

# “16+1 Cooperation” : Considering Three Sets of Relationships

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*Abstract: The paper analyzes three sets of relationships related to the “16+1 Cooperation”. First, the relationship between the “16+1 Cooperation” and the Belt and Road Initiative (hereinafter referred to as the B&R Initiative). On the one hand, both were developed against the same background. The former is an important part of the latter, while the latter provides the former with more opportunities. On the other hand, the “16+1 Cooperation” is a unique part of the B&R Initiative. So it is worth considering how to coordinate the relationship between the “16+1 Cooperation” and the B&R Initiative, push the “16+1 Cooperation” forward and give full play to the role of the “16+1 Cooperation” in the B&R Initiative. Second, the relationship between the “16+1 Cooperation” and the China-EU relations. The “16+1 Cooperation” is an integral part and useful supplement of the China-EU relations. China and the CEE countries repeatedly stress the significance of the “16+1 Cooperation” in the China-EU relations and work hard to coordinate the relationship between them. But the EU often worries that the “16+1 Cooperation” will divide the EU. Therefore, it is worth considering how to remove the EU’s worries and coordinate the relationship between the “16+1 Cooperation” and the China-EU relations effectively. Third, the relationship between bilateral cooperation and multilateral cooperation. The “16+1 Cooperation” includes both bilateral and multilateral cooperation, but so far, cooperation has mostly taken place at bilateral level. As a result, it is worth considering how to take advantage of the various institutionalized exchange platforms established by China and the CEE countries to expand the multilateral cooperation.*

*Key words: 16+1 Cooperation, the B&R Initiative, China-EU relations, bilateral cooperation, multilateral cooperation*

Since its beginning six years ago, the “16+1 Cooperation” has yielded fruitful results but has also faced many challenges. Among them, three sets of relationships—the relationship between the “16+1 Cooperation” and the B&R Initiative, the relationship between the “16+1 Cooperation” and the China-EU relations, the relationship between bilateral cooperation and multilateral cooperation—are worth considering.

## 1. The “16+1 Cooperation” and the B&R Initiative

In 2012 and 2013, the “16+1 Cooperation” and the B&R Initiative were proposed by China successively. What is the relationship between them?

First, the “16+1 Cooperation” and the B&R Initiative were raised under the same background.

Looking at the world, “peace and development remain the theme of the era, and the trend of peace, development, cooperation and mutual benefit is even stronger.” (Publicity Department, CCCPC, 2016, pp.260-261). “China will continue to hold high the banner of peace, development, cooperation, and mutual benefit and uphold its fundamental foreign policy goal of preserving world peace and promoting common development. China remains firm in its commitment to strengthening friendship and cooperation with other countries on the basis of the Five Principles of Peaceful Coexistence, and to forging a new form of international relations featuring mutual respect, fairness, justice, and win-win cooperation.”(Xi, 2017, p.58) The CEE countries and China enjoy profound traditional friendship, respect and support for each other’s foreign policies, sharing common views on many major international issues. The launch of the “16+1 Cooperation” will help further promote the relations between China and the CEE countries and contribute to world development and prosperity. “Jointly building the Belt and Road is in the interests of the world community. Reflecting the

common ideals and the pursuit of human societies, it is a positive endeavor to seek new models of international cooperation and global governance and will inject new positive energy into world peace and development.” (National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of the P.R. China, 2015, p.3). In addition, CEE countries have suffered greatly from the international financial crisis and the Eurozone debt crisis since 2008, and global economic growth also faced many instable and uncertain factors. The “16+1 Cooperation” and the B&R Initiative are aimed at dealing with the crises, upholding the global free trade regime and the open world economy.

Looking at China, opening-up is the fundamental national policy of China. As the most promising region in Europe, the CEE region enjoys a sound investment environment. Chinese capital and goods can enter the EU market with the “16+1 Cooperation”, thus expanding the economic and trade cooperation with the EU. Similarly, the B&R Initiative “will enable China to further expand and deepen its opening-up”, “build a new pattern of all-around opening-up and integrate itself deeper into the world economic system.” (National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of the P.R. China, 2015, p.4)

Second, the “16+1 Cooperation” is an important part of the B&R Initiative.

