

The parties shall, in particular, establish cooperation with the aim of strengthening administrative structures and procedures to ensure strategic planning of environment issues and coordination between relevant actors and shall focus on the alignment of Serbia's legislation to the Community *acquis*. Cooperation could also centre on the development of strategies to significantly reduce local, regional and trans-boundary air and water pollution, to establish a framework for efficient, clean, sustainable and renewable production and consumption of energy, and to execute environmental impact assessment and strategic environmental assessment. Special attention shall be paid to the implementation of the Kyoto Protocol.

Article 112

Cooperation in research and technological development

The Parties shall encourage cooperation in civil scientific research and technological development (RTD) on the basis of mutual benefit and, taking into account the availability of resources, adequate access to their respective programmes, subject to appropriate levels of effective protection of intellectual, industrial and commercial property rights (IPR).

Cooperation shall take due account of the priority areas related to the Community *acquis* in the field of research and technical development.

Article 113

Regional and local development

The Parties shall seek to strengthen regional and local development cooperation, with the objective of contributing to economic development and reducing regional imbalances. Specific attention shall be given to cross-border, trans-national and interregional cooperation.

Cooperation shall take due account of the priority areas related to the Community *acquis* in the field of regional development.

Article 114

Public administration

Cooperation shall aim at ensuring the development of an efficient and accountable public administration in Serbia, notably to support rule of law implementation, the proper functioning of the state institutions for the benefit of the entire population of Serbia as a whole and the smooth development of the relations between the EU and Serbia.

Cooperation in this area shall mainly focus on institution building, including the development and implementation of transparent and impartial recruitment procedures, human resources management, and career development for the public service, continued training and the promotion of ethics within the public administration. Cooperation shall cover all levels of public administration, including local administration.

TITLE IX

FINANCIAL COOPERATION

Article 115

In order to achieve the objectives of this Agreement and in accordance with Articles 5, 116 and 118, Serbia may receive financial assistance from the Community in the forms 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 progress in meeting the specific priorities of the European Partnership. Account shall also be taken of the results of the annual reviews of the countries of the Stabilisation and Association process, in particular as regards the recipients' undertaking to carry out democratic, economic and institutional reforms and of other Council conclusions, pertaining in particular to the respect of adjustment programmes. Aid granted to Serbia shall be geared to observed needs, agreed priorities, the capacity to absorb and repay, and the measures taken to reform and restructure the economy.

Article 116

Financial assistance, in the form of grants, shall be covered by the operation measures provided for in the relevant Council Regulation within a multiannual indicative planning document with annual reviews, established by the Community following consultations with Serbia.

Financial assistance may cover all sectors of cooperation, paying particular attention to Justice, Freedom and Security, approximation of legislation, sustainable development and poverty reduction and environmental protection.

Article 117

At the request of Serbia and in case of special need, the Community could examine in coordination with international financial institutions, the possibility of granting on an exceptional basis macro-financial assistance subject to certain conditions and taking into account the availability of all financial resources. This assistance would be released subject to the fulfilment of conditions to be established in the context of a programme agreed between Serbia and the International Monetary Fund.

Article 118

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.