

GREEN BRI IN SOUTH ASIA: RHETORIC VERSUS REALITY IN THE ENERGY TRANSITION

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ABSTRACT

China introduced the world's most ambitious infrastructure financing project in 2013 and named it the Belt and Road Initiative (BRI). This program has undergone a profound rhetorical transformation in recent years. Initially, it was associated with coal power plants, fossil-fuel pipelines, and carbon-intensive infrastructure but in September 2021 at the United Nations General Assembly Chinese President Xi Jinping pledged to stop financing new coal-powered projects overseas. Thus, the Chinese narrative now presents the BRI as the Green Silk Road and is aligned with the Paris Agreement of 2015. This article tries to critically favour the Green BRI narrative in South Asia under rigorous empirical merit. The reason for choosing specifically the South Asian region is due to the Chinese heavy investment in it than any other region under BRI. The article assesses whether the Green BRI constitutes a genuine structural shift in China's abroad energy engagement or whether it is just a popular case of strategic greenwashing. For this, various current data is studied, such as of the Green Finance & Development Centre's BRI Investment Reports (2023-2025), Centre for Research on Energy and Clean Air (CREA), Boston University's Global Development Policy Center, AidData, the International Energy Agency (IEA), and country-specific primary sources from Pakistan, Bangladesh, Sri Lanka, and Nepal. The article concludes by proposing a 'Conditional Green Transition' framework, arguing that the Green BRI's transformative potential can only be realized through binding multilateral green standards for BRI financing, accelerated retirement of legacy coal assets, just transition financing for affected communities, and the cultivation of South Asian state capacity to negotiate and enforce green conditionality in BRI agreements.

KEYWORDS: Green BRI, South Asia, Renewable Energy, Climate Change, Greenwashing, Coal Pledge.

INTRODUCTION

China's BRI and energy transition reflect one of the most significant challenges of the 21st century of balancing the development needs of the Global South with the urgent need to address global climate change. On the one hand, developing countries require reliable energy and infrastructure to support economic growth and improve living standards. And on the other hand, the world is facing extreme pressure to reduce carbon emissions and transition toward cleaner and more sustainable sources of energy. The BRI reflects the difficult balance that countries must strike between pursuing development goals and protecting the environment, and hence making it a powerful illustration of the wider sustainability challenge facing the world today. When BRI was launched in 2013, China was the world's largest financier and builder of overseas coal-fired power plants and pumping 6–8 billion dollars per year into new coal capacity across Asia, Africa, and beyond, making it the most consequential single actor in the global expansion of coal energy infrastructure. South Asia was a major beneficiary and battleground of this coal surge as Pakistan's CPEC energy corridor was built largely on coal, with 4,320 megawatts (MW) of Chinese-financed coal capacity

added; Bangladesh's Payra (1,320 MW) and Rampal (1,320 MW) plants were financed or built in partnership with Chinese entities; and Sri Lanka's energy sector received Chinese investment tied to fossil fuel infrastructure. In January 2022, China's four most powerful ministries, such as the NDRC, MFA, MEE, and MOFCOM have jointly issued the 'Opinions on the Joint Implementation of Green Development in the BRI' and establishes time-bound targets for a Green BRI by 2025 and a fully Green BRI by 2030. China simultaneously accelerated domestic renewable energy deployment to a great extent and became the world's largest installer of solar and wind capacity. By 2024, BRI green energy engagement (wind, solar, hydropower, waste-to-energy) reached a record of 18.3 billion dollars in new projects (Green Finance & Development Center, 2025).

LITERATURE REVIEW

Since Xi Jinping's 2021 coal pledge, the literature on BRI, energy, and green transition has been rapidly increasing. This review of literature addresses the positions of major scholars across five key themes and also identifies the research gap.

The Architecture of Green BRI Policy

The architecture of green BRI policy is evolved through four key phases.

The first phase (2013-2017) established the normative foundation. The 2015 'Vision and Actions' document includes references to ecological civilization and environmental protection, while the 2017 Ministry of Ecology and Environment's 'Guidance on Promoting a Green Belt and Road' creates a framework for environmental standards in BRI projects. However, as multiple scholars note (Gallagher & Qi, 2018; Ascensao et al., 2018), this guidance lacked binding enforcement mechanisms and was bypassed in project-level decision-making.

