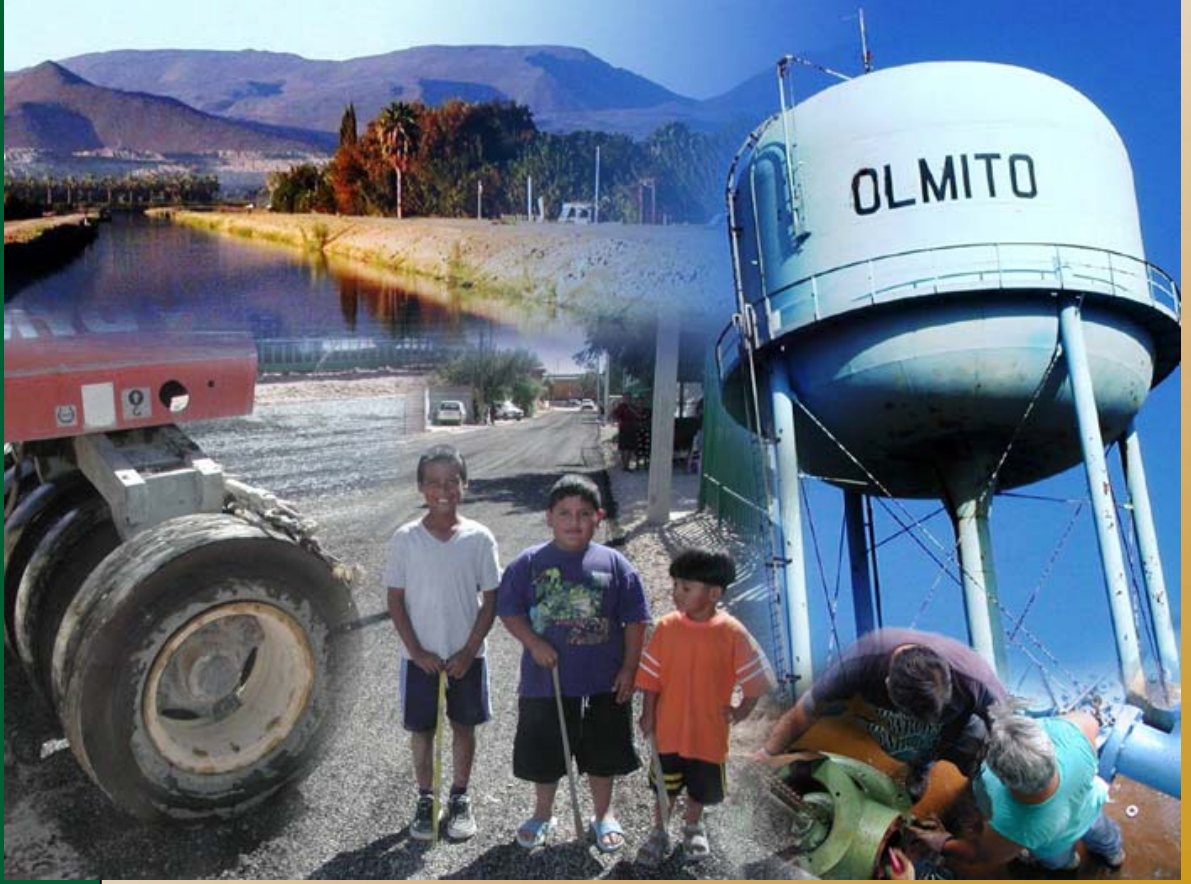


# JOINT STATUS REPORT

March 31, 2009



<b>EXECUTIVE SUMMARY</b>	2
<b>INTRODUCTION</b>	3
<b>ADDRESSING KEY ISSUES</b>	4
<b>PROGRAM DEVELOPMENT</b>	
BECC Programs	5
NADB Programs	9
<b>PROJECT DEVELOPMENT</b>	14

# EXECUTIVE SUMMARY

---

The Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) are working with more than 140 communities throughout the Mexico-U.S. border region to address their environmental infrastructure needs.

## Assistance Programs

- More than US\$36.10 million has been allocated by BECC's Technical Assistance Program to aid in the development of 290 environmental infrastructure projects related to water, sewage, and municipal waste in 149 communities on both sides of the U.S.-Mexico border.
- Through its technical assistance programs, the NADB has authorized US\$23.8 million in grant funding to carry out 231 institutional strengthening and project development studies for 119 border communities.

---

***Promoting  
sustainable  
development to  
build stronger and  
healthier border  
communities***

---

## Project Certification and Financing

- To date, the BECC has certified 152 environmental infrastructure projects which will cost an estimated US\$3.2 billion to build.
- Of the projects certified, 77 are located in the United States and 75 in Mexico.
- To date, NADB has contracted more than US\$920 million in loans and/or grant resources to support implementation of 122 of those projects.
- Of those funds, a total of US\$760.4 million have already been disbursed to support 108 projects.

# INTRODUCTION

---

*The Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) were created as part of the North American Free Trade Agreement (NAFTA). The BECC, located in Ciudad Juarez, Chihuahua, and the NADB, located in San Antonio, Texas, constitute a binational approach to environmental infrastructure development and financing in the U.S.-Mexico border region. Projects assisted by the BECC and the NADB focus on improving the environment and health of communities located within 100 kilometers (about 62 miles) north of the international boundary in the four U.S. states of Texas, New Mexico, Arizona and California and within 300 km. (about 186 miles) south of the border in the six Mexican states of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, Sonora, and Baja California.*

*In the fall of 2000, the BECC and the NADB Boards of Directors resolved to allow the two institutions to move forward with an expansion of their scope of activities to include other types of environmental projects, while maintaining water, wastewater, and municipal solid waste as a priority. The new sectors include, but are not limited to, air quality improvement, public transportation, clean and efficient energy, and municipal planning, development and water management.*

## Institutional Roles

### BECC

The primary roles of the BECC are to provide technical assistance to border communities and to certify environmental infrastructure projects in the border region for financing consideration by the NADB and other sources. Certification is based on a set of environmental, health, technical, financial, community participation and sustainable development criteria, through a process that ensures extensive public and local input. The BECC's technical assistance helps ensure technically sound and feasible projects, master plans, project design, environmental assessment and local institutional capacity-building.

