

**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 Agriculture Strengthening and Accession Project**

**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 15,000,000 intended for implementation of the Agriculture Strengthening and Accession Project.

**Article 2**

The conditions and the manner of using the loan referred to in Article 1 of this Law shall be determined in an Loan Agreement for the Agriculture Strengthening and Accession Project 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. Interest rate of the loan shall be LIBOR (for euro currency) plus variable spread. Interest rate may also be lower in relation to the valid decisions of the International Bank for Reconstruction and Development.

The loan shall be repaid in 24 semi-annual installments, each in the amount of EUR 625,000. The repayment shall be made each 15<sup>th</sup> February and 15<sup>th</sup> August in the year, starting from 15<sup>th</sup> February 2013 until 15<sup>th</sup> August 2024.

During the 5-year grace period, which is also project implementation period, only the interest under the loan shall be paid.

On the disbursement, the Republic of Macedonia shall pay one off fee amounting to 1% of the loan amount to the International Bank for Reconstruction and Development, which may also be lower in relation to the valid decisions of the International Bank for Reconstruction and Development.

The fee referred to in paragraph 5 of this Article shall be paid semi-annually, on 15<sup>th</sup> February and 15<sup>th</sup> August each year.

**Article 4**

Ministry of Agriculture, Forestry and Water Economy shall be in charge of realization of the Loan Agreement for the Agriculture Strengthening and Accession Project referred to in Article 2 of this Law.

Ministry of Agriculture, Forestry and Water Economy shall be beneficiary of the proceeds of the loan referred to in Article 1 of this Law.

**Article 5**

Loan referred to in Article 1 of this Law shall be serviced by the Republic of Macedonia with funds from the Budget of the Republic of Macedonia.

**Article 6**

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