contributing to environmental sustainability. According to Zhang and Qian [25], the digitalization of the economy in China enhances shared prosperity.

Green finance is also a mediator in reducing environmental pollution, significantly increasing regional environmental sustainability with positive spatial effects in neighboring provinces. In the Nigerian context, however, several challenges must be addressed to realize these benefits. First, the limited availability of affordable credit for green projects constrains small and medium-sized enterprises from adopting sustainable practices. Nigeria's financial sector has yet to fully embrace green finance, and regulatory gaps make it difficult to implement comprehensive green financing frameworks. Additionally, political instability and corruption remain significant barriers to ensuring that green finance initiatives are executed transparently and effectively. On the other hand, the growing interest in renewable energy, especially in the solar and hydropower sectors, presents considerable opportunities for green finance to thrive in Nigeria [26]. The recent push toward reducing Nigeria's reliance on fossil fuels also creates fertile ground for green investment in both infrastructure and innovation.

Studies conducted by Afshan et al. [27] as well as Ahmad and Satrovic [28] all emphasize the importance of structural changes and

digitalization in supporting this environmentally sustainable shift. According to these studies, green finance is essential to mediating CSR, technological innovations, and regulatory policies that propel environmental sustainability. These studies emphasize green financing's importance in driving environmental sustainability and fostering economic growth. For instance, Nigeria's Renewable Energy Fund, established by the Central Bank of Nigeria, provides an example of how green finance can be leveraged to promote sustainable development [29]. The fund has made significant strides in financing small-scale renewable energy projects, particularly in rural areas, contributing to energy access and reducing reliance on diesel and petrol generators. Another notable initiative is the Lagos State Green Bond Program, which seeks to fund eco-friendly urban development projects, including sustainable transport systems and green buildings. Empirical data from the Lagos Green Bond initiative show a reduction in carbon emissions and a boost in public transportation efficiency by 10% within the first two years of implementation [30]. These examples illustrate how targeted financial mechanisms can promote both environmental sustainability and economic prosperity in Nigeria while also addressing local socio-economic challenges. In summary, green finance offers a pathway toward aligning financial practices with environmental objectives, promoting sustainable development on a global scale.

According to Udeagha and Ngepah [31], in green finance, theoretical frameworks serve as guiding principles for aligning financial resources, performance, and environmental quality. These frameworks recognize the environment as a collective concern, necessitating collaborative action. They address the adverse effects of climate change and pollution on human health and well-being while highlighting the social benefits and long-term returns associated with environmental financing. A fundamental aspect of green finance frameworks is corporate accountability [32]. This principle emphasizes the responsibility of businesses to transparently disclose their environmental impacts and uphold ethical standards in their operations. By holding corporations accountable for their environmental practices, green finance initiatives ensure that investments are directed toward environmentally responsible activities, enhancing overall sustainability [33]. Encouraging corporate accountability motivates businesses to prioritize sustainable practices and reduce their carbon footprint. This proactive approach benefits the environment and aligns with the growing demand for socially responsible investments. Through stringent environmental regulations and increased transparency, companies can demonstrate their commitment to preserving the planet for future generations.

Consumer protection is another crucial element within green finance frameworks [34]. It aims to safeguard individuals from deceptive marketing practices and false claims of environmental friendliness, commonly called GrWash. Green finance policies foster trust and confidence in environmentally sustainable products and services by empowering consumers with accurate information and promoting transparency in product labeling. Consumer education is pivotal in enabling individuals to make informed decisions about supporting environmentally sustainable practices through their purchasing power. By raising awareness about GrWash tactics and providing resources for consumers to distinguish between authentic eco-friendly products and misleading claims, green finance frameworks empower people to contribute to a more sustainable economy. This informed consumer base drives market demand for genuinely sustainable products and holds businesses accountable for their environmental claims and practices.

Sustainable development is fundamental to green finance [35]. It integrates environmental, social, and economic goals to serve current and future generations. Green finance prioritizes

investments that ensure long-term environmental sustainability and economic growth, aligning with Nigeria's green economy goals. Achieving sustainable development through green finance requires the cooperation of governments, businesses, and communities. These partnerships drive change and build resilience. Through these strategic partnerships and innovative solutions, green finance initiatives support projects that benefit the environment and society and create a sustainable and prosperous future for the country.

These theoretical frameworks highlight the importance of sustainable investment strategies for mitigating environmental risks and fostering economic stability. By incorporating environmental considerations into financial decisions, institutions can promote a more resilient and sustainable future. Transparency and accountability in green finance are crucial for building stakeholder trust and ensuring effective resource allocation toward environmentally responsible initiatives. These frameworks seek to balance financial prosperity with ecological well-being.

In summary, green finance is essential for driving both environmental sustainability and economic growth. Frameworks like corporate accountability, consumer protection, and sustainable development stress the need for collaborative action to address environmental challenges. Therefore, green finance initiatives aim to incorporate environmental considerations into financial decisions, achieving a balance between economic prosperity and ecological health. The following section examines GrWash and its environmental implications.

3. Greenwashing: Understanding the Conceptual Terrain

3.1. What is greenwashing

GrWash refers to the deceptive practice of presenting a company or product as more environmentally friendly than it is, exploiting the growing consumer demand for sustainable options [36]. Szabo and Webster [37] describe it as a strategic public relations tactic, creating the illusion of environmental responsibility without genuine efforts to reduce impact. This deceit relies on vague statements, picturesque nature imagery, and terms like "green" that do not withstand scrutiny. It involves misleading claims and promoting so-called "green" solutions that distract from genuine environmental issues [38].

Despite recent media attention to the issue, GrWash is not a novel phenomenon. de Freitas Netto et al. [39] trace its origins back to the 1970s when corporations began capitalizing on growing consumer interest in environmentalism by using advertising campaigns to deflect criticism and downplay their environmental impact. This coincided with the rise of the environmental movement, which raised public awareness about ecological damage. In response, corporations devised GrWash to address the challenge posed by this newfound environmental consciousness. Historically, Jay Westervelt created the term GrWash in 1986 [9]. The term, a combination of green and whitewashing, was first used to describe the phenomenon of hotels claiming to save the environment by asking their customers to reuse their towels to avoid washing them daily. Kwon et al. [40] note that GrWash practices have surged significantly in recent decades, reaching epidemic levels. Bowen and Aragon-Correa define GrWash as companies' intentional choice to disclose misleading information, creating a falsely positive image that benefits them but harms society. Meanwhile, Sammons describes the concept as the deliberate spread of false information about a company's environmental practices or the benefits of its products [41]. In de Freitas Netto et al.'s [39] view, GrWash is a deceptive

communication that highlights positive aspects while concealing negative ones. Perceptions and accusations of GrWash can vary greatly depending on the observer [39].

