

**20101402846**

**PARLIAMENT OF THE REPUBLIC OF MACEDONIA**

Pursuant to Article 75 paragraphs 1 and 2 of the Constitution of the Republic of Macedonia, the President of the Republic of Macedonia and the President of the Parliament of Macedonia shall issue

**DECREE ON PROMULGATION OF THE LAW ON BORROWING BY THE  
REPUBLIC OF MACEDONIA A LOAN FROM THE COUNCIL OF EUROPE  
DEVELOPMENT BANK UNDER THE FRAMEWORK LOAN AGREEMENT  
FOR PARTIAL FINANCING OF THE PRISONS RECONSTRUCTION PROJECT  
IN THE REPUBLIC OF MACEDONIA**

The Law on Borrowing by the Republic of Macedonia a Loan from the Council of Europe Development Bank under the Framework Loan Agreement for partial financing of the Prisons Reconstruction Project in the Republic of Macedonia, adopted by the Parliament of the Republic of Macedonia at its session held on 15<sup>th</sup> October 2010 shall be promulgated.

No. 07-4251/1

15<sup>th</sup> October 2010

Skopje

President

of the Republic of Macedonia

**Gorge Ivanov**, in his own hand

President

of the Parliament of the Republic

of Macedonia,

**Trajko Veljanoski**, in his own hand

**LAW ON BORROWING A LOAN BY THE REPUBLIC OF MACEDONIA FROM  
THE COUNCIL OF EUROPE DEVELOPMENT BANK UNDER THE  
FRAMEWORK LOAN AGREEMENT FOR PARTIAL FINANCING OF THE  
PRISONS RECONSTRUCTION PROJECT IN THE REPUBLIC OF  
MACEDONIA**

Article 1

Republic of Macedonia shall borrow a loan from the Council of Europe Development Bank in the amount of EUR 46,000,000 for partial financing of the Reconstruction of Correctional Facilities Project.

#### Article 2

Conditions and manner of using the loan referred to in Article 1 of this Law shall be determined under the Framework Loan Agreement for partial financing of Prisons Reconstruction Project in the Republic of Macedonia to be concluded between the Republic of Macedonia and the Council of Europe Development Bank.

Conditions of using the funds of each tranche shall be determined separately under the additional loan agreements, being an integral part of the Framework Loan Agreement for partial financing of the Prisons Reconstruction Project in the Republic of Macedonia.

On behalf of the Republic of Macedonia, the Framework Loan Agreement referred to in paragraph 1 of this Article shall be signed by the Minister of Finance.

#### Article 3

Repayment deadline for the loan referred to in Article 1 of this Law shall be up to 20 years, including 5- year grace period.

First tranche shall be disbursed within 12 months from the entry into force of the Framework Loan Agreement referred to in Article 1, paragraph 1 of this Law and shall not exceed 25% of the total loan amount.

Disbursement of each next tranche shall be carried out after the Republic of Macedonia informs the Council of Europe Development Bank in writing that 90% of the the previous tranche amount has been allocated.

#### Article 4

Interest rate shall be determined for each tranche of the loan separately, on the day of disbursement of the loan funds, depending on which interest rate is more favourable for the Republic of Macedonia (fixed or variable one).

#### Article 5

Prisons Reconstruction Project in the Republic of Macedonia under the Framework Loan Agreement referred to in Article 2, paragraph 1 of this Law shall be carried out by the Ministry of Justice - Directorate for Execution of Sanctions.

#### Article 6

The Republic of Macedonia shall repay the loan from the Budget of the Republic of Macedonia.

#### Article 7

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