In terms of cooperation partners, the “16+1 Cooperation” is oriented towards 16 countries in the CEE region. “The Belt and Road run through the continents of Asia, Europe and Africa, connecting the vibrant East Asia economic circle at one end and developed European economic circle at the other, and encompassing countries with huge potential for economic development.” (National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of the P.R. China, 2015,p.6) “The 16 CEE countries account for a quarter of the countries along the B&R” (Xinhuanet, 2015), therefore the “16+1 Cooperation” is within the framework of the B&R Initiative.

In terms of their intention for cooperation, the 16 CEE countries responded positively to the B&R Initiative. As early as May 2014, the national coordinators and representatives from the 16 CEE countries expressed their hope to play a role in the B&R construction at the third meeting of national coordinators for China-CEEC Cooperation (Cooperation between China and CEE Countries website, 2014a). China has been more welcoming towards the CEE countries to participate in the B&R construction. In December 2014, Chinese Premier Li Keqiang pointed out at the third meeting of heads of government of China and the CEE countries, “China raised the initiative of jointly building the Silk Road Economic Belt and the 21<sup>st</sup>-Century Maritime Silk Road and welcomes the active participation of the CEE countries.” (Cooperation between China and CEE Countries website, 2014b). In November 2015, the Medium-Term Agenda for Cooperation between China and Central and Eastern European Countries formulated by China and the CEE countries stated that “the 16+1 Cooperation will make full use of the opportunities offered by the Belt and Road Initiative to steadily expand cooperation and in turn contribute to the initiative.” (Cooperation between China and CEE Countries website, 2015a) During the sixth meeting of heads of Government of China and the CEE countries in November 2017, China signed the Memorandum of Understanding on Jointly Building the B&R Initiative with Estonia, Lithuania and Slovenia so that the B&R Initiative covered all the 16 CEE countries.

In terms of cooperation priorities, the main achievements of the “16+1 Cooperation” cover policy coordination, connectivity, economic, trade and financial cooperation, people-to-people and cultural exchange (Permanent Mission of China to the UN website, 2017a), while the five major goals of the B&R Initiative are policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds (National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of the P.R. China, 2015, pp.7-14). Therefore, the “16+1 Cooperation” and the B&R Initiative have roughly the same cooperation priorities.

Third, the “16+1 Cooperation” is different from the cooperation between China and the other countries along the B&R.

The “16+1 Cooperation” pays attention to its significance in the China-EU relations, which will be discussed in the next section.

The “16+1 Cooperation” attaches importance to cooperation at local level. Since the second meeting of heads of government of China and the CEE countries in 2013, local cooperation has become one of the important pillars for the “16+1 Cooperation”. The China-CEEC Local Leaders' Meeting was held three times in

2013, 2014 and 2016. The China-CEEC Association of Governors of Provinces and Regions was established, and its working meeting has been held three times in 2015, 2016 and 2017. So far, China and the CEE countries have established more than 60 pairs of friendship cities and visited each other's provinces, regions and municipalities more than 300 times. The Budapest Guidelines for Cooperation between China and Central and Eastern European Countries formulated in November 2017 designated 2018 as Year of Cooperation between Local Governments and Local Enterprises. When visiting Bulgaria and attending the seventh meeting of heads of government of China and the CEE countries in July 2018, Prime Minister Li Keqiang visited an exhibition of local cooperation with the leaders of 16 CEE countries.

The "16+1 Cooperation" has its own working body. The first measure of China's Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries proposed by Premier Wen Jiabao in April 2012 is to "set up a secretariat for cooperation between China and central and eastern European countries. The secretariat will be based within China's Ministry of Foreign Affairs and charged with communication and coordination on matters related to cooperation, preparation for leaders' meetings and business forums and the implementation of relevant outcomes. The 16 central and eastern European countries will, voluntarily, each designate a counterpart department and a coordinator to take part in the work of the secretariat." (Cooperation between China and CEE Countries website, 2012a). In September 2012, The Secretariat for Cooperation was established, and the first National Coordinators' Meeting was held. In April 2015, the Chinese Ministry of Foreign Affairs appointed the Special Representative for China-CEEC Cooperation.

