

# Financing Infrastructure Projects through the North American Development Bank (NADB) and Border Environment Cooperation Commission (BECC)

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# Brief Overview

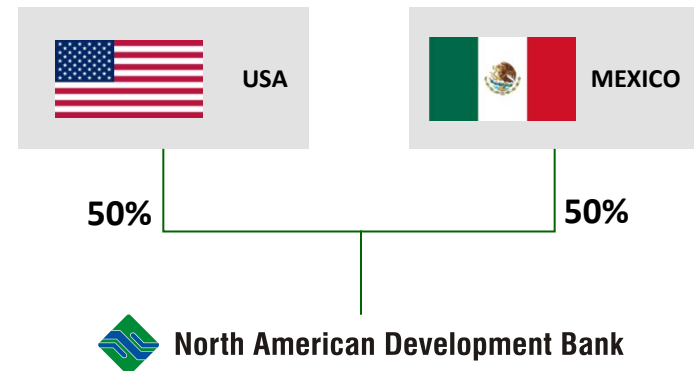


## Mandate

- Established in 1994 to develop and finance infrastructure projects that protect, preserve and enhance the environment and promote sustainable development along the U.S.-Mexico border.
- The Bank provides financing to projects located within 100 km north and 300 km south of the border that have been certified by the Border Environment Cooperation Commission (BECC).

## Ownership Structure

- NADB is 100% owned by the United States and Mexican Governments in equal shares.



## Each project financed by the NADB must receive an environmental certification from BECC, pertaining to the following criteria:

- **Environmental benefits.** The Project must remedy an environmental problem in the border region.
- **Health benefits.** The Project cannot detrimentally affect the health of the people or ecosystems of the region.
- **Technical feasibility.** The Project must utilize technically feasible equipment, processes, and systems.
- **Financially self-sustainable.** Each project must be financially self-sustaining as per the cash flow projections generated by the NADB during its due diligence process.
- **Contribution to sustainable development.** The Project must contribute to the sustainable development of the community where it is located and the larger region on a whole.

The BECC certification processes begins almost simultaneously with the NADB's review process and typically takes 8-16 weeks to complete.

# Brief Overview



## Product Portfolio

### Loans

- Market-rate lending
- Financing up to 85% of project cost with terms as long as 25 years in dollars and pesos
- Focus on financial feasibility of the projects (credit & risk analysis, payment source and structure, and credit support)

### Grant Administration

- Grants allow NADB to expand the pool of eligible borrowers in border municipalities where debt financing options are often limited
  - ✓ EPA-funded Border Environment Infrastructure Fund (BEIF)
  - ✓ NADB-funded Community Assistance Program (CAP)

### Technical Assistance and Training

- BECC and NADB technical assistance grants and training programs for project development and institutional strengthening of borrowers or potential borrowers

## Eligible Sectors

### Water, Wastewater & Storm Drainage

- Water supply, treatment and distribution
- Wastewater collection, treatment and reuse
- Water conservation
- Storm drainage

### Solid, Industrial & Hazardous Waste

- Sanitary landfills
- Collection & disposal equipment
- Dumpsite closure
- Recycling
- Site remediation
- Toxic waste disposal

### Air Quality

- Street paving and roadway improvements
- Ports of entry
- Public transportation
- Emissions reduction

### Clean/Renewable Energy

- Solar
- Wind
- Biofuels
- Methane capture
- Waste-to-energy
- Hydro
- Geothermal

### Energy Efficiency

- Public lighting
- Building retrofits
- Equipment replacement
- Water utilities

# EPA U.S.-Mexico Border Program

(Border Environment Infrastructure Fund (BEIF))



- **US\$647.7 million** in funds provided by EPA for projects since program inception; 89% has been allocated to certified projects to date
- **US\$597.3 million** in **contracted** BEIF grants for border water and wastewater projects
- **US\$565.2 million (95%)** has been **disbursed**
- Of the **103** projects financed with BEIF, **81** have been completed and are in operation\*
- **15 projects** are currently under development



