

# North American Development Bank



## Border Environment Cooperation Commission



## Quarterly Status Report

September 30, 2012





# QUARTERLY SNAPSHOT

The Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) were established by the U.S. and Mexican governments for the purpose of enhancing environmental conditions and the quality of life of people living along the U.S.-Mexico border. Created as interdependent institutions, NADB and BECC function as a team, working with communities and project sponsors to develop, finance and build affordable and self-sustaining projects with broad community support.

During the **third quarter of 2012**, the following project development and implementation activities were carried out.

## Project Development Activity

- ◆ **Seven** projects were certified, representing a total investment of more than **US\$274.3 million** in new environmental infrastructure.
- ◆ NADB approved loans and grants totaling approximately **US\$214.7 million** to help cover the costs related to those projects.
- ◆ Technical assistance grants totaling **US\$400,604** were also approved to support project development and capacity building activities benefitting five border communities.



Transfer station facility in Starr County, Texas

## Project Implementation Activity

- ◆ NADB signed financing agreements totaling **US\$105.6 million** to support nine projects, including its first wind energy project—El Porvenir Wind Farm in Reynosa, TAMPS.
- ◆ Almost **US\$50.9 million** in NADB loans and grants were disbursed to project sponsors for the implementation of their respective projects.
- ◆ **Six** BECC-certified projects funded by NADB were completed, including the first solar energy project—SunPeak Solar Park in Imperial County, CA.



Solar project in Imperial County, CA

## Public Meetings of the Board

On July 17<sup>th</sup>, the BECC-NADB Board of Directors held its semi-annual public meeting in Ciudad Juarez, Chihuahua. Chihuahua Governor Cesar Duarte Jaquez and Juarez Mayor Hector Murguia Lardizabal made welcoming remarks at the meeting. The meeting was attended by approximately 114 project sponsors, community leaders, state agency representatives, and other stakeholders from both sides of the border, many of whom took the opportunity to share their views on environmental projects and issues affecting their communities.



Chihuahua Governor Cesar Duarte Jaquez



Ciudad Juarez Mayor Hector Murguia Lardizabal



BECC-NADB Board Members

### Next Public Meeting of the BECC-NADB Board of Directors

When: November 8, 2012  
3:30 – 5:30 p.m.

Where: International Conference Center  
203 South St. Mary's, 3rd floor  
San Antonio, Texas 78205

For more information or to register in advance, visit the NADB website at [www.nadb.org](http://www.nadb.org) or contact NADB by phone at (210) 231-8000



# PROJECT DEVELOPMENT

- ▶ Project certification & funding approval
- ▶ Public participation activities
- ▶ Technical assistance
- ▶ Projects in the pipeline

## Project Certification & Funding Approval

BECC works to facilitate the development of projects conceived by public and private sponsors through a certification process that evaluates the environmental, technical, financial, and social feasibility of the proposed infrastructure investments. Through this process, BECC seeks to ensure the long-term sustainability of the project for the sponsor, investors and the intended beneficiaries.

During the past quarter, seven environmental infrastructure projects were certified and US\$214.7 million in financing was approved to support their implementation.

### Project Certifications July—September 2012 (US\$ Millions)

Sponsor	Project	Cost	NADB Financing
<b>July 17, 2012</b>			
Ciudad Juarez, CHIH	Comprehensive Paving Project to Improve Urban Mobility	\$156.36	\$132.91 loan
Matamoros, TAMP	Improvements to the Water and Wastewater Systems and Construction of the West Wastewater Treatment Plant	\$69.73	\$12.19 loan \$16.00 BEIF grant
Miguel Aleman, TAMP	Wastewater Collection System Improvements	\$6.25	\$1.98 BEIF grant
Nuevo Laredo, TAMP	Basic Environmental Infrastructure Project	\$35.52	\$13.26 loan
Nuevo Laredo, TAMP	Wastewater Collection System Improvements – Disconnection from Storm Water Sewer	\$5.01	\$2.90 BEIF grant
Starr County, TX	Solid Waste Transfer Station	\$1.43	\$0.45 SWEP grant
<b>July 27, 2012</b>			
SunEdison, LLC	FRV Bryan Solar Park in Presidio, TX	Reserved	\$35.00 loan
<b>Total</b>		<b>\$274.30</b>	<b>\$214.68</b>

BEIF = Border Environment Infrastructure Fund, funded by the U.S. Environmental Protection Agency (EPA);  
SWEP = Solid Waste Environmental Program.

For fiscal year 2012, BECC has certified a total of 12 projects representing a total investment of more than US\$1.8 billion. At the same time, NADB has approved approximately US\$499.6 million in financing to cover part of the cost of those projects. An estimated 3.9 million border residents will benefit from improved environmental and health conditions as a result of these projects.

## Project Development Activities

Prior to submitting projects to its Board of Directors for certification, BECC publishes a public notice of candidate projects that are ready for certification on its website in order to provide an opportunity for public comment during a 30-day period. During the past quarter, certification notices for three projects were published.

### Publication of Certification Notices July – September 2012 (US\$ Millions)

Project	Estimated Cost	NADB Financing Requested	Period Ending Date
<b>August 9, 2012</b>			
La Cuesta, Farallon and SEDUE-SAAS Wastewater Collection System Improvements Project in Tijuana, BC	\$2.96	\$1.58 loan*	9-Sep-12
<b>August 30, 2012</b>			
Davis-Monthan AFB Solar Park sponsored by SunEdison LLC for construction of a 12.6 MW <sub>AC</sub> solar plant in Tucson, AZ	Reserved	\$45.00 loan	29-Sep-12
<b>September 28, 2012</b>			
Wastewater Collection System for the Community of Tintown in Bisbee, AZ	\$1.46	\$0.76 BEIF grant	28-Oct-12
<b>TOTAL</b>		<b>\$47.34</b>	

BEIF = EPA-funded Border Environment Infrastructure Fund.

\* The project will be funded with part of the proceeds of a US\$22 million loan contracted in 2009 with the Tijuana water utility, CESPT.

The public comment periods for the first two projects were concluded with no comments received for either project. Both projects have been submitted for the consideration of the Board.