### NADB

The NADB's primary role is to facilitate financing for the implementation of projects certified by the BECC. In its advisory role, the NADB provides financial and managerial guidance to communities that may require assistance with comprehensive, long-term infrastructure planning and development. As an investment banker, the NADB works to structure affordable and equitable financial packages by locating funding from both public and private sources. The NADB provides loans intended to fill financing gaps not covered by other sources, while its guaranties are designed to encourage financing from other lenders. To help make projects more affordable, the NADB also administers U.S. Environmental Protection Agency (EPA) grant resources as a complement to its loan and guaranty program.

# ADDRESSING KEY ISSUES

---

## Challenges

In carrying out their mission, the BECC and NADB face the following fundamental challenges on both sides of the border:

- Lack of comprehensive master plans and inadequate preparation of proposed projects.
- Limited financial, administrative, commercial and operating capabilities of some local agencies responsible for providing water, sewage and sanitation services.
- High cost of projects and insufficient community resources.
- Inadequate revenue for the sound operation and maintenance of existing systems, coupled with resistance to user fee increases.
- Insufficient interest and limited success with private sector participation.

## Strategies

The BECC and NADB seek to assist communities in addressing these challenges by pursuing a strategy with the following components to address the communities' specific needs in project development and finance:

- Ensuring broad community support for environmental infrastructure projects that meet the principles of sustainable development.
- Assisting in the improvement of the operating efficiency and capabilities of public utilities by strengthening their institutional capacity to formulate and execute projects effectively.
- Continuing to develop, in coordination with international, federal, state and local authorities and community sponsors, programs and projects that are adequately designed and financially feasible.
- Identifying additional sources of capital, credit, and grant funds; and structuring financial packages based on the reasonable capacity of communities to service debt and cover operation and maintenance costs.
- Promoting structural changes that are essential to the long-term success of projects, including proposals for reforming the legal and institutional frameworks in which they are developed.

The BECC and the NADB are participating in efforts for greater coordination among U.S. and Mexican agencies involved in environmental matters, in order to develop border projects as efficiently as possible. The two institutions co-chair a quarterly project coordinating committee with representation from EPA, the Mexican National Water Commission (CONAGUA), and both sections of the International Border and Water Commission (IBWC). The BECC and NADB also coordinate with authorities in affected states and localities. The expansion and strengthening of these coordination efforts are essential for the successful development of future projects.

# PROGRAM DEVELOPMENT

---

## BECC Programs

BECC's Technical Assistance Program provides assistance to border communities in planning and designing water supply, wastewater treatment, solid waste and other improvement projects along the U.S.-Mexico border. To date, the BECC has approved more than US\$36.10 million to assist 149 communities in the development of infrastructure projects.

### Objectives

This technical assistance is intended to help communities prepare project proposals for certification that allows them to become eligible for funding consideration from the NADB and other funding agencies. The program coordinates with all levels of government and local communities to foster integrated regional master planning, strong project development and local institutional capacity-building. Communities may receive technical assistance for:

- Environmental assessment studies (EAS)
- Technical, economic and financial feasibility studies
- Preliminary and final design studies
- Evaluation of social and sustainability aspects of projects
- Public participation programs
- Operation and maintenance programs
- Capacity building needs

### Programs

To be eligible for any of the following assistance programs, a project sponsor must demonstrate the intention of obtaining BECC certification for the proposed project and meet BECC basic criteria.

**A. Project Development Assistance Program (PDAP).** This program, funded by EPA, has been designed to assist communities in projects related to water and wastewater treatment. During the past three months, technical assistance funding was approved for the development of the following projects:

- Agua Prieta, SON: Analysis of alternatives for expansion the South sewer system and the wastewater treatment plant, as well as a transboundary environmental impact study for expansion of the South water distribution system;
- Nogales, SON: Transboundary environmental impact study for expansion of the water distribution system in the subdivision Luis Donaldo Colosio; and
- Matamoros, TAMPS: Final design for expansion of sewer system and construction of the West wastewater treatment plant.

Thus, through this program, the BECC has approved US\$31.2 million to assist 139 communities with 187 projects.

**B. 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\$4.89 million in BECC funds has been invested in various new sector projects, particularly water conservation and air quality improvement, as well as in the traditional sectors of water, wastewater and solid waste.

1. **Technical Assistance for Water and Wastewater Projects.** To date, the BECC has assisted with the development of 37 projects in 16 communities using US\$1.63 million of its own funds.
2. **Technical Assistance for Solid Waste Projects.** BECC helps develop projects dealing with all aspects of solid waste management, including waste collection, transfer, recycling and disposal. To date, BECC has assisted 46 communities with approximately US\$3.02 million for the development of 57 solid waste projects.
3. **Technical Assistance for New Sector Projects.** In December 2000 the BECC Board of Directors approved a proposal to allow the BECC to certify infrastructure projects in other environmental sectors, including water conservation, hazardous waste, air quality, clean energy, etc. BECC is providing technical assistance for the development of projects in these new sectors using its own resources. As of March 2009 a total of US\$233,500 has been approved for nine projects in seven communities.

The projects, communities and total funding provided through the PDAP program and with BECC's own resources are summarized in the table below.

Country	Communities*	Projects	Amount (US\$)	Percentage
Mexico	66	160	\$13,428,528	37%
United States	83	130	\$22,668,052	63%
<b>Total</b>	149	290	\$36,096,580	100%

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

Of the total amount of technical assistance used thus far by BECC, more than US\$20.2 million has been invested in the development of 105 projects that are now certified. To date, US\$15.9 million has been approved for the development of additional projects.

**C. Special Grants.** The administration of special grants begins with the planning or development of a strategy to meet a special need within BECC's mission. Follow-up is then provided for the use and administration of the grants until completion of the specific task for which the funds were requested. A total of US\$2.49 million has been approved as special grants for various projects.

**D. Public Participation.** One of the BECC's greatest successes is its public participation requirement. Public participation activities are required to ensure broad community support for projects that are being considered for certification. The establishment of active, local steering committees is a key element of this process that provides transparency and access to project information, the involvement of

local organizations in the decision-making process, and the presentation of projects in public forums for discussion.

During the last quarter, a citizen committee was installed for a wastewater project in Nueva Ciudad Guerrero, TAMPS. During the same period, BECC organized three public meetings for the following projects: a water project in Anthony, NM; a solid waste project in Nogales, SON; and a wastewater project in Tijuana, BC.