Nemes et al. [42], Nygaard [43], and Aparna and Murugan [44] discuss GrWash as a marketing strategy that falsely presents firms as environmentally friendly without genuine impact reduction. GrWash manifests in various forms, from environmental labels on products to nature-inspired elements in sustainability reports, making it hard for consumers to identify [42]. According to Nagy-Kercsó [45], it can be categorized into executional and claim-based GrWash. Executional GrWash involves misleading perceptions through visual and auditory elements without factual claims [46], while claim-based GrWash involves false statements about environmental attributes [47].

In Nigeria, greenwashing has become more prevalent as businesses seek to capitalize on the growing consumer demand for sustainability. A notable example involves claims made by companies in the energy and agricultural sectors, where they tout green credentials without making any real environmental improvements. According to a recent report, instances of greenwashing in Nigeria have been seen in oil companies’ marketing efforts to portray their operations as eco-friendly, despite continuing environmental degradation in the Niger Delta [48]. Furthermore, the lack of stringent enforcement of environmental marketing regulations allows many firms to escape accountability for their deceptive claims. This situation exacerbates mistrust among Nigerian consumers, who often struggle to differentiate between genuinely sustainable products and those falsely advertised as such.

There are several reasons why businesses employ “GrWash” tactics. First, despite inadequate practices, businesses use GrWash to appeal to environmentally conscious consumers. By projecting an image of environmental responsibility, companies can appeal to consumers who prioritize sustainability and are willing to support businesses that align with their values [49]. Second, the lack of regulation allows companies to make deceptive claims without accountability. According to Lu et al. [50], this regulatory gap, the focus of this study as it relates to Nigeria, gives businesses a more favorable environment to make misleading or fraudulent claims. Competition also drives businesses to use GrWash to differentiate themselves in the market. Even with poor environmental policies, firms may feel obligated to make environmental claims in a crowded market to stand out [51]. Finally, companies use GrWash to justify higher prices for supposedly eco-friendly products, maximizing profits by exploiting consumer willingness to support sustainability. This financial incentive drives businesses to use GrWash tactics to increase profits by exploiting consumers’ desire to support sustainability [52].

3.2. Peeling back the layers: revealing the sins of greenwashing

The implications of GrWash practices are far-reaching and can significantly impact consumer trust in brands. These distinguishing features or shortcomings are crucial in recognizing instances of GrWash, aiding consumers in making informed decisions about the environmental impact of the products or services they choose. Understanding these characteristics empowers individuals to navigate through marketing strategies that may mislead them about the eco-friendliness of a particular brand or product. Awareness of GrWash tactics enables consumers to support sustainable practices and contribute to a healthier planet.

Terrachoice’s 2007 GrWash report identifies seven “sins” of greenwashing [53]. The first is the sin of hidden trade-off, where marketers emphasize certain positive environmental aspects while ignoring more significant adverse impacts. The second sin, no proof, involves making environmental claims without accessible and

verifiable evidence. The third sin, vagueness, uses broad and ambiguous terms like “pure” and “natural” to mislead consumers. The fourth sin, irrelevance, highlights environmentally responsible aspects that are inconsequential or regulatory obligations. The fifth sin, the lesser of two evils, involves accurate claims within a category, but the overall product still harms the environment. The sixth sin, fibbing, includes false or unsubstantiated claims about environmental performance. The seventh sin, worshiping false labels, involves using fake labels and certificates to deceive consumers into believing a product has genuine eco-credentials. Table 1 summarizes notable GrWash cases from various industries.

Dahl further identifies four key features of GrWash: token actions, lack of specificity, use of green imagery or buzzwords, and carbon neutrality as pollution compensation. Token actions involve companies highlighting minor eco-friendly practices while ignoring significant environmental impacts. Lack of specificity includes vague or misleading claims, such as using recycling symbols without clarification or evidence. Lastly, carbon neutrality as pollution compensation focuses on offsetting rather than reducing emissions, such as paying others to lower their carbon output while continuing to emit significantly [54]. Examples of the seven sins of greenwashing are evident in Nigerian markets. In the oil and gas sector, companies frequently commit the sin of hidden trade-off, focusing on small environmental initiatives such as tree planting while ignoring the severe pollution their operations cause in regions like the Niger Delta. The sin of no proof can be seen in the bottled water industry, where brands claim to be “eco-friendly” without providing verifiable evidence regarding the recyclability of their packaging [55]. Additionally, the

Table 1
Summarizes several notable GrWash cases from various industries¹

Company	Summary of Cases
Coca-Cola	Coca-Cola, identified as a leading plastic polluter, faces accusations of GrWash due to its marketing and sustainability claims. Critics highlight discrepancies between the company’s environmental statements and plastic bottle use and recycling efforts [56].
Volkswagen	Volkswagen’s “Dieselgate” scandal of 2015 is a notable GrWash case, where diesel cars were falsely marketed as eco-friendly but emitted high pollutants in real-world conditions. Although Volkswagen has since shifted toward electric vehicles and sustainable practices, the GrWash reputation persists [57].
Walmart	Walmart’s sustainability initiatives have received mixed reactions. While the retail giant has made progress in environmental efforts, critics question the sincerity and extent of these actions [58].
Banana Boat:	Banana Boat, a sunscreen brand, is criticized for GrWash due to ingredients like oxybenzone and octinoxate in its products, which contribute to coral reef bleaching and environmental damage when washed into the oceans [47].

¹ Other cases of GrWash also include Nespresso (recycling program), Shell (environmental claims), Unilever (single-use plastics and palm oil).

sin of vagueness is prevalent in the fashion industry, where terms such as “natural” or “eco-conscious” are used without clarifying the actual environmental impact of the clothing production process.

