



Oversight That Works

Natural disasters stress-test the capacity of local governments and relief organizations to respond and advance reconstruction efforts in a prompt and equitable fashion. Looking forward, the Center for a New Economy (CNE) has identified five key challenges to Puerto Rico's recovery process: (1) implementing an effective oversight mechanism, (2) poor public participation platforms, (3) superficial transparency efforts, (4) the sluggish outlay of recovery funds, and (5) ineffective coordination among stakeholders.

OVERSIGHT THAT WORKS

Effective oversight of the recovery process is crucial to avoid waste, fraud, and abuse in the allocation and disbursement of funds. Similarly, adequate oversight mechanisms are useful to monitor the planning process for the recovery; insure the integrity of government procurement and contracting practices; and guarantee the implementation of objective criteria for the selection of recovery projects, as well as for the sequencing of spending priorities and sectoral investments. For example, the process for choosing between rebuilding or rehabilitating housing, the electric grid, education, transport, water, health and education infrastructure, commercial or industrial facilities, and in which sequence. Oversight that works facilitates, rather than hinders, the disaster recovery process.

+ CIVIC COMMITTEE FOR TRANSPARENCY AND RECONSTRUCTION (CCTR)

In the case of Puerto Rico, the Government could take advantage of the current wave of civic engagement that has been unleashed to create a Civic Committee for Transparency and Reconstruction (CCTR). This Committee would be empowered to monitor and evaluate the work of the COR3; to provide regular, periodic reports on the progress of the reconstruction to the governor of Puerto Rico, Congress, and the relevant federal agencies; and to independently audit the COR3.

+ PARTICIPATION

Experts agree that recovery efforts are most effective when they empower residents to participate and take pride in the design of policies that directly affect them. Residents are best suited to recall past experiences and reflect local needs. Yet, in Puerto Rico, residents, community leaders, and several non-governmental organizations have repeatedly expressed grave concerns over the poor quality of the public input process.

+ TRANSPARENCY

A true commitment to transparency needs to go beyond disclosing plans, regulations, facts and figures; it requires engaging relevant stakeholders, especially those directly affected by reconstruction efforts, early and often. In contrast, in Puerto Rico, the lack of information regarding specific contracts, updated timelines, and lists of large infrastructure projects pose major hurdles to effectively managing the recovery process.

+ RECOVERY FUNDING

The longer it takes for communities to receive aid, the harder it is for individuals to recover from their losses, potentially jeopardizing the broader economic recovery. In the case of Puerto Rico, aid delivery has already been complicated by bureaucratic government processes. If it continues to lag, it could increase outmigration and decrease the government's revenue collection capacity to support government operations.

+ COORDINATION

There are many actors in every disaster recovery process and their interactions and intersections are important throughout every stage of the process. In October 2017, the Governor of Puerto Rico established the Central Office of Recovery, Reconstruction and Resilience, or COR3, to oversee all disaster recovery efforts. Based on multiple press reports and input from civic stakeholders, this coordination process has been flawed, at best.

CONCLUSION AND RECOMMENDATIONS

In light of the issues described above, we suggest a locally-driven process that embeds widely accepted best practices to Puerto Rico's disaster recovery process. In particular, we urge: (1) a systematic practice of meaningful transparency, one that publicly discloses how contracts are selected and how policies are devised; (2) a governance structure that aligns its actions to specific indicators and permits continuous evaluation and evidence-based decisions; (3) a clear commitment to abide by open government principles that promote civic participation, enhance government accountability, and respond to public needs; and (4) a central information and communication mechanism to inform of current conditions, thereby facilitating collective decision making.

Finally, **CNE** also recommends the creation of a Civic Committee for Transparency and Reconstruction to provide the effective oversight of the reconstruction process that both the federal government and the people of Puerto Rico strongly demand and deserve.

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The Center for a New Economy (CNE) is Puerto Rico's first and foremost policy think tank, an independent, nonpartisan group that advocates for the development of a new economy for Puerto Rico. Over the last 20 years, **CNE** has championed the cause of a more productive and stable Puerto Rico through its offices in San Juan, Puerto Rico and Washington, D.C. We seek to inform current policy debates and find solutions to today's most pressing and complex economic development problems by rigorously analyzing hard data and producing robust empirical research. **CNE** is organized as a 501(c)(3) nonprofit that does not solicit or accept government funding. **CNE** relies solely on funding by individuals, private institutions and philanthropic organizations.