The following table summarizes the public participation activities undertaken by the BECC since its inception in 1995 through March 2009:

Public Participation	Mexico	U.S.	Total
Citizen committees formed	85	98	183
Public meetings held (required & others)	223	214	437

- E. Sustainable Development Program.** One of BECC’s main objectives is the practical application of the methodology of sustainable development aimed at conserving and protecting natural resources; using appropriate technologies, and promoting financial and socio-economic sustainability, community development and public participation, as well as building and strengthening institutional and human capacities. For this purpose, BECC has defined tangible and practical actions for meeting its sustainable development requirements that can be incorporated into the activities associated with satisfying all the other criteria, including 14 minimum performance indicators that must be met to comply with BECC’s project certification criteria. These requirements allow BECC staff to conduct a systematic review of projects at an early stage to identify technical components that can be enhanced to achieve a greater level of sustainability. A booklet for applying the sustainable development methodology, “How to Comply with the Sustainable Development Certification Criteria,” is available on BECC’s website, as well as upon request.
- F. State Inter-institutional Coordinating Committees Program.** The purpose of these committees is to coordinate the development of BECC projects and ensure effective use of available funds from the various agencies. These coordinating committees involve public agencies such as the EPA, CNA, USDA, U.S. Public Health Service, IBWC/CILA, state utility authorities, governors’ offices, state environmental agencies, municipal authorities, and local community steering committees. They have been established in Arizona, Baja California, California, Chihuahua, New Mexico, Sonora, Tamaulipas and Texas.
- G. BECC's Participation in the Border 2012 Program.** The 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. The main task to be undertaken by BECC is to help further the goals of the Border 2012 Program. The EPA-BECC partnership will help implement environmental projects and provide support to the workgroups.
- 1. Grant Administration.** In its ongoing partnership with the Border 2012 Program and through a cooperative agreement with EPA-Region 9, BECC is implementing more than 80 environmental projects, of which 31 have been

completed. A similar agreement was established with EPA-Region 6, through which 16 projects are about to be launched. Moreover, EPA Regions 9 and 6 will each initiate a Request for Proposals for projects within the Border 2012 framework in May and June 2009, respectively. As in prior processes BECC will participate in the selection and evaluation of the project proposals, as well as in the management and supervision of the selected projects.

Within this framework of cooperation with EPA-Region 6, BECC staff continues to work with a binational team of researchers and personnel from the National Health and Environmental Effects Research Laboratory and the Pan-American Health Organization (PAHO) on two complementary studies focused on the development and implementation of baseline environmental health indicators on the border: "Gastrointestinal Diseases and Their Causes and Effects in the Juarez Valley in Chihuahua, Mexico" and "Water and Sanitation Intervention Based on Education and Environmental Health Indicators in Rural Communities of the Juarez Valley in Mexico." For this purpose, BECC received \$55,000 to perform a needs assessment of environmental health conditions in the Juarez Valley, to which another \$100,000 was contributed by PAHO for complementary activities related to water and wastewater intervention.

With respect to the feasibility studies of methane capture and power generation projects in the landfills in Saltillo, COAH, and Nogales, SON, BECC has received the final reports and will formally deliver them to both communities in May 2009. The household hazardous waste reduction projects in three communities in Tamaulipas funded by a \$200,000 EPA grant are ongoing. In addition, BECC has submitted two projects proposals under EPA's Methane-to-Market Initiative, which, if approved, would provide approximately US\$200,000 towards their implementation.

Finally, BECC received a US\$25,000 grant to implement a technical training program for rural water utilities, and has received and is reviewing two proposals for implementing the program, which could begin in May 2009.

2. **Logistics.** During the past three months, BECC provided logistical support for the following meetings:
  - A meeting of the co-chairs and co-leaders of the Four-State Regional Workgroup (TX-COAH-NL-TAMPS) held on January 23, 2009, in San Antonio, TX; and
  - A meeting of the Rural NM-CHIH Task Force of the Three-State Regional Workgroup (TX-NM-CHIH) held on January 27, 2009, in Columbus, NM.

## NADB Programs

In order to accomplish its objectives and facilitate project financing, the NADB has developed the following programs and resources. Detailed information about NADB programs and other activities is also available via the NADB website, at [www.nadb.org](http://www.nadb.org).

### Financing Programs

**A. Loan Program.** Through this program the Bank provides direct financing in the form of loans for the construction of BECC-certified environmental projects. Eligible borrowers may qualify for the Bank's Low Interest Rate Lending Facility (LIRF), which offers loans at below-market rates.

During the past quarter the Bank signed two loan agreements totaling US\$50 million as follows:

- a peso loan estimated at US\$37.06 million was signed on January 30, 2009 with the City of Nuevo Laredo, Tamaulipas for its for the air quality and street paving project; and
- a peso loan estimated at US\$12.94 million was signed on February 12, 2009 with the private concessionaire, Cucapá S.A. de C.V., for an air quality improvement project to relocate the commercial port of entry between San Luis Rio Colorado, Sonora and San Luis, Arizona.

To date, NADB has contracted 48 loans totaling an estimated US\$294.34 million with the sponsors of 47 environmental infrastructure projects and 75% of the contracted funds have been disbursed. Six of those loans have since been repaid in full. A summary of the status of the Bank's loan portfolio as of March 31, 2009 is shown in the table below.

**NADB Loan Portfolio Statistics  
From Inception to March 31, 2009**

Status	Amount (US \$)
Loan funds contracted	\$294,341,226
Loan funds disbursed	\$221,096,638
Principal repayments	\$33,461,264
Principal outstanding	\$187,635,374

The Bank has an additional US\$40 million in loan commitments approved for five projects, for which loan agreements are in development.

**B. COFIDAN.** This multipurpose financial institution was established by NADB to facilitate its financing of environmental infrastructure projects sponsored by public entities in Mexico. To date, 36 loans totaling more than US\$220.34 million have been contracted through COFIDAN, including the loan for the air quality project in Nuevo Laredo, Tamaulipas.

**C. 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. BEIF grants may be applied directly to construction costs (construction assistance), including residential hookups and construction management, or to system debt, thereby allowing user fees to be increased gradually over time (transition assistance). Since its inception in April 1997, EPA has allocated a total of US\$611.86 million in grant funds to NADB for project implementation.

As of March 31, 2009, the Bank has a total of US\$539.51 million in BEIF grants contracted for 75 water and wastewater projects.<sup>1</sup> Of those funds, US\$461.33 million have been disbursed to project sponsors. An additional US\$4.38 million has been approved for three projects, for which grant agreements are in development.

