China's Engagement in the Danube Sub-Region

Opportunities and Challenges

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Abstract: Encouraged by China's "16 + 1 Cooperation" mechanism and the "Belt and Road Initiative (BRI)", many Central and Eastern European countries (CEECs) expect more Chinese engagement in the development of the Danube sub-region. Located in the Danube sub-region, CEECs share common development needs in waterway transport, environmental protection, energy supply and ecological conservation, all of which are great opportunities for China. Nevertheless, China is still faced with some challenges when participating in the Danube sub-regional cooperation with the European Union (EU) and CEECs. When exploring the feasibility of cooperation in the sub-region, China needs to strive for strategic synergy with the EU, and in particular the EU Strategy for Danube Region (EUSDR), make full use of the existing sub-regional platforms and mechanisms for better understanding of recent developments as well as regulations and standards implemented in the sub-region, and expand cooperation with countries along the river, in order to better drive the development of the sub-region.

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Keywords: Danube sub-region; “16 + 1 Cooperation”; “Belt and Road Initiative (BRI)”; EU Strategy for Danube Region (EUSDR); Central and Eastern Europe.

In 2012, China initiated a cooperation mechanism with Central and Eastern European countries (CEECs), highlighted by the annual meeting between the Chinese Premier and leaders of CEECs. One year later, Chinese President Xi Jinping proposed the “Belt and Road Initiative (BRI),” which covers the Eurasian continent and its peripheral regions including Central and Eastern Europe. After the first stage of developing the two initiatives, in which common understanding and political agreements on the cooperation have been reached between China and CEECs in the forms of various guidelines and memorandums of understanding (MOUs), more concrete suggestions and proposals have been raised by individual CEECs based on their national or sub-regional interests. For instance, Romania emphasizes the cooperation on energy and calls for the establishment of a China-CEEC Center for Dialogue and Cooperation on Energy Projects; Slovakia proposes to open a new and direct flight route between Beijing and its capital, Bratislava; Latvia hopes to build itself into a logistic hub in the North of Europe by cooperating with China; and Poland aims to rebuild the Amber Road and link it with the Chinese Silk Road.¹ Countries located along the Adriatic and Ionian Seas, such as Croatia and Montenegro, also hope to unlock the potential of their sub-region with the help of Chinese initiatives.

Cooperation among countries along the Danube River has enjoyed a relatively long history in Europe, and it has recently been revitalized. In 2011, thanks to the strong and constant efforts by Austria and Romania, the European Union (EU) kicked off its Strategy for the Danube Region (EUSDR), which has become one of the four EU macro-regional strategies, alongside the Baltic Sea Region Strategy (BSRS), the Adriatic & Ionian Region Strategy (AIRS) and the Alpine Region Strategy (ARS). In this context, China’s deepening engagement in the Danube sub-regional cooperation and development has been greatly encouraged by some CEECs. Since 2013, Danube countries like Romania, Hungary and Serbia have

¹Jacek Pałkiewicz, “Poland could Rebuild the Amber Road,” Polish Ministry of Foreign Affairs, May 31, 2017, <https://poland.pl/politics/opinions/poland-could-rebuild-amber-road/>.

expressed their hope that China be more deeply involved in the Danube sub-region. This article intends to look into the current situation and feasibility, in particular China's opportunities and challenges, in its cooperation with the EU and CEECs in the Danube sub-region.

Whither China's Engagement in the Danube Sub-Region?

