

BOTTOM UP DESTINATION RECOVERY INITIATIVE

Case Study: Orocovis



Bottom Up Destination Recovery Initiative

Since its inception, Foundation for Puerto Rico (FPR) has proposed a Visitor Economy strategy for Puerto Rico. After hurricanes Irma and Maria, this approach is more relevant than ever as many on the Island continue to migrate to the U.S. mainland resulting in a smaller tax base and diminishing demand for products and services. This has particularly affected many small towns in Puerto Rico, where local business owners rely heavily on community residents to sell their products and services. As a result, these communities need a different, innovative and inclusive plan to bring in visitors in order to create new economic opportunities.

Precisely, the Bottom Up Destination Recovery Initiative is a short-term economic recovery strategy with a sustainable model, supporting communities to become more resilient and active resources in the creation of tourism attractions and experiences. This community-based recovery program aims to strengthen local communities to spur their own recovery and build the infrastructure required for growth. The goal is to help communities recover quicker by creating a Community Destination Economic Development Plan to help increase the local tourism offers and foster the extension of the average length of stay. As a result, economic development in the communities is improved through better commercial operations, new businesses, job creation, workforce development and a growing tax base. This program is self-sustainable, where the community and local government learn to maintain and further develop the program once the phases of resource identification, general guidelines, co-design, execution, and evaluation by FPR are completed.



1500 Calle Antonsanti
Suite K-Colaboratorio
San Juan, PR 00912-3150

 (787) 773-1100
 www.foundationpr.org
 info@foundationpr.org

Foundation for Puerto Rico seeks to unleash the Island's full potential as an active participant in the world economy with sustainable programs that drive social and economic development. From knowledge to action, our goal is to transform Puerto Rico into a destination for the world. We want more people to visit, live, work and invest in Puerto Rico, resulting in multimillion economic growth for the island.

Foundation for Puerto Rico is a non-profit organization since 2011 with a 501(c)(3) public charity designation.

Acknowledgements

EXECUTIVE TEAM

Chairman & Chief Executive Officer
Jon Borschow

President & Chief Operating Officer
Annie Mayol

**Executive Vice-President / Collaborations
& Mobilization**
María "Baby" Jaunarena

Chief Financial Officer
Damaris Ocasio

Director of Research & Analytics
Arnaldo Cruz

**Director of Strategic Projects &
Alliances**
Alma Frontera

**Director of Development &
Program Evaluation**
Carla Chávez

**Director of Portfolio & Operations
Management**
Ana María Cintrón

Director of Community Planning
Luis Monterrubio

**Director of Communications
& Marketing**
Leilani Geller

OPERATIONAL TEAM

Research Managers
Juan Gudiño
Jaime Rodríguez

**Program Manager -
Destination Planning**
Ornelíz Michelle Torres

**Program Managers -
Field Teams**
Christian López
Carlos Ayala

Area Coordinators
Anneliz Oliver
Gloria Sarai Domínguez
Leandro Díaz
Lucciano Díaz
María Méndez
Miguel Hernández
Natalia Arcila
Yelienid Cintrón

Facilitators
Lenice Vázquez
Reniett Ramírez

DESIGN

M2B Digital

PARTNERS

Oxfam
Por Los Nuestros
Viktre Challenge

COLABORATORS

Amarilys Torres
Benny Oquendo
Carmen Enid Báez
Carmen "Riki" López
Carolyn Miranda Hernández
Centro para Emprendedores
Comerciantes, artesanos y
residentes de Orocovis

Dalma Cartagena
Darlene Marrero
Disfruta Orocovis
Edwin Rivera
El Taller de Luyi
Gerardo Cartagena
Héctor Rosario
Hon. Jesús E. Colón Berlingeri
INprende
Irma Vázquez
Javier Díaz
José Antonio
Local Guest
Lorimar Santo Domingo
Luis Latorre
LUMAFLOROCOVIX
Millie Cortés
Municipio de Orocovis
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Avilés Meléndez
Olga Ocasio
Orocoveños Por Orocovis
Periódico La Cordillera
Radio Cumbre
Ramón "Monchito" Rivera
Rosita Miranda
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Sylvia Rivera
Verdifica
Yamil Castellano

TO ALL OF OUR DONORS

Our most sincere appreciation to everyone who donated to our Hurricane Maria Relief and Recovery Fund. This would not have been possible without you.

Message from the Chairman of the Board



Founder, Chairman of the Board & CEO of Foundation for Puerto Rico.

