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## Environmental Protection in Mexico

#### **HUMBERTO RODARTE\***

#### I. INTRODUCTION

I would like to thank Professor Robert Benson, Research Director of the Institute for Latin American Legal Studies at Loyola Law School, for the invitation to participate in this prestigious International Conference. Also, I want to recognize the enthusiasm of Dr. José Angel Pescador, our Consul General, in promoting the Mexican attendance.

I will briefly refer to four issues that I believe might be of interest, since they relate to concerns that some have expressed in different fora in the United States, in relation to environmental protection in Mexico.

I will focus on the pollution in our main cities along the border with the United States. As is the case of most of the countries in the world, these problems have accumulated over decades, as a by-product of development processes which, in general, gave preference to urban and economic growth over any consideration regarding natural resources.

As I mentioned before, I am going to refer to four matters which provide evidence that in Mexico there is enough political will to change this situation:

First, we have environmental legislation with regulations ever more rigorous, to guarantee its observance and enforcement.

Second, we have designed an environmental policy to act in accordance to priorities.

Third, we are modernizing environmental management, creating the conditions for private sector participation through concessions to build the infrastructure and operate utilities.

Fourth, I will discuss the Environmental Integrated Border Plan

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("PIAF"), that we designed together with the Environmental Protection Agency ("EPA"); four days ago, President George Bush and Mr. Patricio Chirinos, on behalf of Presidente Carlos Salinas de Gortari, just presented the final version of the Plan.

#### II. Environmental Legislation and Its Enforcement

A solid legal and regulatory foundation was approved scarcely three years ago:

- In 1988, the General Law of Ecological Balance and Environmental Protection went into effect. Four regulations have already been adopted: air, hazardous wastes, environmental impact, and motor vehicle verification in the metropolitan area of Mexico City.
- Twenty-eight out of thirty-one states of the country have their own environmental legislation, 761 municipalities have an environmental councilperson and nationwide we have 395 citizens' environmental committees.
- Thirty-nine programs of ecological control have been set up to regulate agricultural activities, industry, and tourist corridors.
- Sixty-five norms and five ecological criteria that set standards to be met in relation to air, water, soil, and hazardous wastes have been adopted.
- The number of inspection personnel has been increased to enforce the law. In February 1991, there were forty-six inspectors in the northern border; today we have almost 200.

In four years, 7668 industrial plants have been inspected; 1924 have been closed, most of them temporarily; 150 of them are integrated facilities (maquiladoras).

- In Mexico, unlike the United States and Canada, the infringing firms deposit a bail to guarantee the cost of the works of control and environmental sanitation, in order to resume operations. In 1991 a total of 823 firms fulfilled this obligation.
- The report of the environmental impact and risk assessment required by the Secretariat of Urban Development and Energy ("SEDUE") is an inescapable condition for the approval of new investments. For example, in three years nearly 1500 projects have been evaluated; among these, 264 were for energy utilities, 205 for industrial plants, 108 for tourism, and forty-three for mining. From these projects, twenty were turned down; the rest of them were compelled to meet mitigating conditions.

#### III. Environmental Policy and Special Programs

- The Environmental Policy is only successful in a growing economy. It operates through an ongoing process, following a set of priorities.
- The expense for environmental management is a little over 1% of the gross national product, which amounts to a combined figure of fiscal and private resources of nearly \$2.3 billion.
- Priorities: Metropolitan areas, northern border, water basins, industrial ports and natural reserves.

A key program is the Integrated Program to Fight Air Pollution in the Metropolitan Area of Mexico City. This program was launched in October 1990 to clean the air of the Valley of Mexico, with a total investment of \$4.6 billion through 1990-1994. The goal is to reduce the emission of pollutants to the air by 37.5% throughout this period.

## IV. MODERNIZING THE ENVIRONMENTAL MANAGEMENT AND PRIVATE SECTOR INVOLVEMENT

- Modernizing SEDUE. With the advice of the American firm Booz-Allen and Hamilton, we are undertaking a study to determine ways to evolve beyond the model of command and control, with the purpose of emulating the ways of operation of an environmental agency which will take further advantage of market forces.
- Agreements with the industrial sector. Over 2000 agreements have been signed, most of them during the past three years, which represent private investments of nearly \$600 million. These agreements include the obligation of the firm to adapt technology and environmental provisions, inspection mechanisms and rigorous deadlines.
- Promotion of private environmental consultant firms and environmental products and services enterprises.
- Concessions for building and operating infrastructure and urban services. The private sector, national and foreign, can now take part in these tasks that formerly belonged to the public sector.
- These services shall grow in 1992 by 250%, with an investment of \$400 million. The accent should be placed on impounding and treatment of residual waters and solid waste.
- We are talking of a business niche. One percent of the gross national product allotted to environmental actions. The demand for environmental equipment in 1991 amounted to \$100 million United

States and will grow 15% yearly. Just in drinking water, sewage and water treatment, the investment in 1992 will be \$1 billion.

