

LIST OF INELIGIBLE ITEMS

No withdrawals shall be made in respect of:

- (i) expenditures for goods included in the following groups or subgroups of the United Nations Standard International Trade Classification, Revision 3 (table), or any successor groups or subgroups under future revisions to the trade classification, as designated by the Asian Development Bank (ADB) by notice to the borrower;
- (ii) expenditures for goods supplied under a contract that any national or international financial institution or agency has financed or has agreed to finance, including any contract financed under any loan or grant from ADB;
- (iii) expenditures for goods intended for a military or paramilitary purpose or for luxury consumption;
- (iv) expenditures for narcotics;
- (v) expenditures for environmentally hazardous goods, the manufacture, use, or import of which is prohibited under the laws of the borrower or international agreements to which the borrower is a party; and
- (vi) expenditures on account of any payment prohibited by the borrower in compliance with a decision of the United Nations Council taken under Chapter VII of the Charter of the United Nations.

Ineligible Items

Chapter	Heading	Description of Items
112		Alcoholic Beverages
121		Tobacco, unmanufactured; tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitute)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof, fuel elements (cartridges), nonirradiated for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver, or platinum-group metals (excepts watches and watch cases); and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, nonmonetary (excluding gold ore and concentrates)

Source: United Nations Standard International Trade Classification, Revision 3.

ADB PROHIBITED INVESTMENT ACTIVITIES LIST

The following do not qualify for Asian Development Bank financing:

- (i) production or activities involving harmful or exploitative forms of forced labor, or child labor;
- (ii) production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phaseouts or bans, such as (a) pharmaceuticals, pesticides, and herbicides, (b) ozone-depleting substances, (c) polychlorinated biphenyls and other hazardous chemicals, (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and (e) transboundary trade in waste or waste products;
- (iii) production of or trade in weapons and munitions, including paramilitary materials;
- (iv) production of or trade in alcoholic beverages, excluding beer and wine;
- (v) production of or trade in tobacco;
- (vi) gambling, casinos, and equivalent enterprises;
- (vii) production of or trade in radioactive materials, including nuclear reactors and components thereof;
- (viii) production of, trade in, or use of unbonded asbestos fibers;
- (ix) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and
- (x) marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.