**D. 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.

To date, a total of US\$79 million in WCIF grant funds has been contracted to support 22 water conservation projects. Of those funds, US\$72.56 million have been disbursed to project sponsors. In addition, the Bank has a grant for US\$989,832 approved for the river pump station project in Cameron County Irrigation District No. 6 in Texas, for which the grant agreement is in development. With the approval of this last grant, all the funds allocated to this program have been fully committed to projects.

**E. Solid Waste Environmental Program (SWEP).** Created in 1999 as a pilot program funded by retained earnings, this grant program provides financing for the construction and equipment components of solid waste projects, as well as for closure of disposal sites. In June 2006, the Board agreed to keep SWEP as a permanent program, subject to the availability of funds, and approved a set of revised guidelines which have been posted to the NADB website. Since its inception, a total of US\$13.5 million in retained earnings has been allocated to this program.

In March 2009, the Bank signed a financing agreement for a peso-denominated grant estimated at US\$121,160 for two sanitary landfill projects sponsored by the Nuevo Leon state agency, SIMEPRODE, to benefit the communities of Dr. Gonzalez and Los Herreras, Nuevo Leon. Consequently, to date, NADB has contracted 13 SWEP grants totaling US\$7.25 million, of which US\$5.42 million have been disbursed. In addition, the Bank has a grant for US\$1.54 million approved for the regional solid waste project in the Frontera Ribereña region of Tamaulipas, for which the grant agreement is in development.

---

<sup>1</sup> There are 69 certified projects with BEIF funding contracted; however one of those projects (the Texas Plan) consists of seven individual hookup projects with seven individual grants, for a total of 75 water and wastewater projects.

Specific information regarding the current status of all infrastructure projects financed by NADB can be found in the quarterly report entitled “Summary of Project Financing Activities,” which is available on its website, as well as upon request.

### **Technical Assistance & Training Programs**

NADB uses a portion of its retained earnings to offer technical assistance and training to project sponsors through three separate programs aimed at strengthening the financial performance of utilities and ensuring the long-term sustainability of their infrastructure. Each program targets a specific type of assistance: a) studies to identify, evaluate, and correct inefficiencies in utility systems; b) assistance for planning and designing infrastructure projects aimed at improving the systems; and c) training to reinforce the management capabilities of those responsible for running the systems.

- A. Institutional Development Cooperation Program (IDP).** Designed to work in conjunction with the BECC Technical Assistance Program, this program is intended to ensure long-term project viability by assisting communities with studies necessary for the proper management and development of utility systems. To date, NADB has authorized US\$16.95 million in assistance for a total of 185 studies in 81 communities on both sides of the border: 169 studies have been completed and 16 studies are in progress—either under way, being bid or under final formulation.

In addition, the NADB Board of Directors agreed to set aside US\$5 million from the Bank’s retained earnings to provide technical assistance for the development and implementation of water conservation projects in Mexico. These funds are being administered through the IDP program. At the end of the quarter, NADB had committed US\$4.98 million of those funds through the IDP to finance 23 studies.

- B. Project Development Program (PDP).** This program was created in August 2002 to assist communities in the planning and design of infrastructure projects in all environmental sectors in which the NADB operates. Grants from this program can be applied towards project development costs, such as needs assessments, feasibility studies, facility plans, environmental assessments, final designs, BECC-related documents or requirements, etc. To date, a total of 46 projects benefiting 65 communities have been authorized to receive US\$6.89 million in PDP funding: 20 studies have been completed and 26 are in progress or procurement.
- C. Utility Management Institute (UMI).** This IDP-funded training program offers an annual series of seminars aimed at providing practical instruction in the financial administration and planning of water utilities. The basic program is presented twice a year to U.S. and Mexican utility professionals at the University of the Incarnate Word in San Antonio, as well as on site to regional groups. In addition, the UMI offers ongoing educational opportunities to participants who have attended all four modules of the basic program through intensive seminars.

Since its inception, UMI has provided training to a total of 1,355 utility professionals, representing 168 different border communities in Mexico and the

U.S., who have participated in the basic program in San Antonio or in local on-site modules. Of those participants, 691 have attended all four modules, hence earning a certificate from the University of the Incarnate Word in San Antonio. UMI will begin its tenth year of seminars in January 2009. UMI began its tenth year of seminars in January 2009.

In March, the intensive seminar, "Quality Service in Border Water Utilities," was presented in Hermosillo, Sonora to 34 graduates of the basic program from that state. A second intensive seminar on how to plan and manage projects is scheduled to be held in Hermosillo in early June.

Specific information about projects funded through the IDP and PDP is reported in the Technical Assistance Status Report, which is available upon request, as well as via the Bank's website.

### **Publications**

As part of its technical assistance and training programs, NADB also develops and publishes informational manuals in its ongoing efforts to support project sponsors and utilities in the development of their projects, as well as enhance their financial and administrative capacities. The following manuals are currently available on the Bank's website:

- Manual for Drafters of Interlocal Agreements for Utilities and Other Services. Available only in English, this manual provides guidelines for determining the feasibility of regional facilities that serve two or more communities, as well as for negotiating and implementing the corresponding agreement based on U.S. laws.
- Mejores prácticas de Servicios de Agua y Drenaje de Monterrey (SADM). Available only in Spanish, this manual documents various successful practices in proper water management used by the Monterrey water utility, SADM, that can serve as a guide for solving problems commonly found in other communities and help improve operational and administrative practices.
- Análisis comparativo de costos y tarifas de agua potable entre organismos operadores de servicios de agua y drenaje en la frontera México-EUA. Available only in Spanish, this manual presents a comparative analysis of costs and rates using quantitative criteria to identify opportunities for improving the costs of water utilities located in the Mexican border states by correcting operational inefficiencies.
- Propuesta de estructura tarifaria de agua potable para los organismos operadores de los servicios de agua y drenaje en la frontera México-EUA. This document is a sequel to the comparative cost and rate analysis above and proposes a methodology for structuring more effective water rates for Mexican utilities in the border region. This manual is also only available in Spanish.
- Mejores prácticas de operaciones municipales de agua potable: Experiencias del Premio Gobierno y Gestión Local. This report presents various cases of good water management in urban areas of Mexico deriving from actions aimed at

strengthening the financial, operational and technical capacities of the utilities. Each experience illustrates the improvements that can be achieved with programs based on the principles of good management. This manual is also only available in Spanish.

