TITLE IX

FINANCIAL COOPERATION

ARTICLE 112

In order to achieve the objectives of this Agreement and in accordance with Articles 5, 113 and 115 Bosnia and Herzegovina may receive financial assistance from the Community in the form of grants and loans, including loans from the European Investment Bank. Community aid is conditional on further progress in satisfying the Copenhagen political criteria and in particular on progress in meeting the specific priorities of the European Partnership. Account shall also be taken of the assessment provided by the annual Progress Reports on Bosnia and Herzegovina. Community assistance shall also be subject to the conditions of the Stabilisation and Association process, in particular as regards the recipients' undertaking to carry out democratic, economic and institutional reforms. Aid granted to Bosnia and Herzegovina shall be geared to addressing identified needs and agreed priorities, shall reflect capacity to absorb and when appropriate repay and shall implement measures taken to reform and restructure the economy.

ARTICLE 113

Financial assistance, in the form of grants, may be provided in accordance with the relevant Council Regulation within a multi-annual indicative framework based on annual action programmes, established by the Community following consultations with Bosnia and Herzegovina.

Financial assistance may cover any sectors of cooperation, paying particular attention to Justice and Home Affairs, approximation of legislation and economic development.

ARTICLE 114

In order to permit optimum use of the resources available, the Parties shall ensure that Community contributions are made in close coordination with those from other sources such as the Member States, other countries and international financial institutions.

To this effect, information on all sources of assistance shall be exchanged regularly between the Parties.