



The Green Superpower: How China's Belt and Road Infrastructure Resets the Standard for International Climate Law

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ABSTRACT

This article critically examines China's claim that the Green Belt and Road Initiative (Green BRI) is redefining global climate governance by exporting higher environmental standards through transnational infrastructure finance. While Beijing portrays the Green BRI as a transformative model capable of elevating global sustainability norms, the paper argues that existing scholarships have overstated its legal and empirical impact. Through an analysis of the initiative's soft-law architecture, the governance mechanisms of Chinese policy banks and state-owned enterprises, and the gap between narrative ambition and project-level evidence, the study identifies three structural deficiencies: a legal mechanism gap, a governance gap, and an accountability gap. First, Green BRI instruments overwhelmingly rely on non-binding guidelines rather than enforceable obligations, limiting their ability to function as de facto climate standards. Second, the absence of extraterritorial oversight, inconsistent data reporting, and limited transparency impede meaningful evaluation of environmental outcomes. Third, the coexistence of Green BRI norms with entrenched investor protections under international investment law creates legal friction without offering reliable adjudicatory pathways for climate-related disputes. The article concludes that, despite its normative aspirations, the Green BRI currently constitutes a flexible and strategically ambivalent framework rather than a functional reset of international climate law.

Keywords: Green Belt and Road Initiative (Green BRI), International Climate Governance, Soft Law and Environmental Standards, Extraterritorial Compliance, Investment Law and Accountability.

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INTRODUCTION

Over the past decade, China has increasingly positioned itself as a global environmental leader through what it calls a "Green Belt and Road Initiative" (Green BRI) (Xia, 2024); (Sadiq & Haider, 2024). The Belt and Road Initiative (BRI), once understood primarily as a geopolitical and economic mega-project, is now framed by Beijing as a vehicle for exporting clean energy technologies, sustainable infrastructure, and environmental standards across continents. In official

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discourse, China presents the BRI as a transformative pathway through which states can decarbonize development, harmonize growth with ecological protection, and accelerate the global transition toward a low-carbon future (L. Ahmad et al., 2025). At the rhetorical level, the BRI is portrayed as a new green global standard that can succeed where traditional climate treaties and fragmented domestic policies have struggled (Rio & Firza, 2021a). That narrative carries profound legal implications: if BRI rules and requirements are shaping energy choices across dozens of emerging economies, then China may be restructuring not only global investment patterns, but also the normative and operational foundations of international climate law.

Yet beneath this ambitious narrative lies a dilemma. Much of the scholarly conversation has embraced the idea of BRI as a new frontier in green governance, but comparatively little research has demonstrated how, in legal and empirical terms, the initiative changes environmental outcomes (Geng, 2024a). Academic commentary tends to assume that the BRI is already reshaping international environmental standards simply because China has announced a series of “green” policy documents, lending guidelines, and sustainability frameworks. However, an assumption repeated frequently is not evidence. There remains limited clarity about whether these instruments create binding obligations, whether they meaningfully constrain Chinese state-owned enterprises abroad, and whether BRI projects on the ground exhibit measurable improvements in emissions performance, ecological safeguards, or climate-risk management (Nurgozhayeva, 2024).

This gap between rhetoric and demonstrable impact is critical. Many legal scholars refer to the BRI’s sustainability guidelines as though their normative force is already settled (Rio & Firza, 2021a). There is still no consensus on the formal legal nature of Green BRI instruments, whether they constitute soft law with binding effect, or whether they function merely as aspirational policy statements. Likewise, environmental policy scholars often treat the BRI as a laboratory of green innovation, without testing whether project-level data indicate improved performance. Meanwhile, political economy research has concentrated on geopolitics, debt diplomacy, and geostrategic issues, while largely avoiding the complex legal mechanics through which environmental standards are articulated, enforced, and evaluated (Olsen, 2020).

The result is an academic landscape rich in claims, but thin in evidence. There remains a striking absence of rigorous, grounded research that connects the BRI’s environmental policy architecture to enforceability, institutional accountability, and real-world ecological outcomes. This gap is especially problematic given how rapidly the BRI is expanding into climate-sensitive sectors like wind, solar, large-scale transmission corridors, mining, and coastal infrastructure. Without a clear understanding of whether the BRI is creating enforceable environmental obligations—or producing tangible climate benefits—it becomes impossible to assess its role in the evolution of global climate governance. Addressing this absence requires unpacking three fundamental issues. First, does the BRI actually create enforceable standards that alter how infrastructure is planned, financed, and executed across borders? Second, what institutional and legal mechanisms, if any, ensure that Chinese policy banks, construction firms, and joint-venture partners comply with these standards (Salamatin, 2020)? Third, does available project data indicate that BRI projects deliver better environmental outcomes, or do they reproduce the historic pattern of environmentally costly industrialization now outsourced beyond China’s borders?

