



Republika e Kosovës
Republika Kosovo - Republic of Kosovo
Kuvendi - Skupština - Assembly

Law No. 04/L-234

**ON RATIFICATION OF LOAN AGREEMENT MADE BETWEEN
THE REPUBLIC OF KOSOVO AND THE OPEC FUND FOR
INTERNATIONAL DEVELOPMENT (OFID) FOR FINANCING THE
UPGRADING OF THE MILLOSHEVË - MITROVICA, M2 ROAD
PROJECT**

Assembly of Republic of Kosovo,

Based on Articles 18 and 65 (1) of the Constitution of the Republic of Kosovo,

Approves

**LAW ON RATIFICATION OF LOAN AGREEMENT MADE
BETWEEN THE REPUBLIC OF KOSOVO AND THE OPEC FUND
FOR INTERNATIONAL DEVELOPMENT (OFID) FOR FINANCING
THE UPGRADING OF THE MILLOSHEVË - MITROVICA, M2
ROAD PROJECT**

Article 1
Purpose

This law aims to ratify the Loan Agreement made between the Republic of Kosovo and the OPEC Fund for International Development (OFID) for financing the Upgrading of Milloshevë- Mitrovica, M2 Road Project.

Article 2
Ratification

The Loan Agreement made between the Republic of Kosovo and the OPEC Fund for International Development (OFID) for financing the Upgrading of Milloshevë-Mitrovica, M2 Road Project, signed on 05 September 2013 in Vienna, is ratified.

Article 3
Attached Documents

In annex of this Law is attached the Loan Agreement made between the Republic of Kosovo and the OPEC Fund for International Development (OFID) for financing the Upgrading of Milloshevë- Mitrovica, M2 Road Project.

Article 4
Entry into force

This law shall enter into force fifteen (15) days after its publication on the Official Gazette of the Republic of Kosovo.

Law No. 04/L-234
05 December 2013

President of the Assembly of the Republic of Kosovo

Jakup KRASNIQI



OFID The OPEC Fund for International Development

LOAN NO. 1529P

UPGRADING OF THE MILLOSHEVË – MITROVICA M2
MAIN ROAD PROJECT

LOAN AGREEMENT

BETWEEN


THE GOVERNMENT OF THE REPUBLIC OF KOSOVO

AND

THE OPEC FUND FOR
INTERNATIONAL DEVELOPMENT (OFID)

DATED

SEPTEMBER 5, 2013

		REPUBLIKA E KOSOVËS/REPUBLIKA KOSOVA/REPUBLIC OF KOSOVO Qeveria e Kosovës / Vlada Kosova / Government of Kosovo Ministria e Financave / Ministarstvo za Finansije Ministry of Finance Arkiva - Arhiva - Archive	
Njësia Org. Org. Jedin. Org. Unit	01	Nr. Prot. Br. Prot. Prot. No:	1738/2
Nr. i faqeve Broj stranaica No. pages:	2	Data Datum Date:	06/09/2013
Hyrësia		PRISHTINË/A	

AGREEMENT dated September 5, 2013, between the Government of the Republic of Kosovo (“the Borrower”) and the OPEC Fund for International Development (“OFID”).

Whereas the Borrower has requested a loan from OFID for part financing of the Project described in Schedule 1;

And whereas OFID has approved a loan to the Borrower in the amount of twenty million Dollars (\$20,000,000) upon the terms and conditions set forth hereinafter;

Now, therefore, the parties to this Loan Agreement (the “Agreement”) hereby agree as follows:

Article 1
GENERAL CONDITIONS; DEFINITIONS

1.01 The General Conditions attached hereto shall constitute an integral part of this Agreement.

1.02 In addition to the terms defined in the preamble, the following terms and expressions shall have the following meanings or, where they duplicate terms and expressions in the General Conditions, the following specific meanings:

- (a) “Authorized Representative of the Borrower” means the Minister of Finance;
- (b) “Closing Date” means December 31, 2017;
- (c) “Dollar and the sign \$” mean and refer to the lawful currency of the United States of America;
- (d) “Eligible Expenditure Commencement Date” means June 13, 2013;

- (e) “Executing Agency” means the Ministry of Infrastructure;
- (f) “General Conditions” means OFID General Conditions Applicable to Public Sector Loan Agreements, December 2007; and
- (g) “Grace Period” means the period beginning on September 5, 2013, and ending five (5) years from that Date.

* * *

Article 2 THE LOAN

2.01 OFID agrees to lend to the Borrower and the Borrower agrees to borrow from OFID the Loan in the amount of twenty million Dollars (\$20,000,000) on the terms and conditions set forth in this Agreement.

2.02 The Borrower shall pay interest at the rate of two and three quarters of one per cent (2.75%) per annum on the principal amount of the Loan withdrawn and outstanding.

2.03 The Borrower shall pay a Service Charge at the rate of one per cent (1%) per annum on the principal amount of the Loan withdrawn and outstanding.

2.04 Interest and Service Charges shall be paid semi-annually March 15 and September 15 in each year into OFID Account.

2.05 Immediately following the end of the Grace Period, the Borrower shall repay the principal of the Loan in Dollars, or in any other freely convertible currency acceptable to OFID Management, in an amount equivalent to the Dollar amount due according to the market exchange rate prevailing at the time and place of repayment. Repayment shall be effected in thirty (30) semi-annual instalments in the amounts, and on the dates, all as specified in Schedule 3 (AMORTIZATION).

