

**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 First Programmatic Development Policy Loan – PDPL 1**

**(Official Gazette of the Republic of Macedonia no. 101 dated 24<sup>th</sup> November 2005)**

**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 24,400,000, intended for implementation of the First Programmatic Development Policy Loan – PDPL1.

**Article 2**

The conditions and the manner of using the loan referred to in Article 1 of this Law shall be determined in an agreement on the First Programmatic Development Policy Loan – PDPL1, 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 15<sup>th</sup> April 2011 until 15<sup>th</sup> April 2022, 23 equal semi-annual annuities shall be repaid in the amount of EUR 1,015,000 and on 15<sup>th</sup> October 2022, the last annuity shall be repaid in the amount of EUR 1,055,000.

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 adopted 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 15<sup>th</sup> April and 15<sup>th</sup> October each year.

**Article 5**

The Ministry of Finance, on behalf of the Government of the Republic of Macedonia shall be the beneficiary of the loan referred to in Article 1 of this Law.

**Article 6**

The Republic of Macedonia shall repay the loan referred to in Article 1 of this Law 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”.