These questions are not merely academic. They strike at the heart of whether China is redefining the processes, expectations, and obligations embedded in international climate law. Traditional climate governance operates through multilateral treaties, national reporting obligations, and incremental domestic policy alignment. The BRI, by contrast, spreads climate-relevant norms through financing leverage, infrastructure conditionality, and bilateral coordination mechanisms (Low et al., 2022). If effective, this model could reshape climate governance from the ground up, through direct influence over infrastructure choices rather than through slow multilateral negotiation (Hui et al., 2025). If ineffective, however, the Green BRI might reinforce rather than resolve the tensions between rapid development and climate protection (Rio & Firza, 2021b). The central challenge, therefore, lies in distinguishing image from impact. China's public commitment to a Green BRI is significant in symbolic terms, but symbolism does not confirm functional transformation (Mathlouthi, Haider, Khan, et al., 2025). Evidence is needed to determine whether Chinese financial institutions require climate-aligned safeguards from borrowers; whether environmental impact assessments conducted under BRI frameworks meet higher methodological standards; whether compliance failures lead to penalties or project restructuring; and whether host states possess the legal capacity to monitor and enforce transnational obligations (E. Zhang & James, 2023). This article examines the unresolved gap between what the Green Belt and Road Initiative (Green BRI) promises and what it actually achieves. It argues that existing scholarship has not yet shown whether Green BRI tools create a real change in international climate standards, or if they mainly represent a change in language and narrative. The often-used idea of a "new global standard" must be tested against two key elements that define a standard in international law: whether it can be enforced, and whether it leads to measurable compliance and outcomes. So far, neither of these aspects has been properly studied.

To respond to this gap, the article focuses on three main questions. First, it asks whether the Belt and Road Initiative create binding, enforceable climate standards, or if it mostly relies on aspirational, non-binding tools. Second, it examines the mechanisms used to put these standards into practice across cross-border BRI projects—looking at oversight, compliance tools, and the limits of China's regulatory power beyond its borders. Third, it considers whether Green BRI projects lead to better environmental results than earlier, more traditional infrastructure models. The objectives of the research follow from these questions. The article aims to evaluate whether the Green Belt and Road Initiative set enforceable climate and environmental standards, or mainly depends on soft-law, non-binding instruments. It also aims to analyze the governance mechanisms that implement Green BRI standards across transnational projects, including how oversight and compliance work in practice and where China's legal authority stops. Finally, it seeks to assess whether Green BRI projects produce clear, measurable environmental improvements when compared to traditional infrastructure, and to explore how legal and empirical gaps affect accountability.

METHODOLOGY

This article employs a qualitative, doctrinal and desk-based empirical methodology to evaluate whether the Green Belt and Road Initiative (Green BRI) constitute a functional reset of international climate law or remains a flexible, rhetorically green framework. First, it conducts a

doctrinal analysis of key Green BRI instruments—including the Guidance on Promoting Green Belt and Road, ecological and environmental protection guidelines, the Green Investment Principles, and related MOUs—alongside relevant Chinese environmental and financial legislation and core multilateral instruments such as the Paris Agreement. These texts are examined in terms of form (hard vs soft law), normative content (stringency and specificity of environmental requirements), and enforceability (presence of sanctions, oversight or adjudicatory links) to identify the “legal mechanism gap.” Second, the article undertakes a governance and institutional practice review by synthesizing public reports and ESG frameworks of major Chinese policy banks and SOEs, as well as secondary literature on BRI environmental governance, to assess how Green BRI norms are, in practice, integrated into lending criteria, risk management, and project oversight, thereby illuminating the “governance gap.” Third, acknowledging severe transparency constraints, it performs a limited desk-based assessment of available project-level documents and external datasets to illustrate the empirical void surrounding emissions performance, EIA quality, and biodiversity outcomes in Green BRI projects. Finally, it analyses the interaction between Green BRI soft-law standards and binding international investment law by reviewing relevant bilateral investment treaties, emerging climate-related ISDS scholarship, and potential dispute resolution forums (domestic courts, ICSID/UNCITRAL arbitration, and China-led courts) to expose the “accountability gap.” The methodology is explicitly constrained by data opacity, scarce case law and fragmented documentation, which themselves substantiate the article’s claim that Green BRI has yet to generate verifiable, enforceable climate standards.