The "16+1 Cooperation" has set up more than 20 new institutionalized exchange platforms, such as the China-CEEC liaison mechanism for investment promotion agencies, the China-CEEC coordination mechanism for forestry cooperation, the customs clearance facilitation cooperation mechanism for the China-Europe Land-Sea Express Line among the Chinese, Hungarian, Serbian, Macedonian and Greek Customs, the expert advisory committee on the construction of transportation network between China and CEE countries, the China-CEEC Association of Governors of Provinces and Regions, the China-CEEC Higher Education Institutes Consortium, the China-CEEC Business Council, the China-CEEC association of tourism promotion agencies and businesses, the China-CEEC association on promoting agricultural cooperation, the China-CEEC think tanks network, the China-CEEC association on logistics cooperation, the China-CEEC Energy Dialogue and Cooperation Center, and so on. The Sofia Guidelines for Cooperation between China and Central and Eastern European Countries prepared and issued in July 2018 announced China and the 16 CEE countries supported Croatia in leading the efforts to establish the 16+1 Coordination Mechanism for SMEs, Romania in establishing a 16+1 Smart City Coordination Center, and Lithuania in establishing a 16+1 Fintech Coordination Center, and agreed to establish a Global Partnership Center of CEECs and China in Bulgaria (Xinhuanet, 2018a).

In conclusion, on the one hand, the "16+1 Cooperation" and the B&R Initiative were developed against the same background. The former is an important part of the latter, while the latter provides the former with more opportunities. On the other hand, the "16+1 Cooperation" is a unique part of the B&R Initiative. Therefore, it is worth considering how to coordinate the relationship between them, push the "16+1 Cooperation" forward and give full play to the role of the "16+1 Cooperation" in the B&R Initiative.

## **2. The "16+1 Cooperation" and the China-EU relations**

Eleven of the 16 CEE countries are the EU Member States, while the other five countries are aspiring to join the EU. When promoting the "16+1 Cooperation", the relations between China and the EU must be taken into account.

China and the 16 CEE countries have been paying attention to the significance of the "16+1 Cooperation" in the China-EU relations, and they have deepened their understanding of the significance over time.

During the first meeting of heads of government of China and the CEE countries in 2012, "The leaders at the meeting indicated that China and the CEE countries have traditional friendship and their mutual relations

represent an important part of the relationship between China and the EU as a whole.” (Cooperation between China and CEE Countries website, 2012b)

During the second meeting in 2013, “Parties at the meeting stressed that China-CEEC cooperation is in line with China-EU comprehensive strategic partnership and expressed their readiness to continue to strengthen and deepen the China-CEEC cooperation on the basis of mutual respect, equality and mutual benefit, and work to make it a growth point for China-Europe cooperation for the benefit of development in all the countries, of their peoples of these countries and of world peace and stability, while providing a useful experience for countries with different civilizations, systems and levels of development to live in harmony with each another and develop hand in hand.” (Cooperation between China and CEE Countries website, 2013).

During the third meeting in 2014, “The participants reiterated that China-CEEC cooperation is in line with China-EU relations and reaffirmed their commitment for the deepening of their partnership for peace, growth, reform and civilization based on the principles of equality, respect and trust, thus contributing, as appropriate, to the implementation of the EU-China 2020 Strategic Agenda for Cooperation.” (Cooperation between China and CEE Countries website, 2014c)

During the fourth meeting in 2015, participants at the meeting put forward the concept of “synergy” for the first time. They “welcomed and supported the important agreement between the Chinese and EU leaders on establishing the China-EU Connectivity Platform, as well as on developing synergies between the China’s Belt and Road Initiative of China and the Investment Plan for Europe, and between 16+1 Cooperation and China-EU relations.” (Cooperation between China and CEE Countries website, 2015b)

During the fifth meeting in 2016, participants at the meeting reaffirmed the intention to “develop synergies between 16+1 Cooperation and the EU-China Comprehensive Strategic Partnership, including through the EU-China Connectivity Platform” (Cooperation between China and CEE Countries website, 2016a).

