

LAW
on Borrowing by the Republic of Macedonia from the International Bank for Reconstruction and Development – World Bank under the Loan Agreement upon the Municipal Services Improvement Project

Official Gazette of the Republic of Macedonia no. 71/09 dated 10th June 2009

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 18,900,000, intended for realization of the Municipal Services Improvement Project.

Article 2

The conditions and the manner of using the credit referred to in Article 1 of this Law shall be determined in the Municipal Services Improvement Project to be concluded between 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 13 years including 5-year grace period.

Interest rate shall be six-month LIBOR plus variable spread.

On the day of the first disbursement of the loan proceeds, the Republic of Macedonia shall pay the International Bank for Reconstruction and Development – World Bank one-off fee in the amount of 0.25% of the loan amount.

The loan shall be repaid in 26 semi-annual annuities, each in the amount of 6,25% of the loan amount. The repayment shall be made each 15th February and 15th August, starting from 15th August 2014 until 15th February 2022.

Article 4

Beneficiaries of the proceeds of the loan referred to in Article 1 of this Law shall be the municipalities, the municipalities in the City of Skopje and the City of Skope, public enterprises established by the municipalities, the municipalities in the City of Skopje and the City of Skope, meeting the borrowing conditions pursuant to the Public Debt Law and the Law on Financing the Local Government Units.

Article 5

The Ministry of Finance shall conclude separate loan agreements to the end of regulating the rights and obligations between the Republic of Macedonia and the beneficiaries of the loan referred to in Article 4 of this Law.

Article 6

The Ministry of Finance shall conclude separate grant agreements with beneficiaries of the proceeds of the loan referred to in Article 4 of this Law, meeting the conditions for obtaining grant in line with the Loan Agreement referred to in Article 2 of this Law.

Article 7

The Republic of Macedonia shall repay the loan referred to in Article 1 of this Law from the funds to be collected with the repayment of the funds borrowed by the beneficiaries of the proceeds of the loan referred to in Article 4 of this Law in line with the separate loan agreements referred to in Article 5 of this Law and from the Budget of the Republic of Macedonia.

Article 8

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