THE LEGAL MECHANISM GAP: DE FACTO STANDARDS VS. DE JURE LAW

The “Green Belt and Road Initiative” (Green BRI) presents an increasingly prominent attempt by China to shape the legal and normative landscape surrounding international infrastructure finance (Jing, 2024a). Yet its ability to genuinely “reset” global sustainability standards depends on how one interprets its legal architecture. Unlike multilateral environmental agreements (MEAs) or regulatory frameworks tied to treaty organizations, the Green BRI operates through a patchwork of guidelines, policy documents, memoranda of understanding, and bilateral cooperation agreements. This raises the central question of this section: Does this collection of non-binding norms amount to a new de facto legal order, or does it remain a strategically flexible system of soft commitments? The “legal mechanism gap” refers to the mismatch between the structural looseness of the framework and the ambitious environmental governance outcomes China projects it can deliver.

Soft Law, Enforceable Outcomes: The BRI’s Regulatory Toolkit

The regulatory toolkit of the Green BRI is composed largely of soft law instruments—voluntary principles, non-binding guidelines, and bilateral agreements that articulate environmental aspirations but lack formal enforceability. Key examples include the Guidance on Promoting Green Belt and Road, the Green Investment Principles (GIP), and MOUs between Chinese ministries, banks, and host-country governments (C. Zhang & Liu, 2021). These instruments operate as normative signals rather than legal obligations. They attempt to shape the behavior of Chinese state-owned enterprises (SOEs), financial institutions, and host-country partners through persuasion, reputational incentives, and alignment with global sustainability

discourse. From a legal-theoretical standpoint, this constitutes a form of transnational soft law: rules that are neither domestic legislation nor international treaty law but exert regulatory influence. The fragmentation of this system—different guidelines issued by different ministries, overlapping sectoral commitments by state banks, and uneven referencing of international standards—may appear to undermine coherence. However, fragmentation is partly deliberate. It preserves strategic flexibility, enabling China to tailor environmental commitments to country-specific conditions, geopolitical interests, and evolving industrial capabilities (E. Zhang & James, 2023).

The key claim of Chinese policymakers is that, despite their non-binding form, these soft instruments can produce functionally enforceable outcomes through operational requirements imposed by lenders and project managers. For instance, Chinese policy banks can condition financing on compliance with ESG guidelines, while SOEs may introduce internal performance metrics tied to green standards. In practice, therefore, the Green BRI attempts to convert soft law into “quasi-hard outcomes” by embedding environmental expectations into project-level contracts and procurement processes—even when the normative source remains non-binding (Ji et al., 2022). The legal question is whether such a system can meaningfully reshape international expectations about what qualifies as sustainable infrastructure. Soft law has historically played a key role in domains such as corporate governance and financial regulation, where voluntary principles later evolve into binding norms. China appears to be using the Green BRI similarly: to populate the transnational regulatory space with terminology, metrics, and evaluation processes that privilege its preferred vision of green development. If adopted widely enough by host governments, investors, and financiers, these standards may become *de facto* norms, thereby influencing the evolution of future treaty obligations or multilateral frameworks (Haider, Mathlouthi, et al., 2024).

The Host Country vs. Higher Standard Dilemma

At the core of Green BRI governance is a duality: projects must comply with host country environmental standards, yet Chinese actors often simultaneously promote “international best practice” or Chinese domestic standards that are more stringent (Nedopil, 2022). This dual mandate reflects a structural tension. On one hand, the host-country rule adheres to sovereignty principles and aligns with the international norm of “host country responsibility” seen in institutions such as the World Bank or the International Finance Corporation (IFC) (I. Ahmad et al., 2024). On the other hand, China’s promotion of higher standards signals its desire to cultivate a reputation as a responsible global leader on green finance. This second element functions as a diplomatic and governance tool, positioning China as contributing to global climate goals and offering a counter-narrative to accusations that the BRI exports pollution. Legally, however, the coexistence of these two standards opens two divergent interpretations (Afzal et al., 2025).