3.3. The environmental impact of greenwashing

GrWash, the deceptive practice of portraying a company, product, or service as more environmentally friendly than reality, carries significant negative repercussions beyond mere reputational harm [51]. By enabling the continuation of ecologically damaging practices under the guise of sustainability, GrWash exacerbates ecological harm [59]. Instead of driving meaningful environmental improvements, companies engage in superficial green marketing tactics that mask their unsustainable operations [60]. This perpetuation of unsustainable practices directly contributes to environmental degradation, undermining efforts to mitigate climate change, protect biodiversity, and preserve natural resources.

The negation of critical sustainability goals is closely related to the environmental impact [9]. By promoting a false image of eco-responsibility without implementing substantive environmental measures, GrWash undermines efforts to achieve global sustainability targets [61]. Companies that engage in GrWash divert attention and resources from genuine sustainability initiatives, hindering progress toward crucial objectives such as the United Nations Sustainable Development Goals. This diversion of resources exacerbates environmental challenges and perpetuates unsustainable consumption patterns, posing significant obstacles to achieving a sustainable future [62].

Furthermore, GrWash contributes to the degradation of ecosystems by promoting the consumption of environmentally harmful products and services under the guise of sustainability [63]. For example, companies may tout their products as “green” or “eco-friendly” while disregarding the environmental impacts of their production processes, resource extraction, and disposal methods. This leads to the depletion of natural resources, pollution of air and water, destruction of habitats, and loss of biodiversity. GrWash perpetuates a cycle of environmental degradation that undermines the resilience of ecosystems and threatens the well-being of both present and future generations.

The perpetuation of environmentally damaging practices through GrWash also exacerbates climate change, one of society’s most pressing environmental challenges [42]. Companies that falsely claim to be environmentally friendly may continue to rely on fossil fuels, emit greenhouse gases, and contribute to deforestation, all of which intensify the impacts of climate change. GrWash undermines efforts to transition to a low-carbon economy and delays implementing climate mitigation and adaptation measures. This delay increases the likelihood of catastrophic climate-related events and exacerbates the socioeconomic impacts of climate change on vulnerable communities [64]. Moreover, GrWash undermines the effectiveness of environmental regulations by creating loopholes and evading accountability for unsustainable practices [65]. Companies that engage in GrWash may exploit lax regulatory frameworks or engage in regulatory capture to avoid compliance with environmental standards. This undermines the rule of law, weakens regulatory oversight, and erodes public trust in government institutions. Furthermore, GrWash can perpetuate a false sense of security among policymakers and the public, leading to complacency and inaction in addressing pressing environmental issues.

4. Greenwashing: Evaluating Nigeria’s Legal Response

The term “GrWash” lacks a formal legal or regulatory definition within Nigeria’s existing framework, necessitating a comprehensive review of the country’s legal structures, given the increasing importance of environmental considerations in business practices. Although numerous laws may impact GrWash in Nigeria, this review focuses on those that collectively encompass consumer protection, financial market oversight, sustainable banking, and most importantly, environmental regulation, forming this paper’s bane. By concentrating on these specific regulations, this paper aims to dissect the multifaceted legal environment that governs green marketing practices and assess the robustness of existing safeguards against deceptive GrWash. The methodology involves a content analysis of these laws’ statutory provisions, regulatory guidelines, and enforcement mechanisms.

4.1. The Federal Competition and Consumer Protection Act (FCCA) 2018

The FCCPA, enacted in 2018, is a significant legal framework designed to foster equitable competition and safeguard consumers in Nigeria. The Act’s primary goals are to improve market efficiency, prevent anti-competitive practices, and protect consumer rights. The Federal Competition and Consumer Protection Commission (FCCPC) in Section 3 administers the FCCPA and has been granted significant authority to investigate, impose penalties, and provide remedies for violations of the Act. This legislation thoroughly attempts to synchronize Nigeria’s consumer protection and competition laws with internationally recognized standards.

The first section of the FCCPA delineates the overarching goals of the Act, with a particular focus on fostering and upholding competitive marketplaces within the Nigerian economy. The Act’s objectives include protecting consumer interests and promoting their welfare by offering quality products at competitive prices and supporting the sustainable development of Nigeria’s economy. In the exercise of this objective, for instance, the Commission began investigating Coca-Cola Nigeria and the Nigerian Bottling Company (NBC) in June 2019. The companies had introduced Coke Original Taste–Less Sugar without notifying consumers beforehand, using packaging nearly identical to the original Coke and potentially misleading buyers. By September 2019, similar issues surfaced with Limca lemon-lime drinks. In January 2021, the Commission widened its investigation following a complaint about inconsistent pricing and product quality. The aim was to determine whether Coca-Cola’s labeling, packaging, and pricing practices were deceptive or amounted to market dominance abuse. Despite multiple meetings and approved design changes in 2020, Coca-Cola reintroduced misleading packaging in early 2023 without seeking approval. The Commission’s findings showed deliberate attempts to mislead consumers, violate consumer protection laws, and insufficient effort to distinguish product variants. Consequently, it issued an Interim Investigation Report demanding stronger measures from Coca-Cola to help consumers differentiate its products, concluding that current measures were inadequate.²

²See further: Investigation into Branding, Labeling and Alleged Anti-Competitive Practices of Cocacola Nig Ltd and NBC. Available at <https://fccpc.gov.ng/ibla/>. Accessed 6th Aug 2024.

However, despite these ambitions, the Act has faced practical enforcement challenges, particularly in addressing misleading environmental claims. Empirical data on enforcement outcomes in greenwashing cases are scarce, suggesting a gap between the legislative goals and actual regulatory practice. This gap highlights the need for greater resources and clarity in enforcement protocols regarding environmental claims. Section 3 outlines the FCCPC's tasks, such as enforcing prohibitions against unfair business practices and safeguarding consumer rights. Despite these broad powers, no explicit mention of environmental claims or sustainability is crucial for addressing GrWash. This lack of specificity may hinder the Commission's ability to combat GrWash effectively under general unfair practice bans.