The future is built from a vision. To do this, we must determine what we need to achieve and then develop a plan to achieve it. If we do not have a clear vision or a good plan, we will sail aimlessly without reaching the desired destination. That is why it is crucial to design our future with deep reflection.

Since 2011, Foundation for Puerto Rico has established its vision of what it means for our Island to fully integrate into the opportunities offered by the global economy. For our economy to grow, it needs to generate new revenues that come from outside our geographical space; otherwise, the economy will continue to shrink. Tourism represents for Puerto Rico the greatest opportunity for economic growth in the short to medium term.

After the devastation caused by last fall's twin back-to-back hurricanes, Irma and Maria, Puerto Rico needs more than ever to chart its future course around new, inclusive and sustainable economic development strategies that incorporate resilient mitigation models. These types of climactic events will continue to affect us in the future with greater frequency and adverse impact. Our future depends on Puerto Rico's ability to be prepared for that reality.

This is the time to re-imagine that future and develop high impact economic development strategies to take Puerto Rico out of the downward economic spiral of the last decade. We can only accomplish this if we become far more open to deep and broad collaborations between government and the private sector; between businesses and communities, including state, municipal and federal government, local, international and relief organizations.

Each community, small or large, rural or urban, must have a clear, well thought out, long-term strategy that considers their common assets - tangible and intangible - and determines how they can best utilize them to bring renewed economic activity and create new opportunities. With thoughtful strategies, communities can design and develop projects that, either individually or collectively, have an impact on the whole island. For this effort to have an exponential impact, it is essential that these projects are aligned with an overarching, shared vision of sustainable and inclusive economic development.

Our foundation is committed to doing whatever is necessary to catalyze and accelerate these Asset Based Community Development projects whether by convening players, acquiring and intermediating knowledge, providing a substrate for collaboration, or serving as a funnel for resources and talent.

Sincerely,

A handwritten signature in black ink, appearing to read 'JB', written in a cursive style.

Jon Borschow
Chairman & Chief Executive Officer
Foundation for Puerto Rico



Message from the President



Annie Mayol, President & COO of Foundation for Puerto Rico.

After hurricanes Irma and Maria made landfall in Puerto Rico, Foundation for Puerto Rico directed all of its resources to facilitate response and coordinate recovery initiatives to aid our communities. Our recovery efforts were many, including opening our doors to more than 180 local and international organizations, serving as a fiscal sponsor to smaller, local organizations, distributing more than \$500k in cash grants to maintain small businesses open, and providing immediate support to thousands of families.

After the initial months of emergency relief and visiting many communities in all corners of the island, it became clear that a clear plan, resilient infrastructure, and cohesive collaboration would speed up their recovery to better sustain natural disasters and achieve economic growth.

As result, we launched the Bottom Up Destination Recovery Initiative, which is a new community-based economic development program developed by our Foundation to help communities unleash their potential by leveraging their assets to position themselves as a destination to the world.

In January 2018, the Foundation began swiftly piloting the program in Orocovis. From knowledge to action, we are proud to present the results of this first phase in this report. We want to share lessons learned in Ocorovis with all stakeholders and showcase the importance of scaling the “Asset-Based Community Development strategy” as a means to achieve an efficient long-term recovery for Puerto Rico.

We want to also thank all our donors for helping us make this program reality and for their commitment to making Puerto Rico a Destination to the World.

As we continue to move forward with sustainable programs for Puerto Rico’s long-term social and economic growth, we are hopeful and guided by a transformation that we can only accomplish through a collaborative effort of all sectors.

Because our motto says “There is no Future in Rebuilding the Past.”

Sincerely,

A handwritten signature in black ink, appearing to read 'Annie Mayol'. The signature is fluid and cursive.

Annie Mayol
President & Chief Operating Officer
Foundation for Puerto Rico

Executive Summary



Antonio "Papo" Avilés Burgos carving new art pieces at *Museo Orocoveño Celestino Avilés Meléndez*.

As a result of the previous work conducted by Foundation for Puerto Rico around the Visitor Economy's potential for the Island, and the challenges with recovery and long-term economic stagnation, the Foundation developed the Bottom Up Destination Recovery Initiative. The program needed to be tested in an actual community to assess the validity of the framework. As result, the Foundation selected three locations to pilot this program, Orocovis, Punta Santiago and Aguadilla-Isabela. The first pilot was Orocovis, which began in January and ended in May of this year. This document describes the results of each impact area, the intervention strategy, the actions taken and achieved program objectives.

