

# BORDER ENVIRONMENT COOPERATION COMMISSION

## *Resource Summary*

(\$ in thousands)

| Appropriations       | FY 2012<br>Actual | FY 2013<br>CR <sup>(1)</sup> | FY 2014<br>Request | Increase/Decrease<br>From FY2012 |
|----------------------|-------------------|------------------------------|--------------------|----------------------------------|
| Positions - Enduring | 0                 | 0                            | 0                  | 0                                |
| Enduring Funds       | 2,396             | 2,411                        | 2,386              | (10)                             |

(1) The FY 2013 CR is based on the annualized continuing resolution calculation for FY 2013 (P.L. 112-175).

### *Program Description*

The Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) are international organizations created by the Governments of the United States and Mexico under a side agreement to the North American Free Trade Agreement (NAFTA), in order to help address the environmental infrastructure needs in the border region between both countries. The *“Agreement between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank”* (the BECC/NADB Charter), was executed in 1993 and amended through Protocol of Amendment signed on November 25 and 26, 2002, which entered into effect on August 6, 2004. The BECC is located in Ciudad Juarez, Chihuahua, Mexico.

The mission of the BECC is to work to preserve, protect, and enhance human health and the environment of the U.S.–Mexico border region, by strengthening cooperation among interested parties and supporting sustainable projects through a transparent bi-national process in close coordination with the NADB, federal, state, local agencies, the private sector, and civil society. BECC was created to assist border communities in developing environmental infrastructure projects to meet certification requirements to be eligible to receive funding from the NADB, or other institutions. In 2012, the projects certified by the BECC will provide improved environmental and health benefits to over five million people along the Mexico - U.S. Border, including communities in Texas, Arizona, California, and New Mexico.

In order to carry out its purpose, the BECC/NADB Charter grants the BECC the following functions:

- With their concurrence, assist states and localities and other public entities and private investors in: coordinating, preparing, developing, implementing, and overseeing environmental infrastructure projects in the border region, including the design, selection of locations for projects based on technical considerations, and other technical aspects; analyzing the financial feasibility or the environmental aspects of the environmental infrastructure projects; evaluating social and economic benefits of the projects; and organizing, developing, and arranging public and private financing for environmental infrastructure projects in the border region; and
- Certify, by a decision of its Board of Directors, environmental infrastructure projects in the border region to be submitted for financing to the NADB, or to other sources of financing that request such certification.

The BECC/NADB Charter defines an environmental infrastructure project as a project that will “prevent, control or reduce environmental pollutants or contaminants, improve the drinking water supply, or protect flora and fauna so as to improve human health, promote sustainable development, or contribute to a higher quality of life.” Based on this definition, BECC and NADB can respectively certify and finance all types of environmental infrastructure, although the Charter requires that preference be maintained for the following sectors: water pollution, wastewater treatment, water conservation, municipal solid waste,

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and related matters. The term “related matters” has been defined to include domestic hook-ups to water and wastewater systems, industrial and hazardous waste, and recycling and waste reduction. Other specific sectors eligible for BECC and NADB support include: air quality, clean and efficient energy, public transportation, municipal planning and development, energy transmission or distribution, renewable energy generation, international border crossings, production of goods and services designed to enhance or protect the environment, if the project also provides a net environmental benefit to the border region, and other infrastructure designed to minimize future negative environmental impacts in the border.

The work of BECC continues to support the Department of State’s strategic goals of promoting effective and accountable democratic governance, respect for human rights, and sustainable economic growth, through three of BECC’s programs or pillars: “Technical Assistance through Grants or Technical Expertise”, “Collaboration with other Stakeholders”, and “Institutional Capacity Building through Information and Training.” In order to set performance goals for the institution, an administrative tool called “Balanced Scorecard” (BSC) is used by BECC to monitor the fulfillment of strategic objectives, expenses, costs, productivity, customer satisfaction, internal processes, employee motivation, and training. The BECC’s BSC currently contains 12 strategic objectives and 63 performance indicators. In addition, the objectives of the BECC Quality Management System are also aligned with the objectives and indicators of the BSC. A new indicator has been added to measure the population benefitting each year from BECC-certified projects related to water and waste water treatment, solid waste management, air quality, water conservation, clean energy, and energy conservation that provide a significant impact in the border region.

BECC’s work is organized into four specific pillars or programs, and one transversal support program:

### **Project Certification**

The primary purpose of the BECC is to support border communities and organizations to identify, develop, and achieve BECC certification for the purpose of accessing NADB funding to implement environmental infrastructure projects, in order to improve human health, promote sustainable development, and contribute to enhancing the quality of life in the border region.