The second phase (2019-2021) saw an increase in greening as China Development Bank issued the first BRI-specific green bond (1.1 billion dollars) in 2017, the BRI International Green Development Coalition (BRIGC) was established in 2019, and China Development Bank and Exim Bank both announced green loan criteria. Yet the Global Energy Monitor and Boston University's Global Development Policy Center documented that the new coal financing continued through 2020 (Gallagher et al., 2022).

The third and the most significant phase was started by Xi Jinping in September 2021 UN General Assembly pledge and the April 2020 'Opinions on Joint Implementation of Green Development in the BRI.' Scholars including Tan (2022) and Nedopil (2022) assessed this as a genuine policy inflection point, emphasizing that China had effectively stopped new coal financing even before the formal public pledge (ClientEarth, 2021) and that the policy change was driven by a convergence of economic rationality (falling renewable costs), reputational management (BRI's coal legacy was damaging its diplomatic appeal), and domestic policy alignment (China's own 2060 carbon neutrality goal).

The fourth and the last phase (2023 and present) 72nfavour by CREA (2025) and the Green Finance & Development Centre's 2024 and 2025 BRI Investment Reports, and show a trajectory of accelerating green energy investments and resurgence of oil and gas engagement simultaneously. This will be addressed in this article because the former and the latter things have not been adequately theorized simultaneously in the existing literature.

The Coal Legacy Problem

A little literature has focused on the gap between Xi Jinping's 2021 pledge and the on ground reality of coal projects already in the pipeline. Gallagher et al. (2022) at Boston University's Global Development Policy Center 72nfavour the Chinese Global Power Database and found that the new

developments in coal power projects announced before 2021 suggest that coal may continue to represent a significant part of Chinese overseas power projects. CREA's assessment ('Four Years On: Assessing China's Overseas Coal Power Ban') in 2025 found that 31.4 GW of overseas coal capacity remained in the pipeline (as of July 2025). Although the figure has fallen from nearly 50 GW in 2024, it still represents a huge legacy commitment that will remain in place for years to come.

The coal legacy problem is prone to South Asia and particularly acute in Bangladesh as the Payra 1320 MW coal plant was built as a China-Bangladesh 50:50 joint venture and still operating. Also, Bangladesh Barisal 2 established as a new coal project was flagged by the Green Finance & Development Center in both 2024 and 2025 as a potential violation of Xi Jinping's pledge (Nedopil, 2024, 2025). In Pakistan, four CPEC coal plants 72nfavoura approximately 4320 MW continue to operate under take-or-pay contracts.

The Greenwashing Debate

Many scholars have debated the question whether Green BRI constitutes greenwashing or not. The Greenwashing thesis is propounded by scholars, such as Gallagher (2022) in Foreign Affairs, Jacobin's 2024 analysis, and portions of the Lowy Institute's 'Mind the Gap' report (2023) have argued that the gap between Green BRI rhetoric and fossil fuel reality is too large and too systematic. Also, this green labelling only serves to manage BRI's reputational crisis with donor countries and multilateral institutions.

The critics of the greenwashing thesis include Nedopil (2022,2025), Tan (2022), and the Science Direct analysis 'No More Coal Abroad' (2024) argue that the policy shift is genuine even if implementation is imperfect. Supporters of the Belt and Road Initiative (BRI) highlight the clear rise in renewable energy investments, China's decision to halt new overseas coal-fired power projects, and the development of Green BRI guidelines as signs of a genuine shift toward sustainability rather than mere political rhetoric. However, the debate has not been resolved yet. One of the main challenges is to find out whether the Green BRI reflects a pre-planned strategy by China to present its greener image, or whether it develops from the diverse conditions across countries. Exploring these explanations is a complex task and it requires broader political viewpoints and strategic interests rather than having only empirical evidence.

