

WRITTEN TESTIMONY  
U.S. HOUSE COMMITTEE ON NATURAL RESOURCES  
HEARING  
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Foundation for Puerto Rico

Good afternoon Chairman Grijalva, Ranking Member Bishop, and Members of the Committee.

My name is Annie Mayol, and I'm president and chief operating officer of Foundation for Puerto Rico. I am honored and grateful to have the opportunity to speak with you today.

Foundation for Puerto Rico is a 501(c)(3) local non-profit organization. Since our creation in 2011, our mission has been to transform Puerto Rico through sustainable socio-economic development strategies. Our goal is a prosperous Puerto Rico that unleashes the talent, creativity, and passion of the Puerto Rican people.

In the aftermath of Hurricane Maria, Foundation for Puerto Rico became an active participant in relief and recovery efforts, including serving as a backbone to support other NGOs on the island. We hosted over 180 organizations in our space, El Colaboratorio, where more than 230 relief missions around the island were coordinated. Also, we served as Fiscal Sponsor raising more than \$10 million for other local NGOs, so they could implement important programs around the island in areas like aid to farmers, support to artists, and resiliency programs for local community centers.

While providing immediate relief around the Island, Foundation for Puerto Rico identified critical gaps in support for small businesses in key regional areas. We developed the **Small Business Cash Grant Program** to help hundreds of businesses in key economic clusters stay open, and we grew the program into the **Bottom Up Destination Recovery Initiative**. This initiative uses the Visitor Economy as a strategy for recovery. The Visitor Economy is a concept much broader than tourism. It aggregates all direct, indirect, and induced economic activity resulting from visitors' interactions with their destination. Foundation for Puerto Rico has been advocating for implementing a Visitor Economy strategy as a spearhead for Puerto Rico's economic development which will produce the most immediate and accessible economic benefits for our communities. Using this framework, the Bottom Up Destination Recovery Initiative, originally funded by private donations, has now expanded to 12 municipalities

thanks to a grant from the U.S. Economic Development Administration.

The Bottom Up Destination Recovery Initiative teaches communities to identify their most important assets (cultural, businesses, attractions, natural resources, etc.), learn how to market them, identify ways to attract more visitors (accommodation, attractions, experiences), to create their own Destination Plan. A crucial part of the initiative is to also train and coach the community on readiness efforts to face future disasters, the adoption of resilience practices and sustainability. The aim is to identify and mobilize individual and community assets, skills and passions to build sustainable economic development from the bottom up. Through the Bottom Up Initiative, we are currently impacting more than 500 businesses around the island, creating 30 new businesses and developing eight Community Destination Plans.

Foundation for Puerto Rico serves as a leader on the island's economic development stage, with the results to show for it, including the incubation of Discover Puerto Rico, the new non-governmental destination marketing organization that has already succeeded in restoring visitor numbers to pre-Hurricane Maria levels. As champions of the Visitor Economy, we believe that in a few short years Puerto Rico can double the level of visitor activity, add billions of dollars to its GDP and tens of thousands of new jobs to lift the island up and out of recession.

Last year, the Puerto Rico Department of Housing asked our organization to lead the **Whole Community Resiliency Planning Program**. This program channels HUD Community Development Block Grant-Disaster Relief funds to develop community-led plans focusing on making them more prepared and resilient in the face of future events like María.

The Whole Community Resilience Planning Program is an integral part of the approved Disaster Recovery Action Plan of the Puerto Rico Department of Housing. It is designed to enable communities throughout the island to determine their unique needs, set long-term goals and short-term objectives, identify priorities and request funding for the development of long-term resilience plans.

As part of this program, we have formed multisectoral working groups composed of representatives from federal and Puerto Rico government agencies, sister non-profit organizations, trade groups and professional associations that possess the knowledge and experience required in the areas of economic, educational, infrastructural, health, environmental and housing development.

Through our work, Foundation for Puerto Rico has been collaborating with the federal and local government, with business owners, with local community leaders, and have seen the commitment by all our partners to guarantee the good use of these disaster funds and the interest, not only to achieve compliance, but to drive real change for Puerto Rico. We have firsthand experience with the integrity and discipline with which the Puerto Rico Department of Housing is managing these funds.

However, the delay in the disbursement of CDBG-DR funds has directly affected the capacity to implement these disaster recovery programs and is impacting the most in need. Due to the reimbursement nature of the funds, non-governmental organizations, like Foundation for Puerto Rico, face additional liquidity challenges and burdens that directly impact implementation.

Puerto Rico's NGO sector can play a game-changing role in healing the distrust between the island and the federal government while helping to keep the focus on recovery, prosperity, and integrity. NGOs are perceived by residents as trusted partners that can operate free from partisan political or other narrow economic interests, continuity and needed agility for the effective implementation of projects leading to sustainable results. We have studied the post-disaster trajectories of New Orleans and New York, where NGOs like ours were instrumental in achieving successful outcomes. By giving well-governed, well-structured NGOs a greater role, we can do more with less, while maintaining integrity, discipline, transparency, and professionalism.

While Foundation for Puerto Rico believes that adding more layers and bureaucratic processes is not the solution to ensuring the proper use of disaster relief funds, we do believe that more players are needed at the table. This is what motivates our concerns over the proposed creation of the **Office of the Reconstruction Coordinator for Puerto Rico**.

Foundation for Puerto Rico recommends the creation of a **Point Person** at the Federal level whose role is to ensure the timely release of CDBG-DR and FEMA funds. There is a major lack of federal coordination and vision in the use of these funds, thus we recommend that the primary focus of this Federal Point Person should be to jumpstart our recovery.

This **federal point-person** should assist both federal and local agencies with the development of an organized and transparent process in which recovery projects will be funded and ensure adequate participation from communities, municipalities, and NGOs. Our concern should not only be the potential improper use of funds, for which numerous safeguards already exist, but we should also be breaking silos and creating connections

between all the programs to ensure we implement projects that have the most direct and enduring positive impact on the quality of life of the people of Puerto Rico. At Foundation for Puerto Rico, we believe that there is no future in rebuilding the past and this is our opportunity to build a better future.

We strongly encourage the Federal Government to facilitate local NGO participation in the implementation of these disaster recovery funds. No one sector alone can do this job. Only when every sector, that is, the government, private industry, NGOs, and the community work together for a common goal does the possibility of permanent transformation exist.

To achieve this, we also recommend that the House Natural Resources Committee looks at ways that other federal disaster funds can be more accessible to the communities. Where there is a requirement for local matching funds, such as the U.S. Economic Development Administration, that requirement should also be waived for a minimum of three years to ensure that the funds flow faster and more effectively.

In summary, our three recommendations are to establish a Federal Point Person, ensure optimal participation of the NGO sector in the recovery, and waive the local match requirement for disaster funds.

Thank you for interest and support for Puerto Rico's recovery. Foundation for Puerto Rico and I welcome the opportunity to work with members of this Committee towards that end.