

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 Education Modernization Project

(Official Gazette of the Republic of Macedonia no. 17 dated 24th March 2004)

Article 1

The Republic of Macedonia shall borrow a loan from the International Bank for Reconstruction and Development - World Bank in the amount of US\$ 5 million (5,000,000.00) intended for implementation of the Education Modernization 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 Education Modernization 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 and annual interest rate LIBOR +0.75%.

The loan shall be repaid in 24 semi-annual annuities, out of which, starting from 15th May 2009 until 15th May 2020, 23 equal semi-annual annuities shall be repaid in the amount of US\$ 210,000, and on 15th November 2020, the last annuity shall be repaid in the amount of US\$ 170,000.

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

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 15th May and 15th November each year.

Article 5

Beneficiary of the proceeds of the loan for Education Modernization Project shall be the Ministry of Education and Science.

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".