



2014 ANNUAL REPORT

Border Environment Cooperation Commission



In 2014 the Border Environment Cooperation Commission (BECC) and its sister organization, the North American Development Bank (NADB), commemorated their 20th anniversary. Throughout the year, both organizations held several events to celebrate this milestone and highlight significant accomplishments.

Also during 2014, the BECC/NADB Board of Directors approved a resolution recommending the merger of NADB and BECC into a single institution, as a measure for enhancing the impact of their programs and services on border communities. The proposed integration would preserve the current mission, purposes and functions established by the Charter of both organizations, including their environmental mandate and geographic jurisdiction.

BECC is pleased to present its annual report for 2014. On this occasion, the report is limited to a brief summary of key accomplishments during the year, along with the audited financial statements for the year ended December 31, 2014.

While the report covers the period from January 1 to December 31, 2014 and reflects only the most relevant activities for that period, updated historical data on project certification and technical assistance is also provided for reference.

The BECC has implemented four pillars or programs through which it advances its mission: 1. Project Certification; 2. Technical Assistance; 3. Partnerships with Stakeholders; and 4. Institutional Capacity Building through Information and Training. There is a fifth, transversal program, entitled General Support and Performance Improvement. All activities conducted by the BECC fall under at least one of these programs.

The activities conducted by BECC during 2014 are described in greater detail in two additional publications available on its website (www.becc.org). These publications are titled “BECC-NADB 2014 Year in Review” and “BECC 2014 Year in Review”. The latter report describes the BECC’s Balanced Scorecard, which is the primary tool used by the organization to set objectives and measure institutional results. For 2014, 91% of the objectives established were met.

Certified Projects 2014

In 2014, BECC certified 16 environmental infrastructure projects, five in the U.S. and 11 in Mexico. Of these projects, 10 relate to water and wastewater services and are located in the communities of: Holtville, California; Palmview, Texas; San Luis Rio Colorado, Sonora; Piedras Negras, Coahuila; Tornillo, Texas; El Paso County, Texas; Anahuac, Nuevo Leon; and in Mexicali, Tecate and Tijuana Baja California. Four of the projects certified in 2014 relate to clean and efficient energy and are located in General Bravo, Nuevo Leon (two projects); Niland, California; and Llera de Canales, Tamaulipas. The basic urban infrastructure project certified is located in Monterrey, Nuevo Leon. Finally, the first border-wide public transportation project in Mexico was certified in 2014.

2014 Certified Projects	
Project	Population Benefitted
“Ventika & Ventika II” Wind Energy Projects in General Bravo, Nuevo Leon (two projects)	5,527
Wastewater Treatment Plant Improvements in Holtville, California	6,594
SunPeak Solar Park 2 in Niland, California	1,006
Agua SUD Wastewater Collection and Treatment (East) Palmview, Texas *	8,183
Expansion of the Wastewater Collection System in Avenidas “B” in San Luis Rio Colorado, Sonora	16,122
Wastewater System Rehabilitation Project in Piedras Negras, Coahuila	65,000
Border-Wide Public Transportation Improvement Program in Mexico	250,000
Tres Mesas Wind Energy Project in Llera de Canales, Tamaulipas	255,424
Arsenic Treatment and Wastewater Collection Project in Tornillo, Texas	3,500
Cotton Valley Wastewater Collection Project, El Paso County, Texas	288
Infrastructure Program for the State of Nuevo Leon: Basic Urban Infrastructure for Monterrey Metropolitan Area	112,000
Infrastructure Program for the State of Nuevo Leon: Modernization and Improvements to Don Martin Irrigation District 004 in Anahuac, Nuevo Leon	14,480
Rehabilitation of the Wastewater Collection System in Colonias Loma Linda and Esperanza in Mexicali, Baja California	2,230
Rehabilitation of Wastewater Collection Main Lines and Residential Wastewater Connections in Tijuana, Baja California	524,908
Expansion of Water and Wastewater Services to Unserved Areas of the Piedra Angular Colonia in Tecate, Baja California	644

* On February 27, 2015, AguaSUD informed BECC and NADB of their decision not to proceed with construction of the certified project. The utility is pursuing different options.