Section 17 details the FCCPC's functions and powers, which are essential for understanding its role in regulating market practices and protecting consumers. It mandates the FCCPC to enforce the FCCPA and related competition and consumer protection laws. It also requires the Commission to develop policies, review economic activities, identify anti-competitive and anti-consumer practices, and establish relevant rules and regulations. Additionally, the FCCPC is tasked with eliminating anti-competitive agreements and misleading or deceptive marketing practices. The Commission also ensures that consumer interests are considered and provides redress for exploitative practices. While these provisions offer broad protections for consumers, the lack of explicit mechanisms to address greenwashing has resulted in inconsistent application in practice. To strengthen its regulatory framework, it is recommended that the FCCPC incorporate specific guidelines for evaluating environmental marketing claims and develop enforcement strategies tailored to addressing deceptive sustainability claims.

Section 18(3)(d) empowers the FCCPC to declare any business practice as abusing a dominant market position and to prohibit such practices after necessary investigations. This provision is vital for regulating market behavior and ensuring fair competition. However, its application to GrWash—deceptive marketing where companies falsely claim environmental friendliness—remains unclear. While this provision is crucial for addressing market abuses, it lacks specificity regarding environmental claims and GrWash. The broad mandate allows the FCCPC to act against anti-competitive behavior, but without explicit reference to GrWash, the effectiveness of this section in tackling deceptive environmental marketing is limited.

Section 27 of the FCCPA grants the FCCPC the authority to investigate potential violations of the Act. Specifically, it allows the Commission to:

- 1) Enter and search any premises and inspect and remove articles or documents believed to be involved in contraventions of the Act.
- 2) Exercise these powers with a warrant issued under Section 28, except as the Commission directs.
- 3) Take interim measures if there are grounds to believe that a violation is being or will be committed, pending the issuance of a warrant.

While Section 27 grants the FCCPC significant investigative powers, there are no documented cases of these powers being used to combat greenwashing. This absence of enforcement highlights a critical gap in the application of the Act to environmental claims. Without specific cases to serve as precedents, the effectiveness of these provisions in addressing greenwashing remains largely theoretical. To address this, it is recommended that the FCCPC develop a dedicated greenwashing investigative protocol, which includes specific guidelines for identifying and pursuing cases of deceptive environmental marketing. This protocol would help ensure that the

Commission's broad investigative powers are effectively utilized in combating greenwashing.

Section 69 of the FCCPA outlines penalties for entities engaging in unlawful agreements or decisions. It stipulates that individuals can face imprisonment of up to five years, a fine of up to N5,000,000.00, or both, while corporate bodies can be fined up to 10% of their turnover in the preceding business year. The section also holds corporate directors accountable, subjecting them to penalties similar to those for individuals. Failure to obey an order from the Commission can also result in further penalties, including imprisonment for up to three years, a fine of up to N50,000,000.00 for individuals, and fines of up to 10% of turnover for corporate bodies. Despite the substantial penalties outlined in Section 69, the lack of explicit references to deceptive environmental marketing practices leaves a significant loophole. Without specific provisions targeting greenwashing, companies engaging in such practices may not face appropriate legal consequences. To address this issue, it is recommended that Section 69 be amended to explicitly include penalties for deceptive environmental claims. This would ensure that entities making false sustainability claims are subject to the same level of scrutiny and legal consequences as those engaged in other forms of consumer deception. Table 2 lists other sections of the FCCPA that has a bearing on GrWash.

4.2. Advertising Regulatory Council of Nigeria Act (ARCON Act) 2022

The ARCON Act in Section 1 establishes the Advertising Regulatory Council of Nigeria (ARCON) as the apex regulatory authority for the Nigerian advertising industry. ARCON is empowered to regulate and control advertising, ensuring that all advertisements directed at the Nigerian market are legal, decent, honest, and truthful while respecting Nigerian culture and constitutional tenets. Under the ARCON Act, the Council has exclusive power to determine, pronounce upon, administer, monitor, and enforce compliance related to advertisements, advertising, and marketing communication in Nigeria. This includes the authority to set regulatory standards, supervise institutions and examinations leading to qualifications in advertising, and establish a tribunal for advertising offenses as provided for in Section 37. The Act, in Section 21, also allows for registering persons and organizations engaged in advertising, ensuring that only qualified individuals and entities can practice.

The Act establishes a regulatory framework for Nigeria's advertising and marketing communications industry to create an effective, impartial, and independent regulatory authority. Furthermore, it mandates that all advertisements in Nigeria be legal, decent, honest, truthful, and mindful of Nigerian culture and constitutional tenets. It also requires that ads be prepared with a high sense of social responsibility, without misinformation or disinformation. Section 2(1)(g) aims to prevent misleading, harmful, or offensive advertisements from being exposed to the Nigerian market. This study finds these provisions directly relevant to combating GrWash. However, they collectively lack specificity regarding what constitutes a misleading environmental claim. The absence of clear criteria or examples of GrWash practices limits the effectiveness of this provision in addressing the nuanced and often complex nature of deceptive green marketing. To remedy this, it is recommended that ARCON adopt specific standards for environmental marketing claims in line with international best practices, such as the International Chamber of Commerce Code on Environmental Marketing Claims. By incorporating these standards, ARCON can ensure

Table 2
Other sections of the FCCPA that has a bearing on GrWash

Section	Provision	Analysis of Efficacy for Combatting GrWash	Gaps
Section 28(5)	“A person who obstructs or impedes an authorised officer in performing his duties under this section commits an offence per the relevant laws and is liable on conviction to imprisonment for a term not exceeding two years or to a fine not exceeding N5,000,000 or to both fine and imprisonment.”	This section provides penalties for obstructing enforcement officers, which is crucial for maintaining the integrity of regulatory processes.	This provision does not address GrWash directly but ensures that enforcement activities are not hindered. It lacks specificity in monitoring and verifying environmental claims.
Section 70	“For this Act, an undertaking is considered to be in a dominant position if it can act without taking into account the reaction of its customers, consumers, or competitors. (2) A dominant position in a relevant market exists where an undertaking enjoys a position of economic strength, enabling it to prevent effective competition being maintained on the relevant market and having the power to behave to an appreciable extent independently of its competitors, customers, and consumers. (3) The Commission shall publish the market share size that may constitute a dominant position in particular markets.”	This section aims to define and regulate market dominance to prevent anti-competitive behaviors. While it addresses market dominance, it does not explicitly target misleading environmental claims or GrWash practices.	There is a need for specific guidelines related to environmental marketing within dominant firms.
Section 125	(1) “Where in the marketing of any goods or services an undertaking or any person acting on its behalf by words or conduct—(a) directly or indirectly expresses or implies a false, misleading, or deceptive representation concerning a material fact to a consumer or prospective consumer, or (b) fails to correct an apparent misapprehension on the part of a consumer or prospective consumer, amounting to a false, misleading, or deceptive representation or permit or require any other person to do so, the undertaking is liable for damages to any person damaged, and shall be ordered to make monetary restitution. (2) A person acting on behalf of a supplier of any goods or services shall not—(a) falsely represent that the person has any sponsorship, approval, or affiliation or (b) engage in any conduct that the supplier is prohibited from engaging in under subsection (1).”	This section directly addresses misleading representations and provides for consumer restitution. It covers false claims and deceptive marketing practices. While comprehensive, it lacks specific mention of environmental claims and GrWash.	Without explicit guidelines on GrWash, enforcement agencies may find applying these provisions effectively to environmental marketing challenging.