In Orocovis, the main strategy used to speed up recovery was through investments in small businesses. A total of 31 cash grants totaling \$77,000 were distributed, accompanied by 120 hours of technical support to help small businesses get back to Pre-Maria levels. The program also made investments to increase interest in new Visitor Economy ventures by establishing an incubation program with seed funding.

The resiliency objectives were tackled through investments in community-based organizations, and leveraging small businesses to improve physical infrastructure. Orocovis now has more capacity to produce potable water, in case PRASA fails, new resilient Wi-Fi hotspots for residents in case of an emergency, and more resilient public lighting. Investments were also made to build local capacity and leadership to make recovery and development sustainable over the long term. In sum, with more stable businesses, improved resiliency, stronger local organizations and a robust destination assessment and branding exercise, Orocovis is better equipped to begin a new

phase of destination planning and development. The Foundation is committed to supporting Orocovis through this new phase and the future to come.

As the Foundation moves to the next Bottom Up Phase, there are some important lessons learned from this first intervention. First, initial program investments are critical to accelerate recovery objectives and are effective at getting early buy-in from community stakeholders, which is key if you want sustainable results. On the other hand, investing “now” is not always the best option, as any project investment requires constant evaluation and scenario planning to maximize the impact of all investments. Having the discipline to make those adjustments during an implementation is key for getting the best results.

Within the business development area, it was extremely difficult to replicate the entrepreneurship spirit that currently exists around the San Juan area in Orocovis. Thus, the Foundation will need to significantly increase the number of entrepreneurship events and incubation programs in order to see results within a short time frame. Also, supplementary capacity workshops will need to be incorporated as a prerequisite for participants in incubation programs, due to significant skill gap in the community. Developing local resident’s skills through workforce investments will improve results of incubator programs and seed funding.

Finally, local NGOs need a lot of support, not just financial, but with technical assistance as well. Lack of technical capacity limits the impact these organizations can have on their community. The stronger the local organizations, the better the program results. With a re-energized social capital network in Orocovis, the Foundation will begin to work with local stakeholders on a new blueprint to develop the destination, to help amplify the range of visitor experiences, and convince thousands of tourists to visit the destination. Two additional progress reports on Bottom Up Orocovis will be issued, one in September 2018 and one in January 2019. In addition, Humacao's case study (phase I) will be released on November 2019. The Foundation hopes for these programs to be replicated in many communities across Puerto Rico, enabling new economic opportunities to many on the Island and a more resilient future for all.

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CHAPTER 1

Background: Foundation for Puerto Rico

Given the potential of the Visitor Economy for Puerto Rico, in 2015 FPR began to work on making a priority for Puerto Rico.

Foundation for Puerto Rico established a Research Center to help guide tourism policy on the Island, conducted events and educational campaigns to create awareness and appreciation about the importance of the Visitor Economy for Puerto Rico.



The Visitor Economy / Pre-Maria

Foundation for Puerto Rico (FPR) is a local non-profit organization founded in 2011, that promotes opportunities for social and economic development in Puerto Rico, by promoting the Visitor Economy and transforming Puerto Rico as a destination for the world. FPR decided to focus on expanding the Visitor Economy due to its short-term economic impact. Properly executed, a Visitor Economy strategy could significantly impact the economy of Puerto Rico and provide economic opportunities to many Puerto Ricans. The FPR vision is for Puerto Rico to become a unique, desired, and accessible destination; that inspires millions of people from all over the world to visit. Puerto Rico has many assets and resources that allow the Island to create a wide network of authentic experiences. These range from its natural resources (that go way beyond sun and beaches), to its history, art, culture, and fine cuisine. They are all available in a compact, convenient, and accessible destination; both in proximity and affordability, equipped with state-of-the-art digital and physical infrastructure, among other advantages.

Despite these advantages, Puerto Rico currently receives a little over 3.7 million visitors, plus 1.4 million that arrive in cruise ships, which only represents about 15% of the total market in the Caribbean, behind the Dominican Republic and Cuba.¹ During the 1980's, Puerto Rico was the top destination in the Caribbean, with over 26% share of visitors in the region. If Puerto Rico had maintained its 26% market share in the Caribbean, it would be receiving about 5.6 million visitors per year or double the current number. It is also important to point out the surprisingly low contribution the Visitor Economy makes to the general economy of Puerto Rico, compared to other destinations.