The Danube River is an international river passing through 10 European countries. It originates in the Black Forest of Germany and ultimately flows into the Black Sea at the shared boundary of Romania and Ukraine, stretching over 2,850 kilometers in length. According to EU statistics, the catchment area of the Danube includes a region of approximately 800,000 square kilometers, or 10 percent of Continental Europe, with 115 million inhabitants, extending over 14 countries, nine of which are EU member states.²

For centuries, the Danube River has been an important inland water transport route in Europe. Historically, the Austro-Hungarian empire was nicknamed the "Danube Monarchy," indicating its navigability between the east and the west. However, with the rise and development of maritime transport and land transport, inland water transport has been on the decline for nearly a century. Statistics show that the role of the Danube River in logistics and transportation has been decreasing and the infrastructure of those ports along the Danube River have been on the wane. These two factors have become the cause and effect for each other, resulting in a downward spiral in terms of the river's capacity, which is now far below its potential. The diverse political agendas of the countries in the Danube Basin and their different legal systems governing inland water have also complicated cross-border governance of this international river in terms of navigation.

The Danube River and its basin also constitute the most bio-diverse region in Europe. Originating in the Black Forest region, the river flows through geographically distinct areas, passing through mountains, valleys, flatlands and wetlands. The abundance and diversity of fauna and flora along the river make the Danube Basin a European treasure of biology.

²"The Danube Region," Danube Region Strategy, <http://www.danube-region.eu/about/the-danube-region>.

The river's water quality also greatly influences the life of inhabitants along the river. However, mainly due to under-investment in most CEECs, problems like the shortage of clean drinking water, the threat of floods and the risk of water scarcity or industrial spills have long existed in the Danube sub-region. The complexity of political status of countries along the river also poses challenges for the EU and other regional organizations in executing effective governance in environmental protection, as the Danube Basin is a sub-region with huge disparity in economic development, political and social systems, and great diversities in ethnicity, religion, language and custom. Although the cultural diversity adds to the charm of the Danube Basin, the disparities in economic, political and social dimensions have been undermining the efficiency of sub-regional cooperation. Thus, the sub-region is looking for more efficient solutions to those lasting problems.

In 2011, after fully considering the characteristics of the Danube Basin, the EU identified four pillars when it launched the EUSDR: connecting the region, protecting the environment, building prosperity, and strengthening the region. The EU further divided those four pillars into 12 priority areas as more concrete directions for development and cooperation, compiling a comprehensive summary of the development needs of the Danube sub-region. The above-mentioned development needs in the Danube sub-region provide great opportunities for China's engagement.

First of all, China can contribute to revitalizing the transport function of the Danube River with its expertise. China has the largest inland waterway transport network in the world. Since 2000, China's inland waterway transport has experienced rapid growth with an annual increase of over 70 percent in traffic tonnage and more than 10 percent in tonne-km.³ The total traffic tonnage of Chinese inland ports has reached 4.6 billion (as of 2015). The rapid growth of inland waterway transport in China has also

The Danube sub-region is in growing demand of Chinese funds and cooperation in development.

³*Sustainable Development of Inland Waterway Transport in China* (Beijing: World Bank and Chinese Foreign Ministry, May 2009, <http://siteresources.worldbank.org/EXTPRAL/Resources/china.pdf>).

contributed to the speedy development of related sectors in the transportation value chain, giving China strong capacity and expertise in port infrastructure construction, traffic flow management, and administration of inland waterway transport, to name but a few areas.

Assisting the countries along the Danube River in inland waterway transport does not conflict with other infrastructure construction projects by China in Central and Eastern Europe. Instead, it can help achieve complementarity and coordinated development between inland waterway transport and other patterns of transport, which will be conducive to building a complete and advanced inland transport network with relatively low costs. Currently, the China-Europe Land-Sea Express, the Hungary-Serbia Railway and the highway between the sea ports at the Adriatic coast in Montenegro to Serbia are all under construction. The cost of transport can be even lower if these passageways are connected with the Danube River to realize seamless-connection transport. According to statistics, there are more than 78 ports along the Danube River, which also serve as intersections of domestic highways and railways. Taking full advantage of the existing ports will not only reduce the cost of infrastructure investment, but also make the hinterland of Central and Eastern Europe a more reachable and promising market.

