



Oxfam America testimony, House Committee on Natural Resources full committee hearing on *PROMESA Discussion Draft – Day Two*, delivered by Adi Martínez-Román, October 30th, 2019.

Thank you, Mr. Chairman, Members of the Committee, and staff, for giving us this opportunity to talk about federal recovery funds coordination and Section 11 of the Discussion Draft. Our testimony will only touch upon Section 11 and will not present any position as to the other components of the discussion draft. In fact, as explained below, we strongly think the two themes, PROMESA amendments and federal recovery coordination should be completely separate.

Oxfam is an international non-profit, non-partisan organization that for decades has delivered disaster and development assistance around the world. Our work has taught us that effective and lasting recovery and development is dependent on empowering local people and communities to claim their rights, fight injustice and hold their government and private sector accountable. The challenges that we see in Puerto Rico are very similar to challenges we have worked to solve in many other communities that are recovering from disasters and lifting themselves out of poverty.

Mr. Chairman, I have lived all of my life in Puerto Rico, only being away for college and post-graduate studies. I worked for ten years in the University of Puerto Rico Law School as a professor and Dean of Student Affairs, and as the coordinator of the student ProBono Program, after which I worked as the Executive Director of Fundación Fondo de Acceso a la Justicia (FFAJ), a local non-profit that finds resources for civil legal aid to the poor. After the hurricane hit, I continued as director of the FFAJ and plunged into getting resources for legal assistance teams who travelled to rural, poor and disenfranchised communities on the island and who - to this day - are struggling to access recovery assistance. As you can see in my CV, since my student days I have continuously worked with poor communities, its leaders, and for access to justice in Puerto Rico.

In my work at Oxfam I remain tightly connected and consult daily with communities and civil society leaders in Puerto Rico. Together with Oxfam's Program Manager in our office in Puerto Rico, Ms. María Concepción, we can tell

you that our low income and marginalized communities are facing critical challenges that impede their recovery and puts them in “harm’s way” in the face of future disasters.

We believe our recovery must be equitable. It must address people’s needs – prioritizing those of the more than 40% of people who live in poverty and the communities where the needs are greatest. The recovery must also be transparent, accountable and effective. Oxfam America is uniquely independent because we take no US government dollars – and we have for years been a leading voice on Capitol Hill for policy solutions aimed at achieving effective, transparent and accountable US assistance. Those approaches and solutions need to be applied in Puerto Rico. I’d like to submit for the record an Oxfam Report entitled “To Fight Corruption, Localize Aid” together with a graphical presentation and other documents that show support to my statements below.

Mr. Chairman, we have seen over and over again around the world that extreme centralization of the kind seen in Puerto Rico invites corruption and leads to ineffective and poorly prioritized spending. It does not take advantage of the local community’s historical and institutional knowledge.

We are an evidence based organization and we strongly believe that effective and equitable planning, execution, and oversight *is only possible* when affected communities are fully engaged. Local people *must* be included and empowered. There is *nothing* more powerful or effective to combat corruption and ensure that federal dollars really meet people’s needs – than to give voice to community leaders. They know best what they need, and in Oxfam’s experience around the world, they are by far the most effective and reliable voices pressing for good governance, accountability and transparency. In Puerto Rico, this is not different, as it has been demonstrated repeatedly in their effective work after the hurricane and by the movement of its population requiring good governance this past Summer of 2019.

We know that in the face of corruption, Congress and federal agencies often propose further centralized controls. In Puerto Rico, these currently include the withholding of funds, steeper compliance requirements, and the assignment of independent financial monitors, while other policy makers suggest the intervention of the Fiscal Oversight Management Board. The legislative proposal being discussed here today also includes the appointment of a Reconstruction Coordinator that represents another layer of centralized control.

It is important to establish immediately that the whole discussion of federal recovery funds coordination or any legislation thereof should be separate from the PROMESA law or its amendments. It is very important to maintain a clear

separation between the federal recovery funds and considerations on debt repayment and restructuring. These resources should not in any way be thought of as a way to pay creditors and/or inflate economic prospects for the fiscal plans. The urgency for federal recovery funds lies exclusively in the dire needs of a disaster hit population, and we must insure that legislative attempts for its effectiveness pass political muster without being tangled to other unrelated political considerations. Any legislation developed should be separate from PROMESA amendments.