A Standard Reset:

If Chinese institutions internalize higher standards—e.g., through adoption of the Green Investment Principles, voluntary disclosure requirements, or alignment with EU or IFC environmental safeguards—then China may gradually raise the baseline for infrastructure finance

in developing countries. In this scenario, Chinese actors act as norm entrepreneurs, pushing host countries toward stricter environmental governance by making enhanced safeguards a default expectation for accessing Chinese finance or technology (Joel, 2021).

Alternatively, the optional nature of higher standards allows Chinese actors to toggle between strict and lenient regimes, selecting whichever is most advantageous for project speed, cost, or political considerations. In countries with weak environmental institutions, reliance on host country law effectively enables actors to operate under lax regulatory conditions. The availability of more ambitious standards then becomes a rhetorical device rather than a binding commitment. In this interpretation, dual standards create a façade of greening while preserving the ability to exploit regulatory gaps (E. Zhang & James, 2023). Whether the dual approach functions as norm-building or arbitrage depends on enforcement mechanisms, the incentives of state-owned enterprises and banks, and the willingness of host countries to demand higher compliance. Without institutionalized verification or sanctions, the system risks devolving into selective compliance, undermining the credibility of any purported “standard reset.”(Ghani et al., 2025).

Coherence and Conflict with Multilateral Law

The Paris Agreement represents the central multilateral mechanism governing global climate action. Unlike its predecessor, the Kyoto Protocol, Paris adopts a bottom-up structure: states define their own Nationally Determined Contributions (NDCs) and retain flexibility over implementation pathways (I. Ahmad et al., 2023). At first glance, this structural looseness appears compatible with the bilateral, decentralized nature of the Green BRI. Both systems allow states to self-determine environmental commitments (I. Ahmad et al., 2025). However, deeper analysis reveals several points of tension:

Structural Fragmentation vs. Coordinated Transparency: Paris relies on common transparency frameworks, standardized reporting, and progressive ambition cycles. The Green BRI lacks uniform reporting obligations and does not require project-level alignment with host-country NDCs. This absence of standardized disclosure makes it difficult to assess whether BRI projects collectively advance—or undermine—Paris goals.

Decentralized Bilateral vs. Global Accountability: The BRI’s bilateral MOUs operate outside formal multilateral oversight. While not necessarily unlawful, they may create parallel governance channels that sidestep multilateral review. For example, a host country may approve a coal-related or high-emission industrial project under its domestic law, even if this contradicts its NDC trajectory. Without binding safeguards, the Green BRI framework cannot prevent such contradictions.

Normative Competition: The gradual expansion of Green BRI guidelines, carbon accounting methods, and green taxonomy proposals may produce a form of normative competition with existing multilateral mechanisms. If Chinese standards become widely adopted, they may influence how host countries define “green infrastructure” in their NDCs, potentially displacing or diluting multilateral benchmarks. Nonetheless, coexistence is also possible. China has repeatedly emphasized alignment between the BRI and the Paris Agreement, and several Green BRI documents explicitly reference global climate goals (Dong et al., 2018). If the BRI eventually

incorporates Paris-aligned metrics or disclosure requirements, bilateral channels could reinforce rather than undermine multilateral ambition. The question is whether China's soft law approach can evolve into a more institutionalized system without losing the strategic flexibility that makes it attractive to participating countries.

The Governance Gap: Compliance, Metrics, and Extraterritoriality: If the Green Belt and Road Initiative (Green BRI) is intended to reshape global expectations about sustainable infrastructure, it must demonstrate not only normative ambition but governance credibility. Yet the initiative faces a profound governance gap: the absence of robust compliance mechanisms, the lack of systematically collected project-level data, and the challenge of reconciling domestic Chinese policy priorities with the realities of infrastructure development in diverse host countries. While Chinese policymakers have presented the Green BRI as a sophisticated green-finance ecosystem capable of accelerating decarbonization across the Global South, the empirical and institutional underpinnings of this claim remain underdeveloped (Slawotsky, 2020). This section critically evaluates these gaps by analyzing the extraterritorial compliance dilemma, the empirical evidence deficit, and the governance-export problem inherent in linking BRI practices to domestic Chinese environmental conflicts.