Specific literature South Asia

South Asia specific literature on Green BRI is relatively less when compared to Africa and Southeast Asia. In Pakistan, the most useful works focuses on CPEC's energy sector as Hameed (2025) from ISSI 72nfavour the tension

between Pakistan's solar surge (reaching 25 percent solar share in electricity generation by 2025) and the coal-heavy CPEC Phase 1 legacy, a Sustainability journal article (2024) examines CPEC 2.0's potential as a green energy platform, noting Pakistan's 30 percent renewable target by 2030 but highlighting the regulatory inconsistency and debt constraints that threaten it. In Bangladesh, The Diplomat's April 2026 analysis of 'China's BRI in Bangladesh, 10 Years Later' provides the most current and comprehensive country-level assessment as it has documented both the cancellation of five BRI projects on environmental grounds and the continuation of coal partnerships through Payra. In Sri Lanka, Sinopec's 2025 refinery deal has not yet been 73nfavour in peer-reviewed scholarship, representing a significant research gap this article partially addresses. On Nepal, the literature largely addresses BRI non-engagement rather than Green BRI specifically, with scholars noting Nepal's consistent insistence on grant-based financing and competitive bidding as implicit resistance to BRI's standard loan architecture.

RESEARCH GAP

Three critical research gaps in the existing literature justify this article. First, no existing study provides a comparative cross-country analysis of Green BRI specifically in South Asia, integrating the most current 2024–2025 data. Second, the resurgence of BRI oil and gas financing in 2024–2025 requires analytical integration into the Green BRI debate. Third, the Just Transition dimension of Green BRI in South Asia has not been addressed in the existing literature. Additionally, the question of whether coal phase-out is accompanied by adequate support for displaced workers, energy-poor populations, and carbon-intensive industrial sectors is also highlighted. Hence, this article will try to address all these three research gaps judiciously.

KEY FINDINGS AND ANALYTICAL ARGUMENTS

This article presents four key core arguments which all together constitute a structured and evidence-based response to the Green BRI Debate.

Argument 1: The Green shift is real but partial as Xi Jinping's 2021 pledge has had measurable impact.

The first and most important finding is that the Green BRI is not pure rhetoric. Xi Jinping's 2021 no-new-coal pledge has had real, measurable consequences for China's BRI energy engagement that cannot be dismissed as mere window-dressing.

The Cessation of new coal financing

The most concrete evidence of the Green BRI's genuine impact is the effective cessation of new Chinese overseas coal financing. China had been pumping 6–8 billion

dollars annually into new overseas coal plants at the peak of BRI's coal phase (2017–2019), making it by far the largest coal financier in the world. Following Xi's UNGA pledge in September 2021, Boston University's Global Development Policy Center found that 'new funding for coal has stopped,' with Chinese Development Finance Institutions (DFIs), mergers and acquisitions, and greenfield investors all ceasing new coal commitments (Gallagher et al., 2022). In 2021 and the first half of 2022, China made no overseas coal power investments. CREA's July 2025 assessment found that since the 2021 pledge, a total of 59.3 GW of planned overseas coal capacity had been cancelled which is equivalent to 6.1 billion tonnes of avoided lifetime CO₂ emissions, a genuinely transformative contribution to global climate mitigation (CREA, 2025).

In South Asia, concrete manifestations of this shift include that China informing Bangladesh in February 2021 that it would no longer fund coal-fired power or high-pollution projects (CFR, 2021); the cancellation of five China-Bangladesh BRI projects including the Gazaria Coal-fired Power Plant and the extension of Barapukuria coal mine operations (The Diplomat, 2026); and the absence of new Chinese coal financing commitments in Pakistan since 2021, despite Pakistan's own approval of a 300 MW Gwadar coal plant in January 2023, a project for which Chinese financial closing has not been announced.

Record of renewable energy engagement

Simultaneously, China's BRI renewable energy engagement has reached record levels. The Green Finance & Development Center's 2024 BRI Investment Report recorded 18.3 billion dollars in wind, solar, and waste-to-energy projects with planned capacity of over 22 GW of green energy as the greenest year in BRI's history. In the first half of 2025 alone, BRI green energy engagement reached 9.7 billion dollars in wind, solar, and waste-to-energy projects with an installed capacity of 11.9 GW and on track to surpass 2024 records (Nedopil, 2025 H1). Construction projects related to green energy (including hydropower) increased to 13.7 billion dollars in 2025 from 10.3 billion dollars in 2024.

In Pakistan, CPEC Phase 2 has pivoted toward renewables with genuine momentum. The Karot Hydropower Project (720 MW on the Jhelum River) commenced operations. Pakistan's total solar capacity has surged which is driven partly by Chinese solar equipment imports and by mid-2025 Pakistan had become one of fewer than 20 countries globally to source over 25% of its electricity from solar farms, reaching fourth place globally in solar growth. Net-metered rooftop solar capacity reached 4.9 GW by March 2025 (ISSI, 2025). Wind power projects in Sindh which were developed with Chinese investor participation include the 50 MW Dawood Wind Power

Project, and demonstrating China's capacity to deliver renewable energy assets in South Asia.