It is particularly noteworthy that inland waterway transport is becoming more popular because of its environmentally friendly features. As studies have shown, ships are a better choice with regard to energy consumption, pollution, traffic safety and noise than freight railway or trucks. Therefore, environmentally sustainable transport by inland water vessels has received more support at global, regional and national levels. Chinese participation in the area will definitely promote the development of this form of sustainable transport.

Secondly, China's involvement in the Danube sub-regional development will expand areas of cooperation between China and CEECs as well as China and the EU. Contrary to the common perception that China is only keen on infrastructure building, trade, as well as acquisition of energy and resources, China-CEEC cooperation has gradually extended to other fields including logistics and transport, environmental governance, waterway maintenance and management, water quality management, hydrological data collecting and analysis, and many other non-economic areas.

As the Danube River affects the daily lives of 120 million people, the sub-region considers environmental protection as the primary prerequisite to be able to maximize this natural endowment. In recent years, countries along the river have been working on the collection, analysis and digitization of hydrological data with the assistance of the EU and other relevant organizations, in order to strengthen capabilities in prevention and crisis management of natural disasters. As a country with abundant inland rivers, China enjoys quite rich experience and expertise. Thus, strengthening cooperation and exchanges in these areas will not only benefit the public in a more direct and visible way, but also help promote China's development concepts, such as "common development," "win-win cooperation," and "community of common destiny for all mankind," in its diplomatic practice.

Finally, China will actively participate in the comprehensive development of port cities and their surrounding areas. Most of the port cities are geographically important because they are also hubs of other types of transport and key nodes of national or regional transport networks. Therefore, the exploitation of inland ports may, by a radiation effect, also stimulate the industrial development in their surrounding areas. For example, industrial parks built close to the ports along the Danube River are more attractive to the investors because of the lower cost from use of inland waterway transport. Development of the industrial parks may also generate prosperity of the surrounding areas in commerce, financial services, real estate, and other service sectors. The linkage between infrastructure upgrading of the ports, the enhancement of transport capacity of the river, and the stimulation to industries in the surrounding areas can all help foster a more comprehensive model of economic growth in these Danube countries. Certainly, during the process, China should not only focus on the ports' development, but also have a far-reaching vision for the development of the whole industrial chain covering wider areas.

Despite these opportunities, China is still faced with many challenges when participating in the Danube sub-regional cooperation with the EU and CEECs. First and foremost, the different nature of the EUSDR and Chinese initiatives may lead to much difficulty in

China needs more open and inclusive consultation with the EU on Danube sub-regional cooperation.

creating lasting synergy. The EU strategy aims at promoting the sub-regional development and reducing the gap and imbalance between sub-regions within the EU. Thus the EUSDR, as one of the macro-regional strategies, is essentially a kind of aid instrument, working for the same goals together with the EU's regional policy, cohesion policy and neighboring policy. Funds provided by the EU do not necessarily take economic profits into consideration and are not too concerned about the short-term effect.

However, as part of China's economic diplomacy in the new era, the "16 + 1 Cooperation" is profit-oriented. Both the "16 + 1 Cooperation" and BRI attach great importance to short- and mid-term economic returns from the cooperation. Therefore, how to seek benefits large enough to attract Chinese investors in the sub-regional cooperation, and how to achieve a balance between the quasi-welfare nature of the EU program and profit orientation of the Chinese initiatives, will remain as key questions in terms of feasibility and synergy. On China's part, it should seek all means to achieve cooperation with CEECs based on a boarder view than tangible economic profits, and evaluate such cooperation under the general framework of its foreign policy and development strategy.

Another challenge, the enduring problem of inefficiency, may also have negative impacts on China-CEEC cooperation in the Danube sub-region. As discussed before, cooperation in the Danube sub-region has long existed, but due to the huge diversity of the sub-region, it has been characterized by low efficiency and untimely actions. So, one of the major reasons for launching the EUSDR is to translate words into concrete results. That is why the EU always emphasizes that all the macro-regional strategies should be results-oriented. Nevertheless, there are still many complaints from CEECs about the low efficiency of the EUSDR. In its cooperation with CEECs, China should exercise more pragmatism and efficiency, so as to prevent concrete cooperation from turning into empty talk shops.