During the sixth meeting in 2017, participants had a more comprehensive and in-depth understanding of the “16+1 Cooperation” and of the China-EU relations. “16+1 Cooperation represents an important part of the cooperation between China and Europe as a whole. The Chinese side reaffirms that it attaches great importance to the China-EU comprehensive strategic partnership, that it supports the road of integration chosen independently by the EU Member States, that it wishes to see a united, stable and prosperous Europe, and that it will promote the China-EU partnership for peace, growth, reform and civilization. EU Member States and candidate countries from among the 16 CEECs are committed to the advancement of the EU-China Comprehensive Strategic Partnership and the EU-China Agenda 2020, including actively promoting practical cooperation in the framework of the EU-China Connectivity Platform, in the Investment Plan for Europe, and supporting the conclusion of an ambitious and comprehensive Agreement on Investment between the EU and China.” (Permanent Mission of China to the UN website, 2017b)

During the seventh meeting in 2018, participants reaffirmed that the “16+1 Cooperation represents an important part of and a positive complementary component to the relationship between China and the EU and that they are ready to work together, in this format and in line with their respective competences and existing commitments to ensure that China-EU relations continue to develop in a balanced way.” (Xinhuanet, 2018a) Meanwhile, they underlined that EU Member States and candidate countries actively promoted “practical cooperation through pilot projects in the framework of the EU-China Connectivity Platform, the Investment Plan for Europe and the extended Trans-European Network (TEN-T)”. (Xinhuanet, 2018a).

China and the 16 CEE countries have also been paying attention to the coordination of the “16+1 Cooperation” and the China-EU relations on concrete measures.

First, China and the 16 CEE countries have invited representatives of the EU and of certain Western European countries as observers in the meeting of heads of government of China and the CEE countries. EU representatives were present at the third meeting in 2014. Representatives of the EU and Austria were present as observers at the fourth meeting in 2015. Since the fifth meeting in 2016, besides representatives of the EU and Austria, those of Greece and Switzerland were also present as observers.

Second, China and the 16 CEE countries have been observing EU legislation, regulations as well as the standards and policies applying to EU Member States and candidate countries. In the field of connectivity, the 17 countries took note of the agreed EU regulations, guidelines, policies and processes and the agreed regulations, guidelines, policies and processes of other regions, and supported the exploration of possibilities for cooperation (Cooperation between China and CEE Countries website, 2014c); they would “step up cooperation in infrastructure development, including roads, railways, ports, airports, telecommunications and oil and gas pipeline networks, taking into account existing policy commitments and priorities at the EU level” (Cooperation between China and CEE Countries website, 2015a); China, Hungary and Serbia have reached an agreement to strive to build the Hungary-Serbia Railway into a modern high-speed railway meeting EU standards and the needs of all parties (Cooperation between China and CEE Countries website, 2014b), and the Hungarian section of the Hungary-Serbia Railway has been put up for public bidding according to the EU public procurement law and EU standards (Xinhuanet, 2018b); the EU member states participating in Adriatic-Baltic-Black Sea Seaport Cooperation reaffirmed that the implementation of the actions must be done without prejudice to the competencies of the EU and with respect for the obligations stemming from their membership of the EU (Cooperation between China and CEE Countries website, 2016b). In the field of financial cooperation, Prime Minister Li Keqiang said that China respected relevant EU standards when discussing with the 16 CEE countries to expand channels to solve financing problems (Xinhuanet, 2015); the China-CEEC financial holding company established by Industrial and Commercial Bank of China complied with the sovereign debt rules of EU Member States and raised funds from global markets through commercial operations (Cooperation between China and CEE Countries website, 2016c).

Third, China and the 16 CEE countries have been promoting the close integration of the “16+1 Cooperation” and the China-EU relations. They encouraged and supported synergies between the “16+1 Cooperation” on connectivity and the EU’s existing network priorities and their extension to the Western Balkans, promoted the construction of the Hungary-Serbia Railway and the China-Europe Land-Sea Express as well as the Port Area Cooperation between China and the CEECs bordering the Baltic, Adriatic and Black Sea, expanded cooperation in development of container block trains services and combined mode transport solutions, and continued to carry out practical cooperation in the framework of the EU-China Connectivity Platform; encouraged more eligible CEE countries to take part in the China-EU Smart and Secure Trade Lanes Pilot Project and other cooperation projects under the China-EU Strategic Framework for Customs Cooperation; supported multilateral agricultural irrigation exchanges and cooperation within frameworks such as the China-Europe Water Platform and the China-EU Water Policy Dialogue; supported the conclusion of an ambitious and comprehensive China-EU investment agreement, promoted the level of investment cooperation between China and the CEE countries, welcomed efforts made by the China Development Bank and the Export-Import Bank of China to establish Belt and Road special loans, welcomed efforts made by the Silk Road Fund and European Investment Fund to establish the China-EU Co-Investment Fund, and welcomed the investment made by all relevant Funds in projects within the framework of 16+1 Cooperation, etc. (Cooperation between China and CEE Countries website, 2014c; 2015a; 2015b; 2016a; 2016b; Permanent Mission of China to the UN website, 2017b; Xinhuanet, 2018a). Moreover, China proposed to carry out trilateral cooperation by combining its advantages in production capacity with the development needs of the CEE countries and the key technologies of the developed Western European countries, so as to achieve mutual benefit and win-win cooperation (Xinhuanet, 2015; Cooperation between China and CEE Countries website, 2015c; 2016c; 2017).