### **Outreach Activities**

The NADB actively seeks to keep the general public informed about its activities, programs and projects through brochures, quarterly status reports, and news releases, which are available upon request or via its web page. In addition, the NADB publishes two electronic newsletters via e-mail:

- *Connections*, which provides updates on Bank-assisted infrastructure and technical assistance projects, event announcements, and guidance on how to fully utilize the Bank's programs and resources; and
- *NADBank News*, which provides up-to-date information on all project-related bidding and procurement opportunities.

If you would like to receive either of these newsletters via e-mail, please visit our website at [www.nadb.org](http://www.nadb.org) to register.

# PROJECT DEVELOPMENT

As an initial stage in project development, certification by the BECC is designed to verify the technical feasibility and environmental integrity of infrastructure projects seeking financial assistance from the NADB and other sources, as well as to ensure public support for such projects. As part of that process, BECC publishes a public notice of candidate projects that are ready for certification in order to provide an opportunity for public comment during a 30-day period.

On February 25, 2009, BECC published a certification notice for a solid waste project in Nogales, Sonora, that consists of the construction of a second landfill cell and a new transfer station, as well as the closure of the current cell and transfer station and complements a previous project for the purchase of equipment, which was funded by a US\$2.36 million NADB loan. With this new project the City will be able to improve and expand waste collection and disposal services, thus preventing illegal dumping and residential trash burning. The project sponsor has requested a SWEP rant from NADB. The public comment period ended on March 30, 2009.

No new projects were certified during the past quarter. As of March 31, 2009, BECC has certified a total of 152 projects, 77 in the U.S. and 75 in Mexico, which are estimated to cost a total of US\$3.2 billion to construct and will benefit an estimated 12 million border residents. The following table provides a breakdown of the certifications by project type.

**BECC Project Certifications  
as of March 31, 2009**

<b>Projects</b>	<b>Total</b>	<b>U.S.</b>	<b>Mexico</b>
Water and wastewater	90	47	43
Water conservation	25	24	1
Solid waste	21	5	16
Air Quality	14	0	14
Clean energy	2	1	1
<b>Total</b>	<b>152</b>	<b>77</b>	<b>75</b>

Of the 152 projects certified by BECC, the sponsors of 129 projects have requested and received funding approval from NADB. With the signing of three financing agreements for approximately \$50.1 million during the past quarter, the Bank has contracted a total of US\$920.1 million in loans and grants to support 122 projects, which represents 95% of all approved funding. Moreover, NADB disbursed almost US\$12.1 million over the past three months for a total of US\$760.4 million at the end of the quarter. Thus, 83% of all the contracted funds have been disbursed. A breakdown of the status of NADB funding by country is shown in the following table.

**NADB Financing as of March 31, 2009**  
(Millions of dollars)

	Total	U.S.	Mexico
Projects with financing	122	65	57
Total project costs	\$2,657.4	\$1,013.8	\$1,643.6
<b>Total financing contracted:</b>	<b>\$920.1</b>	<b>\$379.4</b>	<b>\$540.7</b>
Total loans	\$294.4	\$50.9	\$243.5
Total grants	\$625.7	\$328.5	\$297.2
<b>Total financing disbursed</b>	<b>\$760.4</b>	<b>\$311.9</b>	<b>\$448.5</b>

NADB has also approved US\$46.9 million in loans and grants for nine projects, for which funding agreements are in development.

Of the projects certified by the BECC to date, 67 have been completed, 59 are currently under construction or in various stages of completion, and 11 are in the design or bidding stage. Consequently, 82% of the projects certified by BECC are either under construction or have already been completed. The construction and financing status of all completed projects, as well as all active projects, as of March 31, 2009, are presented in the attached chart. For more detailed information on these and other projects, visit the BECC and NADB websites at [www.cocef.org](http://www.cocef.org) and [www.nadb.org](http://www.nadb.org).

## STATUS OF PROJECT IMPLEMENTATION

March 31, 2009

COMMUNITY/SPONSOR			BECC PROJECT CERTIFICATION			NADB FINANCING		
		Population Benefitted**	Type	Date	Total Cost	Loan	Grant	Status
<b>COMPLETED PROJECTS</b>								
1	Agua Prieta, SON	60,236	SW	9-Nov-96	1.91	0.45	-	Loan repaid in full
2	Agua Prieta, SON	78,236	AQ - street paving	17-Dec-02	17.00	3.63	-	Loan in amortization
3	Agua Prieta, SON	2,956	WW	30-Oct-07	0.65	-	0.23	BEIF grant disbursing
4	Alton, TX	6,000	WW	18-Jun-97	14.47	-	0.26	BEIF transition grant disbursing
5	Bard Water District, CA	-	WC	5-Dec-03	8.06	-	4.00	WCIF grant disbursing
6	Bisbee, AZ	6,096	WW	25-Sep-03	30.07	-	11.30	BEIF grant disbursing
7	Brawley, CA (1)	26,770	W	28-Sep-95	25.71	0.97	-	Loan repaid in full
8	Brawley, CA (2)	-	W / WW	30-Sep-99	13.76	-	6.39	BEIF grant disbursing
9	Brownsville ID, TX	-	WC	18-Jun-03	2.36	-	1.18	WCIF grant disbursed
10	Cameron ID No. 2, TX (canal)	-	WC	25-Sep-03	4.32	-	1.80	WCIF grant disbursed
11	Cameron ID No. 2, TX (pump)	-	WC	25-Sep-03	11.00	-	4.00	WCIF grant disbursed
12	China/Gen. Bravo, N.L.	17,300	SW	20-Jun-01	0.95	-	0.47	SWEP grant disbursing
13	Ciudad Acuña, COAH	113,194	WW	24-Mar-00	78.80	1.88	16.73	Loan in amortization; BEIF grant disbursing
14	Ciudad Juárez, CHIH	1,217,818	WW	30-Sep-97	31.49	4.61	12.18	Loan repaid in full; BEIF grant disbursed
15	Del Rio, TX	42,000	W	31-Mar-98	44.63	-	15.18	BEIF grant disbursed
16	Del Rio, TX	47,276	SW	18-Jun-03	1.16	-	0.27	SWEP grant disbursed
17	Desert Shores, CA	1,208	WW	26-Jun-02	1.20	0.50	0.19	Loan in amortization; BEIF grant disbursed
18	Doña Ana County, NM	9,140	WW	20-Jun-01	29.80	-	13.08	BEIF grant disbursing
19	Doña Ana County, NM	174,682	SW	18-Jun-03	3.14	1.51	1.00	Loan repaid in full; SWEP grant disbursed
20	Douglas, AZ (1)	-	W / WW	18-Jan-96	2.00	-	-	No assistance requested
21	El Paso, TX (NW)	90,000	WW	15-Nov-95	11.68	-	-	No assistance requested
22	El Paso, TX (EPISO)	900	WW	18-Jul-96	0.16	-	-	No assistance requested
23	El Paso, TX (JRWTP)	47,000	W	5-Dec-97	37.82	-	14.91	BEIF grant disbursed
24	El Paso, TX ( LVWD)	40,000	W/WW	24-Jun-98	100.35	-	11.02	BEIF grant disbursed
25	El Sásabe, SON	1,081	WW	27-Mar-01	0.94	-	0.47	BEIF grant disbursing
26	Elephant Butte ID, NM	-	WC	18-Jun-03	8.49	-	4.00	WCIF grant disbursed
27	Gadsden, AZ	888	WW	17-Dec-02	5.47	-	1.40	BEIF construction funds disbursed; transition funds to be disbursed
28	Harlingen ID, TX	-	WC	18-Jun-03	3.56	-	1.78	WCIF grant disbursed
29	Heber, CA (1)	3,400	WW	26-Mar-99	3.38	-	1.08	BEIF grant disbursed
30	Heber, CA (2)	-	W / WW	30-Sep-99	6.87	-	4.26	BEIF construction grant disbursed; transition grant disbursing
31	Hidalgo ID No. 1, TX	-	WC	18-Jun-03	5.78	-	2.89	WCIF grant disbursing
32	Hidalgo ID No. 2, TX (Lateral A)	-	WC	18-Jun-03	3.37	-	0.59	WCIF grant disbursed
33	Hidalgo ID No. 2, TX (Wisconsin Canal)	-	WC	18-Jun-03	1.67	-	0.60	WCIF grant disbursed
34	Hidalgo ID No. 2, TX (Unit I-18)	-	WC	30-Oct-07	1.88	-	0.91	WCIF grant disbursing
35	La Union, NM	1,003	WW	6-Dec-01	7.60	-	5.04	BEIF grant disbursing
36	Marathon, TX	660	W / WW	18-Jun-03	1.95	-	1.44	BEIF grant disbursing