### Results of Project Selection Process for Community Assistance Program (CAP) Grants

The CAP program was launched on November 1, 2011, with a call for project proposals. The submission period ended on February 15, 2012, with a total of 111 eligible applications received. BECC and NADB evaluated and prioritized the project proposals using criteria based mainly on financial need, level of project readiness and number of residents to benefit. In August 2012, the two institutions announced the selection of 11 projects to receive grants totaling an estimated US\$3.77 million to build or rehabilitate priority water and wastewater infrastructure projects that will directly benefit 178,000 residents on both sides of the U.S.-Mexico border (see table on the next page). Once the selected projects have met all certification and financing requirements, including public participation, they will be submitted to the Board of Directors for approval.

## Results of CAP Project Selection Process

Community	Project	Estimated Cost (US\$)
<b>United States</b>		
San Luis, AZ	Drinking water system – interconnection	\$615,500
Brawley, CA	Wastewater system improvements	\$500,000
Sunland Park, NM	Drinking water system improvements – Water meter program	\$500,000
Fabens, TX	Drinking water system Improvements	\$414,000
<b>Mexico</b>		
Ascension, CHIH	Drinking water infrastructure	\$200,000
Nuevo Casas Grandes, CHIH	Wastewater collection	\$500,000
Ricardo Flores Magon, CHIH	Drinking water infrastructure	\$500,000
Castaños, COAH	Wastewater collection	\$227,384
Los Fierros, N.L.	Storm drainage	\$370,000
Arizpe, SON	Wastewater collection and treatment	\$310,000
Col. Jose Silva Sánchez, Soto la Marina, TAMPS	Drinking water infrastructure	\$115,000

**Public Participation**

As part of the certification process, project information must be made accessible to the public through formal and informal activities, and the public must be given a reasonable opportunity to provide comments. These activities ensure transparency and encourage an interactive relationship between the project sponsor and those impacted by the project. For projects anticipated to have a community-wide impact, public participation activities typically include establishing a local steering committee and holding public meetings. During the past quarter, three public meetings were held as detailed below.

<b>Public Meetings Held</b>		
Community	Project	Date
Bisbee, AZ	Wastewater project	22-Aug-12
Rio Hondo, TX	Wastewater project	11-Sep-12
Sierra Vista, AZ	Wastewater project	11-Sep-12



Sierra Vista, Arizona



Rio Hondo, Texas

### **Technical Assistance Activities**

BECC and NADB work closely with project sponsors and other funding agencies to complete the greatest level of project development possible prior to certification, as well as to provide ongoing support during project execution. To that end, both institutions offer technical assistance through various programs aimed at helping communities prepare projects for certification and implementation. During the past quarter, BECC and NADB approved US\$400,604 in grant support for six studies or other development activities through their respective technical assistance programs.

### **Technical Assistance Awarded July – September 2012**

<b>EPA-funded Project Development Assistance Program (PDAP)</b>	
<u>Holtville, CA:</u>	Final design for a wastewater collection and treatment project
<u>Sunland Park, NM:</u>	Development of a pretreatment ordinance for a wastewater treatment plant
<u>Palmview, TX:</u>	Value engineering study and transboundary Environmental Information Document Update for the AGUA SUD sewer project
<b>BECC Technical Assistance</b>	
<u>Chihuahua, CHIH:</u>	Final design for the Solar Energy Project for a children's hospital
<b>NADB Technical Assistance</b>	
<u>State of Sonora:</u>	Development of legal structure for a 30 MW solar project

### **Projects in the Pipeline**

During the past three months, two applications for certification and financing were received. As of September 30, 2012, there were 53 project proposals in the development pipeline. The estimated investment cost of these projects is \$626.04 million. The following table shows a breakdown of these projects by type, state and country.



**BECC-NADB Project Development Pipeline  
As of September 30, 2012**

State	No. of Projects						
	AQ	BUI*	ENE	SD	SW	W/WW	TOTAL
California	-	-	1	-	-	6	7
Arizona	-	-	3	-	-	6	9
New Mexico	-	-	-	-	-	2	2
Texas	-	-	-	-	-	8	8
<b>U.S.</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>26</b>
Baja California	1	-	2	-	-	4	7
Chihuahua	-	-	-	-	-	5	5
Coahuila	-	-	1	-	-	1	2
Nuevo Leon	1	-	-	1	-	-	2
Sonora	-	-	1	-	-	1	2
Tamaulipas	1	1	-	-	1	6	9
<b>Mexico</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>17</b>	<b>27</b>
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>39</b>	<b>53</b>

AQ = Air quality; BUI = Basic urban infrastructure; ENE = Clean and efficient energy; SD= Storm drainage;

SW = Solid waste; W/WW = Water and wastewater

\* Basic urban infrastructure (BUI) projects consist of a mix of works from different sectors, such as water, wastewater, storm drainage and roadway improvements .

# PROJECT IMPLEMENTATION

- Project Financing
- Construction start-up & groundbreakings
- Construction completion & ribbon-cuttings

## Project Financing

NADB provides financing to public and private entities for BECC-certified projects, through loan and grant programs designed to address different needs. During the past three months, NADB signed financing agreements totaling US\$105.6 million for nine projects, including its first wind energy project.