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Article 3
EFFECTIVENESS

3.01 This Agreement shall enter into force and effect in accordance with Section 3.02 upon receipt by OFID of:

- (a) satisfactory evidence that the execution and delivery of this Agreement on behalf of the Borrower have been duly authorized and ratified according to the constitutional requirements of the Borrower;
- (b) a certificate issued by the Minister of Justice or the Attorney General or any other competent legal authority of the Borrower confirming that this Agreement has been duly authorized and ratified by the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms; and
- (c) evidence that the loan or other financing agreement between the Islamic Development Bank and the Borrower for financing the Project has been declared effective or will be declared effective concurrently with this Agreement.

3.02 As soon as possible after the conditions specified in Section 3.01 shall have been satisfactorily fulfilled, this Agreement shall enter into full force and effect on the Date of Effectiveness.

3.03 If this Agreement shall not have become effective within ninety (90) days after the Date of the Agreement, the Agreement and all obligations of the parties hereunder shall terminate, unless OFID Management, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section.

* * *

Article 4
ADDRESSES

4.01 The parties' addresses are as specified below:

For the Borrower:

Ministry of Finance
Mother Tereza Street
10000 Prishtina
REPUBLIC OF KOSOVO
Facsimile: (++381) 38 213 113

For OFID:

The OPEC Fund for International Development
Parkring 8
A-1010 Vienna
AUSTRIA
Facsimile: (++43-1) 513 92 38

* * *

LOAN NO. 1529P

IN WITNESS whereof the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed and delivered at Vienna, in two copies in the English language, each considered an original and both to the same and one effect as of the day and year first above written.

FOR THE BORROWER:

Signature:



Name:

H.E. Besim Beqaj

Title:

Minister of Finance



FOR THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OFID):

Signature:



Name:

Suleiman J. Al-Herbish

Title:

Director-General



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REPUBLIC OF KOSOVO
UPGRADING OF THE MILLOSHEVË – MITROVICA M2
MAIN ROAD PROJECT

SCHEDULE 1
DESCRIPTION OF THE PROJECT

The primary objective of the Project is to upgrade the existing 26.7 km Milloshevë-Mitrovica road, thereby contributing to the economic development and employment generation in the Districts of Kosovska, Mitrovica and Prishtina. Improved road connectivity and capacity enhancement will facilitate the movement of people and goods, thus reducing road traffic casualties, vehicle operating costs, travel time and road congestion.

The Project is comprised of four components:

1. **Land acquisition:** covering the acquisition of an estimated area of land amounting to approximately 22 hectares;
2. **Civil works:** including all civil works related to the upgrading of the existing 26.7 km road into a dual carriageway main road from Milloshevë to Mitrovica;
3. **Consultancy services:** embracing the costs of a consultancy firm reviewing the detailed engineering designs and supervising the construction works on the Milloshevë-Vushtrri section, furthermore, assisting in the preparation of tender documents and evaluation of bids;
4. **Project Management (PMU):** including (i) payment of salaries of the six permanent staff of the PMU, (ii) purchase of relevant electronic equipment and office furniture, (iii) purchase of 2 Cars (4-wheel Drive) and (iv) reimbursement of relevant operational expenses.

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REPUBLIC OF KOSOVO
UPGRADING OF THE MILLOSHEVË – MITROVICA M2
MAIN ROAD PROJECT

SCHEDULE 2
LOAN ALLOCATION

1. Unless otherwise agreed between the Borrower and OFID Management, the Loan proceeds of \$ 20,000,000 shall be utilized towards financing 21.94% of the total Civil Works component of the Project as described in paragraph (2) of Schedule 1 of this Agreement.
2. Notwithstanding the allocation of the Loan proceeds or the disbursement percentage set forth in paragraph 1 above, if OFID Management has reasonably estimated that the amount of the Loan then allocated to the component specified above will be insufficient to finance the agreed percentage of all expenditures in that component, OFID Management may, by notice to the Borrower, reduce the disbursement percentage then applicable to such expenditures in order that further withdrawals in respect of the said component may continue until all expenditures thereunder shall have been made.

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REPUBLIC OF KOSOVO
UPGRADING OF THE MILLOSHEVË – MITROVICA M2
MAIN ROAD PROJECT

SCHEDULE 3
AMORTIZATION

<u>No.</u>	<u>Date of Repayment</u>	<u>Amount Due</u> (Expressed in Dollars)
1	September 15, 2018	666,660
2	March 15, 2019	666,660
3	September 15, 2019	666,660
4	March 15, 2020	666,660
5	September 15, 2020	666,660
6	March 15, 2021	666,660
7	September 15, 2021	666,660
8	March 15, 2022	666,660
9	September 15, 2022	666,660
10	March 15, 2023	666,660
11	September 15, 2023	666,660
12	March 15, 2024	666,660
13	September 15, 2024	666,660
14	March 15, 2025	666,660
15	September 15, 2025	666,660
16	March 15, 2026	666,660
17	September 15, 2026	666,660
18	March 15, 2027	666,660
19	September 15, 2027	666,660
20	March 15, 2028	666,660
21	September 15, 2028	666,660
22	March 15, 2029	666,660
23	September 15, 2029	666,660
24	March 15, 2030	666,660
25	September 15, 2030	666,660
26	March 15, 2031	666,660
27	September 15, 2031	666,660
28	March 15, 2032	666,660
29	September 15, 2032	666,660
30	March 15, 2033	<u>666,860</u>
	Total:	<u>20,000,000</u>

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