**STATUS OF PROJECT IMPLEMENTATION**  
**March 31, 2009**

COMMUNITY/SPONSOR		BECC PROJECT CERTIFICATION			NADB FINANCING			
	Population Benefitted**	Type	Date	Total Cost	Loan	Grant	Status	
<b>COMPLETED PROJECTS</b>								
37	Matamoros, TAM (FINSA)	-	WW	18-Jan-96	1.10	-	-	No assistance requested
38	Matamoros, TAM	462,157	W / WW	19-Jun-03	76.60	10.06	33.00	Loan in amortization; BEIF grant disbursing
39	Mercedes, TX	15,500	W / WW	9-Nov-96	11.16	1.87	0.90	Loan repaid in full; BEIF grant disbursed
40	Mexicali, B.C.	658,185	WW	5-Dec-97	54.97	-	20.62	BEIF grant disbursed
41	Mexicali, B.C. (II)	-	WW	25-Sep-03	30.16	-	12.85	BEIF grant disbursing
42	Naco, SON	6,108	W / WW	30-Apr-96	2.07	0.15	0.94	Loan in amortization; BEIF grant disbursed
43	Naco, SON	-	SW	30-Jul-04	0.60	-	0.30	SWEP grant disbursed
44	Nogales, AZ (Potrero Well)	-	W	26-Jun-02	0.98	-	-	No assistance requested
45	Ojinaga, CHIH	24,307	SW	16-Oct-01	1.77	-	0.50	SWEP grant disbursing
46	Patagonia, AZ	881	WW	27-Jan-00	2.39	-	1.34	BEIF construction funds disbursed; transition funds disbursing
47	Puerto Palomas, CHIH	7,490	WW	7-Dec-00	5.18	-	1.86	BEIF grant disbursed
48	Puerto Peñasco, SON	33,115	SW	9-Nov-96	2.18	0.50	-	Loan repaid in full
49	Puerto Peñasco, SON	-	AQ - street paving	21-Jun-06	4.55	3.94	-	Loan in amortization
50	Raymondville, TX	10,774	W	16-Oct-01	7.71	-	4.77	BEIF construction grant disbursed; transition grant disbursing
51	Reynosa, TAM	-	AQ - street paving	16-Jul-08	60.35	-	-	Approved loan was not executed
52	Salem/Ogaz, NM	788	WW	20-Jun-01	3.00	-	0.99	BEIF construction grant disbursed; transition grant to be disbursed
53	San Diego, CA	1,200,000	WW	18-Jun-97	99.59	-	17.20	BEIF grant disbursed
54	San Luis Río Colorado, SON (1)	161,795	WW	22-Jun-00	16.74	7.42	5.93	Loan in amortization; BEIF grant disbursed
55	San Pablo, NM	900	WW	26-Jun-02	2.99	-	-	No assistance requested
56	Sanderson/Terrell County, TX	1,128	WW	24-Mar-00	3.64	-	0.35	BEIF transition funds disbursing
57	Santa Rosa, TX	4,400	W	25-Sep-02	9.72	-	3.20	BEIF grant disbursing
58	Seeley, CA	1,624	W / WW	5-Dec-03	2.19	-	-	No assistance requested
59	Somerton, AZ	3,200	W	14-Sep-00	3.44	-	1.07	BEIF grant disbursing
60	Tecate, B.C. (1)	82,794	W / WW	22-Jun-00	9.73	0.61	4.37	Loan in amortization; BEIF grant disbursed
61	Tijuana, B.C. (SAB)	1,310,000	WW	18-Jun-97	27.43	5.95	16.00	Both loans in amortization; BEIF grant disbursed
62	Tijuana, B.C. (SANA)	-	WW	16-Oct-01	42.01	5.10	18.01	Loan in amortization; BEIF grant disbursing
63	Tijuana, B.C.	-	SW	21-Jun-06	4.54	1.72	0.50	Loan disbursed; SWEP grant disbursing
64	Uvalde, TX	26,000	SW	20-Jun-01	3.42	-	0.50	SWEP grant disbursed
65	Valley MUD No. 2, TX	-	WC	5-Dec-03	2.48	-	1.10	WCIF grant disbursed
66	Westmorland, CA	2,300	WW	11-Aug-99	4.41	-	1.78	BEIF grant disbursed
67	Yuma County WUA, AZ	-	WC	25-Sep-03	6.16	-	3.01	WCIF grant disbursed
<b>COMPLETED PROJECTS TOTAL</b>		<b>5,884,267</b>			<b>1,026.69</b>	<b>50.87</b>	<b>289.74</b>	<b>340.61 Total NADB Financing</b>

