Credit Guarantee & Investment Facility
An Asian Bond Markets Initiative

CGIF's 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[1] or child labor;[2]
(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,[3] pesticides, and herbicides,[4] and persistent organic pollutants,[5] (b) ozone-depleting substances,[6] (c) polychlorinated biphenyls[7] and other hazardous chemicals,[8] (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora,[9] and (e) transboundary trade in waste or waste products;[10]
(iii) production of or trade in weapons and munitions, including paramilitary materials;[11]
(iv) production of or trade in alcoholic beverages, excluding beer and wine;[11]
(v) production of or trade in tobacco;[11]
(vi) gambling, casinos, and equivalent enterprises;[11]
(vii) production of or trade in radioactive materials;[12]
(viii) production of, or trade in, or use of asbestos fibers;[13]
(ix) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests;
(x) marine, inland 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 or freshwater biodiversity and habitats;
(xi) new coal-fired power generation and coal-fired heating plants;[14]
(xii) coal mining, processing, storage or transportation;[15]
(xiii) upstream or midstream oil projects;[16] and
(xiv) natural gas exploration or drilling.[15]

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[1] *Forced labor means all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered themself voluntarily.*

[2] *Child labor means work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development. This includes work that: (i) is mentally, physically, socially, or morally dangerous and harmful to children; (ii) interferes with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely, or requiring them to attempt to combine school attendance with excessively long and heavy work; and/or (iii) involves hazardous conditions, such as exposure to dangerous substances, heavy machinery, or extreme temperatures that can endanger the health, safety, or well-being of children.*

[3] *A list of pharmaceutical products subject to phaseouts or bans is available at http://www.who.int. (Regulation and Prequalification (who.int))*

[4] *A list of pesticides and herbicides subject to phaseouts or bans under the Rotterdam Convention is available at http://www.pic.int.*

[5] *A list of persistent organic pollutants subject to the Stockholm Convention is available at https://chm.pops.int/.*

[6] *A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at https://ozone.unep.org/treaties/montreal-protocol.*

[7] *A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.*

[8] *A list of hazardous chemicals subject to Rotterdam Convention is available at http://www.pic.int.*

[9] *A list is available at http://www.cites.org.*

[10] *As defined by the Basel Convention; see http://www.basel.int.*

[11] *This does not apply where ADB financing is provided as general working capital, equity or other support that are not earmarked for specific activities, to an entity, who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to such entity's primary operations.*

[12] *This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded. This also does not apply to nuclear fuel associated with commissioning and decommissioning of nuclear power plants. ADB. 2021. 2021 Energy Policy of the Asian Development Bank: Supporting Low-Carbon Transition in Asia and the Pacific (ADB Energy Policy), as amended in 2025.*

[13] *This does not apply to projects involving disposal of asbestos, provided a suitable asbestos management plan is adopted for such disposal.*

[14] *Consistent with the 2021 ADB Energy Policy, this does not include early retirement of coal-based power plants and the enhancement of power generation dispatch regimes to discourage the use of high-emitting, inefficient coal-fired power plants.*

[15] *ADB. Energy Policy.*

[16] *Investments in methane leakage and routine gas flaring reduction in and utilization of waste gases from existing upstream oil projects will be permitted. However, any methane reduction and gas flaring projects in greenfield oil and gas production will not be financed. ADB Energy Policy, as amended in 2025.*