

Governing Reconstruction After the Tsunami

Building Good Governance into the Reconstruction Process

High-Level Coordination Meeting
Rehabilitation and Reconstruction Assistance to
Tsunami-Affected Countries
ADB, Manila, March 18, 2005

Guiding Governance Principles for the Reconstruction Phase

- Needs-driven resource allocation mechanism to ensure equitability
- Engage local communities in their own reconstruction planning & implementation
- Subsidiarity: each task to be designed & implemented at the lowest competent gov't tier
- Highest standards of transparency & accountability based upon independent oversight mechanisms
- Integrate poverty reduction & conflict mitigation into reconstruction design
- Critical importance of coordination, in particular through the provision of aid on-budget

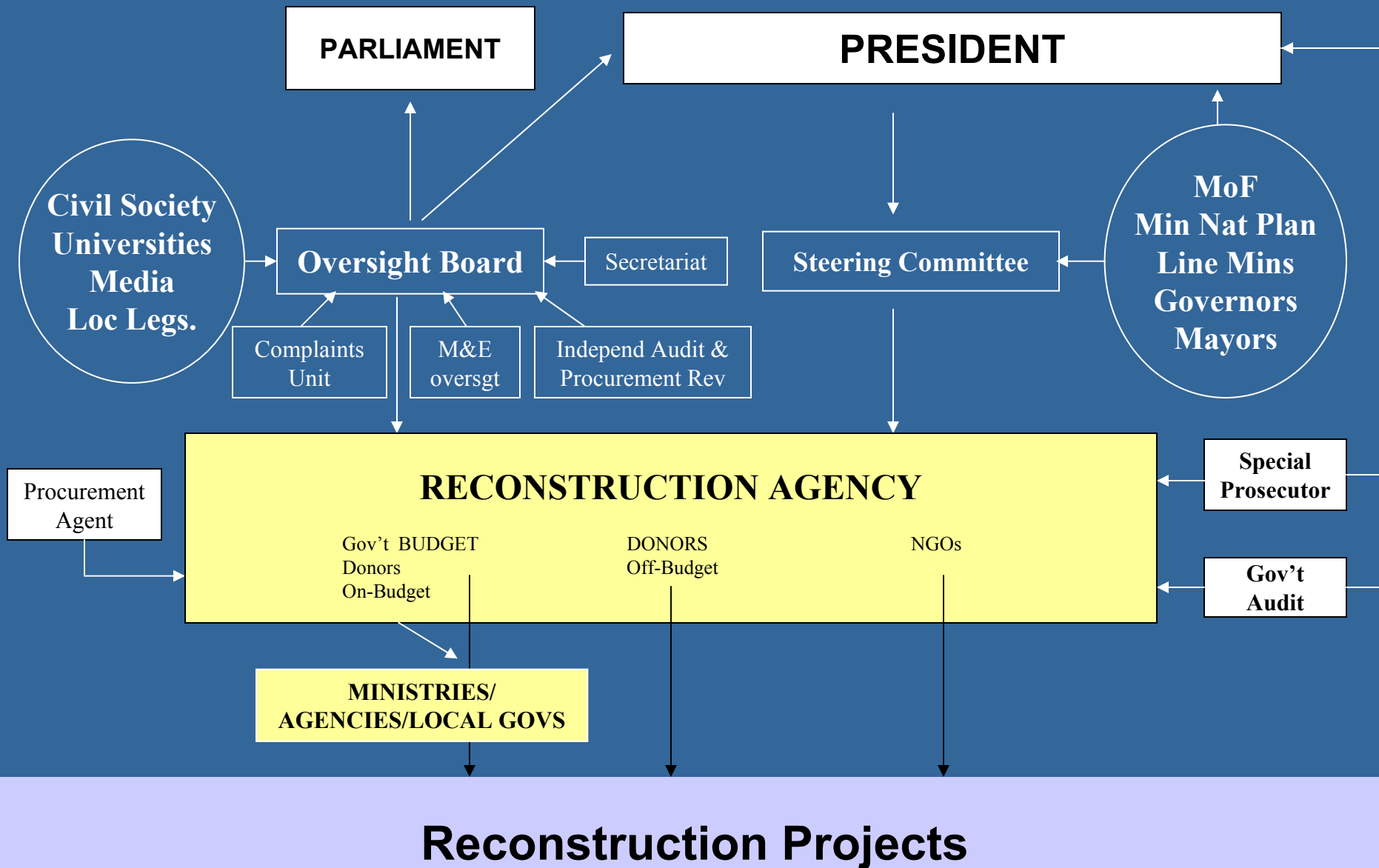
The Response: Special Reconstruction Authority

- Most affected countries have set up a special reconstruction authority/agency:
 - Indonesia: Badan Pelaksana (Reconstruction Agency)
 - Maldives: Tsunami Relief & Reconstruction Fund
 - Sri Lanka: Authority for Rebuilding the Nation (TAFREN)
 - India: Inter-Ministerial Core Group for Tsunami Rehabilitation
- Key Functions:
 - Coordination of reconstruction efforts
 - Fiduciary oversight and reporting
 - Procurement review
 - Enforce compliance with safeguards
 - M&E

The Governance “Plus” Model

- Create an independent oversight board w/ representatives of the affected communities to:
 - approve & publish independent audits
 - approve procurement guidelines
 - manage a public complaints system
 - implement an M&E framework
 - hold regular public consultations
 - Make recommendations to improve reconstruction process directly to the President/Parliament through quarterly reports

Governance Structure



The Governance Challenges

- How to rely on existing gov't mechanisms while raising the governance standards for reconstruction funds?
- How to give donors the confidence to bring their aid on budget?
- How to enforce common governance standards on all reconstruction aid, including off-budget and NGO flows?
- How to balance the need for rapid action with enhanced oversight mechanisms?
- How to ensure coordination while promoting local control over the reconstruction process?