Extraterritorial Enforcement and the State-Owned Enterprise (SOE)

At the organizational heart of the BRI lie China's state-owned enterprises (SOEs) and major policy banks, including the China Development Bank and the Export-Import Bank of China (H. Zhang & Haider, 2025). These entities are central to any discussion of extraterritorial compliance because they are the primary implementers of BRI infrastructure abroad. Yet the Green BRI lacks a clearly articulated governance mechanism capable of imposing binding, enforceable environmental obligations on these actors once they exit Chinese jurisdiction. The result is a regulatory architecture whose purportedly high green standards have limited capacity to travel extraterritorially (Haider, Rana, et al., 2024).

From a legal perspective, the governance gap stems from two intertwined issues:

1. The absence of statutory or administrative law explicitly granting Chinese regulators extraterritorial oversight over SOE conduct, and
2. The reliance on soft, non-binding documents such as the Guidance on Ecological and Environmental Protection of the Belt and Road or the Green Investment Principles. These norms lack the force of Chinese domestic law and thus cannot be invoked as a legal basis for administrative sanctions against SOEs for their overseas environmental performance (Afzal & Haider, 2025).

China's domestic environmental law—such as the Environmental Protection Law or the EIA Law—contains no provisions authorizing the Ministry of Ecology and Environment to investigate or penalize Chinese companies for environmental harm committed abroad. Nor do sectorial regulations governing the financial industry empower Chinese regulators to impose conditionality on overseas lending that would be enforceable outside China. In effect, China possesses no legal doctrine of extraterritoriality comparable to the U.S. Foreign Corrupt Practices Act or the EU's cross-border carbon regulations. Even the 2021 pledge to cease building new coal-

fired power plants overseas lacks a formal enforcement route; it is a political directive rather than a legally actionable requirement. Without extraterritorial enforcement, compliance relies on self-regulation by SOEs and the willingness of Chinese banks to integrate green conditionality into loan contracts. In practice, commercial incentives, geopolitical considerations, and host-country demands often outweigh environmental commitments. Many SOEs face conflicting pressures: they are expected to compete internationally, secure market share, deliver projects rapidly, and support development needs in partner countries. When these pressures clash with soft green standards, the latter frequently give way (Haider, 2025). The result is a governance system that assumes compliance without providing mechanisms to ensure it, thereby undermining the credibility of the Green BRI as a transformative environmental regime (Coenen et al., 2021).

THE EMPIRICAL VOID: MEASURABLE IMPACTS AND PROJECT-LEVEL DATA

Any assertion that the Green BRI constitutes a “functional reset” of global infrastructure norms requires robust empirical evidence demonstrating concrete environmental improvements. Yet the Green BRI suffers from an empirical void, characterized by limited transparency, inconsistent data collection, and a near-total absence of standardized impact reporting. This is not merely a technical problem but a fundamental governance limitation. One of the central issues is the lack of comprehensive project-level data. Neither Chinese institutions nor host-country regulators maintain publicly accessible datasets on key indicators such as carbon emissions baselines, EIA methodologies, biodiversity impacts, or long-term environmental performance of completed projects (Larsen et al., 2023). Even when environmental documentation exists, it is often in local languages, inaccessible to external reviewers, or fragmented across multiple agencies. Many EIAs are commissioned by project developers themselves, generating conflicts of interest and further complicating independent assessment.

This absence of empirical evidence prevents researchers and policymakers from confirming whether Green BRI commitments—such as “green” financing quotas, adherence to biodiversity safeguards, or alignment with Paris Agreement goals—produce tangible results. Claims of measurable improvements in carbon intensity or ecological protection remain largely unverified. The result is a rhetorical greening: the appearance of environmental leadership unaccompanied by demonstrable outcomes.

Critical scrutiny of Chinese public reporting reveals several structural deficiencies:

1. Narrative dominance over metrics: Policy documents emphasize principles and aspirations rather than quantifiable targets or methodologies.
2. Opacity of financial flows: There is little clarity about which projects qualify as “green,” how they are evaluated, or how financing decisions incorporate climate risk analysis.
3. Lack of independent verification: No third-party auditors, multilateral bodies, or civil society organizations are systematically integrated into the reporting ecosystem.

Inconsistent definitions: Competing Chinese green taxonomies, evolving green finance standards, and differing host-country practices create definitional ambiguity.

Without objective or comparable data, the Green BRI cannot claim to have redefined international expectations around sustainable infrastructure. Instead, the absence of empirical proof reinforces the perception that the Green BRI remains a normatively ambitious but empirically untested experiment.