# Community Assistance Program (CAP)



As of September 30, 2013

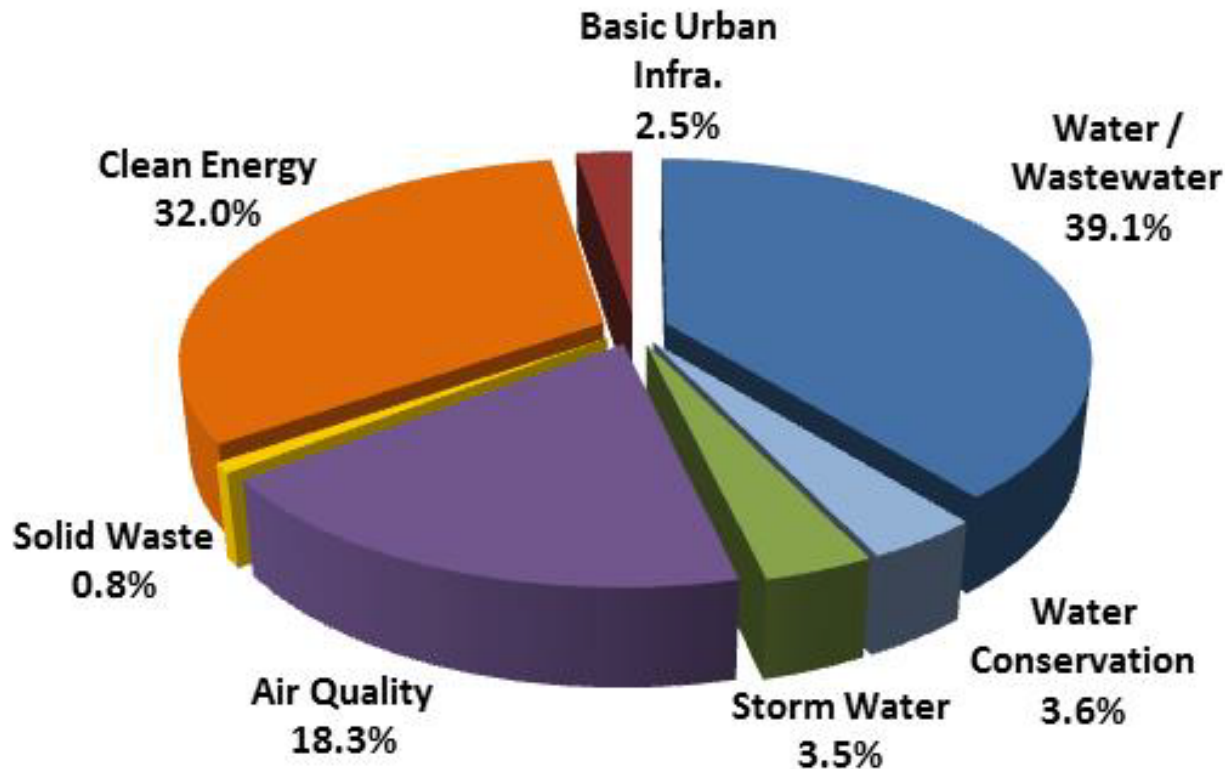
- Grant program funded from NADB's retained earnings for the implementation of critical environmental infrastructure projects in communities with limited capacity to incur debt.
- Launched in November 2011
- **5** projects certified with **US\$2.18 million** in CAP grants
- **3** projects with **US\$1.28 million** in CAP grants contracted:
  - ✓ Storm water project in Santiago, Nuevo Leon
  - ✓ Wastewater improvements in Brawley, CA
  - ✓ Water transmission line in San Luis, AZ

# NADB Cumulative Figures



As of September 30, 2013

- **US\$2.16 billion** contracted to support **184** projects representing a total investment of more than **US\$5.5 billion**
  - ✓ **US\$1.47 billion** in loans
  - ✓ **US\$0.69 billion** in grants



# Sample of NADB Approved Loans



El Paso PUWSB  
Paisano Valley Water  
Project



Project Size: USD 18 m  
Loan Amount: USD 15 m

Texas • 2009

San Luis Rio Colorado  
International Crossing



Project Size: USD 15 m  
Loan Amount: USD 10 m

Sonora • 2009

Nuevo Laredo Roadway  
Systems and Air Quality  
Improvement Program



Project Size: USD 45 m  
Loan Amount: USD 26 m

Tamaulipas • 2009

SunPeak Solar Energy



Loan Amount: USD 77 m

California • 2011

El Paso Storm Water



Project Size: USD 67.5 m  
Loan Amount: USD 53 m

Texas • 2009

Four Water Treatment  
Plants in Playas de Rosarito



Project Size: USD 7 m  
Loan Amount: USD 3 m

Baja California • 2009

Tijuana Comprehensive  
Road Rehabilitation Project



Project Size: USD 125 m  
Loan Amount: USD 108 m

Baja California • Ongoing

South-South Wastewater  
Treatment Plant  
Construction



Project Size: USD 39 m  
Loan Amount: USD 7 m

Chihuahua • Ongoing

Nuevo Laredo Air Quality  
and Street Paving Program



Project Size: USD 46 m  
Loan Amount: USD 36 m

Tamaulipas • 2009

Pharr Texas, WW



Project Size: USD 44 m  
Loan Amount: USD 10 m

Texas • 2007

Solid Waste Collection  
Equipment Procurement



Project Size: USD 5 m  
Loan Amount: USD 2 m

Baja California • 2008

Expansion of Tijuana River  
Basin Wastewater  
Collection System



Project Size: USD 10m  
Loan Amount: USD 3m

Baja California • 2008

Playas de Rosarito  
Metropolitan Road System



Project Size: USD 41 m  
Loan Amount: USD 17 m

Baja California • 2007

Mexicali Wastewater  
Collection & Treatment  
Plant



Project Size: USD 47 m  
Loan Amount: USD 20 m

Baja California • 2007

Naco Paving and Air  
Quality Improvement  
Program



Project Size: USD 910k  
Loan Amount: USD 417k

Sonora • 2007 **8**





## **North American Development Bank**

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