Institutional green architecture

Substantially, the architecture of Green BRI has expanded. The April 2022 'Opinions' established time-bound 2025 and 2030 green development targets which requires environmental risk assessments for BRI projects and commits China to facilitate full Paris Agreement implementation among BRI partners. The BRI International Green Development Coalition (BRIGC) provides a multilateral institutional platform. China Development Bank's green bond framework and Exim Bank's green loan criteria provide financial mechanisms. These institutional developments argue that China's commitment to greener development is becoming more concrete and is reflecting efforts on ground.

Argument 2: The Green BRI is limited by its fossil fuel legacy and weak enforcement mechanisms.

The second and the more critical finding is that the green transition towards sustainability is undermined by some structural challenges. These three challenges are: the persistent legacy coal assets, the resurgence of oil and gas engagement, and the absence of binding enforcement mechanisms.

The persistent legacy of coal problem in South Asia

Xi Jinping's 2021 pledge includes new coal projects but it did not address the massive pipeline of coal plants that he had already committed, under construction, or in operation. And, this coal problem legacy burden is substantial and ongoing particularly in South Asia.

- The four CPEC coal plants of Pakistan, such as Sahiwal, Port Qasim, Hub, and others) are operating under long-term take-or-pay contracts with Chinese IPPs and these add up to approximately 4320 MW. These plants burn imported coal from Indonesia, South Africa, and Australia. The annual power capacity charges linked to these plants have driven Pakistan's energy sector circular debt to record levels, with Rs.543 billion of the Rs.1.89 trillion total circular debt traceable directly to CPEC power projects as of February 2026 (MENAFN, 2026). The IMF has flagged these as 'a primary threat to economic stability' under Pakistan's 7 billion dollars Extended Fund Facility.

- Bangladesh's Payra 1,320 MW coal plant which is a China-Bangladesh joint venture (BCPCL) between North-West Power Generation and China National Machinery Import & Export Corp continues operating, though it has been repeatedly shut down due to coal import disruptions and unpaid contractor bills. The Bangladesh interim government was still negotiating electricity price revisions in December 2025, with Payra's rate

(Tk.12 per unit) being benchmarked against the more expensive Matarbari rate (Tk.8.45 per unit), suggesting the commercial terms of the original deal were 74% favourable to Bangladesh. Bangladesh Barisal 2 which is a new coal project flagged by the Green Finance & Development Center as potentially violating Xi's 2021 pledge and was still reported as progressing in 2025 (Nedopil, 2024, 2025).

- Sri Lanka, simultaneously receiving Green BRI renewable energy rhetoric, signed a 3.7 billion dollars oil refinery deal with Sinopec in Hambantota in 2025 which is described by the Green Finance & Development Center as the largest Chinese energy investment in Sri Lanka since the debt crisis and the second-largest BRI energy engagement globally in 2025 H1. This substantial investment in fossil fuel infrastructure represents the contradiction against Sri Lanka's renewable energy ambitions and the Green BRI narrative of promoting sustainable development.

The oil and gas resurgence

The most alarming data point in the Green BRI story is one that has received insufficient scholarly attention: the explosive resurgence of Chinese BRI oil and gas engagement in 2024–2025. According to the Green Finance & Development Center:

- In 2025, fossil fuel engagement constituted 74 percent of China's total overseas BRI energy engagement — the highest share since 2014, representing a dramatic reversal of the green momentum of 2022–2023.

- Oil and gas engagement surged to 42 billion dollars in 2025 (up from 24.3 billion dollars in all of 2024), with oil and gas investment tripling the previous record.

- In the first half of 2025 alone, oil and gas constituted 70 percent of Chinese overseas energy engagement, with 23.3 billion dollars in gas and 6.9 billion dollars in oil projects.