greater clarity and consistency in the regulation of environmental claims, thus strengthening the fight against greenwashing.

Section 8 of the ARCON Act outlines the functions of the Advertising Regulatory Council of Nigeria, emphasizing its role in overseeing advertising, advertisements, and marketing communications directed at the Nigerian market. In contrast, the Act mandates the Council to ensure that advertising materials adhere to legal, decent, honest, truthful, and non-misleading standards. It does not explicitly address the issue of GrWash. For example, under the regulation and control of advertising, Section 8(a) empowers the Council to regulate and control advertising, advertisements, and marketing communications in all aspects directed at or exposed to the Nigerian market. While this broad mandate is fundamental for overseeing advertising practices, it lacks specific provisions targeting GrWash. Without explicit guidelines addressing environmental claims, the regulation remains general and may not effectively curb

deceptive green marketing tactics. On promoting ethical standards and professionalism in the advertising industry, Section 8(v) supports overall integrity in advertising. However, it does not explicitly address the moral issues related to GrWash. Ethical advertising should inherently include honest environmental claims, but without explicit directives, this provision may not sufficiently mitigate GrWash practices.

4.3. Environmental Impact Assessment Act (EIA) Act 1992

Environmental Impact Assessment (EIA) is a systematic process to evaluate the environmental consequences of proposed projects before implementation. Its primary purpose is to ensure that decision-makers consider environmental impacts to prevent or mitigate adverse effects. The nexus between EIA and GrWash

underscores the need for robust, transparent, and accountable assessment processes to counter misleading claims. By reinforcing the credibility and thoroughness of EIAs, stakeholders can better distinguish between genuine sustainability efforts and GrWash, leading to more effective environmental protection and sustainable development.

The EIA Act is a pivotal piece of legislation in Nigeria, designed to ensure that potential environmental impacts are considered before the commencement of both public and private projects. The primary objectives of the Act as provided for in Section 1 are to evaluate the likely environmental impacts of proposed activities before decisions are made, thereby preventing significant adverse effects, implement appropriate environmental policies across federal, state, and local government areas and develop procedures for the exchange of information, notification, and consultation between relevant stakeholders when activities are likely to have significant environmental effects. The Act further mandates in Section 2 that no public or private sector project can be undertaken without considering its environmental impacts. This involves a thorough assessment to determine whether the proposed activity will significantly affect the environment, necessitating an environmental impact assessment.

However, the enforcement of the EIA Act has been notably weak. Regulatory agencies often lack the financial resources and technical expertise necessary to conduct thorough environmental assessments and enforce compliance. This lack of enforcement allows companies to bypass or manipulate the assessment process, leading to inadequate scrutiny of their environmental claims. To address this issue, it is recommended that the EIA Act be strengthened by introducing regular audits and mandatory independent third-party assessments to ensure that environmental claims made by companies are properly verified. Additionally, penalties for non-compliance should be increased to deter companies from engaging in greenwashing. While the Act encourages public participation, a significant gap in public awareness about environmental issues and rights under the Act hinders effective involvement in the assessment process, reducing the Act's effectiveness in preventing GrWash.

4.4. The securities and exchange commission green bond rules

The rule defines a "Green Bond" as a debt instrument whose proceeds are used exclusively for projects with positive environmental impacts. Eligible projects provided for in Rule 3.2 include renewable energy, clean transportation, sustainable water management, and other environmentally beneficial categories approved by the Securities and Exchange Commission. This broad definition is advantageous as it encompasses various sectors, promoting multiple sustainable projects. However, it lacks specificity in the criteria for qualifying projects, which could lead to ambiguities and potential misuse. The conditions for approval, according to Rule 3.3.1.5, require issuers to commit the proceeds to green projects and provide a feasibility study, a prospectus detailing environmental benefits, and an independent assessment or certification. This study posits that while these requirements establish a foundational structure, the effectiveness largely depends on the rigor of feasibility studies and the credibility of certification authorities. Thus, there is a need for standardized and stringent criteria for these assessments to prevent superficial compliance.

The rule, as provided for in Rule 4.3.1.5, further mandates that proceeds be utilized as stated in the approved offer documents and be managed through a specific escrow account, with oversight by trustees. This mechanism ensures transparency and accountability in fund utilization. However, the regulation does not explicitly

address penalties for mismanagement or misallocation of funds, which is a critical gap. Clear consequences for violations would enhance compliance and deter GrWash. Furthermore, issuers must report annually on the allocation of proceeds, project descriptions, and environmental impacts, including qualitative and quantitative performance indicators. These comprehensive reporting requirements are a strong point of the regulation, promoting transparency. Despite the comprehensive framework, several gaps and inconsistencies could allow GrWash to persist. First, the absence of a clear legal definition of GrWash leaves room for varied interpretations and enforcement challenges. This study posits that the rules should explicitly define GrWash and incorporate specific clauses addressing it within the Green Bond Rules. Second, the reliance on issuers for environmental impact assessments and the potential conflict of interest highlight the need for mandatory independent third-party evaluations. The rule should mandate certifications from globally recognized environmental standards bodies to enhance credibility. Third, enforcement mechanisms and penalties for noncompliance are not clearly articulated. The framework should specify strict penalties for fraudulent claims and misallocating green bond proceeds, including fines, revocation of licenses, and public disclosure of violations.