Certified Projects 1995 to date

As of December 31, 2014, the BECC has certified 243 environmental infrastructure projects-- 131 in Mexico and 112 in the United States -- with an estimated total cost of \$8.3 billion. Of these projects, 140 are related to water and wastewater services, 23 to municipal solid waste, 26 to water conservation, 26 to clean and efficient energy, 23 to air quality, four to basic urban infrastructure and one to public transportation.

Projects Results Measurement

BECC conducted a retrospective analysis aimed at measuring the impact of water and wastewater infrastructure in the Valle de Juarez region. This effort was partially funded by the Pan American Health Organization (PAHO), and by EPA through the Border 2012 Program. BECC presented the results of the assessment at the December 2014 Board meeting. The full report is available at www.becc.org.

The impact assessment effort conducted for the Valle de Juarez provided a solid methodology and indicators for BECC that will be used to measure the impact of investments for future projects. Similar efforts are expected to be conducted for projects in the state of Baja California and in Doña Ana County, New Mexico.



Certified Projects 1995 to date

US	# of Projects	Estimated Cost at Certification
California	26	\$1,220,000,000
Arizona	20	\$ 359,160,000
New Mexico	10	\$ 68,490,000
Texas	56	\$1,640,000,000

TOTAL 112 \$3.30 Billion

Mexico	# of Projects	Estimated Cost at Certification
Baja California	37	\$1,640,000,000
Sonora	30	\$647,330,000
Chihuahua	28	\$512,900,000
Coahuila	5	\$162,990,000
Nuevo Leon	10	\$871,680,000
Tamaulipas	21	\$1,250,000,000

TOTAL 131 \$5.02 Billion

Sector	US	Mexico	Total
Water & Wastewater	64	76	140
Solid Waste	6	17	23
Water Conservation	24	2	26
Air Quality	0	28	28
Clean & Efficient Energy	18	8	26
Total	112	131	243

Technical Assistance

BECC provides technical assistance resources through the EPA-funded Project Development Assistance Program (PDAP), and through a special technical assistance program funded with its own operating budget. Additionally, BECC manages EPA funds to support the development of strategic initiatives and specific projects linked to the objectives and goals of the Border 2020: U.S.-Mexico Environmental Program.

Technical Assistance 2014 In 2014, BECC approved \$2.04 million in technical assistance for 14 projects and initiatives in 20 border communities. Of this amount, \$1.68 million was provided through PDAP, while \$358,406 was granted by BECC to support studies related to water/wastewater, energy and climate change.

Technical Assistance 1995 to date

As of December 31, 2014 BECC has approved approximately \$46.13 million in technical assistance to support the development of projects in 166 communities. Of this amount, around \$39.39 million were PDAP funds and nearly \$6.74 million were granted through the BECC operating budget.

Of the technical assistance approved, approximately \$41.85 million relates to water and wastewater projects, \$2.99 million to solid waste projects and \$1.29 to projects in other sectors of activity. BECC also supports the development of special projects, with funds provided by EPA.

Technical Assistance			
	PDAP	BECC	Total
US			\$29,623,114.73
California	\$3,299,480.35	\$209,917.00	\$3,509,397.35
Arizona	\$6,002,802.86	\$316,387.94	\$6,319,190.80
New Mexico	\$4,520,547.20	\$147,705.74	4,668,252.94
Texas	\$13,915,646.24	\$1,210,627.40	\$15,126,273.64
Mexico			\$16,505,114.55
Baja California	\$1,812,220.1	\$994,327.27	\$2,806,547.42
Sonora	\$3,120,495.40	\$820,870.82	\$3,941,366.22
Chihuahua	\$2,250,031.37	\$1,101,632.47	\$3,351,663.84
Coahuila	\$852,446.76	\$553,150.15	\$1,405,596.91
Nuevo Leon	\$153,752.10	\$354,150.49	\$507,902.59
Tamaulipas	\$3,461,107.42	\$1,030,930.15	\$4,492,037.57
Total	\$39,388,529.85	\$6,739,699.43	\$46,128,299.28

Technical Assistance Border 2012/2020

During 2014 BECC awarded \$1.48 million for 29 projects developed under this binational program. As of December 31, 2014, EPA has authorized approximately \$11.1 million in grant funding for BECC-managed special projects under the U.S.-Mexico Border Environmental Program (Border 2012/2020) and other initiatives. To date, a total of 259 projects have been supported under the existing agreements between BECC and EPA Regions 6 and 9. Most of the projects are related to scrap-tire management, water, soil, air, environmental health and emergency preparedness and response. Additionally, BECC continued providing logistical support for various groups and committees of the Border 2020 program including through the support by Mexico's Ministry of Environment and Natural Resources (SEMARNAT). Below are the Border 2020 projects that were completed in 2014.