Xi's 2021 pledge explicitly targeted coal. It said nothing about oil and gas. This is precisely the loophole that allows the Green BRI narrative to technically comply with the coal commitment while doubling down on other fossil fuels. Hence, this focus on oil and gas reflects a broader Chinese strategic adjustment as coal projects face international criticism and reputational risks. China presents natural gas as a "transition fuel" to increase oil investments. For South Asian countries, focusing on meaningful transition towards cleaner energy, Chinese financing under the Belt and Road Initiative presents a difficult choice. On the one hand, it offers opportunities to invest in renewable energy projects that would support sustainable development. While on the other hand, China continues to invest in natural gas projects which could

appear more affordable and attractive in the short term but may lock countries into decades of carbon emissions in the long run. Hence, South Asian states need to balance immediate energy needs against their long-term climate and sustainable developmental goals.

The Green standards lack green accountability

The structural problem with the Green BRI is the lack of binding enforcement mechanisms for its green commitments. The April 2022 Opinions, while comprehensive and ambitious, contains targets that the CCICED described as ‘a bit hard to measure’ and sets out standards that remain voluntary at the project level (CCICED, 2023). Critically:

- There is no independent monitoring body with authority to sanction BRI projects that fail to meet green standards. The BRIGC operates as a consultative platform, not a regulatory institution though.
- Environmental and Social Impact Assessments (ESIAs) for BRI projects are conducted by Chinese contractors with conflicts of interest, rarely subject to independent verification, and often unavailable to host-country parliaments and civil society. ISSI’s 2025 assessment of CPEC noted that ‘Environmental Impact Assessments (EIAs) are often poorly implemented and lacking public transparency’ (ISSI, 2025).
- The 2022 Opinions explicitly caution against ‘cautiously implementing existing coal projects’ as language sufficiently ambiguous to permit continuation of pre-2021 coal commitments under the guise of ‘cautious’ management (CCICED, 2023).
- AidData (2021) documented that China’s BRI loan contracts contain strict confidentiality clauses that prevent host governments from disclosing project terms including environmental commitments to their own legislatures and citizens, making domestic accountability for green conditionalities structurally impossible.

Consequently, the architecture of Green BRI is ambitious but practically unenforceable because the implementation depends upon the goodwill of Chinese state-owned enterprises whose financial interests are served by fossil fuel commitments.

Argument 3: The Structural Energy Insecurity is not adequately addressed under Green BRI.

The third argument is that the Green BRI is debated in the context of South Asia where genuine energy needs have not been adequately addressed yet.

The energy deficit region of South Asia

The region of South Asia is one of the most energy-insecure regions of the world. For instance, Pakistan has

chronically struggled with 10-16 hours daily load for decades and this affects its industrial productivity and quality of life. Despite impressive economic growth, Bangladesh faces persistent power shortages and energy poverty in rural areas. Nepal, with some of the world’s most abundant hydropower potential as estimated at 83000 MW of technically feasible capacity, imports electricity from India because its own hydropower development has stalled. Another example is from Sri Lanka’s 2022 economic crisis which was driven by fuel import costs and reflecting an energy system deeply exposed to global commodity prices.

Hence, the context matters for evaluating the Green BRI. Coal and gas projects address a real energy deficit that renewable alternatives have not yet been deployed at sufficient scale to meet. Despite the fiscal and environmental problems, China’s CPEC coal plants add 9504 MW to Pakistan’s grid between 2015 and 2023. The Green BRI’s promise is only fruitful if renewable alternatives can deliver equivalent or greater energy access at comparable or lower cost. The current data highlights the gap in Pakistan’s solar surge because it is driven primarily by small-scale rooftop installations rather than large-scale grid power. Thus, grid congestion and transmission limit the impact of renewables (ISIS, 2025).

China’s domestic revolution is not adequately transferred

China’s domestic renewable transformation has been remarkable. Over the past years, China has developed the world’s largest solar and wind power capacity, significantly reduced the cost of renewable technologies, and created a policy framework that has enabled clean energy deployment on a large scale.

However, the reality is more complicated. Although Chinese renewable energy technologies have reached South Asian markets, their spread has largely occurred through commercial channels rather than through concessional or development-focused BRI financing.

As a result, the broader developmental benefits of China’s domestic green energy success have not yet been fully translated into meaningful support for South Asian BRI partners. The Green BRI renewable energy projects in South Asia are predominantly financed at commercial or near-commercial rates.

The Just Transition Gap

The CREA’s July 2025 assessment recommended that China’s coal phase-out pledge should be accompanied by adequate ‘just transition financing’ — financing for workers, communities, and economic systems dependent on coal (CREA, 2025). In South Asia, this dimension of the Green BRI is almost

entirely absent from both the policy framework and the actual financing architecture.

