



NORTH AMERICAN DEVELOPMENT BANK TECHNICAL ASSISTANCE REPORT JUNE 2010

The North American Development Bank (NADB) uses a portion of its retained earnings to offer technical assistance and training to project sponsors for the purpose of strengthening their financial performance and ensuring the long-term sustainability of their infrastructure. This assistance is provided through two programs: the Technical Assistance Program (TAP) and the Utility Management Institute (UMI).

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. To date, NADB has authorized grant assistance for a total of 217 institutional strengthening and project development studies benefiting 116 border communities: 200 studies have been completed and 17 studies are in progress—either under way, being bid or under final formulation. The total committed amount of TAP funds for projects to date is \$22 million. A breakdown of all technical assistance by state is provided in the table. The status of the 17 studies in progress is provided in the attached chart.

Utility Management Institute (UMI). Established in March 1998, this 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, TX, as well as on site to regional groups. In addition, UMI offers ongoing educational opportunities to participants who have attended all four modules of the basic program through intensive seminars.

UMI began its 11th year of seminars in January 2010. Since its inception, UMI has provided training to a total of 1,540 utility professionals, representing 173 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

TECHNICAL ASSISTANCE BY STATE

As of June 30, 2010

(U.S. Dollars)

State	Communities Benefiting	Total Studies	Total Funding Committed
UNITED STATES			
Arizona	11	23	\$1,503,468
California	11	15	\$730,987
New Mexico	1	4	\$187,327
Texas	39	49	\$3,015,797
U.S. Subtotal	62	91	\$5,437,579
MEXICO			
Baja California	4	17	\$2,235,124
Chihuahua	7	22	\$2,099,473
Coahuila	7	7	\$954,595
Nuevo Leon	7	7	\$1,286,464
Sonora	15	32	\$2,625,451
Tamaulipas	14	17	\$3,142,170
Other*		21	\$4,134,933
Mexico Subtotal	54	123	\$16,478,210
TOTAL**	116	214	\$21,915,789

* This category consists of border-wide, agency and other non-state specific studies, including regional water conservation studies.

** Figures do not include 3 NADB studies totaling US\$95,004.

participants, 750 have attended all four modules of the basic program, hence earning a certificate from the University of the Incarnate Word in San Antonio.

In May a one-day intensive seminar entitled, "Air Quality and Paving Projects: Environmental Solutions," was presented in Monterrey, Nuevo Leon, to 38 participants from 15 different communities. The purpose of the seminar is to provide practical and proven financing structures for paving projects involving state and municipal governments, as well as the private sector and local residents, in order to promote initiatives for border communities to increase paving coverage and thus improve air quality in urban areas. To that end, the Bank gathered various environmental, technical, legal and financial specialists from different public and private organizations, including the Director of Air Quality of the Ministry of Environment and Natural Resources (SEMARNAT), as well as representatives from municipalities that have undertaken successful paving projects, such the Director of Public Works and Urban Development in Nuevo Laredo, Tamaulipas, and the Director of Finances of the Municipality of Tijuana, Baja California. The seminar is scheduled to be presented again in August 2010 for communities from Baja California, Chihuahua and Sonora.

In June the seminar on "Effective Organizational and Financial Management Tools for Strengthening Your Water Utility" was presented for the second time to a group in Arizona, with the collaboration of the Water Infrastructure Finance Authority (WIFA) and the Rural Water Infrastructure Committee (RWIC). Training was provided to 27 participants from 10 different communities. This seminar is a special condensed version of the key elements of the basic UMI program, focusing on fundamental financial tools and their effective use to create a solid financial basis for the sustainable operation and efficient management of water utilities; as well as on leadership skills in team building and change management to meet new trends and challenges in providing safe and reliable water and wastewater services. It is scheduled to be presented in El Paso, Texas, this coming November.

