

Section 2. Form and Terms of Financing

(a) Financing by the Association shall take the form of loans. The Association may, however, provide other financing, either

- (i) out of funds subscribed pursuant to Article III, Section 1, and funds derived, therefrom as principal, interest or other charges, if the authorization for such subscriptions expressly provides for such financing;
- or
- (ii) in special circumstances, out of supplementary resources furnished to the Association, and funds derived therefrom as principal interest or other charges, if the arrangements under which such resources are furnished expressly authorize such financing.

(b) Subject to the foregoing paragraph, the Association may provide financing in such forms and on such terms as it may deem appropriate, having regard to the economic position and prospects of the area or areas concerned and to the nature and requirements of the project.

(c) The Association may provide financing to a member, the government of a territory included within the Association's membership, a political subdivision of any of the foregoing, a public or private entity in the territories of a member or members, or to a public international or regional organization.

(d) In the case of a loan to an entity other than a member, the Association may, in its discretion, require a suitable governmental or other guarantee or guarantees.

(e) The Association, in special cases, may make foreign exchange available for local expenditures.

Section 3. Modifications of Terms of Financing

The Association may, when and to the extent it deems appropriate in the light of all relevant circumstances, including the financial and economic situation and prospects of the member concerned, and on such conditions as it may determine, agree to a relaxation or other modification of the terms on which any of its financing shall have been provided.

Section 4. Co-operation with Other International Organizations and Members Providing Development Assistance

The Association shall co-operate with those public international organizations and members which provide financial and technical assistance to the less-developed areas of the world.

Section 5. Miscellaneous Operations

In addition to the operations specified elsewhere in this Agreement, the Association may:

- (i) borrow funds with the approval of the member in whose currency the loan is denominated;
- (ii) guarantee securities in which it has invested in order to facilitate their sale;
- (iii) buy and sell securities it has issued or guaranteed or in which it has invested;