

IDB Exclusion List - Non-Sovereign Guaranteed Operations

The IDB does not finance projects or companies involved in the production, trade, or use of the products, substances or activities listed below:

- Those that are illegal under host country laws, regulations or ratified international conventions and agreements
- Weapons and ammunitions
- Tobacco¹
- Gambling, casinos and equivalent enterprises²
- Wildlife or wildlife products regulated under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)³
- Radioactive materials⁴
- Unbounded asbestos fibers⁵
- Forestry projects or operations that are not consistent with the Bank's Environment and Safeguards Compliance Policy
- Polychlorinated biphenyl compounds (PCBs)
- Pharmaceuticals subject to international phase outs or bans⁶
- Pesticides/herbicides subject to international phase outs or bans⁷
- Ozone depleting substances subject to international phase out⁸
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Trans boundary trade in waste or waste products⁹, except for non-hazardous waste destined for recycling
- Persistent Organic Pollutants (POPs)¹⁰
- Non-compliance with workers fundamental principles and rights at work¹¹

1 This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

2 This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

3 www.cites.org.

4 This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where it can be demonstrated that the radioactive source is to be trivial and/or adequately shielded.

5 This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%.

6 Pharmaceutical products subject to phase outs or bans in United Nations, *Banned Products: Consolidated List of Products Whose Consumption and/or Sale Have Been Banned, Withdrawn, Severely Restricted or not Approved by Governments*. (Last version 2001, www.who.int/medicines/library/qsm/edm-qsm-2001-3/edm-qsm-2001_3.pdf).

7 Pesticides and herbicides subject to phase outs or bans included in both the Rotterdam Convention (www.pic.int) and the Stockholm Convention (www.pops.int).

8 Ozone Depleting Substances (ODSs) are chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates. The chemical compounds regulated by the Montreal Protocol include aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents. (www.unep.org/ozone/montreal.shtml).

9 Defined by the Basel Convention (www.basel.int).

10 Defined by the International Convention on the reduction and elimination of persistent organic pollutants (POPs)(September 1999) and presently include the pesticides aldrin, chlordane, dieldrin, endrin, heptachlor, mirex, and toxaphene, as well as the industrial chemical chlorobenzene (www.pops.int).

11 Fundamental Principles and Rights at Work means (i) freedom of association and the effective recognition of the right to collective bargaining; (ii) prohibition of all forms of forced or compulsory labor; (iii) prohibition of child labor, including without limitation the prohibition of persons under 18 from working in hazardous conditions (which includes construction activities), persons under 18 from working at night, and that persons under 18 be found fit to work via medical examination; (iv) elimination of discrimination in respect of employment and occupation, where discrimination is defined as any distinction, exclusion or preference based on race, color, sex, religion, political opinion, national extraction, or social origin. (International Labor Organization: www.ilo.org).

IDB Exclusion List - Trade Finance Operations

The direct production, trade, or end-use (including in projects) of the products, substances or activities listed below are not eligible for trade financing. In addition, companies involved with the products, substances, or activities listed below are not eligible for trade financing

- Those that are illegal under host country laws or regulations or international conventions and agreements, including without limitation host country requirements related to environmental, health and safety and labor aspects.
- Weapons and munitions
- Alcoholic beverages (excluding wine and beer)¹²
- Tobacco¹³
- Gambling, casinos and equivalent enterprises¹⁴
- Wildlife or wildlife products regulated under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)¹⁵
- Radioactive materials¹⁶
- Unbounded asbestos fibers¹⁷
- Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest¹⁸
- Forestry projects or operations that lack sustainable management, forestry projects in areas of high ecological value with the exception of preservation and light non-extractive use of forest resources.
- Plantation projects that would require the removal of existing non-degraded natural forest.
- Polychlorinated biphenyl compounds (PCBs)
- Pharmaceuticals subject to international phase outs or bans¹⁹
- Pesticides/herbicides subject to international phase outs or bans²⁰
- Ozone depleting substances subject to international phase out²¹
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Trans boundary trade in waste or waste products²², except for non-hazardous waste destined for recycling
- Persistent Organic Pollutants (POPs)²³

12 This does not apply to companies for which the operations/activities related to these criteria comprise less than 10 percent of companies total annual revenue

13 This does not apply to companies for which the operations/activities related to these criteria comprise less than 10 percent of companies total annual revenue

14 This does not apply to companies for which the operations/activities related to these criteria comprise less than 10 percent of companies total annual revenue

15 www.cites.org

16 This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where it can be demonstrated that the radioactive source is to be trivial and/or adequately shielded

17 This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%.

18 Primary forest is defined as relatively intact forest that has been essentially unmodified by human activity for the previous 60 to 80 years; and Tropical moist forest is generally defined as forest in areas that receive not less than 100 mm of rain in any month for two out of three years and have an annual mean temperature of 24 C or higher.

19 Pharmaceutical products subject to phase outs or bans in United Nations, Banned Products: Consolidated List of Products Whose Consumption and/or Sale Have Been Banned, Withdrawn, Severely Restricted or not Approved by Governments. (Last version 2001, www.who.int/medicines/library/qsm/edm-qsm-2001-3/edm-qsm-2001_3.pdf)

20 Pesticides and herbicides subject to phase outs or bans included in both the Rotterdam Convention (www.pic.int) and the Stockholm Convention (www.pops.int).

21 Ozone Depleting Substances (ODSs) are chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates. The chemical compounds regulated by the Montreal Protocol includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents. (www.unep.org/ozone/montreal.shtml).

22 Defined by the Basel Convention (www.basel.int).

23 Defined by the International Convention on the reduction and elimination of persistent organic pollutants (POPs)(September 1999) and

- Non-compliance with workers fundamental principles and rights at work²⁴
- Involuntary resettlement²⁵
- Significant degradation of a National Park or similar protected area²⁶
- Materially significant unmitigated negative impacts on the environment or sensitive social groups (i.e., poor, indigenous peoples, etc.)
- Company requesting trade finance having environmental claims (such as fines, penalties, cleanup costs, governmental response costs, payments for damages, incarceration of company senior management, reduced value of collateral due to environmental damage/liability, etc.) that have an adverse material effect on the companies ability to fulfill its obligations under the trade finance agreement

presently include the pesticides aldrin, chlordane, dieldrin, endrin, heptachlor, mirex, and toxaphene, as well as the industrial chemical chlorobenzene (www.pops.int)

- 24 Fundamental Principles and Rights at Work means (i) freedom of association and the effective recognition of the right to collective bargaining; (ii) prohibition of all forms of forced or compulsory labor; (iii) prohibition of child labor, including without limitation the prohibition of persons under 18 from working in hazardous conditions (which includes construction activities), persons under 18 from working at night, and that persons under 18 be found fit to work via medical examinations; (iv) elimination of discrimination in respect of employment and occupation, where discrimination is defined as any distinction, exclusion or preference based on race, color, sex, religion, political opinion, national extraction, or social origin. (International Labor Organization: www.ilo.org)
- 25 Unless it can be fully demonstrated that such involuntary resettlement fully complies with the IDB Policy on Involuntary Resettlement (OP-710)
- 26 In addition to in-country designated areas, other areas include: natural World Heritage Sites (defined by World Heritage Convention, <http://whc.unesco.org/nwhc/pages/doc/main.htm>), United Nations List of National Parks and Protected Areas, designated wetlands of international importance (defined by RAMSAR Convention, www.ramsar.org), or selected areas (e.g., strict nature reserves/wilderness areas, natural parks, natural monuments or habitat/species management areas) defined by IUCN (International Conservation Union, www.iucn.org).