### Financing Agreements Signed July – September 2012 (US\$ Millions)

Project	NADB Financing		Date Signed
Expansion of the sewer system for the unserved area of Colonia Alcatrazes en Tijuana, BC	BEIF grant	\$0.43	26-Jul-12
Expansion of the sewer system for the unserved area of Ejido Plan Libertador and Ampliación en Playas de Rosarito, BC	BEIF grant	\$1.50	26-Jul-12
Expansion of the Wastewater Collection System for the Unserved Area of Ampliación Lucio Blanco (Phase II) in Playas de Rosarito, B.C.	BEIF grant	\$0.86	26-Jul-12
Expansion and rehabilitation of the water distribution system en Praxedis G. Guerrero, CHIH	BEIF grant	\$0.55	31-Jul-12
El Porvenir Wind Project sponsored by <i>Compañía Eólica de Tamaulipas, S.A. de C.V. (CETSA)</i> in Reynosa, TAMPS	Loan	\$51.00	24-Aug-12
Solid Waste Transfer Station in Starr County, TX	SWEP grant	\$0.45	4-Sep-12
Wastewater Treatment Plant in Hermosillo, SON	Loan	\$34.63	10-Sep-12
Wastewater Collection System Improvements – Disconnection from Storm Water Sewer in Nuevo Laredo, TAMPS	BEIF grant	\$2.90	11-Sep-12
Basic Environmental Infrastructure Project in Nuevo Laredo, TAMPS	Loan	\$13.26	19-Sep-12
<b>TOTAL</b>		<b>\$105.57</b>	

EPA-funded Border Environment Infrastructure Fund (BEIF); SWEP = Solid Waste Environmental Program

With the signing of these financing agreements, for the year to date, the Bank has contracted a total of US\$194.2 million in loans and grants to support 12 BECC-certified environmental infrastructure projects.

With respect to disbursements, during the past three months, NADB disbursed almost US\$50.9 million in loans and grants, including the initial disbursement of the loan for construction of the South-South Wastewater Treatment Plant in Ciudad Juarez, CHIH. Altogether for the year to date, NADB has disbursed more than US\$117 million in loans and grants to sponsors for the implementation of 21 certified projects.

Finally, on July 31, 2012, NADB received the final payment from the City of San Luis Rio Colorado, Sonora, for a US\$1.08 million loan contracted in June 2003 to help finance improvements to its municipal sanitation services, including the construction of a sanitary landfill.

## Construction Completion

During the third quarter of 2012, six BECC-certified projects funded by NADB completed construction.

### ***Ciudad Mier, Tamaulipas***

The new wastewater treatment plant completed the stabilization process and began operations in September 2012, thus completing the entire certified project, which also included expansion of the water distribution and wastewater collection systems. The new plant, which has the capacity to treat up to 0.46 million gallons a day (mgd) of sewage, is the first to be built for this city of 6,500 residents. Through this project, 3,300 sewer hookups were installed to achieve close to 100% service coverage, eliminating a source of raw wastewater discharges into the Rio Grande, and providing a safer and healthier water supply for downstream residents in both the U.S. and Mexico.



### ***Laredo and Webb County, Texas***

The last water and wastewater hookups for 15 *colonias* in the Mines Road and SH-359 Planning Areas were completed in September 2012, thus completing the entire certified project, which also included the construction of the Peñitas Wastewater Treatment Plant with the capacity to treat 0.125 mgd of wastewater. With this project, 909 water hookups and 840 sewer hookups were installed, bringing first-time services to an estimated 2,727 residents, thereby significantly improving their quality of life.

***Nogales, Sonora***

In July 2012, calibration of the transfer station equipment was completed, thus completing the entire solid waste equipment project, which also included replacing the collection equipment and reorganizing the collection routes. Fourteen garbage collection trucks and two automated street sweepers were purchased and delivered in 2007. As a result, service coverage has increased from 80% to 98%, providing reliable service, reducing illegal dumpsites and eliminating air pollution and litter from uncovered trucks.

***Nogales, Sonora***

In August 2012, the second phase of the city's solid waste management improvement plan was completed with the construction of the first phase of landfill Cell B. The certified project also included the construction of a transfer station and the closure of Cell A. With this project, safe and reliable disposal services are being provided to the residents of Nogales, as well as the neighboring communities of Cicuta and Mascareñas. Closing Cell A and proper operation of the current cell in compliance with state regulations prevent the proliferation of rodents and other disease-carrying vectors, as well as eliminate the risk of fire and contamination of land, air and water.

***Playas de Rosarito, Baja California***

In July 2012, the last street paving contract was completed, thus concluding the entire certified project. Through this project, a total of 638,118 square meters (m<sup>2</sup>) of roadways were paved throughout the city, increasing the city's overall paving coverage from 47% to 60%. Increased street paving helps reduce air pollution and respiratory ailments caused by airborne dust particles generated by traffic on dirt streets, thus improving the quality of life for local residents. It also provides safer roadway conditions for motorists and facilitates access for emergency vehicles.

***SunPeak Solar Park***

Testing and commissioning activities for the 23-MW<sub>AC</sub> photovoltaic solar park were completed in August 2012, and the plant initiated full commercial operations the same month. Located in the Imperial Irrigation District (IID) in California, the energy produced by the plant will be purchased by IID and will primarily be used to provide service to the town of Niland. The plant produced an average of 4,560 MWh in September, providing sufficient electricity to power the equivalent of about 8,040 homes.



To date, 133 projects certified by BECC have been completed and are in operation, including the solid waste transfer station in Starr County, Texas. NADB provided just over one billion dollars in loans and grants to support 120 of those projects, which represent a total investment of approximately US\$2.21 billion to build. An estimated eight million border residents are benefitting from the projects certified by BECC and funded by NADB.

## Construction Start-up

In August 2012, construction began on the installation of wastewater collection lines and sewer hookups for 27 homes on Water Street in Rio Grande City, Texas. In addition, the urban infrastructure project in Nuevo Laredo and the water and/or wastewater projects in Matamoros, Miguel Alemán and Nuevo Laredo, Tamaulipas, were already under construction at the time of certification.



Construction of overpasses is part of the Nuevo Laredo urban infrastructure project.

Consequently, as of September 30, 2012, 43 certified projects were in various stages of construction. NADB has contracted approximately US\$419.8 million in loans and grants to support 36 of those projects, which represent a total investment of more than US\$1.13 billion.

Information on the implementation status of BECC-certified projects that are currently under construction or development, or for which NADB financing is ongoing, is provided in the following chart.

For information on completed projects financed by NADB, see the report, *“Summary of Completed Projects,”* which is available on the Bank’s website at [www.nadb.org](http://www.nadb.org).



