

Podium Discussion

Sustainability Governance of China's Overseas Infrastructure Investments: Insights from Pakistan

China's growing role in the global energy transition is changing the scale and form of infrastructure investment across the Global South. Its overseas investments now influence how host countries plan infrastructure, mobilise finance, manage land, and distribute the benefits and costs of climate action. The [Sustainability Governance of China's Global Infrastructure Investments \(SGAIN\)](#) project examines these interactions across the Global South, with a focus on aligning international investment with local sustainability needs. Pakistan offers an important setting for this discussion because the China-Pakistan Economic Corridor (CPEC) combines long-term infrastructure cooperation with a growing emphasis on green development.

This transition is unfolding within a rapidly expanding global market. [Available tracking of Chinese overseas renewable energy investment](#) identifies more than 500 project activities between October 2022 and June 2025, including 299 solar photovoltaic activities representing 133.8 gigawatts. Engineering, procurement, construction, and related roles account for almost 75% of the portfolio. The scale is significant, but project outcomes also depend on host country conditions such as grid readiness, credible power purchase arrangements, payment security, regulatory capacity, and the management of foreign exchange risk. These trends place governance at the centre of the climate-investment debate.

In Pakistan, the expansion of Chinese-financed wind, hydropower, and solar infrastructure has increased generation capacity and created opportunities for employment, roads, water facilities, and local energy access. At the same time, experiences in the [Gharo-Jhimpir wind corridor](#) reveal uneven and often temporary benefits alongside restricted access to farmland, grazing areas, and fishing grounds. Weak consultation, limited compensation, gaps in basic services, and concerns about environmental change show that low-carbon infrastructure does not automatically produce a just transition.

These outcomes reflect how governance arrangements operate across the investment cycle. The institutional landscape spans land administration, environmental approval, energy regulation, local development, and community participation across federal, provincial, district, corporate, and community levels. Green development principles are interpreted and negotiated through Pakistan's institutional and political context rather than applied through a single model. Stronger coordination and inclusive planning are needed to address environmental and social concerns and support more consistent project outcomes.

The governance challenge also extends beyond individual projects. Falling technology costs, rising grid tariffs, transmission constraints, investment structures, and policy choices influence which projects move forward and how their benefits are distributed. Economic, energy, climate, and local development priorities do not always align, while investors and contractors respond to different commercial and regulatory incentives. Effective green cooperation requires stronger links between national planning, project finance, environmental oversight, community participation, and inclusive local development.

A systemic discussion is needed to connect insights from Pakistan with the wider political economy of Chinese renewable energy and climate finance and provide a comparative view of how financing structures, business models, regulation, and host country conditions shape projects across Asia, Africa, and other regions. Bringing these perspectives together will support a forward-looking discussion on the governance priorities and practical reforms required to make climate investment environmentally sound, socially inclusive, and responsive to development needs.

Against this backdrop, this session will examine the broader institutional, environmental, social, and economic dimensions of infrastructure governance. It will assess key challenges and emerging priorities, explore strategies for stronger governance and coordination, and propose recommendations for Pakistan's engagement with Chinese climate investment. The objectives of the dialogue are to:

- Assess the key governance, environmental, social, and economic challenges associated with China's overseas infrastructure investments and their relevance to Pakistan.
- Identify priorities and strategies for strengthening governance, coordination, and sustainable project outcomes.
- Propose recommendations to support environmentally sustainable, socially inclusive, and development-oriented infrastructure investment in Pakistan.

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