

LIST OF INELIGIBLE ITEMS

1. Loan proceeds will finance the foreign currency expenditures for the reasonable cost of imported goods required during the Increasing Competitiveness for Inclusive Growth Program, subprogram 2 for the Republic of the Philippines.

2. 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:

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	718.70	Nuclear reactors, and parts thereof, fuel elements (cartridges), non-irradiated for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.30	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: United Nations.

- (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 ADB; 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.