According to the World Travel and Tourism

Council (WTTC), the total contribution of tourism to the Puerto Rican economy in 2017 was around \$7,100 million, or 7.2% of Gross Domestic Product (GDP), which is significantly less than other destinations.

Puerto Rico	World Ave.	Caribbean Ave.
7.4%	10.4%	15.2%

Table 1. Total Contribution of Tourism as a percentage of GDP.

The tourism industry has experienced continued expansion and diversification over the past six decades, becoming one of the largest and fastest-growing economic sectors in the world. Tourism has boasted virtually uninterrupted growth over time, despite occasional shocks, demonstrating the sector's strength and resilience. Despite this growth, Puerto Rico's tourism sector has underperformed relative to other destinations.

In 2014, FPR began to work on making the Visitor Economy a priority to all stakeholders in Puerto Rico. This effort began by establishing a Visitor Economy Research Center to help guide tourism policy discussion on the Island. A series of research papers were published around various Visitor Economy topics, ranging from destination management, sharing economy, and national tourism statistics.

FPR also conducted a series of events and workshops around the research and policy recommendations to promote dialogue among the various stakeholders of the ecosystem. In addition, FPR worked on creating awareness and appreciation about the importance of the Visitor Economy for Puerto Rico through educational events.



Foundation for Puerto Rico's Chairman & CEO Jon Borschow and FPR's Research Director Arnaldo Cruz, presenting one of their research papers, accompanied by Mario Marazzi, Executive Director of the Puerto Rico Institute of Statistics and former Planning Board President, Luis García Pelatti.

Most of these efforts led to an important coalition building exercise among the various Visitor Economy stakeholders, spearheaded by FPR. This coalition included members from the public and private sector with the ultimate goal of developing a destination plan for Puerto Rico. The coalition had the task of identifying short-term projects with a high return for the destination. FPR's stakeholder engagement work was critical for the establishment of an independent, non-governmental Destination Marketing Organization (DMO) to lead marketing efforts for Puerto Rico, an idea that had been proposed for over a decade but never materialized.

FPR's unwavering commitment into this effort was critical for its success, as it provided backbone support to the founding board of directors and supplied resources to enable the development of the organization. FPR was also working in two critical Visitor Economy projects, the Visitor Information and

Experience Warehouse of Puerto Rico (VIEWPR), an online platform that aggregates and validates information about points of interest and experiences around the Island, and a National System of Tourism Statistics, an effort to develop robust indicators to measure the performance of the Visitor Economy in Puerto Rico.

CHAPTER 2

Hurricane Maria: Emergency Relief

After hurricanes Irma and Maria made landfall in Puerto Rico, Foundation for Puerto Rico directed all of its resources to facilitate response and coordinate recovery initiatives to aid our communities.



Hurricanes Irma & Maria



Image via KALW.org

The aftermath of hurricanes Irma and Maria included the complete destruction of the Island's power grid, leaving its entire population in the dark.

Hurricane Irma made landfall September 6, 2017 as a category 5 storm. Two weeks later, hurricane Maria made landfall September 20, 2017, as a category 4 storm. According to the National Oceanic and Atmospheric Administration (NOAA), hurricane Maria recorded winds up to 155 miles per hour, triggered massive mudslides and caused catastrophic flooding. The National Hurricane Center (NHC) recorded storm surge levels that reached a maximum inundation, of six to nine feet above ground level along the coasts of various municipalities such as: Humacao, Naguabo, and Ceiba.

These storms caused severe damage to Puerto Rico's already deteriorated electrical grid. While Irma caused a power outage for nearly 50% of the Island, Maria caused the complete loss of power in all 78 municipalities.

Unfortunately, the restoration of power was hampered due to the scale and complexity of the damage and a poorly maintained, severely deteriorated and obsolete electrical grid. Four months after hurricane Maria, about 450,000 of 1.5 million electricity customers in Puerto Rico still had no service. Communications were also disrupted across the Island, leaving everybody incommunicated and hindering the spread of critical information. Days after the storm, the Federal Communication Commission (FCC) issued a status report which stated that 91% of the Island's cell sites were out of service.