The third challenge is the EU's attitude toward Chinese involvement in the Danube sub-region. Although the Danube is an international river, it is ultimately an internal river within the EU, and widely considered to be under the EU's influence. In order to extend the China-CEEC cooperation in the sub-region, China should demonstrate more goodwill for cooperation and coordination with the EU, better clarify the approaches to be taken, the

principles to be followed, and the achievements to be expected in such cooperation, and enhance the transparency of the cooperation by inviting observation, evaluation and consultation from EU member states and key EU institutions.

Rationale Behind China-Europe Sub-Regional Cooperation

The kick-off of European macro-regional strategies and China's attempt to strengthen its cooperation with European sub-regions under the frameworks of the China-CEECs cooperation and the BRI Initiative reflect a new trend and dimension of international cooperation, which aligns with some recent developments of economic globalization and especially the difficulties of European integration. The revitalization of sub-regional cooperation is regarded as a positive response to the changing international and regional situation.

With increasing twists and turns of economic globalization, both China and CEECs are exploring new ways of cooperation. After the global financial crisis in 2008, the world economy has not been able to recover as quickly as expected. The crisis has brought about enduring problems such as the shrinking of global demand, the prominence of structural defects of national economy, and the weakening of economic growth in many countries. At the same time, many political and social problems, such as the polarization of political parties and the rising populism in many Western countries, have become increasingly prominent in the post-financial crisis era, and these threaten to damage the political and social foundation of economic globalization.

Facing these problems, all countries in the world are actively seeking solutions. China's BRI, in particular, provides new impetus for globalization. The initiative mobilizes China's manufacturing capacity and relatively large capital to the much wider external market, and thus enhances China's cooperation with countries and regions along the Belt and Road under market rules, so as to facilitate win-win results and ultimately reduce the imbalance of development between different regions. It is noteworthy that the BRI attaches particular importance to cross-border cooperation. In China's official document as the guideline of the initiative, "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road," the Chinese government points out that the initiative

aims to “carry out broader and more in-depth regional cooperation of higher standards, and jointly creating an open, inclusive and balanced regional economic cooperation architecture that benefits all.”⁴ The “regions” mentioned previously also refer to numerous sub-regions formed by the neighboring countries along the Belt and Road. Thus, China's BRI is not only an upgraded version of China's bilateral relationships with countries along the Belt and Road, but also a new path to promote win-win cooperation with sub-regions for greater opportunities, larger-scale benefits and radiation effects of cooperation projects.

Amid the setbacks of globalization, China's BRI brings strong momentum to China-Europe sub-regional cooperation.

Commonly known as “16 + 1 cooperation,” the China-CEECs cooperation shares much commonality with the BRI, where Central and Eastern Europe is an important region in both initiatives. The former particularly aims for trade, investment, culture and people-to-people exchanges, and the latter regards Central and Eastern Europe not only as a gateway from Asia to Western Europe, but also as an emerging market with increasing demands for infrastructure, commodities and high-tech products, amongst others.

Countries in this region have enjoyed long-term good relationships with China, which have led to development of sufficient mutual trust and thus created a solid foundation for the two initiatives. Besides, the fact that most of the countries in this region are EU member states or candidates for EU membership also indicates that these countries have relatively stable political situations and accountable legal systems, making Central and Eastern Europe one of the safest places for overseas investment along the Belt and Road. Next, both initiatives take connectivity as a priority area for their implementation. Connectivity includes policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds, all of which have unlocked great potential for concrete cooperation between China and CEECs. Furthermore, both initiatives emphasize the

⁴“Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road,” Chinese Foreign Ministry, March 28, 2015, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1249618.shtml.

principle of “joint efforts through consultation to meet the interests of all,”⁵ which means that although the two initiatives were raised by the Chinese government, countries and regions involved are encouraged to align their development strategies with the Chinese ones, take part in the design of the concrete cooperative projects, and input their lists of interests during the implementation of the two initiatives.