In fact, the “16+1 Cooperation” has become a useful complementary asset of the China-EU cooperation and played a positive role in promoting the balanced development of the China-EU relations. For instance, in 2017, the trade growth rate between China and most CEE countries was faster than the average growth rate between China and the EU. In particular, the trade volume between China and each of five Western Balkan countries maintained a positive growth in contrast with the decline one between China and non-EU countries (see Table 1).

**Table 1: Trade Volume between China and Europe, 2017 (USD 10 000)**

Country (Region)	Trade	Export	Import	Annual change (%)		
				Trade	Export	Import
Europe	66,102,684	37,916,560	28,186,124	10.5	9.5	11.9
EU28	61,691,595	37,204,153	24,487,422	12.7	9.7	17.7
Eurozone19	45,931,396	26,295,266	19,636,130	13.3	10.7	17.0
Slovakia	531,460	272,960	258,500	0.8	-4.6	7.3
Slovenia	338,317	288,784	49,534	25	27.2	13.4
Latvia	132,522	114,804	17,718	10.9	8	34
Lithuania	185,568	160,047	25,521	27.5	23.9	55.6
Estonia	126,722	100,687	26,035	7.8	4.4	22.9
Other EU member states	15,760,179	10,908,887	4,851,292	11.2	7.5	20.7
Poland	2,122,945	1,787,632	335,312	20.4	18.4	32.1
Czech Republic	1,248,866	879,321	369,545	13.4	9.1	25.2
Hungary	1,012,671	604,960	407,711	13.9	11.5	17.7
Romania	560,221	377,807	182,414	14.2	9.6	25.4
Bulgaria	213,770	116,905	96,865	29.8	10.6	64.1
Croatia	134,267	115,958	18,308	13.9	14	13.4
Other European countries	4,411,110	712,407	3,698,702	-13.5	-0.5	-15.7
Serbia	75,717	54,567	21,151	27.3	26.2	30
Albania	65,024	45,366	19,657	2.3	-10.5	52.9
Bosnia and Herzegovina	13,606	7,880	5,725	26.4	22.9	31.5
Montenegro	19,912	13,264	6,648	41.3	22.4	104
Macedonia	16,448	7,800	8,648	20.2	-13.5	85.2

Source: Department of European Affairs, Ministry of Commerce of the People's Republic of China, <http://ozs.mofcom.gov.cn/article/zojmgx/date/201802/20180202714530.shtml>.

However, unfortunately, the “16+1 Cooperation” has been facing suspicion from the EU since its initiation, though China and the CEE countries have been stressing the significance of the “16+1 Cooperation” in the China-EU relations and have made many efforts to coordinate the “16+1 Cooperation” and the China-EU relations on concrete measures. Therefore, it is worth considering how to dispel the EU's doubt about the “16+1 Cooperation” to separate the old and new member states of the EU and further coordinate the “16+1 Cooperation” and the China-EU relations.

### 3. The bilateral cooperation and the multilateral cooperation

The bilateral cooperation between China and the CEE countries is not only the basis of the “16+1 Cooperation”, but also enjoys unprecedented opportunities and great progress thanks to the “16+1 Cooperation”.

First, the level of the relations between China and Bulgaria, the Czech Republic, Serbia, Poland and Hungary has increased.