**STATUS OF ACTIVE PROJECTS**  
(US\$ millions)

COMMUNITY/SPONSOR			BECC PROJECT CERTIFICATION			NADB FINANCING		STATUS
		Population Benefitted	Type	Date	Total Cost	Loan	Grant	Construction & Financing Phase
1	Agua Prieta, SON	32,800	AQ - street paving (2)	12-May-11	29.64	-	-	Under construction; approved loan not contracted
2	Anthony, NM	8,388	W	20-May-11	8.82	-	2.80	Under construction; BEIF grant disbursing
3	AstroSol Tech Park AZ (Tucson)	980,263	ENE - renewable	13-Jan-12	Reserved	13.10	-	Under construction; loan fully disbursed
4	Barreales/Juárez y Reforma,	1,969	WW	5-Dec-08	2.62	-	0.88	Construction complete; BEIF grant disbursing
5	Bisbee, AZ	6,096	WW	25-Sep-03	30.07	-	11.25	Construction complete; BEIF grant disbursed
6	Cameron County ID No. 6, TX	-	WC	16-Dec-08	1.98	-	0.99	Under development; WCIF grant signed
7	CETSA - El Porvenir	608,891	ENE - renewable	9-Feb-12	Reserved	51.00	-	Under development; loan signed
8	Ciudad Juárez, CHIH	180,000	WW - South-south	10-Dec-09	39.33	7.35	8.00	Under construction; loan disbursing; BEIF grant signed
9	Ciudad Juárez, CHIH	1,332,131	AQ - paving / roadway	17-Jul-12	156.36	132.91	-	Under development; loan approved
10	Ciudad Mier, TAM	6,539	W / WW	26-Nov-08	3.37	-	1.38	Construction complete; BEIF grant disbursing
11	Clint, TX	1,099	WW	10-Dec-09	11.56	-	2.30	Under construction; BEIF grant disbursing
12	Colonia Esperanza, CHIH	1,267	WW	28-Sep-07	2.18	-	0.43	Under construction; BEIF grant disbursing
13	Colonia Esperanza, CHIH	-	W	21-Jul-09	0.33	-	0.17	Under construction; BEIF grant disbursing
14	Delta Lake ID, TX	-	WC	25-Sep-03	7.12	-	3.56	Construction complete; WCIF grant disbursing
15	Doña Ana County, NM	9,140	WW	20-Jun-01	29.80	-	13.08	Construction complete; BEIF construction grant disbursed; transition grant disbursing
16	Douglas, AZ	18,000	W / WW - 2	20-Jun-01	8.47	-	3.71	Construction complete; BEIF construction grant disbursed & transition grant disbursing
17	El Millón, CHIH	823	WW	4-May-10	1.31	-	0.44	Under construction; BEIF grant disbursing
18	El Paso, TX (GAF)*	-	ENE - biodiesel	4-Mar-08	26.65	3.69	-	Construction substantially complete; loan in amortization
19	El Paso, TX	742,062	SD	4-Sep-09	67.50	53.00	-	Under construction; loan in amortization
20	El Paso, TX	117,407	W - Paisano	1-Jul-10	18.00	15.00	-	Under construction; loan disbursed
21	Engelman ID No. 6, TX	-	WC	30-Oct-07	1.21	-	0.48	Under construction; WCIF grant disbursing
22	Fabens, TX	7,066	W / WW	20-Mar-02	12.00	-	6.09	Construction complete; BEIF construction grant
23	Frontera Ribereña, TAM*	67,035	SW	16-Dec-08	3.43	-	1.55	Landfill complete, 4 of 5 dumpsites pending closure; SWEP grant disbursed

COMMUNITY/SPONSOR			BECC PROJECT CERTIFICATION			NADB FINANCING		STATUS
		Population Benefitted	Type	Date	Total Cost	Loan	Grant	Construction & Financing Phase
24	FRV Solar Park (Picture Rocks, AZ)	980,263	ENE - renewable	28-Nov-11	Reserved	65.00	-	Under construction; loan disbursing
25	FRV Bryan Solar (Presidio, TX)	7,818	ENE - renewable	27-Jul-12	Reserved	35.00	-	Under development; loan approved
26	Gila Gravity Canal, AZ	-	WC	19-Mar-04	1.76	-	0.83	Construction complete; WCIF grant disbursing
27	Hermosillo, SON	154,400	AQ - street paving	3-May-11	68.25	19.61	-	Under construction; loan disbursed
28	Hermosillo, SON	785,082	WW	1-Apr-11	86.15	34.63	-	Under development; loan signed
29	Hidalgo/Cameron ID No. 9, TX	-	WC	19-Mar-04	2.50	-	1.25	Under development; WCIF grant signed
30	Hidalgo ID No. 16, TX	-	WC	19-Mar-04	3.52	-	1.38	Under development; WCIF grant signed
31	Imperial ID, CA	-	WC - 2	16-Jul-08	2.52	-	1.26	Construction complete; WCIF grant disbursing
32	Jesús Carranza, CHIH	558	WW	4-May-10	1.31	-	0.44	Under construction; BEIF grant disbursing
33	La Feria, TX	6,115	W / WW	3-Apr-03	18.64	6.13	6.88	Construction complete; loan repaid in full; BEIF grant disbursed
34	La Union, NM	1,003	WW	6-Dec-01	7.60	-	4.24	Construction complete; BEIF construction grant disbursed & transition grant disbursing
35	Laredo, TX	3,725	W / WW	14-Sep-00	21.58	-	7.89	Construction complete; BEIF grant disbursing
36	Los Vientos Wind IA (Cameron & Willacy Counties, TX)	428,345	ENE- renewable	25-May-12	Reserved	110.00	-	Under construction; loan approved
37	Los Vientos Wind IB (Cameron & Willacy Counties, TX)	-	ENE- renewable	25-May-12	Reserved	110.00	-	Under construction; loan approved
38	Matamoros, TAM	160,879	W / WW -2	17-Jul-12	69.73	12.19	16.00	Under construction; loan & BEIF grant approved
39	Mexicali, BC (IV)*	20,120	WW - 3	30-Oct-07	46.96	18.95	-	Under construction; loan in amortization
40	Mexicali, BC	59,881	AQ - street paving	8-Dec-11	46.41	11.02	-	Under construction; loan disbursing
41	Miguel Alemán, TAM	19,230	WW	17-Jul-12	6.25	-	1.98	Under construction; BEIF grant approved
42	Monterrey, NL*	3,592,474	WW	21-Jun-06	66.34	27.31	-	Under construction; loan in amortization
43	Naco, SON*	6,108	AQ - street paving	30-Oct-07	0.91	0.42	-	Under construction; loan in amortization
44	Nogales, AZ	220,974	WW	22-Jun-00	74.10	-	59.51	Construction complete; BEIF construction grant disbursed & transition grant disbursing
45	Nogales, SON	213,976	SW - 1	11-Dec-07	2.83	2.36	-	Equipment delivered & installed; loan in amortization
46	Nogales, SON	-	SW - 2	18-Dec-09	2.97	-	1.00	Construction complete; SWEP grant disbursing
47	Nogales, SON	70,000	WW - Los Alisos	1-Oct-10	19.31	3.23	8.00	Under construction; loan disbursed; BEIF grant disbursing