### **Technical Assistance through Grants or Technical Expertise**

The purpose of the Technical Assistance Program is to provide technical services through grants or technical expertise that will promote the development of high quality environmental infrastructure projects and initiatives which could access NADB funding, the Environmental Program Agency’s Border 2012 Program or other special grants.

### **Collaboration with other Stakeholders**

Promote institutional relationships with Border stakeholders, including federal, state and local agencies, international organizations, academia, private sector and civil society, for the purpose of strengthening collaboration efforts that will support the BECC mandate. This activity is achieved through participation in forums, state and local initiatives, project/program coordination, consistent information exchange, and strategy development.

### **Institutional Capacity Building through Information and Training**

Strengthen institutional capacities by generating information and providing training. The information generated through strategic studies is intended to identify needs, project opportunities, and improve the effectiveness of infrastructure program investments that could be supported by BECC and NADB. Capacity building is related to technical training needed to enhance sustainability of projects and address emerging issues.

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## General Support and Performance Improvement Program

The purpose of this program is to facilitate the work conducted under all pillars described above. It includes the support provided by the Administrative Area and other support areas for activities such as: information resources with a compatible and standardized system; a results-based budget; education and training focused on BECC's programs or pillars, and administrative savings in general. It also includes other support and services such as accounting and budgetary control, human resources, building management, coordination, and general administration.

## Performance

A healthy population living within a healthy environment is an imperative part of sustainable economic development. As more people benefit from BECC-certified projects, more people will come to enjoy a higher quality of life.

| <b>Strategic Goal 3: Expand and sustain the ranks of prosperous, stable and democratic states by promoting effective, accountable, democratic governance; respect for human rights; sustainable, broad-based economic growth; and well-being</b> |                |  |                |                |                |   |                        |                |
|--|----------------|--|----------------|----------------|----------------|---|------------------------|----------------|
| <b>Strategic Priority</b>  |                | Environment/Climate Change   |                |                |                |   |                        |                |
| <b>Active Performance Indicator</b>  |                | NEW APP INDICATOR: Population (counted as number of people) benefitting each year from BECC-certified projects related to water and waste water treatment, solid waste management, air quality, water conservation, clean energy, and energy conservation.   |                |                |                |   |                        |                |
| <b>Prior Year Results and Ratings</b>  |                |  |                |                | <b>FY 2012</b> |   | <b>Planned Targets</b> |                |
| <b>FY 2007</b>   | <b>FY 2008</b> | <b>FY 2009</b>   | <b>FY 2010</b> | <b>FY 2011</b> | <b>Target</b>  | <b>Result and Rating</b>                      | <b>FY 2013</b>         | <b>FY 2014</b> |
| N/A  | N/A            | N/A  | N/A            | N/A            | Baseline       | 5.070 million<br><br>New Indicator, No Rating | 2.6 million            | 2.6 million    |
| <b>Impact</b>  |                | Baseline; N/A  |                |                |                |   |                        |                |
| <b>Methodology</b>   |                | Project applications include a sponsor-calculated estimate of the benefited population, which can fluctuate annually due to the type and quality of projects, and the city and sector covered. BECC reviews this estimate and adjusts it in accordance with technical design, project sector and defined outcomes. The Certification Proposal submitted to the BECC/NADB Board includes the official estimate on benefited population. |                |                |                |   |                        |                |
| <b>Data Source and Quality</b>   |                | Certification document process. The DQA reveals no significant data quality limitations.   |                |                |                |   |                        |                |

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### *Justification of Request*

For FY 2014, the BECC Request is a total of \$2.4 million for its operating budget. The request reflects a decrease of \$10,000 below the FY 2012 Actual level. This level of funding will allow the BECC to continue supporting the Department of State in achieving its strategic goal of improving health and environmental conditions in the U.S. – Mexico border region.

### *Funds by Object Class*

(\$ in thousands)

| Border Environment Cooperation Commission<br>(BECC) | FY 2012<br>Actual | FY 2013<br>CR | FY 2014<br>Request | Increase/Decrease<br>From FY2012 |
|---|-------------------|---------------|--------------------|----------------------------------|
| 1100 Personnel Compensation                         | 1,204             | 1,325         | 1,367              | 163                              |
| 1200 Personnel Benefits                             | 301               | 379           | 345                | 44                               |
| 2100 Travel & Trans of Persons                      | 75                | 119           | 101                | 26                               |
| 2300 Rents, Comm & Utilities                        | 171               | 110           | 94                 | (77)                             |
| 2500 Other Services                                 | 559               | 386           | 397                | (162)                            |
| 2600 Supplies and Materials                         | 86                | 92            | 82                 | (4)                              |
| <b>Total</b>  | <b>2,396</b>      | <b>2,411</b>  | <b>2,386</b>       | <b>(10)</b>                      |