When President Rosen Plevneliev of Bulgaria visited China in January 2014, the two countries decided to establish the China-Bulgaria comprehensive friendly cooperative partnership in order to consolidate the traditional friendship and upgrade bilateral relations to a higher level. When President Xi Jinping of China

visited the Czech Republic in March 2016, the two heads of state agreed to transform the China-Czech relations into a strategic partnership and usher it into a new stage. When he visited Serbia and Poland in June 2016, President Xi Jinping decided to upgrade the strategic partnership into a comprehensive strategic partnership with the heads of the two countries. When Prime Minister Viktor Orbán of Hungary visited China and attended the B&R Forum for International Cooperation in May 2017, President Xi Jinping met with him and they announced the establishment of a comprehensive strategic partnership between the two countries.

Second, the practical cooperation between China and CEE countries has made remarkable progress, mainly in the fields of connectivity, economy and trade, and finance.

In the field of connectivity, six new air routes have been opened between China and the CEE countries; All 16 CEE countries have become destination countries for Chinese citizens traveling abroad, and citizens of all 16 CEE countries are entitled to 72-hour visa-free transit in ports including Beijing and Shanghai; China and Serbia as well as Bosnia and Herzegovina have visa-free access for ordinary passport holders; Albania granted visa-free access to Chinese citizens holding ordinary passports between April 1 and October 31, 2018.

In the field of economy and trade, the trade volume between China and CEE countries increased from US\$52.06 billion in 2012 (Ministry of Commerce of the P.R. China, 2012) to US\$67.98 billion in 2017 (Ministry of Commerce of the P.R. China, 2017); China signed cooperation agreements on quality inspection with Hungary, Latvia, Serbia and Macedonia; China signed cooperation documents on the peaceful use of nuclear energy with Romania and the Czech Republic, and signed Memorandums of Understanding on nuclear energy cooperation with Hungary and Poland; China reached Memorandums of Understanding with Serbia and Estonia on e-commerce cooperation and key projects in industrial capacity cooperation, and signed Agreement on Agricultural Cooperation with Bosnia and Herzegovina; China's HeSteel Group invested in the Smederevo Steel Mill in Serbia; China HNA Airport Group together with Bulgaria Plovdiv Airport Investment Company was granted the Plovdiv airport franchise for 35 years; the Danube bridge in Belgrade, the Kostolac Power Plant in Serbia and the Serbian section of European Route 763, Pelješac bridge in Croatia, the Stanari Thermal Power Plant and Tuzla Thermal Power Plant in Bosnia and Herzegovina, the north-south highway in Montenegro, the transportation arteries in Macedonia, the Rovinari Power Station in Romania, the city flood facility in Wrocław, Poland, the Maribor Airport in Slovenia and some other projects have been completed or are under construction by Chinese enterprises.

In the field of finance, Bank of China set up branches in Poland, Hungary, the Czech Republic and Serbia separately; the Industrial and Commercial Bank of China and the China Construction Bank set up a branch in Warsaw, Poland successively; the Hungary Branch of the Bank of China was authorized as the first clearing bank for RMB business in the CEE region ; Czech National Bank issued a banking license for Industrial and Commercial Bank of China ; OTP bank set up a representative office in Beijing; the People's Bank of China signed bilateral currency swap agreements with Hungarian National Bank, State Bank of Albania and National Bank of Serbia; the Hungarian National Bank and the National Bank of Poland invested in the Chinese inter-bank bond market as overseas central banks, the Bank of Lithuania invested in the Chinese inter-bank bond market as QFII, and Hungary issued 1 billion RMB panda bonds with a three-year maturity in China's inter-bank bond market; the Hungarian National Bank and the National Bank of Slovakia entered China's inter-bank foreign exchange market, and the Hungarian Forint and the Polish Zloty can be directly exchanged in China's inter-bank foreign exchange market; Poland and Hungary became formal members of the Asian Infrastructure and Investment Bank, and Romania became a new prospective member; the Bank of China issued 1 billion RMB dim sum bonds on behalf of the Hungarian government and issued 3 billion RMB panda bonds on behalf of the Polish government; China UnionPay and the Hungary Branch of Bank of China issued the Chinese RMB and Hungarian forint dual-currency debit card; Shanghai gold exchange signed a Memorandum of Understanding with Hungary Budapest Stock Exchange in Beijing.