COMMUNITY/SPONSOR			BECC PROJECT CERTIFICATION			NADB FINANCING		STATUS
		Population Benefitted	Type	Date	Total Cost	Loan	Grant	Construction & Financing Phase
48	Nuevo Laredo, TAM	384,033	W / WW	30-Jul-04	57.70	5.43	19.92	Construction complete; loan in amortization; BEIF grant disbursed
49	Nuevo Laredo, TAM*	120,000	AQ - street paving	16-Dec-08	47.49	36.35	-	Under construction; loan in amortization
50	Nuevo Laredo, TAM	384,033	BUI	17-Jul-12	35.52	13.26	-	Under construction; loan signed
51	Nuevo Laredo, TAM	384,033	WW	17-Jul-12	5.01	-	2.90	Under construction; BEIF grant signed
52	Pharr, TX	54,619	WW	27-Mar-07	44.00	10.00	19.00	Construction complete; loan in amortization; BEIF construction grant disbursed & transition grant disbursing
53	Playas de Rosarito, BC	80,000	AQ - street paving	30-Oct-07	40.91	17.11	-	Construction complete; loan in amortization
54	Praxedis, CHIH	3,641	W	8-Dec-11	1.83	-	0.55	Under construction; BEIF grant signed
55	Reynosa, TAM	420,463	WW	31-Mar-98	83.40	8.00	33.47	Construction complete; loan in amortization; BEIF grant disbursed
56	Río Bravo/Nvo Progreso, TAM	93,603	W / WW	29-May-08	29.20	3.10	12.76	Under construction; loan in amortization; BEIF grant disbursing
57	Rio Grande City, TX	111	WW	30-Jun-11	0.45	-	0.45	Under construction; BEIF grant signed
58	Salem/Ogaz, NM	788	WW	20-Jun-01	3.00	-	0.99	Construction complete; BEIF construction grant disbursed & transition grant disbursing
59	San Isidro, CHIH	2,295	W / WW	30-Jul-07	2.22	-	0.73	Construction complete; BEIF grant disbursed
60	San Luis Rio Colorado, SON*	161,795	SW	16-Oct-01	4.01	1.08	0.50	Landfill complete, dumpsite pending closing; loan fully repaid & SWEP grant disbursed
61	San Luis Rio Colorado, SON	55,129	WW - 3	14-Apr-10	6.99	-	2.70	Under construction; BEIF grant disbursing
62	Sanderson/Terrell County, TX	1,128	WW	24-Mar-00	3.64	-	0.35	Construction complete; BEIF transition grant disbursing
63	Sonoyta, SON	12,439	WW	16-Dec-08	2.61	-	0.81	Under construction; BEIF grant disbursing
64	Starr County, TX	60,968	SW	17-Jul-12	1.43	-	0.45	Construction complete; SWEP grant signed
65	State of Baja California*	2,840,000	AQ - street paving	3-Apr-03	487.00	25.07	-	NADB-funded construction complete; State construction ongoing; loan in amortization
66	State of Nuevo Leon	117,049	BUI	29-Nov-10	38.18	32.03	-	Under construction; loan disbursing
67	State of Sonora	1,464,302	AQ - paving	16-Jul-10	190.26	-	-	Under construction; approved loan not contracted
68	SunPeak Solar (Niland, CA)	174,528	ENE - renewable	6-Jun-11	Reserved	86.30	-	Solar park in operation; loan disbursing
69	Tijuana, BC	2,705	WW - Coastal Areas	16-Dec-08	1.24	-	0.40	Construction complete; BEIF grant disbursed
70	Tijuana, BC	33,915	WW - River Basin	16-Dec-08	9.14	1.90	1.71	Construction complete; loan in amortization; BEIF grant disbursed

COMMUNITY/SPONSOR			BECC PROJECT CERTIFICATION			NADB FINANCING		STATUS
		Population Benefitted	Type	Date	Total Cost	Loan	Grant	Construction & Financing Phase
71	Tijuana & Playas de Rosarito, BC	1,111,891	W / WW	21-Jul-09	48.42	22.08		Under construction; loan disbursing
72 & 73	Tijuana, BC	311,727	La Morita & Tec.-La Gloria WWTPs	1-Feb-11	16.34	4.68	-	La Morita complete; Tecolote-La Gloria under construction
74	Playas de Rosarito, BC	21,802	WW - Rosarito I	21-Jul-09	4.53	2.26	2.20	Under construction; loan & BEIF grant disbursing
75	Playas de Rosarito, BC	14,436	WW - Plan Libertador	20-May-11	3.75	0.40	1.50	Under construction; loan disbursing; BEIF grant signed
76	Playas de Rosarito, BC	3,752	WW - Lucio Blanco	21-May-12	1.73	-	0.86	Under bidding; BEIF grant signed
77	Tijuana, B.C.	3,020	WW - Col. Alcatrazes	20-May-11	1.11	0.25	0.43	Under development; loan & BEIF grant signed
78	Tres Jacales, CHIH	275	WW	4-May-10	1.04	-	0.17	Under construction; BEIF grant disbursing
79	Valle de las Palmas, Tijuana, BC	40,000	BUI	8-Dec-11	110.63	36.59	-	Under construction; loan approved
<b>TOTAL ACTIVE PROJECTS**</b>		<b>13,104,021</b>			<b>2,266.68</b>	<b>1,030.16</b>	<b>270.59</b>	<b>1,300.75 Total NADB Financing</b>

**NOTES:**

\* Some phases or major components have been completed and are in operation.