Addressing Domestic Tensions Transnationally

The Green BRI is often portrayed as an extension of China's domestic ecological civilization agenda, exporting China's environmental governance philosophies and green-technological capabilities. Yet China's own domestic experience—marked by tensions between biodiversity protection, energy security, rural development, and industrial expansion—reveals the inherent difficulty of balancing competing environmental and economic priorities (Mathlouthi, Haider, Ahmad, et al., 2025). The question is whether BRI policies translate these domestic mechanisms into new international legal expectations or whether they merely reproduce existing tensions at a transnational scale (Chen, 2020). Examples like India's conflicts over hydroelectric development in biodiversity-rich regions, Indonesia's dilemmas over coal phase-out amid economic pressures, or Kenya's trade-offs between infrastructure expansion and wildlife protection all mirror China's own domestic struggles. The Green BRI claims to help host countries navigate such trade-offs through green finance, better EIAs, and environmental risk-management tools. However, this claim is weakened by three major issues (Kong, 2023).

Green tools lack binding legal force: Chinese standards—whether on biodiversity, green credit, or climate risk—are not compulsory in overseas operations. Without enforceability, they cannot alter domestic trade-off calculus in partner countries. Financing incentives remain misaligned: Many BRI host countries prioritize rapid economic growth and infrastructure expansion. Unless Chinese financing systematically rewards low-carbon or biodiversity-positive options, development pressures prevail. Norm export is selective and inconsistent: While China exports certain governance ideas (e.g., ecological redlining, green finance taxonomies); these are rarely integrated into legal frameworks abroad. The result is a patchwork influence rather than a structured normative transformation. Instead of resolving domestic-type tensions at a transnational level, the Green BRI often externalizes them. China encourages green development but does not require it; it promotes ecological considerations but allows host-country standards to control outcomes; it offers green financial instruments but also finances conventional infrastructure when politically or economically advantageous (HUI et al., 2015). For the Green BRI to generate a new international legal expectation, it would need to institutionalize mechanisms that require balancing biodiversity, climate, and development concerns in ways that exceed existing host-country practice (Geng, 2024b). Currently, this is not the case (Haider, Al-Shibli, et al., 2026). The governance architecture lacks the coercive, institutional, and empirical foundations needed to transform domestic dilemmas into a coherent international standard (Haider, Mathlouthi, et al., 2026).

The Accountability Gap: Adjudication and Legal Friction

The Green Belt and Road Initiative (Green BRI) aspires to redefine the environmental norms that govern international infrastructure finance. Yet any normative system, to be meaningful, must be accompanied by credible accountability mechanisms—institutions capable of

adjudicating disputes, clarifying legal obligations, and allocating responsibility when commitments are breached (Haider et al., 2025), (Sadiq & Haider, 2025). The BRI's existing governance structure, largely premised on soft law and bilateral diplomacy, lacks such mechanisms (Umirdinov, 2022). This absence creates a profound accountability gap in which environmental standards are promoted without a corresponding system for resolving conflicts or enforcing obligations. This section examines that gap by exploring two dimensions: first, the friction between emerging Green BRI norms and the entrenched protections of investor–state dispute settlement (ISDS), and second, the uncertainty surrounding adjudication forums for climate-related disputes.

INVESTMENT LAW FRICTION: BRI STANDARDS AND ISDS

As BRI projects deepen their environmental commitments—at least rhetorically—they increasingly collide with an older and far more entrenched body of international law: the Investor-State Dispute Settlement (ISDS) system embedded in bilateral investment treaties (BITs), regional agreements, and investment contracts. Unlike the Green BRI, ISDS mechanisms are grounded in hard law. They provide foreign investors with enforceable rights and access to international arbitration if state conduct undermines investment value. Classic treaty protections—fair and equitable treatment (FET), protection against indirect expropriation, and guarantees of non-discrimination—are legally binding and backed by arbitral awards enforceable under the New York Convention (Ünüvar, 2025). The question, therefore, is whether the soft-law standards of the Green BRI introduce new forms of legal friction when host states attempt to implement climate or environmental policies in line with China's green rhetoric. One source of friction is the asymmetry between obligations. Green BRI standards—focused on environmental due diligence, climate risk management, or green project design—mostly apply to Chinese enterprises and financiers. They do not create binding duties for host states. ISDS treaties, however, impose binding obligations on host governments toward foreign investors, including Chinese ones. Thus, when a host state adopts climate measures—such as cancelling a high-emissions project, increasing environmental compliance costs, or revising EIA requirements—foreign investors may invoke ISDS protections to claim that such measures constitute unlawful interference (Eastwood, 2024).