Compared with the bilateral cooperation, the multilateral cooperation between China and the CEE countries was more focused on making rules and regulations and establishing platforms. The 17 countries formulated the Medium-Term Agenda for Cooperation between China and Central and Eastern European Countries, issued six Guidelines, and set up more than 20 institutionalized exchange platforms. Besides, the achievements of multilateral cooperation are fewer than those of bilateral cooperation, mainly in the fields of connectivity and finance.

In the field of connectivity, the most notable is the construction of the Hungary-Serbia Railway. In November 2013, China, Hungary and Serbia jointly announced the cooperation in the construction of the Hungarian-Serbia Railway linking Belgrade and Budapest. In June 2014, the first meeting of the China-Hungary-Serbia joint working group on transport infrastructure cooperation was held, and then six meetings followed in January, July, and November 2015, September 2016, June 2017 and June 2018. In December 2014, China, Hungary and Serbia signed an interdepartmental Memorandum of Understanding on Hungary-Serbia Railway cooperation projects. In November 2015, China and Hungary signed an agreement on the development, construction and financing cooperation of the Hungary Section of the Hungary-Serbia Railway. In December 2015, the launching ceremony of the Serbia Section of the Hungary-Serbia Railway was held in Novi Sad, Serbia. In November 2016, China signed with Hungary an agreement for the establishment of a joint venture company for Hungary-Serbia Railway, a construction contract and a Memorandum of Understanding on financing cooperation, and signed with Serbia a commercial contract for the Belgrade Center-Stara Pazova Section of the Hungarian-Serbian Railway Line and a Memorandum of Understanding on financing cooperation. In May 2017, China and Serbia signed the loan agreements on the modernization and reconstruction of Hungarian-Serbian Railway Line for the Belgrade Center-Stara Pazova Section. In November 2017, construction began on the Belgrade Center-Stara Pazova Section, and Hungary announced an open tender for the Hungarian section of the Hungarian-Serbian Railway. In July 2018, a commercial contract for the modernization and reconstruction project of the Novi Sad-Subotica-national border Section of the Hungarian-Serbian Railway Line was signed.

Furthermore, China put forward the initiatives of the China-Europe Land-Sea Express Line and the Adriatic-Baltic-Black Sea Seaport Cooperation. In January 2015, the customs clearance facilitation cooperation mechanism for the China-Europe Land-Sea Express Line among the Chinese, Hungarian, Serbian, Macedonian and Greek Customs was officially established. In November 2016, Riga Declaration published at the fifth meeting of heads of Government of China and the CEE countries reaffirmed the support for the cooperation initiative involving the ports at the Adriatic, Baltic and Black Sea and along the inland waterways, which was put forward by Premier Li Keqiang during the fourth meeting in November 2015 (Cooperation between China and CEE Countries website, 2016b). In July 2018, the Sofia Guidelines issued at the seventh meeting stated: the participants “are willing to explore the possible extension of the connection between Belgrade-Budapest railway and the Albanian, Croatian, Montenegrin and Slovenian ports, taking note of the Three Seas Initiative proposed by the countries concerned. The participants support moving forward practical cooperation in the development of the China-Europe Land Sea Express Line. The participants welcome similar infrastructure development cooperation by enterprises from the 17 countries to develop routes of China-Europe Land Sea Express Line and the container block trains services.” (Xinhuanet, 2018a)

In the field of finance, China initiated a US\$10 billion special credit line and the China-CEEC Investment Cooperation Fund in April 2012, and the China-CEEC Investment Cooperation Fund (stage one) officially launched in 2014. China proposed to establish the China-CEEC Coordinated Investment and Financing Framework in December 2014. The Industrial and Commercial Bank of China established the China-CEEC financial holding company in November 2016. The China-CEEC Inter-Bank Association was established in November 2017. The China-CEEC Investment Cooperation Fund (stage two) was implemented in November 2017 and went into operation in February 2018.

So far, the “16+1 Cooperation” was mostly carried out at the bilateral level, which was closely related to the diversity and differences of the CEE countries. However, the “16+1 Cooperation” does not mean adding up the 16 bilateral ties simply, and it should be conducted not only at bilateral but also at multilateral level. The various institutionalized exchange platforms established by China and the CEE countries have laid a solid foundation for the “16+1 Cooperation”. Therefore, it is worth considering how to take advantage of these platforms to expand the multilateral cooperation.



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