Pakistan's coal belt regions, Bangladesh's energy communities around Payra and Rampal, and the industrial clusters whose electricity is powered by CPEC coal plants all face significant adjustment costs from an accelerated coal phase-out. The 2022 Opinions make no mention of just transition financing for affected workers or communities. CPEC 2.0 documents mention renewable energy but not job transition programs for coal sector workers. This is not merely an omission, but it is a political-economy problem that will generate resistance to coal phase-out from precisely the communities that Green BRI needs to align with its transition agenda.

Argument 4: Green BRI as Strategic Repositioning - The Geopolitics of Green Rhetoric.

The fourth analytical argument addresses the geopolitical instrumentalization of Green BRI - the ways in which China's green energy rhetoric serves strategic purposes beyond genuine climate commitment.

Reputational management for BRI's declining attractiveness

BRI entered a reputational crisis between 2018 and 2021. Debt sustainability concerns, the COVID-19 pandemic's disruption of project financing, growing Western counter-BRI initiatives (B3W, PGII), and the specific reputational damage from coal's association with BRI all contributed to declining BRI signatories and project commitments. The green repositioning of China through Xi Jinping's 2021 coal pledge served a clear reputational function of removing the most visible liability while maintaining BRI's appeal in an ESG-conscious global financing environment. Hence, this interpretation does not reduce the positive environmental impact of China's decision of stopping overseas coal financing. Rather, it places the decision within a broader strategic context, suggesting that the shift was influenced not only by climate considerations, but also by economic, political, and reputational factors. In other words it can be said that this transition contributes to global climate goals and wider strategic calculation.

Export strategy of technology competition and green energy

China's transition towards Green BRI financing supports its industrial strategy as well. It is the world's dominant producer of solar panels, wind turbines, EV batteries, and associated technologies. BRI renewable energy projects serve as export vehicles for these industries. The 'New Three' includes electric vehicles, batteries, renewable energy and these are Beijing's designated priority export sectors for the 2025-

2030 period. Thus, Green BRI advances genuine renewable energy deployment and serves China's export competitiveness strategy simultaneously. For South Asian partners, this means that the terms of green energy engagement may reflect Chinese industrial interest as much as South Asian developmental needs.

Green BRI versus Western Climate Finance: A Discursive Battleground

Green BRI has become a discursive battleground in the broader competition between Chinese and Western development financing models. China points to its record green energy deployment and Xi's coal pledge to contest Western characterizations of BRI as environmentally destructive. The West, through PGII, B3W, and the Global Gateway, attempts to offer a green alternative, but has delivered far less in actual South Asian renewable energy financing than BRI. The result is a discursive competition in which both sides use green commitments more to delegitimize the other than to accelerate actual South Asian energy transition.

For South Asian governments, this geopolitical competition can be strategically valuable — playing China and Western alternatives off each other to extract better terms from both — but it can also generate confused policy signals and financing commitments that serve neither green transition nor development goals. Nepal's simultaneous engagement with India's hydropower financing, Western multilateral development bank connectivity programs, and BRI's nominal inclusion illustrates both the opportunity and the complexity of this multi-polarity.

The Conditional Green Transition Framework

Drawing on the four arguments above, this article proposes a 'Conditional Green Transition' (CGT) framework as a more analytically productive and policy-relevant lens than either uncritical acceptance or outright dismissal of the Green BRI claim. The CGT framework assesses that Green BRI's potential contribution to South Asian energy transition is genuine but conditional because it is dependent on the satisfaction of four enabling conditions that are currently absent or inadequately developed. These four enabling conditions are:

- **Binding Green standards with Independent Enforcement:** The commitments of Green BRI must move from voluntary guidelines to binding contractual conditions in BRI loan agreements with independent monitoring and enforcement. The model of IFC Performance Standards or World Bank Environmental and Social Framework provides frameworks for this.
- **Accelerated Retirement of legacy assets:** Xi Jinping's 2021 pledge must be extended to include a structured-out timeline for existing Chinese-financed coal plants in South

Asia. It is accompanied by Chinese financing for transition infrastructure, such as gas peaking plants as bridges, renewable replacement capacity, grid modernization. The Just Energy Transition Partnership (JETP) model is applied to China-financed coal in South Asia that offers a template.

