

LAW

on Borrowing a Loan by the Republic of Macedonia from the International Bank for Reconstruction and Development - World Bank under the Loan Agreement for the Business Environment Reform and Institutional Strengthening Project

Article 1

The Republic of Macedonia shall borrow a loan from the International Bank for Reconstruction and Development - World Bank in the amount of EUR 8,800,000 under the Loan Agreement intended for implementation of the Business Environment Reform and Institutional Strengthening Project.

Article 2

The conditions and the manner of using the loan referred to in Article 1 of this Law shall be determined in an Loan Agreement for the Business Environment Reform and Institutional Strengthening Project to be concluded between the Government of the Republic of Macedonia and the International Bank for Reconstruction and Development - World Bank.

On behalf of the Republic of Macedonia, the Loan Agreement referred to in paragraph 1 of this Article shall be signed by the Minister of Finance or a person authorized by him/her.

Article 3

The repayment period of the loan referred to in Article 1 of this Law shall be 17 years including 5-year grace period and annual interest rate LIBOR +0.75%.

The loan shall be repaid in 24 semi-annual annuities, out of which, starting from 15th October 2010 until 15th October 2021, 23 equal semi-annual annuities shall be repaid in the amount of EUR 365,000 and on 15th April 2022, the last annuity shall be repaid in the amount of EUR 405,000.

During the 5-year grace period, which is also project implementation period, only the interest will be paid.

Article 4

On date of effectiveness of the Loan Agreement referred to in Article 2, paragraph 1 of this Law or immediately thereafter, one-off fee shall be paid – a cost in the amount of 1% of the loan amount. The amount of the one-off fee could be less than 1% on the basis of previous decision by the International Bank for Reconstruction and Development – the World Bank.

Commitment fee shall be paid of 0,75% annually. The commitment fee shall be set by the International Bank for Reconstruction and Development - the World Bank.

The fee referred to in paragraph 2 of this Article shall be paid semi-annually, on 15th October and 15th April each year.

Article 5

The Ministry of Economy shall be in charge of implementation of the Loan Agreement for the Business Environment Reform and Institutional Strengthening Project.

In addition to the Ministry of Economy, beneficiaries of the loan under the Business Environment Reform and Institutional Strengthening Project referred to in paragraph 1 of this Article shall be the Central Registry and the National Bank of the Republic of Macedonia.

The Ministry of Economy shall conclude agreements for utilization of part of the loan proceeds with the Central Registry and the National Bank of the Republic of Macedonia.

After the conclusion of the agreements for utilization of the loan proceeds referred to in paragraph 3 of this Article, the Central Registry and the National Bank of the Republic of Macedonia shall become final beneficiaries of the loan proceeds.

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The loan proceeds beneficiaries referred to in paragraphs 2 and 4 of this Article should project the planned utilization of the loan proceeds in their annual budgets for the overall project implementation period.

Article 6

The Republic of Macedonia shall repay part of the loan referred to in Article 1 of this Law with resources projected in the Budget of the Republic of Macedonia for the Ministry of Economy.

The repayment of the remaining part of the loan referred to in Article 1 of this Law shall be made by the Central Registry and the National Bank of the Republic of Macedonia pursuant to the agreements on utilization of the loan proceeds referred to in Article 5 of this Law.

Article 7

This Law shall enter into force on the day it is published in the "Official Gazette of the Republic of Macedonia".