Also, the sub-regional cooperation is a new form of cooperation emerging amid the difficulties of European integration. After several rounds of enlargement, the internal disagreement of the EU has become more intense. Controversies over many key issues, such as the priorities of development, the path of future integration and the allocation of limited resources, have seriously undermined the efficiency and efficacy of the integration, leading to growing discontent and even opposition among the public. In recent years, the EU has been suffering from multiple crises including the debt crisis, the influx of refugees, Brexit, growing number of terrorist attacks, and the rise of extremism and populism, amongst others. Against this backdrop, cooperation at the sub-regional level has become a new trend. For one thing, sub-regions can respond rapidly and effectively to their development needs and common challenges without incurring opposition from non-stakeholders outside the region. For another thing, through more intensive cooperation and coordination, sub-regions will be more attractive to investors out of the EU, and provide more driving forces for their development. Currently, European sub-regions such as the Baltic Sea, the Black Sea, and the Adriatic and Ionian Seas have all called for much closer cooperation among neighboring countries. They do not only rely on the support from the EU through various policy instruments, but also look for non-EU economies such as Japan, China, and India to get involved in their sub-regional development process.

Therefore, the participation of extraterritorial countries in European sub-regional cooperation should not be regarded as counter-globalization or deterioration of regional integration. Both China’s advocacy for sub-regional cooperation in its BRI and the emerging sub-regional cooperation in Europe uphold the principle of openness and inclusiveness. Unlike traditional economic unions, participating countries in sub-regional cooperation do not establish a closed mechanism with exclusive operational rules.

⁵Ibid.

On the contrary, they tend to invite more extraterritorial countries to bring in capital, advanced technologies and other resources, and also encourage them to tap into local advantages in natural endowment, labor resources and sound legal environments.

Moreover, sub-regional cooperation encompasses the features of non-antagonism and complementarity to existing international and regional systems and mechanisms. For example, China's BRI endeavors to promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system with the World Trade Organization (WTO) at its core.⁶ Similarly, the European sub-regional cooperation has been recognized and adopted by the EU in the form of macro-regional strategies in respect of the EU's regulations. The above-mentioned four EU macro-regional strategies are now working together with other EU policy instruments, such as the regional policy and the cohesion policy, for more balanced development between different sub-regions within the EU.

Achieving China-EU Strategic Synergy in the Danube Sub-Region

The "16 + 1 Cooperation" and the BRI are both committed to enhancing the economic and trade relations between China and CEECs, promoting two-way investment, and working on connectivity and industrial investment as the approaches for win-win cooperation and regional development. The EUSDR released by the EU Commission in 2011 also set win-win cooperation and development as its fundamental goals. From the perspective of goals and principles, Chinese initiatives and the EUSDR are complementary rather than competitive or confrontational.

Above all, from a more specific point of view, Chinese initiatives and the EUSDR can learn from each other, and offer concrete added values to themselves. While China's BRI provides many new opportunities for the Danube sub-region, the EUSDR provides clear and focused directions for cooperation, which helps China identify the development needs of the sub-region. The four pillars and the 12 priorities defined by the EU form a

⁶"Joint Communiqué of the Leaders Roundtable of the Belt and Road Forum for International Cooperation," Chinese Foreign Ministry, May 16, 2017, <http://www.fmprc.gov.cn/web/zyxw/t1461817.shtml>.

relatively complete road map for outsiders to have a comprehensive understanding on the most urgent development needs of the sub-region. Besides, the EU has also designated Priority Area Coordinators in the framework of the strategy. Those coordinators are countries with either strong demands or strong capacities in certain areas. They are ideal cooperators and coordinators in China's cooperation or investment in those areas. This design of the EUSDR is quite similar to the form of associations on sectoral cooperation within the "16 + 1 Cooperation," for both of them are devoted to pushing the goals of cooperation into implementation.

