

**LAW<sup>1</sup>**  
**on Borrowing by the Republic of Macedonia from the Government of the Republic of Italy for Realization of the Second stage of the Programme for the Rationalization of the Management System and Modernization of Biomedical Technology of the Health Sector**

**Article 1**

Republic of Macedonia shall borrow a loan in the amount of EUR 2,582.285 from the Government of the Republic of Italy for realization of the second stage of the Programme for the Rationalization of the Management System and Modernisation of Biomedical Technology of the Health Sector.

**Article 2**

The conditions and the manner of using the funds referred to in Article 1 of this Law shall be determined in an Agreement for Concession of a Soft Loan to be concluded between the Government of the Republic of Macedonia and the Government of the Republic of Italy and in a Financial Agreement to be concluded between the Ministry of Finance of the Republic of Macedonia and Artigiancassa S.p.A. Bank from Italy.

On behalf of the Government of the Republic of Macedonia, Agreement for Concession of a Soft Loan shall be concluded by the Minister of Finance.

**Article 3**

On behalf of the Government of the Republic of Italy, financial activities related to the loan shall be carried out by Artigiancassa S.p.A. Bank.

**Article 4**

Republic of Macedonia shall use the loan under the following terms and conditions:

- interest: 0.00 %;
- repayment period: 39 years;
- grace period included in the repayment period: 19 years.

Should due to any reason the liability on the basis of principal not be paid within the envisaged deadline for servicing the liabilities, the Republic of Macedonia shall be obliged to pay default interest of 2.6%. The amount of the default interest shall be periodically harmonized with the commercial interest reference rate announced on monthly basis by the Organization for Economic Cooperation and Development - OECD.

The Lender, through Artigiancassa S.p.A. Bank, shall not calculate default interest for the first 35 days following the maturity date of the liability. Following the 35 days from the maturity date of the liability, default interest shall be calculated up to the day of servicing the credit liability.

**Article 5**

Beneficiary of the loan funds, as well as the implementing agency, shall be the Ministry of Health.

All financial liabilities arising from the Financial Agreement shall be settled by the Ministry of Health with the funds envisaged in the budget for the current year or by using funds from the budget of the Health Insurance Fund of the Republic of Macedonia, within the deadlines and under the terms and conditions set in the Financial Agreement.

**Article 6**

Republic of Macedonia shall repay the loan referred to in Article 1 of this Law with funds projected in the budget of the Ministry of Health.

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<sup>1</sup> Published in the Official Gazette of the Republic of Macedonia no. 112 / 2005

#### **Article 7**

Should the Ministry of Health fails to timely service the liabilities on the basis of principal within the deadlines set in the Financial Agreement, Ministry of Finance shall have the right to stop the utilization of the funds projected in the Budget of the Republic of Macedonia for the Ministry of Health and to make re-wiring of the projected budget funds for the current year up to the amount due to be paid by the Republic of Macedonia in the current year towards the Government of the Republic of Italy.

#### **Article 8**

Ministry of Finance, Ministry of Health and Health Insurance Fund of the Republic of Macedonia shall conclude an agreement to regulate the rights and obligations of the parties involved regarding the realization of the second stage of the Programme for the Rationalization of the Management System and Modernisation of Biomedical Technology of the Health Sector.

#### **Article 9**

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