\*\* Populations of communities with more than one infrastructure project are counted only once in the total.

AQ = Air Quality; BUI = Basic Urban Infrastructure; ENE = Clean Energy; ID = Irrigation District; SD = Storm Drainage; SW = Solid Waste; W = Water; WC = Water Conservation; WW = Wastewater

# INSTITUTIONAL PERFORMANCE

- ▶ BECC certification
- ▶ NADB financing
- ▶ Technical assistance
- ▶ Special grants & publications

This section provides a brief summary of the various programs and resources established by the two institutions to assist communities and project sponsors with the development and implementation of their projects. For more detailed information, visit the BECC and NADB websites, at [www.becc.org](http://www.becc.org) and [www.nadb.org](http://www.nadb.org), respectively.

## BECC Certification

Certification indicates that a project has met certain criteria related to environmental and health benefits, technical and financial feasibility, public participation and project sustainability. Since its inception in 1995, BECC has certified a total of 201 projects, 91 in the U.S. and 110 in Mexico, which are estimated to cost more than US\$4.9 billion to construct and will benefit an estimated 15.6 million border residents. The following table provides a breakdown of the certifications by country and project type.

**BECC Project Certifications  
As of September 30, 2012**

Projects	Total	U.S.	Mexico
Water and wastewater	117	52	65
Water conservation	25	24	1
Storm water	2	1	1
Solid waste	23	6	17
Air Quality	21	0	21
Clean energy	10	8	2
Basic urban infrastructure*	3	0	3
<b>Total</b>	<b>201</b>	<b>91</b>	<b>110</b>

\* These projects consist of a mix of infrastructure works from different sectors (such as water, storm drainage and paving), and include municipal planning projects.

Public participation activities help to ensure broad community support for projects that are being considered for certification. Establishing local steering committees and holding public meetings has facilitated efforts to provide transparency and access to project information and involve local organizations in the decision-making process. The following table summarizes the public participation activities undertaken by the BECC to date.

Public Participation	Mexico	U.S.	Total
Citizen committees formed	101	108	209
Public meetings held	245	229	474



## BECC Technical Assistance & Special Grants

### Project Development Assistance Program (PDAP)

This technical assistance program, funded by the U.S. Environmental Protection Agency (EPA), is designed to assist communities in the development of prioritized projects related to drinking water and wastewater infrastructure. Through this program, US\$35.8 million has been approved to assist 160 communities with the development of 221 projects.

### Technical Assistance with BECC Funds

To aid project sponsors BECC has a limited amount of funds available from its operations budget to support project development activities required to achieve certification. A total of US\$6.0 million in BECC funds has been invested to date, as summarized in the following table.

Type of Project Supported	Total Funding Approved (US\$ millions)	No. of Studies Funded	No. of Communities Benefitted
Water & wastewater	2.20	47	22
Solid waste	3.00	56	46
Other*	0.80	22	7
<b>Total</b>	<b>6.00</b>	<b>125</b>	<b>75</b>

\* Air quality, clean energy, energy efficiency, etc.

Altogether, BECC has approved US\$41.8 million through the PDAP program and with its own resources to assist 163 communities in the development of infrastructure projects. A breakdown of the technical assistance by country is presented in the table below.

Country	Communities*	Projects	Amount (US\$)	Percentage
Mexico	72	192	\$15,493,415	37%
United States	91	153	\$26,359,984	63%
<b>Total</b>	<b>163</b>	<b>345</b>	<b>\$41,853,399</b>	<b>100%</b>

\* A community may have several projects; communities are not duplicated in total count.

### Special Grants

In addition to the development and certification of infrastructure projects, BECC provides support for other border initiatives aimed at improving human health and the environment along the U.S.-Mexico border. These efforts include management and coordination services for environmental projects; strategic planning to identify needs and develop and prioritize solutions at local, state and regional levels; and knowledge management to generate and share border environmental information on projects, programs and studies.

In particular, BECC is playing a key partnership role in the Border 2012 Program developed by EPA and its Mexican counterpart, *Secretaría de Medio Ambiente y Recursos Naturales* (SEMARNAT). This ten-year plan is aimed at addressing existing environmental and public health needs along the U.S.-Mexico border. BECC is helping advance the goals of the Border 2012 Program, by providing management support for the implementation of projects, as well as logistical support to regional workgroups.

In August 2012, EPA and SEMARNAT signed the agreement for Border 2020: U.S.-Mexico Environmental Program. The first request for proposals under the Border 2020 Program is expected to take place during the first quarter of 2013. BECC will continue to play an important role in implementing the new program.

As of September 30, 2012, EPA has authorized approximately US\$9.7 million in grant funding for BECC-managed special projects under the Border 2012 Program. These projects are related to monitoring and improving water, soil, air quality; scrap-tire management; environmental health education; and emergency preparedness and response. To date, a total of 208 projects have been processed under existing agreements between BECC and EPA Regions 6 and 9. Of these, 140 projects have been completed, 24 cancelled and 44 are under development.

In addition to Border 2012 activities, BECC is also managing the following studies currently in progress with special grants from EPA Region 6.

