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PARLIAMENT OF THE REPUBLIC OF NORTH MACEDONIA

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

**DECREE ON PROMULGATION OF THE LAW ON BORROWING A LOAN BY THE
REPUBLIC OF NORTH MACEDONIA AT THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT - WORLD BANK UNDER THE LOAN
AGREEMENT FOR FINANCING THE PUBLIC SECTOR ENERGY EFFICIENCY PROJECT**

Law on Borrowing a Loan by the Republic of North Macedonia at the International Bank for Reconstruction and Development - World Bank under the Loan Agreement for Financing the Public Sector Energy Efficiency Project, adopted by the Parliament of the Republic of North Macedonia, at its session held on April 2nd, 2021, shall be hereby promulgated.

No. 08-1777/1
April 2nd, 2021
Skopje

President of the Republic
of North Macedonia,
Stevo Pendarovski, in his own hand

President
of the Parliament of the Republic
of North Macedonia,
Talat Xhaferi, MA, in his own hand

**LAW ON BORROWING A LOAN BY THE REPUBLIC OF NORTH MACEDONIA AT THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT - WORLD BANK
UNDER THE LOAN AGREEMENT FOR FINANCING THE PUBLIC SECTOR ENERGY
EFFICIENCY PROJECT**

Article 1

Republic of North Macedonia shall borrow a Loan from the International Bank for Reconstruction and Development - World Bank in the amount of EUR 25,000,000, intended for implementation of the Public Sector Energy Efficiency Project.

Article 2

The terms and conditions and the manner of using the Loan referred to in Article 1 of this Law shall be determined in the Loan Agreement for Financing the Public Sector Energy Efficiency Project, to be concluded between the Republic of North Macedonia and the International Bank for Reconstruction and Development - World Bank.

Minister of Finance shall, on behalf of the Republic of North Macedonia, sign the Loan Agreement referred to in paragraph 1 of this Article.

Article 3

Repayment period of the Loan referred to in Article 1 of this Law shall be 12 years, including three-year grace period.

Interest rate shall be six-month EURIBOR, plus a fixed spread.

Upon signing the Loan Agreement referred to in paragraph 1, Article 2 of this Law, Republic of North Macedonia shall pay the International Bank for Reconstruction and Development - World Bank a front-end fee in the amount of 0.25% of the Loan amount.

Republic of North Macedonia shall pay the International Bank for Reconstruction and Development - World Bank a commitment charge in the amount of 0.25% of the amount of undisbursed Loan funds on annual level.

The Loan shall be repaid in 18 semi-annual installments, each of the 17 semi-annual installments accounting for 5.56% of the Loan amount each, with the last 18th installment accounting for 5.48% of the Loan amount. The Loan shall be repaid on 15th March and 15th September each year.

Article 4

Beneficiaries of the Loan referred to in Article 1 of this Law shall be the municipalities in the Republic of North Macedonia, the City of Skopje and the municipalities in the City of Skopje, meeting the borrowing requirements pursuant to the Public Debt Law and the Law on Financing Local Government Units, the public health institutions, the Ministry of Economy, the Ministry of Finance and the Development Bank of North Macedonia, establishing therefore an Energy Efficiency Fund within their structure.

Article 5

Ministry of Finance shall conclude separate loan agreements to the end of regulating the rights and the obligations between the Republic of Macedonia and the Loan beneficiaries referred to in Article 4 of this Law (municipalities in the Republic of North Macedonia, the City of Skopje and the municipalities in the City of Skopje).

Article 6

Republic of North Macedonia shall repay the Loan referred to in Article 1 of this Law from the funds to be collected with the repayment of part of the funds borrowed by the beneficiaries of the Loan referred to in Article 4 of this Law (municipalities in the Republic of North Macedonia, the City of Skopje and the municipalities in the City of Skopje) and from the Budget of the Republic of North Macedonia.

Article 7

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