Region 6

(New Mexico, Texas, Chihuahua, Coahuila, Nuevo Leon, Tamaulipas)

Goal 1 Reduce Air Pollution

Examination of Risk to Groundwater from Onsite Wastewater Management Systems, Dona Ana County and Jeronimo, Municipio de Juarez

Energy Audit for Water Utility Operators in Matamoros, Tamaulipas

Energy Audit in Nuevo Laredo, Tamaulipas

Energy Audit for Water and Wastewater Utility in Reynosa, Tamaulipas

LRGV NPS Pollution Awareness - Sign Development and Installation Program, Kingsville, Texas

"Cease the Grease" South Texas FOG Abatement Workshop, Laredo, Texas

Training Emissions Diagnosis Program for Vehicles in Chihuahua, Chihuahua

Goal 2 Improve Access to Clean and Safe Water

Efficient Driving Training Program for Truck Drivers in Chihuahua, Chihuahua

Fostering Binational Environmental Sustainability in the NM/CHIH Border Region

NM DOH Binational Border Air Quality Study within Northwestern Chihuahua

Goal 3 Promote Materials Management and Waste Management and Clean Sites

Tire Amnesty Collection Events in El Paso County, Texas

Scrap Tire Collection Program, City of Pharr, Texas

Keeping Pharr Beautiful...Starts at Home, City of Pharr, Texas

Goal 4 Enhance Joint Preparedness for Environmental Response

Microbiologic and Chemical Risks Affecting Environmental and Human Health at the Valle de Juarez, Chihuahua

Healthy Homes Project, Las Cruces, New Mexico

Development of an Environmental/Epidemiological Database in Texas-Mexico Border, Hidalgo, Texas

Reducing Prenatal and Childhood Environmental Exposure Risks Among Hispanic Families in South Texas and North Tamaulipas

Goal 5 Enhance Compliance Assurance and Environmental Stewardship

U.S./Mexico Sister Cities Updating Emergency Response and Preparedness Plans for Eagle Pass/Piedras Negras and Del Rio/Ciudad Acuna

U.S./Mexico Sister Cities of Presidio, Texas and Ojinaga, Chihuahua Cross Border Contingency Plan Update

Region 9

(California, Arizona, Baja California, Sonora)

Goal 3 Promote Materials Management and Waste Management and Clean Sites

Community Outreach and Habitat Enhancement of the Tijuana River Watershed, Tijuana, Baja California

Stakeholder Collaboration & Capacity Building

Collaboration with other agencies

In 2014 BECC continued advancing several strategic partnerships it has established to identify support and funding for environmental initiatives and projects. The most important of these collaborative efforts involve the German Development Bank, KfW, the U.S. Agency for International Development (USAID) and the Inter-American Development Bank's Multilateral Investment Fund (IDB/MIF).

KfW Under the framework of the line of credit from KfW to NADB, BECC participates as the executing agency for accompanying measures related to technical assistance for program implementation, including tasks such as program marketing, climate screening of projects and results measurement, among others.

IDB/MIF BECC is also working with the IDB to develop a sustainable e-waste management and recycling system in Mexicali, Baja California. The three-year project consists of four components: 1) Environmental awareness and public education campaign; 2) training and certification of informal e-waste pickers and recyclers; 3) creation of a new e-waste system; and 4) knowledge management and dissemination.