Project	Amount (US \$)
<b>Scrap tire initiatives</b>	
Clean Up Scrap Tire Program in Ojinaga, CHIH	\$7,193
Ciudad Juarez Scrap Tire Program in Ciudad Juarez, CHIH	6,133
<b>Household Hazardous Waste Management</b>	
Household Hazardous Waste Clean Up Program in Reynosa, TAMPS	20,000
Hazardous Waste Collection Program in Nuevo Laredo, TAMPS	20,000
<b>Sister City Planning Activities in Central US/Mexico Border:</b>	
Emergency Response and Preparedness Plans for Eagle Pass, TX/ Piedras Negras, COAH and Del Rio, TX/Ciudad Acuña, COAH	92,000
<b>TOTAL</b>	<b>\$145,272</b>

## NADB Financing

### Loan Program

Through this program the Bank provides direct financing in the form of loans for the construction of BECC-certified environmental projects. To date, NADB has contracted an estimated US\$855.4 million in loans with the sponsors of 67 environmental infrastructure projects, and approximately 83% of the contracted funds have been disbursed. Fourteen loans have since been repaid in full. A summary of the status of the Bank's loan portfolio at the end of the third quarter of 2012 is shown in the table below.

**NADB Loan Portfolio Statistics**  
**As of September 30, 2012**  
 (U.S. dollars)

Status	2012 Activity 9 months ending 09/30/12	Cumulative Since Inception
Loan funds contracted	\$188,003,781	\$855,397,385
Loan funds disbursed	107,814,653	713,009,096
Principal repayments	24,597,438	208,558,442
Principal outstanding		504,450,655

At the end of the quarter, there was an additional US\$436.7 million in loan commitments approved for six projects, for which financing agreements were in development.

To facilitate its financing of environmental infrastructure projects sponsored by public entities in Mexico, NADB established the multipurpose financial institution COFIDAN. To date, 47 Mexican loans totaling approximately US\$474.2 million have been contracted through COFIDAN.

### Border Environment Infrastructure Fund (BEIF)

Designed to make projects viable and affordable for border communities, this program administers grant resources provided by EPA for water and wastewater infrastructure projects. Since its inception in April 1997, EPA has allocated a total of US\$642.8 million in grant funds to NADB for project implementation.

A total of US\$573.2 million in BEIF grants has been contracted to support 96 water and wastewater projects in the United States and Mexico. Of that amount, US\$549.0 million has been disbursed for project implementation, which represents 96% of the funds contracted for projects. An additional US\$18.0 million has been approved for two projects, for which grant agreements are in development.

### Solid Waste Environmental Program (SWEP)

This program was created in 1999 to provide grant financing from the Bank's retained earnings for the implementation of municipal solid waste projects. In February 2011, the Board of Directors agreed to consolidate the Bank's grant financing activity funded with its retained earnings under a new grant program, thereby replacing and superseding the SWEP. Consequently, except for the Starr County project for which a SWEP grant application had already been accepted, the SWEP program has been discontinued and no new applications will be accepted.

<sup>1</sup> There are 90 certified projects with BEIF funding; however one of those projects (the Texas Plan) consists of seven individual projects with seven individual grants, for a total of 96 water and wastewater projects.

Through this program, NADB approved and contracted 16 SWEP grants totaling US\$9.88 million to help finance 17 certified projects. Of those funds, a total of US\$9.37 million has been disbursed for project implementation.

#### **Water Conservation Investment Fund (WCIF)**

In August 2002, the NADB Board of Directors approved the creation of a Water Conservation Investment Fund to provide grant financing for water conservation projects in the border region and allocated US\$80 million of the Bank's retained earnings for that purpose, with US\$40 million specifically reserved for each country. A total of US\$79.9 million of the funds allocated to this program have been committed to support 23 water conservation projects. Of those funds, US\$74 million have been disbursed to project sponsors.

#### **Community Assistance Program (CAP)**

In February 2011, Board approved the creation of the CAP program to provide grant financing from the Bank's retained earnings for the implementation of critical environmental infrastructure projects for sponsors with limited capacity to incur debt. CAP grants are available for public projects in all sectors eligible for NADB financing, with priority given to drinking water, wastewater and solid waste infrastructure. A total of US\$10.5 million in retained earnings has been allocated to this program.

In August 2012, eleven projects were selected to receive US\$3.77 million in CAP grants. Once the selected projects have met all certification and financing requirements, including public participation, they will be submitted to the Board of Directors for approval.

#### **Cumulative Financing Portfolio**

Altogether NADB is participating or has participated in 164 BECC-certified projects with US\$1.52 billion in loans and grants, of which 89% has been disbursed for project implementation. A breakdown of NADB financing by program and country is shown in the following table.

**NADB Financing as of September 30, 2012**  
(US\$ Millions)

	<b>Total</b>	<b>U.S.</b>	<b>Mexico</b>
Projects with NADB financing	164	76	88
Total project costs	\$3,792.8	\$1,355.5	\$2,437.3
<b>Total contracted</b>	<b>\$1,518.4</b>	<b>\$596.7</b>	<b>\$921.7</b>
Loans	\$855.4	\$267.0	\$588.4
BEIF	\$573.2	\$286.9	\$286.3
SWEP	\$9.9	\$2.9	\$7.0
WCIF	\$79.9	\$39.9	\$40.0
<b>Total disbursed</b>	<b>\$1,345.3</b>	<b>\$567.8</b>	<b>\$777.5</b>

## NADB Technical Assistance

### Technical Assistance Program (TAP)

This program provides assistance for studies related to the design and implementation of environmental infrastructure projects, as well as for capacity-building measures aimed at achieving the effective and efficient operation of public services. As of September 30, 2012, NADB had five studies in process (either under way, being bid or under final formulation). The total grant commitment for those studies was US\$774,500.

### Utility Management Institute (UMI)

This training program offers an annual series of seminars aimed at providing practical instruction in the financial administration and planning of water utilities. Recently, NADB has also been promoting the development of other types of environmental infrastructure projects with state and local officials through one-day seminars focused on areas such as energy efficiency in public lighting and air quality improvement through street paving. UMI began its 13<sup>th</sup> year of seminars in 2012.

In July, UMI initiated its regular program in San Antonio with 26 utility professionals from 13 communities on both sides of the border. The first two modules of the program were completed during the past quarter, and the third module is scheduled for October. In addition, UMI continued the regional program co-sponsored with EPCOR Water USA in Phoenix, AZ, by presenting the third module of the basic program in August, to 32 utility professionals from 11 communities in that state. The final module is scheduled to be presented in October.