- **Just Transition Financing:** Green BRI financing must include just transition components for coal-dependent workers, communities, and industries. This is both an ethical imperative and a political economy requirement without community co-benefits, and coal phase-out will generate political resistance that derails the transition.
- **South Asian State Capacity:** South Asian governments must invest in dedicated Green BRI negotiation capacity such as specialized units combining energy economics, environmental law, and international finance expertise. These are capable of negotiating binding green conditionality into BRI project agreements and ensuring competitive bidding for renewable projects. Hence, enforcing environmental commitments against Chinese contractor interests. Also, Nepal's consistent ability to resist the most problematic BRI financing terms demonstrates that this capacity is achievable.

CONCLUSION

The Green BRI is neither pure greenwashing nor a complete model of sustainable energy transition. Rather, it stands somewhere in between and is more complex and contested in nature. The overseas energy engagement of China presents both opportunities and limitations. Moreover, its impact is shaped by broader realities of energy insecurity, geopolitical competition, and weak enforcement mechanisms and all of these are influenced by green commitments. This study comprises these three key conclusions.

First and foremost, the Green BRI has produced tangible changes. Since 2021, approximately 59.3 GW of planned coal power capacity has been cancelled while financing for new overseas coal projects. At the same time, BRI renewable energy investment reached a record 18.3 billion dollars in 2024 coincided by the expansion of institutional frameworks. In South Asia, these changes are reflected in Pakistan's rapid growth in solar energy (more than 25 percent solar share), the cancellation of several major coal projects in Bangladesh, and the shift towards renewable energy under the Phase 2 of the China-Pakistan Economic Corridor (CPEC). Hence, all these developments represent the genuine shift of Green BRI towards the path of cleaner energy.

Second, however, the Green BRI faces structural challenges that prevent its transformative potential. The legacy of coal investments imposes substantial economic and environmental burdens across South Asia. For instance, the

circular debt of Pakistan's CPEC coal projects, the functional challenges of Bangladesh's Payra power project, the large scale fossil fuel infrastructure in Sri Lanka especially at Sinopec refinery. All these instances show how past energy choices continue to shape present realities and future goals. This belief helps countries to move towards sustainable energy goals and reduce the fossil fuel-based development models. In 2025, there was a sudden increase in oil and gas engagement at 74 percent and it also reveals that Xi Jinping's pledge does not contain a comprehensive fossil fuel transition. Hence, the Green BRI remains a framework of aspirations rather than a platform of accountability because of its enforcement gaps and lack of binding green standards.

Third, the South Asian region is complex in nature and it has many challenges of energy deficiency, climatic vulnerabilities, fiscal constraints, and strategic geopolitical location and this makes the region even more contested. Countries of this region can either seek funding from China through the Green BRI or from Western institutions and development partners. And, this choice creates a need and an opportunity for a more critical and demanding engagement with the Green BRI. Thus, South Asian states can use their strategic importance to demand cleaner, transparent, and sustainable energy investments that can support both developmental and environmental goals. For the effective implementation of Green BRI, it must pursue two objectives simultaneously. One objective is to expand the access to affordable and reliable energy for underserved populations. Another objective is to advance the transition to low-carbon and sustainable energy systems. However, achieving one at the expense of the other would undermine the long-term developmental needs of the region.

In the end of this article, it proposes a framework of Conditional Green Transition which would provide practical pathways to strengthen the environmental credibility of the BRI. This framework focuses on the inclusion of binding green conditions into BRI agreements, gradual phase-out of coal projects, and provisions of just-transition financing. Indeed, these measures are not unrealistic or unattainable. For instance, Nepal has succeeded in pushing back China against 77 unfavourable BRI terms and demonstrated that South Asian states have agency in their engagements with China. Moreover, the increasing competitiveness of renewable energy technologies shows that sustainable energy can meet both developmental and energy-security needs. The domestic renewable energy transformation of China shows technological expertise and existing financial resources required for greener transition. However, political commitment of all key stakeholders, such as China, South Asian governments, and multilateral institutions, is required to move away from Green

BRI rhetoric and try to convert this narrative into a reality framework for sustainable development.

Finally, it can be concluded that the energy choices made by the South Asian countries today will definitely shape the future tomorrow. Thus, energy choices made by these states through BRI would have profound impact on their economic opportunities, environmental conditions, and overall quality of life of people across the region. Hence, this reality is far beyond the political narratives and it demands effective actions and tangible results.

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