Ironically, China's promotion of green standards may heighten this risk. By encouraging host countries to adopt stricter climate policies or shift development trajectories, the Green BRI rhetoric may increase the likelihood of regulatory conflict with existing investments, especially if those investments were initiated under looser environmental frameworks (Jing, 2024b). If a host government later attempts to align a project with new green expectations—whether due to domestic pressure, international commitments under the Paris Agreement, or Beijing's own political messaging—investors may assert that these actions represent “indirect expropriation” or a breach of legitimate expectations. This is not purely hypothetical (Ullah et al., 2026). Globally, ISDS claims against states for climate-motivated regulation are on the rise. Coal phase-outs, carbon pricing systems, and shifts in energy policy have triggered significant arbitration claims, most notably in Europe. The BRI risks importing these dynamics into developing countries, many of which possess older BITs with strong investor protections and no explicit environmental carve-

outs (Offor, 2025). Because BRI projects are often long-term infrastructure assets with extensive sunk costs, the potential for friction is particularly acute.

A second friction point arises from normative conflict: What happens when standards embedded in voluntary Green BRI guidelines collide with legally binding investor protections? The guidelines do not form part of the “applicable law” in most investment treaties or contracts; thus, arbitrators have no clear basis to prioritize environmental standards unless treaties explicitly incorporate them. The absence of such clauses means that environmental upgrading—such as demanding better emissions controls or revising project design to protect biodiversity—may trigger investor claims and expose host states to financial liability (Monti, 2024). China itself faces a dilemma. On the one hand, it promotes the Green BRI as a vehicle for sustainable development; on the other, its investors benefit from BIT protections that may undermine a host country’s climate measures. Without treaty reform—such as explicit environmental exceptions, or recognition of state prerogatives to regulate in pursuit of climate commitments—Green BRI standards risk remaining aspirational while ISDS continues to serve as the de facto legal framework governing investment disputes (Hempelmann, 2022).

Adjudicating Climate Disputes in the BRI Context

If the Green BRI creates new environmental expectations, it also creates new potential disputes. Yet there is striking uncertainty about where, how, and under what law these disputes would be adjudicated. The BRI lacks an institutionalized legal forum; unlike regional integration projects such as the EU, ASEAN, or COMESA, it has no standing court or tribunal. Instead, dispute resolution is fragmented across domestic courts, international arbitration institutions, and ad hoc mechanisms. This fragmentation fuels legal uncertainty and weakens accountability (Ali et al., 2024).

Domestic Courts (Host-State Jurisdiction)

Host-country courts represent the first theoretical site of adjudication, especially for disputes involving EIAs, land use, or environmental harm. However, domestic courts in many BRI jurisdictions face challenges including limited judicial independence, weak administrative capacity, political pressure, and corruption (Amelia et al., 2024a). Moreover, Chinese SOEs often negotiate contractual provisions limiting exposure to local courts or securing jurisdictional privileges. As a result, the domestic judiciary rarely functions as an effective venue for environmental accountability in BRI projects.

International Arbitration (e.g., ICSID, UNCITRAL)

Investment arbitration offers a more predictable forum, but it is primarily designed to protect investors—not communities or the environment. Climate-related disputes brought by investors are likely to dominate, while claims by states or affected populations lack standing. Crucially, arbitral tribunals have limited experience interpreting soft-law sustainability frameworks (Lehmann, 2025). Early attempts to integrate environmental norms into arbitral reasoning have been narrow and inconsistent. No prominent cases to date have directly adjudicated

obligations arising from the “Green BRI” guidelines. Arbitration therefore risks reproducing traditional investment-protection logic that sidelines environmental concerns.

BRI-Specific or China-Led Arbitration Bodies

China has established the China International Commercial Court (CICC) and supported BRI-oriented dispute resolution centers, such as the Shenzhen and Xi’an BRI courts and specialized arbitration panels. These institutions aspire to provide culturally and procedurally tailored platforms for BRI disputes (Hongliu, 2018). Yet their legitimacy outside China is contested, and their ability to adjudicate climate disputes is untested. Critically, their jurisdiction depends on express party consent in contracts—something not universally adopted. Moreover, these institutions may face perceived partiality, particularly when state-owned Chinese investors are involved.