Since its inception, training has been provided to a total of 2,080 utility professionals, representing 200 border communities in Mexico and the U.S., in either San Antonio or in local on-site modules. Of those participants, 870 have attended all four modules of the basic program, hence earning a certificate from the University of the Incarnate Word in San Antonio.

In September 2012, NADB completed a new program to train wastewater treatment plant operators in Mexican border communities. Funded by EPA and developed by the Latin American and Caribbean water center, *Centro del Agua para América Latina y el Caribe* (CDA) of the Monterrey Technological Institute (ITESM), the program was designed to provide both classroom and hands-on training in the adequate and efficient operation and maintenance of wastewater treatment plants to facilitate compliance with current effluent quality standards and was targeted to utilities that had received BEIF grants to construct or upgrade priority wastewater infrastructure. Over the course of five months, a total of 250 wastewater operators were trained in 14 Mexican water utilities along the border. Given the success of the program, NADB and CDA are discussing the possibility of repeating the program in the first quarter of 2013 at five other utilities that have wastewater treatment plants financed by NADB.





# INSTITUTIONAL OVERVIEW

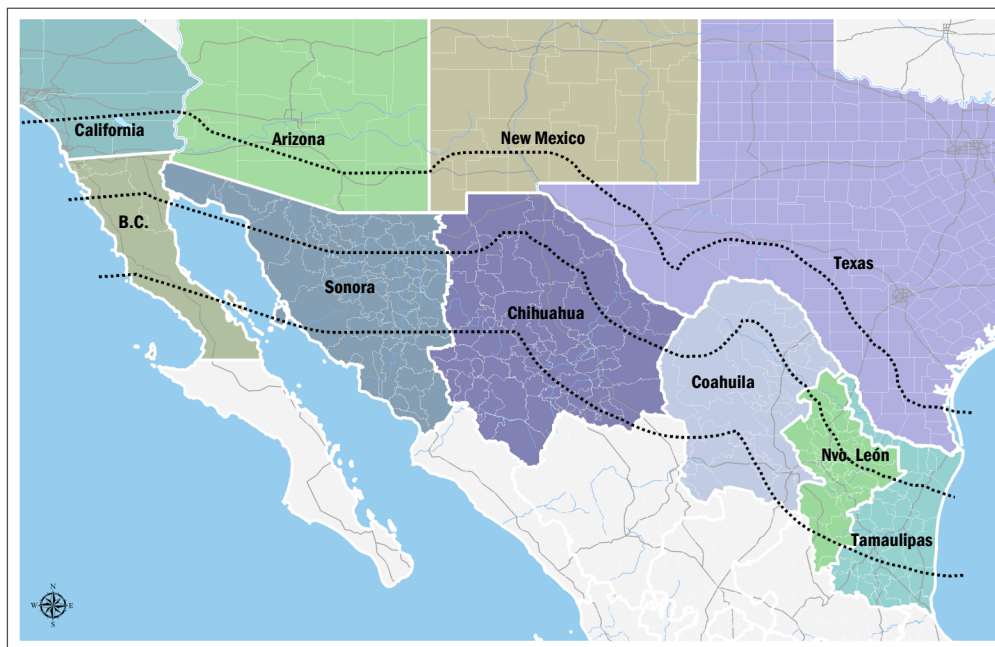
- ▶ Mission & roles
- ▶ Eligible sectors
- ▶ Jurisdiction
- ▶ Contact information

**BECC** and **NADB** were created by the governments of the United States and Mexico in a joint effort to preserve and promote the health and welfare of border residents and their environment. BECC, located in Ciudad Juárez, Chihuahua, and NADB, located in San Antonio, Texas, constitute an innovative, binational approach to environmental infrastructure development and financing in the U.S.-Mexico border region.

Within this partnership, the two institutions work as a team, with BECC focusing on the technical aspects of project development, while NADB concentrates on project financing and oversight for project implementation. Specifically, BECC is charged with verifying the technical viability and environmental/health impacts of projects through a certification process that ensures transparency and public participation. NADB assures the financial feasibility of the projects and provides funding to public and private entities for projects certified by BECC, through loan and grant programs designed to address different needs. Both entities offer various types of technical assistance to build institutional capacity and support the development and long-term sustainability of infrastructure projects.

## Jurisdiction

100 km north and 300 km south of the international boundary\*



\* Projects beyond these areas may be eligible if they remedy a cross-border environmental or health problem.

## Eligible Environmental Sectors

### Water:

Potable water supply, wastewater treatment and reuse, water conservation, storm drainage

### Waste management:

Sanitary landfills, collection & disposal equipment, dumpsite closure, recycling

### Air quality:

Street paving, bypasses, ports of entry, public transportation, methane capture, industrial emissions

### Cleaner/renewable energy:

Solar, wind, biogas, biofuels, hydroelectric, geothermal

### Energy efficiency:

Industrial equipment retrofits, public lighting & building upgrades

### Industrial/

### hazardous waste:

Treatment & disposal facilities, industrial site remediation

## More Information

BECC and NADB actively seek to keep the general public informed about their activities, programs and projects through brochures, quarterly status reports, and news releases, which are available upon request or via their respective websites. In addition, each institution publishes electronic newsletters via e-mail:

- ♦ *BECCnet*, a forum for open and interactive exchanges on issues related to BECC, NADB and the U.S.-Mexico border environment;
- ♦ *NADBank News*, for up-to-date information on all procurement opportunities for goods, services and works with NADB-financed projects;
- ♦ *BECC Bulletin*, for updates on BECC's most important activities as they occur; and
- ♦ *Connections*, for updates on Bank-assisted infrastructure and technical assistance projects, event announcements, and guidance on how to fully utilize the Bank's programs and resources.

To register to receive any of these electronic newsletters, visit our respective websites.

For more information on BECC and NADB programs and operations or to learn more about addressing key environmental concerns along the U.S. -Mexico border, contact us at:

### Border Environment Cooperation Commission

Tel. (877) 277-1703

Fax: (915) 975-8280

<http://www.becc.org>

### North American Development Bank

Tel. (210) 231-8000

Fax: (210) 231-6232

<http://www.nadb.org>