Currently, though the two Chinese initiatives have received strong political support from the central governments of individual countries, few concrete cooperative projects have been put into implementation, let alone achieved. Government leaders of CEECs are hungering for concrete projects and early harvests in order to "cash their checks" — promises to the public when expressing strong support for China's proposals. However, because many proposals raised by individual countries are too small-scaled with limited economic and social benefits, they can hardly attract Chinese investors. Thus, by docking into the EU's macro-regional strategy, China can better understand the development needs at the sub-regional level and work harder on projects guided by the EU priorities.

Next, the EUSDR provides China a ready-made platform for communication and exchange, an experienced coordination mechanism, and a set of accepted operational guidelines, all of which can help China facilitate the launch of transnational projects and gain a better understanding of the standards and rules for entering into the Danube sub-region. The main purpose of the EUSDR is to create synergy and coordination between existing policies and initiatives across the Danube sub-region and enable cooperation projects to be implemented more efficiently. At present, the EUSDR has an annual forum attended by high-level officials, enterprises, NGOs and other stakeholders of Danube countries. The forum is an important occasion for all the participants to jointly address the issue of how to best translate political commitments into operational policies and measures. There are also various dialogues in specific areas with the

The BRI and "16 + 1" mechanism aim to align with existing EU strategies and regulations.

participation of related EU institutions, governmental departments of member states, enterprises, think tanks and other stakeholders or partners. In short, the EUSDR has opened up channels for dialogues and exchanges in the Danube sub-region.

In terms of policy coordination, Interreg, an EU program financed by the EU Regional Development Fund, has been taking on this important role since the establishment of EUSDR. As a very experienced international team, Interreg is dedicated to helping European regions work together to find solutions to their common economic, environmental, social and cultural challenges. It provides advice, organizes learning events and develops a wide range of tools on how to manage a cooperation project and comply with EU rules on finance and controls, and how to successfully communicate funding opportunities. All of these roles sound exactly like what Chinese investors are presently looking for. Regarding the EU norms, standards and rules, though the strategy covers the region within and outside the boundary of the EU, the EU is still striving to spread its economic, political and social norms, standards and rules in all of the participating countries. According to a report by the European Commission in 2010, in which the strategy is defined, consistency with EU legislation and policies lies at the core of the strategy. It supports better implementation of EU legal obligations, especially in relation to the Single Market and the environment.⁷ From the EU's perspective, this principle will make the strategy conducive to the transformation of non-EU member countries in the long run.

At present, due to the limited experience of the "16 + 1 Cooperation" and the BRI, many cooperation projects are facing challenges resulting from the different political statuses of partner countries. These countries have different legal systems, standards for market access and decision-making procedures, making the multilateral negotiations of projects proceed at a very slow pace, sometimes even stalling. In order to prevent this kind of dilemma in cooperating with countries in the Danube sub-region, China should take full advantage of the numerous exchange platforms provided

⁷European Commission, "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: European Union Strategy for Danube Region," August 12, 2010, <http://www.danube-region.eu/component/edocman/?task=document.viewdoc&id=36&Itemid=0>.

by the EUSDR as an observer, strengthen exchanges and cooperation with Interreg, and learn from the achievements of these platforms and institutions. Regarding the various standards and regulations set by the EU, China needs to always keep in mind the EU-oriented policy priority of all the countries in the Danube sub-region and the dominant regional influence of the EU, and do its best to comply with the EU's norms, standards and regulations while conducting cooperation with CEECs. By closely cooperating with the EUSDR, China will gradually strengthen its understanding of the EU regulations, turn those EU standards or norms from potential obstacles into a solid foundation for closer and deeper cooperation with the sub-region, thus become more qualified to entering the bigger EU market in the future.