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 available on the Bank's website (www.nadb.org):

- *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.
- *Local and Financial Aspects of Urban Water Management for Six Cities at the U.S.-Mexico Border.* This study examines and compares local, financial and quality management of the water utilities in three pairs of sister cities along the Texas border with Mexico: Del Río and Ciudad Acuña, Coahuila; Laredo and Nuevo Laredo, Tamaulipas; and McAllen and Reynosa, Tamaulipas. This report is available in both Spanish and English.
- *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.
- *Indicadores de desempeño y el enfoque empresarial para una mejor gestión de los organismos de agua: El caso de Saltillo.* This study, which is available only in Spanish, examines the local, national and international indicators used in evaluating the performance and objectives of water utilities, and offers a recommendation for a system of indicators for water utilities in Mexico

**NORTH AMERICAN DEVELOPMENT BANK
TECHNICAL ASSISTANCE PROGRAM
JUNE 30, 2010**

COMMUNITY	PROJECT NO.	AUTH DATE	TYPE*	ACTIVITY	STATUS		
					IN BIDDING	IN PROGRESS	COMPLETED

MEXICO

BORDER

Comisión Nacional del Agua (CONAGUA)	IDP-2090908	Sep-08	WC	Update of the hydrogeological study of the Tijuana Aquifer	X		
	IDP-2100908	Sep-08	WC	Study to transfer water usage rights from clean water to treated wastewater in the Juarez Valley	X		
Subtotal Border					2	0	0

CHIHUAHUA

Ascensión	TAP - 010909	Sep-09	SW	Management support for solid waste project		X	
Subtotal Chihuahua					0	1	0

COAHUILA

Comisión Estatal de Aguas y Saneamiento	PDP-561008	Oct-08	WW	Preliminary designs for 4 wastewater treatment plants and final designs for several lift stations	X		
Subtotal Coahuila					1	0	0

NUEVO LEON

García	PDP-590209	Feb-09	AQ	Final design of paving works	X		
Monterrey	PDP-230905	Sep-05	WW	User registry study of commercial and industrial wastewater hookups		X	
	PDP-301005	Oct-05	ENE	Energy efficiency project development and financial study	X		
Subtotal Nuevo Leon					2	1	0

SONORA

Naco	IDP-2040208	Feb-08	AQ	Administrative capacity study of the municipality		X	
Nogales	PDP-420607	Jun-07	WW	Final designs of wastewater treatment plant	X		
Subtotal Sonora					1	1	0

COMMUNITY	PROJECT NO.	AUTH DATE	TYPE*	ACTIVITY	STATUS		
					IN BIDDING	IN PROGRESS	COMPLETED

TAMAULIPAS

Matamoros	IDP-2111008	Oct-08	AQ	Credit rating for the city		X	
	PDP-580209	Feb-09	W	Preliminary design for expansion of water and sewer systems and rehabilitation of the water treatment plant No. 2	X		
State of Tamaulipas	PDP-460807	Aug-07	W	Preliminary design and financial feasibility of the Falcón-Matamoros Aqueduct	X		

Subtotal Tamaulipas					2	1	0
----------------------------	--	--	--	--	----------	----------	----------

TOTAL MEXICO					8	4	0
---------------------	--	--	--	--	----------	----------	----------

UNITED STATES

ARIZONA

Santa Cruz County	PDP-600209	Feb-09	ENE	Landfill gas-to-energy project development	X		
-------------------	------------	--------	-----	--------------------------------------------	---	--	--

Subtotal Arizona					1	0	0
-------------------------	--	--	--	--	----------	----------	----------

TEXAS

Del Rio	IDP-2060208	Feb-08	W, WW	Water system modeling, leak study and water/wastewater rate study		X	
Eagle Pass	PDP-390607	Jun-07	WW	Damage evaluation of sewer system, inventory and cost analysis		X	
La Feria	IDP-1741204	Dec-04	W, WW	Billing and collection study		X	
Uvalde County	PDP-551008	Oct-08	SW	Final designs for two regional transfer stations	X		

Subtotal Texas					1	3	0
-----------------------	--	--	--	--	----------	----------	----------

TOTAL UNITED STATES					2	3	0
----------------------------	--	--	--	--	----------	----------	----------

TOTAL TA PROJECTS					10	7	0
--------------------------	--	--	--	--	-----------	----------	----------

*AQ = Air quality ENE = Clean energy SD = Storm drainage SW = Solid waste W = Water WC = Water conservation WW = Wastewater