Also, it is clear to us that civil society in Puerto Rico overwhelmingly rejects the idea of greater centralization and the continued disconnect from those who matter most – the PEOPLE. Oxfam’s core message to the committee and the US Congress is that in our experience, *those measures will not solve the challenges at hand, and will not yield the results we all seek.*

Mr Chairman, we believe this moment is a critically important opportunity for the US Congress to demonstrate that it is listening to civil society in Puerto Rico. Congress is clamoring for good governance and accountability - and so are the people in Puerto Rico. It is time for Congress to put them in the driver’s seat as key players, fully engaged and empowered, to ensure the right federal recovery dollar decisions are made, and the people of Puerto Rico begin to really see and feel the effects of effective and equitable recovery investments.

A fast-growing list of civil society organizations and supporters has endorsed the concept of civil society working group as an alternative for the coordination of recovery funds. We submit for the record a copy of the petition to Congress to avoid further centralization initiatives, including the appointment of a Federal Coordinator, and that any recovery coordination must be done with a group of elected civil society representatives. Note that on our current “endorsement” list and letters are organizations that represent hundreds of smaller organizations – United Way of Puerto Rico, Grupo G8, PRODEV, VAMOS, among others. There is also an ample spectrum of organizations in terms of type, composition and area of services, such as professional schools, law clinics, planners and unions.

Also, we are submitting draft language for the creation of a Civil Society Task Force that has been developed in dialogue and with the direct input of many of these and other groups. As we work with partners on the ground to socialize the Task Force idea and get input, the proposed language has been enriched with local knowledge and the support list continues to grow.

As currently conceived, the Civil Society Task Force would consist of 13 elected representatives from across civil society, and 4 highly experienced professionals

who would be embedded in each key recovery agency, FEMA, HUD, COR3 and Vivienda. The embedded representatives would be recruited by the agencies from the three qualified candidates proposed by the Task Force to each of the agencies. Their qualifications, the required monthly meetings with the Task Force and reporting requirements of these professionals are specified in the language.

As asked by the groups endorsing the concept, this Task Force would:

First: Advise and advocate for transparent, accountable and effective decisions and outcomes that address urgent needs and achieve equitable and resilient recovery in Puerto Rico.

Second: Oversee processes to (1) ensure stakeholder participation and incorporation of stakeholder input and (2) ensure the voices of women, elders, the disabled and marginalized communities are heard and addressed.

The embedded representatives will be the main support to the Task Force in the execution of its duties within the agencies, which include, among other things:

- Promote agency and regional collaborative actions
- Oversee proper stakeholder analysis
- Review the data and make sure it is made public,
- Identify duplication and propose solutions
- Monitor violation of human rights
- Eliminate barriers to participation of local organizations and businesses

It is important to note that the 4 embedded representatives would serve for one year, with the possibility of term renewals if re-nominated unanimously by the Task Force. Other Task Force members would be elected to serve for three years, unless the sector they represent decides in their assembly established procedure that their mandate should be revoked. This to ensure the answerability of these persons to the groups represented, which is a key element of this proposal. The election assemblies for the Task Force members would be supervised by locally trusted groups like the Commission of Civil Liberties, the Association of Professional Social Workers of Puerto Rico, and the Law School Clinics.

In closing, and as proven internationally, only with civil society direct involvement will Congress achieve transparency, accountability and resiliency for Puerto Rico. The urgency for this in Puerto Rico makes these considerations of utmost importance. For these reasons we urge you to work with us and civil society leaders in Puerto Rico to achieve our common goals by quickly introducing and fast tracking House passage of civil society task force legislation -- separate from PROMESA reform -- to kick start our way to an empowered civil society ensuring

transparent, accountable and effective and equitable recovery in Puerto Rico.

I look forward to answering any questions and continued work with committee staff to make this a reality.

Thank you.