4.5. The green bond framework issued by the Federal Ministry of Environment 2017

Issued on May 28, 2017, by the Federal Ministry of Environment, the Federal Ministry of Finance, and the Debt Management Office, the Green Bond Framework is Nigeria's key regulatory tool for green finance. It promotes environmentally sustainable projects through green bonds, aligning with Nigeria's commitments under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. The framework's primary goals are to fund low-emission, climate-resilient projects, align financial activities with the 2016 Green Bond Principles, incorporate green bonds into Nigeria's annual borrowing plan, and ensure transparency and accountability in managing green bond proceeds. Green bond proceeds must exclusively finance or refinance eligible projects such as renewable energy, energy efficiency, resource efficiency, clean transportation, and sustainable forest management.

This study's review of the framework, in line with the theme of this paper—GrWash, finds that the framework represents a significant step toward integrating environmental sustainability into Nigeria's financial system. However, a critical review reveals several areas that require improvement to mitigate GrWash effectively. First, the framework lacks detailed criteria for qualifying projects, potentially leading to ambiguities and inconsistent application across different sectors. Second, there is no explicit mention of penalties for the mismanagement or misallocation of funds, which could undermine the framework's effectiveness in preventing GrWash. Finally, and most importantly, the absence of a clear legal definition of GrWash leaves room for varied interpretations and enforcement challenges. Table 3 lists other relevant laws on GrWash in Nigeria. Without a clear and formal legal definition of GrWash, the framework struggles to address and mitigate deceptive practices effectively.

5. International Comparisons and Best Practices

In the global effort to combat environmental degradation and promote sustainable practices, GrWash has emerged as a significant obstacle. GrWash, the practice of making misleading or unsubstantiated claims about the environmental benefits of

Table 3
Summarizes other relevant laws on GrWash in Nigeria

Regulation	Overview	Analysis of Efficacy for Combatting GrWash
N.E.S.R.E.A Act 2007	Establishes National Environmental Standards and Regulations Enforcement Agency (NESREA) to enforce environmental standards and regulations (Section 7). Includes monitoring compliance, conducting public investigations, and creating public awareness (Section 8). Details offenses and penalties for environmental violations (Section 31).	<ul style="list-style-type: none"> i It provides a broad mandate for environmental protection but lacks specific provisions against GrWash. ii Effective in general environmental enforcement but not tailored to address GrWash specifically. iii These powers can indirectly combat GrWash through awareness and enforcement, but explicit anti-GrWash measures are absent. iv General penalties can be applied to deceptive practices, but enforcement is challenging without specific GrWash provisions.
The Central Bank Nigerian Sustainable Banking Principles (NSBP) 2012	The NSBP outlines guidelines for financial institutions to integrate environmental and social risk management into their operations, promoting sustainable banking practices. The NSBP includes principles such as managing environmental and social risk, promoting financial inclusion, and integrating sustainability into decision-making processes. For instance, banks must conduct environmental and social risk assessments before financing projects, potentially deterring investments in falsely green-labeled projects.	While the NSBP promotes sustainability, it focuses more on risk management and sustainable development than directly addressing GrWash. The principles encourage transparency and accountability, which can indirectly reduce GrWash by demanding that financial institutions support genuinely sustainable projects.

a product, service, or company, undermines genuine sustainability efforts and erodes consumer trust. While Nigeria grapples with the challenges of regulating GrWash within its burgeoning green economy, examining international approaches provides valuable insights and lessons. This section critically examines the regulatory landscapes of France and Australia—two countries with differing approaches to GrWash regulation—highlighting the need for direct and robust regulatory frameworks in Nigeria.

5.1. From legal provisions to enforcement measures: Navigating GrWash regulations in France

France presents an intriguing case where, despite the absence of a formal legal definition of GrWash, the practice is directly regulated through a combination of existing consumer protection laws and stringent environmental legislation. The French Consumer Code (Code de la Consommation) is a key law to protect consumers, competitors, and the environment from deceptive practices, including GrWash. Although the legislation does not explicitly define “GrWash,” its provisions on deceptive practices are comprehensive enough to encompass such behaviors. Article L121-1 of the Code prohibits commercial practices likely to deceive consumers and influence their economic behavior, explicitly outlawing any communication, action, omission, or practice that misleads consumers about the nature, characteristics, or benefits of a product or service, including environmental claims.

Under the Code, a practice is deemed misleading if it contains false information or is likely to deceive the average consumer, even if the information presented is factually correct. This encompasses various behaviors, including those related to environmental claims, thereby effectively regulating GrWash. According to Article L121-2, environmental claims must be specific,

accurate, and backed by truthful, verifiable information about a product’s environmental benefits. Claims should avoid vague, unsupported terms like “green” or “eco-friendly,” be justified by robust evidence (e.g., scientific data or official certifications), and remain easily verifiable by consumers or third parties through access to detailed information or independent checks. Finally, claims must not be exaggerated; they should proportionately reflect the product’s actual impact or benefit. For instance, if a company claims its product is “eco-friendly,” it must provide clear evidence to support this claim, such as information about the product’s life cycle, production processes, or compliance with recognized environmental standards. The requirement for claims to be justified and verifiable is crucial in preventing vague or exaggerated statements that could mislead consumers, ensuring that only genuine environmental benefits are promoted, enhancing consumer trust and encouraging more sustainable business practices.

The French Consumer Code provides several enforcement mechanisms to address violations related to GrWash. Regulatory authorities, such as the Directorate General for Competition, Consumer Affairs, and Fraud Control (DGCCRF), are empowered to investigate and sanction noncompliant practices. Where the DGCCRF finds misleading practices, it may issue warnings, demand corrective actions, or impose penalties. Sanctions depend on severity: individuals can be fined up to €300,000 and legal entities up to 10% of average turnover or €1,500,000. Offenders may also face up to five years in prison. Victims can claim damages for lost customers, reputational harm, or moral prejudice. Authorities can issue injunctions to stop greenwashing and may require public disclosure of violations. This ensures that penalties match each offense’s severity and deter further misconduct. Additionally, courts can order the cessation of the deceptive practice, the publication of corrective advertisements, or the payment of damages to affected consumers.