Furthermore, the synergy between Chinese initiatives and the EUSDR may converge the resources and advantages of both sides, including capital, technologies, governance capacity and management skills, in order to make all these development plans more effective and efficient. When the first macro-regional strategy was launched in 2009, the EU declared that this strategy would not be characterized by the establishment of new institutions, legislation or funds, but would influence existing institutions and the implementation of EU legislation, and would require the alignment of projects funded through the EU Structural Funds. However, many CEECs have found it very difficult to acquire adequate EU funds or use the funds in a more flexible and efficient way. Therefore, many projects under the framework of EUSDR necessitate the involvement of other actors and resources, including those from private sectors and others outside of the EU. In recent years, China has set up many innovative financial instruments, such as the Silk Road Fund and China-CEEC Investment Cooperation Fund (stage one and stage two), and encourages Chinese enterprises to expand investment in CEECs, which helps meet the large capital supply in the Danube sub-region.

Last but not the least, the synergy between Chinese initiatives and the EUSDR will largely improve the transparency of the planning and implementation of these strategic

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plans and consequently strengthen the mutual trust between China and the EU through coordination and cooperation. For example, the EU has attached great importance to effect assessment during the implementation of the EUSDR. Over the last five years, the EU has released several evaluation documents, including the *Commission Report on the added value of macro-regional strategy* (2013), *Commission Report concerning the EUSDR* (2013), and *Commission Report on the implementation of EU macro-regional strategies* (2016), in order to provide more detailed information and analysis concerning the state of implementation of the EUSDR as well as other macro-regional strategies. In comparison, though China has released four policy documents on the summits of "16 + 1 Cooperation" since 2013 with the annex of all the achievements and progress made in the previous year, more detailed and in-depth analysis and evaluations on the progress of concrete projects are still lacking. In this regard, China should learn from the EU by inviting more think tanks or independent organizations to do the evaluation work so as to promote the transparency of the cooperation process, and facilitate more open discussion and exchanges with the EU.

Conclusion

Promoted by the "16 + 1 Cooperation" and the BRI, the Sino-European relationship is in subtle transition, and a more comprehensive, multi-dimensional, multi-tiered and wide-ranging structure is being forged. It is not only composed of the strategic partnership between China and the EU, as well as the dynamic political and economic interactions between China and individual European countries, but it also encompasses the development of cooperation between China and European sub-regions. This new dimension of cooperation conforms to the development needs of countries in European sub-regions and aligns with the goals of macro-regional strategies developed by the EU in recent years, which marks an important step forward for the Sino-European relationship.

The Danube sub-region has great geographic overlap with China's "16 + 1 Cooperation" mechanism and the BRI in that ten countries in this sub-region are also participating countries in the "16 + 1 Cooperation," and eight countries have signed MOUs on the BRI Initiative. Compared with the region composed of 16 CEECs defined by the "16 + 1 Cooperation," the Danube sub-region shares more converging development needs, common

interests and greater potential for cross-border projects. The EUSDR summarizes clear priority areas for development, pushes integrated regulations and standards, sets up platforms for communication and exchanges, and periodically provides evaluation reports on various projects, all of which should be regarded as useful guidance for China's engagement with this sub-region.

In its cooperation with the Danube sub-region in the future, China should make full use of the early achievements of the existing cooperation mechanisms in order to target concrete cooperation projects consistent with the principle of "win-win cooperation." Besides, China should take an active part in various platforms of communication and exchanges in the Danube sub-region, in order to have better understanding of the common interests and development needs, as well as related regulations in the sub-region. Furthermore, China can strengthen its cooperation with some important and active countries along the river, such as Hungary and Romania, to launch further engagement in this sub-region. China can choose different priority areas of cooperation according to diverse development agendas of the countries along the river. Most importantly, China's engagement in development of the Danube sub-region must always follow the principles of transparency, high efficiency and mutual benefits.