

## ENFORCEMENT

Wastewater enforcement has been organized on a geographical basis. Plants located in zone one priority areas for wastewater treatment should be required to implement wastewater solutions before similar factories found in zone 2, 3, or 4. Nevertheless, enforcement to date has been piecemeal. Many companies operating within municipal jurisdiction are enforced by the CNA or PFFA. Additionally, some companies report that they are being enforced by SEDESOL, SARH, and municipal governments. This demonstrates a lack of organization among enforcement agencies.

28% of companies interviewed for this report indicated that they do not pay any taxes on their wastewater discharges. By the same token, 69% of companies admitted that they are not currently complying with discharge norms. Alarming, this situation is equally prevalent among companies that discharge high volumes of toxic material.

Most companies see this situation changing rapidly. Environmental enforcement is expected to become significantly more stringent within the next year. As local government improves its enforcement systems individual municipalities will assume greater responsibility for water administration. At that point, CNA and PFFA should refocus their enforcement activities, as defined under federal law. This increased enforcement will encourage additional wastewater equipment sales.

### Key Initiatives

Several initiatives by both government and industry reflect the renewed focus on wastewater treatment in Mexico. These include:

#### Movement to Industrial Parks

Due to general water shortages and high pollution levels in many industrial areas, water costs are rising rapidly. Companies often find it too expensive to operate plants within these areas, and are being forced to relocate. In some cases, heavily polluting industries are ordered to move out of the city by government authorities. Consequently, industrial parks have increased in importance. Many such parks provide wastewater treatment to companies as a pay per use service. Three interesting implications arise from this trend: industrial parks may be a potential client for Canadian wastewater vendors. Such customers will require larger capacity systems

### Industrial Parks Provide Opportunities

*\$US 2.7 billion will be spent over the next fifteen years on the development of an industrial park in San Luis Río Colorado, Sonora.*

*The development consortium is controlled by Canadian, U.S., and German investors, and headed by the Matthews Group, of Ontario. Industrial parks of this nature may provide Canadian wastewater goods and service providers with interesting opportunities.*

in order to serve park industries; because wastewater services are offered in industrial parks, companies with low pollution discharges are unlikely to require additional treatment equipment; and treatment services at industrial parks are normally offered on a pay-per-use basis, and heavy polluters may find it less expensive to invest in their own technology.

### State/Industry Initiatives

Many companies located in polluted areas do not have the space or resources for water treatment plants. As a result, there are several examples where state governments have approached companies with wastewater solutions. For example, the state of Guanajuato, in conjunction with the local leather industry, has recently commissioned a wastewater treatment plant outside of León. The government is providing financial and technical support to relocate large tanneries to an area from which the treatment plant can be accessed. State authorities hope to move all leather factories out of the city of León by 1997.

### NAFINSA Financing Programs:

NAFINSA, the Mexican industrial development bank, has established an environmental protection program. This program is designed to support smaller companies, who have limited access to financing, with environmental projects. Under the program, NAFINSA will finance up to 80% of an environmental protection project undertaken by private industry with a maximum value of \$US 1 million. Larger projects are financed to a maximum value of 50%. Financing is provided at a reduced interest rate. Loan applications have almost doubled between 1992 and 1993, reflecting an increased interest in environmental technology. In the first 10 months of 1993 550 loans were granted under the program. Approximately 165 loans focused on wastewater treatment projects.