It requires transparency and accuracy when using environmental logos, labels, and references to the carbon footprint, biodiversity, and the circular economy.³ These provisions apply universally to any individual or entity producing, distributing, or advertising goods and services. The Code ensures that environmental claims are not misleading and are substantiated by verifiable data, thereby curbing deceptive practices that constitute GrWash. For instance, Article L110-1 of the Code emphasizes protecting natural areas, resources, habitats, and biodiversity as part of the nation's shared heritage. It mandates that any environmental claims made in advertising must align with the principles outlined within the Code, such as the precautionary principle and the polluter pays principle. This creates a legal obligation for advertisers to ensure their environmental claims are accurate and reflect genuine efforts to mitigate environmental impact.

The enforcement of these provisions is the responsibility of the Ministry of Environment and the DGCCRF. The DGCCRF is crucial in monitoring and regulating advertising practices to prevent GrWash. It conducts investigations, imposes sanctions, and ensures compliance with environmental claims regulations. This robust regulatory oversight is a deterrent against GrWash and promotes transparency and honesty in environmental advertising.

In sum, the strength of the French regulatory framework lies in the synergistic enforcement of the French Environmental Code and the French Consumer Code. While the Environmental Code sets the standards for environmental claims, the Consumer Code provides additional protection against deceptive marketing practices. The Consumer Code prohibits misleading advertising and mandates that all claims, including environmental ones, must be clear, accurate, and substantiated. This dual regulatory mechanism enhances the effectiveness of GrWash prevention and ensures that spurious environmental claims do not mislead consumers.

While France's regulatory framework is robust and offers many lessons, implementing a similar system in Nigeria would require careful consideration of local enforcement capacity and cultural practices. In Nigeria, consumer protection laws are not as extensively developed, and the capacity of enforcement agencies may be limited by resource constraints. Therefore, adapting the French model would involve tailoring the legal provisions to Nigeria's regulatory environment, potentially requiring the establishment of specialized environmental divisions within existing consumer protection agencies. Moreover, public awareness campaigns may be necessary to educate consumers and businesses on the importance of accurate environmental claims. Such measures would be instrumental in fostering a culture of transparency and accountability in Nigeria's green economy.

5.2. The Australian Competition and Consumer Commission's (ACCC) role in combating greenwashing: insights from Australia's approach

Australia addresses GrWash through soft law guidance and existing legal frameworks rather than specific legislation. The Australian Competition and Consumer Commission (ACCC) provides guidelines on environmental claims and raises public awareness. The Guidance on Green Marketing and the Australian Consumer Law (ACL) 2011 highlight two main provisions relevant to environmental claims. The first prohibits misleading and deceptive conduct, requiring businesses to avoid actions likely to mislead or deceive consumers. This includes making ungrounded

predictions and false advertising. For example, labeling a product as "made from recycled material" when only the packaging is recycled is misleading. Business names suggesting nonexistent environmental benefits can also be misleading.

Additionally, the ACL prohibits false or misleading representations about goods and services, including ungrounded predictions and deceptive advertising. Predictions without a reasonable basis or necessary qualifications are misleading. For instance, claiming a product will use only plantation-sourced wood pulp by 2010 is misleading if it is unfounded. Some puffery is allowed, but business names that falsely imply environmental benefits can also mislead. For example, "Completely Clean & Green Energy" could be misleading if it relies on non-clean sources. Such representations are more severe than general misleading conduct and can lead to substantial penalties, including fines of up to \$1.1 million. Businesses must not falsely represent their products' standard, quality, or environmental impact. This is crucial for claims about recycled content or the environmental effects of components like refrigerants. All forms of advertising must comply, and special care is needed for significant characteristics like environmental claims.⁴ For example, overstating a washing machine's water-saving capabilities or falsely claiming the compostability of bags without proof constitutes misleading conduct.⁵ Compliance with these guidelines allows the ACCC, consumers, and competitors to take legal action against breaches. Penalties for noncompliance include fines of up to \$1.1 million for companies and \$220,000 for individuals, along with injunctions, adverse publicity orders, and other corrective measures.

In conclusion, Australia's approach to mitigating GrWash through soft law guidance and existing legal frameworks, particularly the ACL, offers a robust mechanism for addressing deceptive environmental marketing practices. The ACL's provisions against misleading and deceptive conduct and specific prohibitions on false representations establish clear standards for environmental claims. Businesses must ensure that their advertising is honest, substantiated, and understandable to avoid significant legal penalties and consumer distrust. The ACCC's active role in enforcement and public awareness further strengthens these measures, promoting transparency and accountability in environmental marketing.

While the Australian approach relies heavily on existing legal frameworks and soft law mechanisms, Nigeria's regulatory system may need more explicit legal provisions to address the specific challenges posed by greenwashing. Given Nigeria's distinct legal and market environment, the use of soft law may be less effective, particularly in a context where enforcement of environmental regulations can be inconsistent. Therefore, Nigeria may benefit from adopting a more codified approach that mirrors Australia's focus on transparency but introduces stricter, enforceable legal mandates tailored to its local context. Additionally, the challenges of enforcing compliance in Nigeria's informal sectors, which are less regulated than in Australia, must be addressed by expanding regulatory oversight and improving institutional capacity.

One major challenge in applying the Australian model to Nigeria would be the difference in economic and regulatory infrastructure. For instance, Nigeria's market may not respond as readily to regulatory guidance without clear legislative backing and targeted enforcement. Thus, adapting the Australian model would require a

⁴All environmental claims under the ACL must be honest and truthful. They should specify the part of the product or process they refer to, use clear language, explain the benefit's significance, and be substantiated.

⁵See <https://tinyurl.com/3wba46cx> Accessed Aug 6, 2024. See also <https://tinyurl.com/2urz7m9> Accessed Aug 6, 2024

³Article L110-1

mix of regulatory guidance and binding legal provisions that reflect Nigeria's market realities. To facilitate enforcement, Nigeria could also consider establishing a dedicated environmental claims task force within its consumer protection agencies, allowing for more focused oversight and legal recourse in cases of greenwashing.

6. A Call for Action: Proposed Regulations to Counter Greenwashing Practices in Nigeria

To ensure that Nigeria's transition to a green economy is genuine and practical, it is imperative to establish a robust regulatory framework to combat GrWash. This section outlines proposed regulatory frameworks tailored to Nigeria's emerging green economy, emphasizing the need for comprehensive legal responses to address the challenges posed by GrWash practices.