## STATUS OF PROJECT IMPLEMENTATION

March 31, 2009

COMMUNITY/SPONSOR			BECC PROJECT CERTIFICATION			NADB FINANCING		
		Population Benefitted**	Type	Date	Total Cost	Loan	Grant	Status
<b>CURRENT PROJECTS</b>								
<b>UNDER CONSTRUCTION</b>								
1	Anapra, CHIH	24,000	WW	26-Oct-06	6.24	0.43	1.59	Loan in amortization; BEIF grant disbursing
2	Barreales/Juárez y Reforma, CHIH	1,969	WW	5-Dec-08	2.62	-	0.88	BEIF grant signed
3	Calexico, CA*	26,400	W	24-Jun-98	11.33	-	6.48	BEIF grant disbursed
4	Col. Esperanza, CHIH	1,230	WW	28-Sep-07	2.18	-	0.43	BEIF grant disbursing
5	Delicias, CHIH (Energía Láctea)	108,187	ENE - methane cap.	16-Jul-08	2.58	2.11	-	Loan approved
6	Delta Lake ID, TX	-	WC	25-Sep-03	7.12	-	3.56	WCIF grant disbursing
7	Donna, TX*	20,000	W / WW	24-Jun-98	21.62	-	2.61	BEIF grant disbursed
8	Douglas, AZ (2)	18,000	W / WW	20-Jun-01	8.47	-	3.71	BEIF grant disbursing
9 & 10	Dr. Gonzalez & Los Herreras, NL	4,969	SW	16-Dec-08	0.24	-	0.12	SWEP grant signed
11	Eagle Pass, TX*	45,878	W / WW	20-Mar-02	105.34	-	17.99	BEIF construction funds disbursed; transition funds disbursing
12	El Paso, TX (GAF)	-	ENE - biodiesel	4-Mar-08	26.65	19.99	-	Loan disbursing
13	El Porvenir, CHIH	2,740	WW	28-Sep-07	2.27	0.14	0.78	Loan in amortization; BEIF grant disbursing
14	Gila Gravity Canal, AZ	-	WC	19-Mar-04	1.76	-	0.83	WCIF grant disbursing
15	Guadalupe, CHIH	4,647	WW	30-Jul-07	3.40	0.27	0.84	Loan in amortization; BEIF grant disbursing
16	Hidalgo ID No. 6, TX	-	WC	25-Sep-03	3.00	-	1.50	WCIF grant disbursing
17	Hidalgo ID No. 16, TX	-	WC	19-Mar-04	3.52	-	1.38	WCIF grant signed
18	Imperial ID, CA (1)	-	WC	25-Sep-03	5.00	-	2.50	WCIF grant disbursing
19	Imperial ID, CA (2)	-	WC	16-Jul-08	2.52	-	1.26	WCIF grant signed
20	ID #005 Delicias, CHIH*	180,000	WC	17-Oct-02	143.60	-	39.99	WCIF grant disbursed
21	Jim Hogg County, TX*	5,281	SW	30-Jul-04	1.00	-	0.45	SWEP grant disbursing
22	La Feria, TX	6,115	WW	3-Apr-03	18.64	6.13	6.95	Loan in amortization; BEIF grant disbursing
23	Laredo, TX	3,725	W / WW	14-Sep-00	21.58	-	6.23	BEIF grant disbursing
24	Lordsburg, NM	3,379	W	27-Mar-07	2.00	-	0.70	BEIF grant disbursing
25	Matamoros/Vallehermoso, TAM*	524,350	SW	27-Mar-07	8.55	-	2.00	SWEP grant disbursing
26	Maverick County WCID No. 1, TX	-	WC	19-Mar-04	1.05	-	0.41	WCIF grant disbursing
27	Mexicali, B.C. (IV)	20,120	WW	30-Oct-07	46.96	18.95	-	Loan disbursed
28	Miguel Alemán, TAM	24,020	WW	30-Oct-07	6.47	-	1.54	BEIF grant disbursing
29	Monterrey, N.L.	3,592,474	WW	21-Jun-06	66.34	27.31	-	Loan disbursed
30	Nogales, AZ	21,574	WW	22-Jun-00	74.10	-	59.50	BEIF grant disbursing
31	Nogales, SON	190,057	W	18-Jan-96	27.01	8.98	8.69	Loan disbursed; BEIF grant disbursing
32	Nogales, SON	-	WW	30-Jul-04	11.09	-	5.55	BEIF grant disbursing
33	Nogales, SON	-	AQ - street paving	30-Jul-04	10.57	8.83	-	Loan in amortization
34	Nogales, SON*	-	SW	11-Dec-07	2.83	2.36	-	Loan disbursed
35	Nuevo Laredo, TAM	310,915	W / WW	30-Jul-04	57.70	5.43	20.00	Loan in amortization; BEIF grant disbursing
36	Nuevo Laredo, TAM	-	SD	21-Jun-06	44.32	22.16	-	Loan disbursing

