

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 (SITC, Rev. 3), or any successor groups or subgroups under future revisions to the SITC, as designated by ADB by notice to the borrower;
- (ii) expenditures in the currency of the borrower or of goods supplied from the territory of the borrower;
- (iii) expenditures for goods supplied under a contract that any national or international financing institution or agency will have financed or has agreed to finance, including any contract financed under any loan or grant from the ADB;
- (iv) expenditures for goods intended for a military or paramilitary purpose or for luxury consumption;
- (v) expenditures for narcotics;
- (vi) 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 any other goods designated as environmentally hazardous by agreement between the borrower and ADB¹}; and
- (vii) expenditures on account of any payment prohibited by the borrower in compliance with a decision of the United Nations Security 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), non-irradiated 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, non-monetary (excluding gold ore and concentrates) |

Source: Asian Development Bank.

¹ Include only if agreement between the borrower and ADB on a list of goods designated as environmentally hazardous for purposes of the loan has been reached and recorded in the agreed minutes of negotiations or a supplemental letter.