USAID BECC continued with the "Municipal Water/Wastewater Utility Greenhouse Gas Reduction and Energy Management Program for the State of Baja California, Mexico," which seeks to identify projects that will allow for energy savings, reduction in energy costs and reduction of carbon emissions in the operation of the selected water and wastewater utilities. BECC, NADB and USAID began funding final designs needed to advance four projects that have been identified. USAID contributed funding from its Mexico Low Emissions Development Program (MLED) in order to match the funds approved by BECC for development of Phase 2 of the State Climate Action Plans (SCAP) for Baja California and Coahuila.

BECC Capacity Building

In 2014 BECC directly supported and organized several important events aimed at sharing information and strengthening the capacities of stakeholders working on environmental issues on the border. Most relevant among these events are the following:

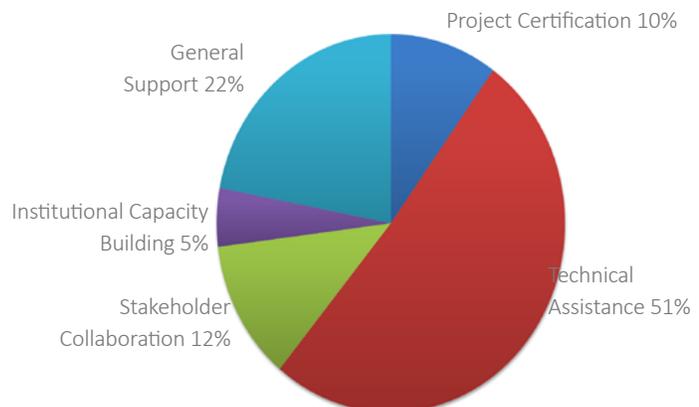
XXI Border Energy Forum For several years now, BECC and NADB have partnered with the Texas General Land Office to host the Border Energy Forum, an annual event designed to exchange ideas on energy trends and opportunities on the border. The 2014 forum was held in Monterrey, NL and had more than 300 participants including key speakers such as the U.S. Ambassador to Mexico and Mexico's Ministry of Energy Undersecretary of Planning and Energy Transition.

Border Green Infrastructure Forum In collaboration with NADB and supported by the U.S.-Mexico Border 2020 Program and Eco-El Paso, BECC held the first border-wide event on the concept of green infrastructure, which involves incorporating environmentally-friendly elements in to the development of urban infrastructure. The event was held in Ciudad Juarez, Chihuahua and convened more than 200 professionals involved with environmental and urban development issues.

SCAP Finally, during 2014 BECC continued collaborating with Mexican border states for development of State Climate Action Plans (SCAP). Specifically, BECC conducted workshops and initiated Phase 1 of the SCAP for Tamaulipas, concluded Phase 1 for Chihuahua and phase 2 for Baja California , and initiated Phase 2 for Chihuahua and Coahuila.

2014 Resource Allocation by Pillar

Following is a chart that shows financial resource allocation by institutional program, General Support.



ATTACHMENT

BECC Audited Financial Statements

December 31, 2014

BORDER ENVIRONMENT COOPERATION COMMISSION

Statements of Financial Position

December 31, 2014 and 2013

(U. S. dollars)

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,518,246	3,359,823
Recoverable value-added tax	33,519	39,679
Other accounts receivable	11,151	21,823
Prepaid expenses	9,912	7,930
Contributions receivable (note 4)	<u>4,742,245</u>	<u>-</u>
Total current assets	<u>8,315,073</u>	<u>3,429,255</u>
Non-current assets		
Contributions receivable (note 4)	7,111,562	15,497,970
Machinery, furniture and equipment, net (note 5)	155,545	161,013
Intangible assets (note 6)	<u>138,003</u>	<u>184,003</u>
Total assets	<u>\$ 15,720,183</u>	<u>19,272,241</u>
Liabilities and Fund Balance:		
Current liabilities:		
Accrued expenses (note 7)	\$ <u>445,527</u>	<u>246,706</u>
Total current liabilities	445,527	246,706
Employee benefits (note 8)	<u>19,721</u>	<u>19,721</u>
Total liabilities	<u>465,248</u>	<u>266,427</u>
Fund balance:		
Unrestricted fund balance (note 9)	<u>15,254,935</u>	<u>19,005,814</u>
Total fund balance	15,254,935	19,005,814
Commitment and contingent liability (note 10)	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 15,720,183</u>	<u>19,272,241</u>

See accompanying notes to financial statements