#### V. Environmental Integrated Border Plan (PIAF)

- Following the instructions of Presidents Bush and Salinas, this program was issued in November 1990, in Monterrey, Nuevo Leon.
- In September 1991, a draft was submitted to public hearings in seventeen cities on both sides of the border, ten on the American side, and seven on the Mexican.
- On October 23rd, in Ciudad Juarez, following President Salinas' instructions, Mr. Patricio Chirinos made public the beginning of works with an investment of \$460 million for the period 1992-1994; \$147 million will be used during this year.
- On January 16th, we launched in Nuevo Laredo, Tamaulipas, the first phase of this investment, for sewage works and residual water treatment plants, construction of sanitary fillings, transport and road improvement, and acquisition of land reserves for urban development ordering.
- On February 25th, President George Bush and Mr. Patricio Chirinos made public the final document in Tijuana, B.C., and this city, respectively.

# VI. MAIN INITIATIVES OF THE ENVIRONMENTAL INTEGRATED BORDER PLAN (PIAF).

- Law enforcement. Improve the enforcement of the law through a joint training, inspection, and information exchange.
- Water. Waste water treatment plants. Among other projects: San Diego/Tijuana, with an investment of \$49 million in 1992; Laredo/Nuevo Laredo with \$6.6 million; Nogales/Nogales, where works have been concluded; and in 1993, a Calexico/Mexicali works will be launched with an investment of \$8.8 million.
- Air. Widening of atmospheric pollution monitoring in Tijuana/San Diego, in Calexico/Mexicali, and in El Paso/Ciudad Juarez. In the latter cities, where the pollution problem generated by motor vehicles reaches almost metropolitan proportions, an inspection and maintenance program for motor vehicles is already being strengthened.
- Hazardous wastes. Mexican law states the obligation to return hazardous wastes from the integrated facilities (maquiladoras) to

their country of origin. Measures will be developed to promote their treatment, recycling, reduction, and confinement.

- Further measures. Emergency plans in the fourteen border cities. Mexico has an environmental contingency fund in the amount of \$4 million United States. We need an information program for the public, environmental advice, and a regional ecological education program.
- Inspection will be stricter so the *maquiladora* industry will comply with Mexican and North American laws and regulations. In this respect, the participation of the private sector will be of utmost importance through advice, construction, and operation of the environmental infrastructure and public services.
- I would also point out the EPA's initiative, the "33/50" voluntary program, in which North American home offices take preventive actions against pollution, assuring that the most advanced technologies are used in their branches operating in Mexico.

# VII. MEXICAN ENVIRONMENTAL MANAGEMENT AFTER THE SIGNING OF THE NORTH AMERICAN FREE TRADE AGREEMENT ("NAFTA") BETWEEN CANADA, THE UNITED STATES, AND MEXICO

At this point in time, our country is convinced that a free trade agreement has as its main purpose to raise the living standards of our societies at the turn of the twenty-first century. We should jointly construct this agreement in order to achieve the sustainable development of our societies.

Since the basic purpose of NAFTA is the improvement of the living standards of the societies that agree to carry on their commercial exchange in a free way, SEDUE considers that during the process of harmonization of environmental norms and standards we must always comply with the highest standard, so that the free trade agreement cannot be turned into an instrument to deteriorate the environment and harm human living standards.

Our country believes that reasonable time lapses are required to achieve this harmonization and during this period environmental norms should not be used as non-tariff commercial protective measures.

Environmental protection is unthinkable without the active participation of society as a whole. Hence, Mexico promotes the participation of universities, research institutions, committed citizens'

organizations, non-governmental organizations, and the private sector. A permanent mechanism of communication with the people should exist, which the Mexican government supports in order to fulfill the correct enforcement of the environmental protections that our societies demand.

The dynamic industrial growth that our country will undertake should take into consideration an adequate handling of the industrial wastes that necessarily accompany this growth. Mexico's aim is not only to treat this residue adequately and according to Mexican laws, but to reduce its generation at the source, following the most advanced clean technology.

This means an important business opportunity that may result in additional investment for new jobs on both sides of the border. With an annual growth of industrial product in Mexico of around 5% the generation of industrial residues within our territory is expected to grow from 5 to 6000 daily tons by the year 1995. Given an average investment in hazardous waste treatment plants of \$100 million and considering our county is presently requiring ten such plants, direct investment in this item alone will amount to \$1 billion beyond direct productive investment. Each industrial plant will require individual investments to comply with present regulations in regard to emissions, discharge of waste waters and adequate handling of its dangerous industrial wastes. These individual investments in average should represent \$150,000 per plant. Thus, if we consider the 1500 larger plants in the country, total investment in services and equipment will be at least an additional \$225 million.

Taking into consideration all the global needs in environmental issues in Mexico, the total investment within three years amounts to \$4 billion and will generate almost 80,000 new jobs. This fact shows that environmental protection also fosters healthy economic growth.

#### VIII. CONCLUSION

I have briefly described how my country is protecting the environment in response to our society's concern and also to the commitment that Mexico has towards the international community.

As a Mexican who is aware of the complete scope of the Free Trade Agreement, I am convinced that the new rules of commercial exchange between the three countries will take us to a much better economical situation. According to our National Plan of Development, we are building at the same time the structures to assure that

our economical growth is sustainable. It only remains to be said that in Mexico the protection of the environment has achieved a social and political drive which is irreversible and that it stands as one of the highest priorities of President Salinas' government. It is a political, economic, and moral imperative.