A critical first step in addressing GrWash is enacting a dedicated GrWash law in Nigeria. This legislation should be designed to provide clear definitions, establish stringent disclosure requirements, and enforce penalties for deceptive environmental claims. Such a law would ensure transparency, accountability, and integrity in Nigeria's green economy.

To effectively combat GrWash, the proposed law should incorporate the following key features, drawing inspiration from global best practices:

- 1) **Definition of Green Claims and Sustainability Criteria Aligned with International Standards:** A crucial element of the proposed law is the precise definition of a green claim. Clear definitions will help prevent ambiguous or misleading claims and provide a consistent basis for evaluating the environmental impact of products and activities.
- 2) **Mandatory Disclosure of Environmental Impact Data and Verification Procedures:** The law should mandate the disclosure of comprehensive environmental impact data by companies making green claims. This data should cover various aspects, such as carbon emissions, resource use, and biodiversity impact. Furthermore, the disclosure should be subject to independent verification procedures to ensure its accuracy and reliability. Mandatory disclosure will enhance transparency and allow consumers and investors to make informed decisions based on verifiable information.
- 3) **Prohibition of Deceptive and Misleading Marketing Practices:** To prevent GrWash, the law must explicitly prohibit deceptive and misleading marketing practices related to environmental claims. This includes false advertising, exaggerating environmental benefits, and omitting relevant information that could mislead consumers. The law should provide clear guidelines on acceptable marketing practices and ensure that all environmental claims are substantiated by credible evidence.
- 4) **Establishment of an Independent Enforcement Body with Adequate Resources:** Effective enforcement of the GrWash law requires establishing an independent enforcement body with adequate resources and authority. This body should monitor compliance, investigate complaints, and take enforcement actions against violators. It should have the technical expertise and financial resources to carry out its mandate effectively. An independent enforcement body will ensure impartiality and strengthen the credibility of the regulatory framework.
- 5) **Civil and Administrative Penalties for Violators:** To deter GrWash practices, the law should prescribe stringent civil and administrative penalties for violators. Penalties could include fines, suspension of business licenses, and mandatory corrective actions. Additionally, the law should provide mechanisms for

consumers and other stakeholders to seek redress and compensation for damages resulting from deceptive green claims. Robust penalties will serve as a deterrent and reinforce the importance of compliance with the regulatory framework.

However, successfully implementing the proposed regulatory framework requires a multifaceted approach involving government agencies, industry stakeholders, and civil society organizations. Government agencies and industry stakeholders need to be adequately trained and equipped to understand and implement the provisions of the GrWash law. Capacity-building programs should enhance technical knowledge, regulatory compliance, and monitoring techniques. There is also the need to raise public awareness about the dangers of GrWash and the importance of genuine sustainability practices. Public awareness campaigns should be conducted to educate consumers about how to identify deceptive claims and make informed choices. Engaging civil society organizations and media outlets can amplify these efforts and ensure widespread reach. Finally, the regulatory framework should be periodically reviewed and updated to keep pace with evolving best practices and emerging challenges in the green economy. Continuous evaluation and feedback mechanisms should be established to ensure the law remains relevant and effective in addressing GrWash practices.

7. Conclusion

Nigeria's emergence of a green economy presents a significant opportunity for sustainable development. However, the pervasive threat of GrWash undermines the integrity of this nascent market, jeopardizing consumer trust and impeding genuine environmental progress. This paper has demonstrated that Nigeria's current legal framework lacks the robust mechanisms to effectively combat deceptive environmental claims, leaving investors and consumers vulnerable to exploitation. The lack of specific GrWash legislation and clarity and enforcement mechanisms in existing regulatory frameworks create fertile ground for GrWash practices. This undermines the credibility of Nigeria's green economy, discouraging genuine investment and hindering the transition toward a sustainable future. Nigeria must enact comprehensive GrWash legislation aligned with global best practices to address this critical gap. This legislation should establish clear standards for environmental claims, including mandatory disclosure requirements, robust verification processes, and stringent penalties for deceptive practices.

Furthermore, an independent regulatory body with adequate resources and expertise should be established to enforce these standards and ensure compliance. Beyond legal safeguards, fostering a culture of transparency and accountability is crucial. This requires active engagement from all stakeholders, including businesses, consumers, civil society organizations, and the government. Companies must prioritize genuine sustainability practices over deceptive marketing strategies, while consumers must be empowered with the knowledge and tools to identify and challenge GrWash. Adopting a comprehensive legal framework and a collective commitment to transparency will be instrumental in creating a trustworthy green economy in Nigeria. This will protect consumers and investors, attract genuine green investments, drive innovation in sustainable technologies, and ultimately contribute to a more sustainable and prosperous future for Nigeria.

However, it is essential to recognize the limitations of this study. The scope of analysis was constrained by the availability of comprehensive data on the enforcement of existing regulatory frameworks, which made it difficult to fully assess the impact of

these regulations on curbing greenwashing practices. Additionally, the rapidly evolving nature of both global and local environmental regulations means that this study captures only a snapshot of the current legal landscape. Thus, future research should focus on longitudinal assessments of greenwashing legislation and its effectiveness over time.

Further research is also necessary to explore the role of civil society and nongovernmental organizations in ensuring accountability within Nigeria's green economy. Comparative studies with other jurisdictions that have successfully implemented greenwashing legislation, such as France or Australia, could offer additional insights on best practices that Nigeria could adopt. These inquiries will help inform both policymakers and scholars in advancing Nigeria's legal framework for sustainable development.

Ethical Statement

This study does not contain any studies with human or animal subjects performed by any of the authors.

Conflicts of Interest

The authors declare that they have no conflicts of interest to this work.

Data Availability Statement

No additional data were created or analyzed in this study. All supporting data are contained within the footnotes and references.

Author Contribution Statement

Opeyemi Adewale Gbadegesin: Conceptualization, Methodology, Validation, Data curation, Writing – original draft, Writing – review & editing, Visualization. **Oyinkansola Simisola Komolafe:** Conceptualization, Validation, Data curation, Writing – original draft, Writing – review & editing, Visualization. **Deborah Ayodele-Olajire:** Methodology, Writing – original draft. **Oluwatuminu Omotoye:** Methodology, Validation, Data curation, Writing – original draft. **Adeniyi Gbadegesin:** Writing – original draft, Supervision.

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