## STATUS OF PROJECT IMPLEMENTATION

March 31, 2009

COMMUNITY/SPONSOR			BECC PROJECT CERTIFICATION			NADB FINANCING		
		Population Benefitted**	Type	Date	Total Cost	Loan	Grant	Status
<b>UNDER CONSTRUCTION</b>								
37	Ojinaga, CHIH	-	WW	25-Sep-02	5.28	1.04	2.12	Loan in amortization; BEIF grant disbursing
38	Patagonia, AZ	881	SW	11-Oct-07	0.66	-	0.33	SWEP grant disbursing
39	Pharr, TX	54,619	WW	27-Mar-07	44.00	16.00	19.00	1st loan tranche disbursed; BEIF grant disbursing
40	Piedras Negras, COAH	132,561	WW	24-Mar-00	56.82	2.45	8.40	Loan in amortization; BEIF grant disbursing
41	Playas de Rosarito, B.C.	25,552	W / WW	26-Oct-06	10.02	1.15	3.04	Loan disbursed; BEIF grant disbursing
42	Porfirio Parra, CHIH	1,294	WW	30-Jul-07	2.00	0.14	0.40	Loan in amortization; BEIF grant disbursing
43	Praxedis, CHIH	3,431	WW	28-Sep-07	4.28	0.28	0.55	Loan in amortization; BEIF grant disbursing
44	Reynosa, TAM	420,463	WW	31-Mar-98	83.40	8.00	33.50	Loan in amortization; BEIF grant disbursing
45	Reynosa, TAM (2)	-	AQ - street paving	16-Jul-08	143.93	-	-	Request for assistance withdrawn
46	Río Bravo/Nvo Progreso, TAM	93,603	W / WW	29-May-08	29.20	3.80	12.76	Loan and BEIF grant signed
47	Roma, TX	21,000	W / WW	30-Sep-99	34.18	-	5.57	BEIF grant disbursing
48	San Benito, TX	28,168	W / WW	25-Sep-02	32.44	8.00	17.91	Loan in amortization; BEIF grant disbursing
49	San Isidro, CHIH	2,295	W / WW	30-Jul-07	2.22	-	0.80	BEIF grant disbursing
50	San Luis R.C., SON*	161,795	SW	16-Oct-01	4.01	1.08	0.50	Loan in amortization; SWEP grant disbursed
51	San Luis R.C., SON (2)	-	WW	30-Jul-07	15.19	1.58	6.08	Loan disbursed; BEIF grant disbursing
52	Somerton, AZ	7,905	WW	18-Jun-03	7.88	-	3.97	BEIF grant disbursing
53	Sonoyta, SON	12,439	WW	16-Dec-08	2.61	-	0.81	BEIF grant approved
54	State of Baja California*	2,840,000	AQ - street paving	3-Apr-03	487.00	25.07	-	Loan in amortization
55	Tecate, B.C. (2)	8,951	W / WW	30-Oct-07	2.78	0.96	-	Loan disbursed
56	Texas Plan*							
	Combes*	2,692	W / WW	2-Dec-99	0.87	-	0.87	BEIF grant disbursing
	Del Rio*	2,025	W / WW	2-Dec-99	1.05	-	1.05	BEIF grant disbursed
	Donna	4,344	W / WW	2-Dec-99	1.73	-	1.73	BEIF grant disbursing
	Mercedera*	3,885	W / WW	2-Dec-99	0.91	-	0.91	BEIF grant disbursing
	Primera*	4,051	WW	2-Dec-99	1.03	-	1.03	BEIF grant disbursing
	San Benito*	636	W / WW	2-Dec-99	0.24	-	0.24	BEIF grant disbursed
	San Juan*	5,522	WW	2-Dec-99	1.59	-	1.59	BEIF grant disbursed
57 & 58	Tijuana, B.C. (Coastal & River Basin)	36,620	WW	16-Dec-08	10.38	2.41	3.57	Loan and two BEIF grants approved
59	Tornillo, TX	3,176	WW	25-Sep-02	21.77	2.30	5.68	1st loan tranche disbursed; BEIF grant disbursing
<b>IN BIDDING PROCESS</b>								
60	Fabens, TX	7,066	W / WW	20-Mar-02	12.00	-	6.10	BEIF grant signed
61	Naco, SON	6,108	AQ - street paving	30-Oct-07	0.91	0.51	-	Loan signed
62	Nuevo Laredo, TAM	120,000	AQ - street paving	16-Dec-08	47.49	37.06	-	Loan signed

**STATUS OF PROJECT IMPLEMENTATION**  
**March 31, 2009**

COMMUNITY/SPONSOR		BECC PROJECT CERTIFICATION				NADB FINANCING		
	Population Benefitted**	Type	Date	Total Cost	Loan	Grant	Status	
<b>UNDER DESIGN</b>								
63	Ascensión, CHIH	12,429	SW	17-Jan-08	0.62	-	0.31	SWEP grant signed
64	Cameron County ID No. 6, TX	-	WC	16-Dec-08	1.98	-	0.99	WCIF grant approved
65	Cd. Mier, TAM	6,539	W / WW	26-Nov-08	3.37	-	1.38	BEIF grant signed
66	Engelman ID No. 6, TX	-	WC	30-Oct-07	1.21	-	0.47	WCIF grant signed
67	Frontera Ribereña, TAM	67,035	SW	16-Dec-08	3.43	-	1.54	SWEP grant approved
68	Hidalgo/Cameron ID No. 9, TX	-	WC	19-Mar-04	2.50	-	1.25	WCIF grant signed
69	Playas de Rosarito, B.C.	80,000	AQ - street paving	30-Oct-07	40.91	29.14	-	Loan approved
70	San Luis RC, SON	180,886	AQ - port relocation	29-Oct-08	15.39	12.94	-	Loan signed
<b>CURRENT PROJECTS TOTAL</b>		<b>8,919,347</b>			<b>1,896.95</b>	<b>277.00</b>	<b>342.92</b>	<b>619.92 Total NADB Financing</b>
<b>CANCELLED PROJECTS</b>								
1	Reg. 5 Manantiales, COAH (Grupo Solar)	28,206	WW	22-Jun-00	20.98	6.52	-	Project cancelled for lack of funds; loan pending repayment
<b>TOTAL PROJECTS</b>		<b>12,100,494</b>			<b>\$2,944.62</b>	<b>\$334.39</b>	<b>\$632.66</b>	<b>\$967.05 Total NADB Financing</b>

**NOTES:**

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

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

AQ = Air Quality; ENE = Energy; ID = Irrigation District; MSD = Municipal Service District; SD = Storm Drainage; SW = Solid Waste; W = Water; WC = Water Conservation; WW = Wastewater  
 WCID = Water control & Improvement District; WUA= Water Users' Association

## CONTACT INFORMATION

---

For more information on BECC and NADB assistance programs, status and other reports and to learn more about addressing key environmental concerns along the United States-Mexico border, please contact us at:



### **Border Environment Cooperation Commission**

**P.O. Box 221648  
El Paso, TX 79913  
USA**

**Bldv. Tomás Fernández #8069  
Fracc. Los Parques  
Ciudad Juarez, Chihuahua  
MEXICO, C.P. 32470**

**Tel: 011 [52] (656) 688-4600  
Fax: 011 [52] (656) 625-6999**

**INTERNET  
<http://www.cocef.org>**



### **North American Development Bank**

**203 S. St. Mary's, Suite 300  
San Antonio, TX 78205**

**Tel: (210) 231-8000  
Fax: (210) 231-6232**

**INTERNET  
<http://www.nadb.org>**