Emerging Jurisprudence? Despite proliferating BRI projects, there is little emerging case law interpreting Green BRI guidelines. No arbitral tribunal has treated them as binding norms or even as persuasive interpretive tools comparable to international environmental law principles. This absence of jurisprudence reinforces the accountability gap: the Green BRI generates expectations but offers no legal method to convert those expectations into enforceable rights or remedies. Without adjudicative uptake, the guidelines remain governance rhetoric rather than legal standards (Fatima et al., 2025).

CRITICAL IMPLICATIONS: THE PERSISTENCE OF A NON-ACCOUNTABLE NORMATIVE REGIME

Taken together, the friction with ISDS and the adjudication uncertainty illustrate a structural problem: the Green BRI promotes a new normative vision without constructing the legal infrastructure necessary for accountability. Worse, its environmental rhetoric may inadvertently increase host-country exposure to investor claims while providing no mechanisms for communities or states to enforce environmental obligations against investors (Sun & Yu, 2023). This asymmetrical system entrenches an accountability deficit at precisely the moment when climate governance requires stronger legal oversight. In short, until China undertakes treaty reform, clarifies dispute-resolution pathways, and embeds environmental obligations into binding agreements, the Green BRI will remain a normative project lacking adjudicatory depth. Its green aspirations will continue to coexist uneasily with an international investment law regime that remains structurally hostile to climate regulation—leaving host states vulnerable, investors empowered, and environmental promises untested in law.

CONCLUSION

The analysis demonstrates that the Belt and Road Initiative’s putative environmental “reset” is, at best, partial and strategically ambivalent. The Green BRI does not constitute a hard break from existing global sustainability regimes, nor does it create binding legal innovations capable of rivaling multilateral environmental treaties. Instead, it offers a pragmatic, flexible, and highly adaptable model of standard-setting—one that relies on soft law instruments, bilateral diplomacy, and lender-driven conditionality rather than enforceable global rules. While this

framework allows China to populate the normative space of international development finance with new vocabulary, principles, and evaluative criteria, it does not yet amount to a cohesive legal reset. Rather, it creates a system of regulatory optionality, within which higher standards can be invoked when strategically beneficial but easily subordinated to host-country law or commercial imperatives. The BRI thus represents a hybrid phenomenon: a conceptual challenge to Western-led environmental governance, but not a full-scale normative transformation. This hybrid model has significant implications for the future of global climate governance. China's soft-law approach competes directly with the EU's emerging extraterritorial hard-law architecture—exemplified by the Carbon Border Adjustment Mechanism, the Corporate Sustainability Due Diligence Directive, and taxonomy-aligned disclosure rules. These two models reflect contrasting visions of transnational climate regulation: one grounded in binding obligations and cross-border accountability, the other rooted in flexibility, political diplomacy, and negotiated development pathways. The coexistence of these systems may fragment the global regulatory landscape, encouraging regulatory arbitrage while enabling states to selectively adopt norms that align with domestic priorities. At the same time, the BRI's green discourse influences host-country expectations and may nudge domestic lawmaking even in the absence of binding obligations. Yet the legal frictions identified—particularly with ISDS protections and the absence of adjudicatory clarity—suggest that without reform, Green BRI norms may deepen rather than resolve conflicts between climate objectives and investment law. Policymakers must therefore confront a world in which competing governance models—EU hard law, Chinese soft law, and the voluntary standards of multilateral banks—operate in parallel without an overarching mechanism for coherence. Future research must address the profound empirical deficits and legal uncertainties that currently obscure the BRI's environmental impact. First, scholars need systematic, project-level data tracking carbon emissions, EIA quality, biodiversity outcomes, and the operationalization of green finance tools. Second, there is an urgent need for doctrinal analysis of how Green BRI principles interact with BIT obligations, domestic administrative law, and international climate commitments. Third, adjudicatory pathways remain understudied: researchers should examine how domestic courts, arbitral tribunals, and China-led commercial courts might incorporate green norms into legal reasoning (Amelia et al., 2024b). Ultimately, understanding whether China can function as a “Green Superpower” depends on bridging these empirical and legal gaps—and determining whether soft law can evolve into a more accountable and enforceable framework capable of reshaping global climate governance.

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