

**LAW**  
**on Borrowing by the Republic of Macedonia from the**  
**Council of Europe Development Bank under the Framework Loan Agreement for partial**  
**financing of the Project for Building Psychical Education Facilities**

**Article 1**

Republic of Macedonia shall borrow a loan from the Council of Europe in the amount of EUR 12,500,000 intended for partial financing of the Project for Building Psychical Education Facilities

**Article 2**

The conditions and the manner of using the loan referred to in Article 1 of this Law shall be determined in under Framework Agreement for partial financing of the Project for Building Psychical Education Facilities to be concluded between the Republic of Macedonia and Council of Europe Development Bank.

The conditions for using the funds of each tranche separately shall be determined under the additional loan agreements, being an ingredient part of the Framework Loan Agreements for partial financing of the Project for Building Psychical Education Facilities

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

**Article 3**

The repayment period of the loan referred to in Article 1 of this Law shall be 15 years including 5-year grace period.

The loan shall be repaid in two tranches at least.

First tranche shall be disbursed within 12 months from the entry into force of the Framework Loan Agreement referred to in Article 2 paragraph 1 and shall not exceed 50% of the total loan amount. Disbursement of each next tranche shall be realized after the Republic of Macedonia informs the Council of Europe Development Bank in writing that 90% of the previous tranche amount has been allocated.

**Article 4**

Interest rate shall be determined for each loan tranche 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**

Project for Building Psychical Education Facilities under the Framework Loan Agreement referred to in Article 2 paragraph 1 of this Law shall be realized by the Ministry of Education and Science.

**Article 6**

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".