Foundation & The Emergency

Due to the significant impact, hurricane Maria had on the Island, FPR immediately directed all of its resources to facilitate and coordinate response and recovery initiatives. Two days after the storm, FPR opened its headquarters, an 8,700 square feet shared space called Colaboratorio, to host organizations that were in desperate need of a functional area to operate. The Colaboratorio was one of the few places in Puerto Rico with power, running water and Wi-Fi at the time. Consequently, more than **180 organizations** came to the Colaboratorio to coordinate immediate relief and recovery activities within the first four months after the emergency. Many of the organizations were local not-for-profits (NGOs), as well as some national and international organizations like Oxfam, Waves for Water, AmeriCorps, AARP, the CDC Foundation and the Red Cross.

Simultaneously, FPR launched an intensive relief program right after the storm, organizing and deploying a series of missions to deliver water, food and other critical supplies to many communities across the Island. With the help of many volunteers, FPR coordinated more than **230 relief missions, impacting over 150,000 individuals**. This was possible due to a sophisticated logistical operation that relied on field data and local intelligence gathered daily by FPR's relief team. A Relief Efforts and Logistics Director was hired to lead the strategic planning of all missions and immediate relief efforts. Due to the communications issues on the Island at the time, and the daily changes in needs, it was critical for FPR to develop a centralized datacenter using individual carriers that were collecting information on a daily basis.

In the future, having similar systems in various locations across the Island could significantly improve immediate response efforts during the next emergency.



Michael Menda, Brigades Coordinator, with volunteers at a logistic training session before one of the missions.

As the relief missions were in motion a week after the storm, FPR also created the **Hurricane Maria Relief and Recovery Fund**, to directly support relief and recovery work.



FPR's relief team and volunteers distributing mattresses in Los Naranjos, Vega Baja thanks to a donation from the group: New Haven for Puerto Rico.

With this new funding, FPR was able to strategically fund other organizations that were also doing important relief work.



FPR's relief team and volunteers distributing supplies in Mayagüez.



Tactivate, an FPR relief partner, visiting a convenience store with no working POS system due to lack of connectivity.

Some organizations that received funding from FPR were San Juan Bay Estuary Program (an NGO working on clearing sewers and removing vegetative material in various communities), *VisitRico* (another NGO that was helping small farmers recuperate), and *PACIV Foundation* (that were distributing medicines and medical supplies to *Centros de Diagnóstico y Tratamiento* and hospitals in Puerto Rico). FPR rapidly set up the necessary protocols to guarantee full accountability and transparency of every dollar disbursed. A web-portal² was created to provide funders with continuous oversight of the programs and projects supported by FPR's Hurricane Maria Relief and Recovery Fund.

Given the uniqueness of the emergency, there were a few local organizations with extensive emergency response experience. Additionally, given the severity of the damage, compounded with the government's challenges with logistics and funding, FPR began expanding its relief work beyond food, water, and supplies, since it was clear that the emergency stage was going to continue for several months. Once on the ground, FPR's relief team realized that there were more cost-effective ways to address needs in various communities by providing more sustainable solutions. For example, by distributing water filters that required no power, FPR was able to provide eight gallons of potable water a day to 370 nursing homes and community centers across the Island, eliminating the need to

continuously distribute thousands of water bottles helping to also reduce waste in the environment.

Another example was tackling the telecommunications issues that were preventing many in Puerto Rico to use any electronic payment cards. In the more remote areas of the Island where FPR's relief team was delivering supplies, some small local markets were open, fully stocked, and running off generators, but residents were unable to purchase goods due to point of sale systems (POS) not having internet and automatic teller machines not distributing cash due to the power outage. As a result, supermarkets, stores, and bakeries in Puerto Rico were unable to process payments, particularly from the food stamp program, *Programa de Asistencia Nutricional* (PAN). The lack of traditional communication infrastructure closed down the money flow of millions of dollars in aid to the families needing it the most. Given the urgent need, FPR purchased a technology not traditionally used on the Island but extensively deployed in the states for POS connectivity, using a small fixed satellite data terminal to connect via ethernet.



EBT satellite system supplier, Focused Mission, installing the system at a local supermarket.

FPR deployed 20 systems in various remote communities across Puerto Rico enabling more than 100,000 PAN transactions within the first couple of months.



FPR's relief team and the 156th Airlift Wing - PR Air National Guard, in a pre-mission logistics meeting at the Colaboratorio.



FPR's relief team and volunteers distributing appliances and mattresses in Villa Calma, Toa Baja.



Thanks to donations from: AARP Foundation, Laura and Jorge Posada, Derek Jeter's Turn2 Foundation, and Estates at Acqualina, FPR's relief team and volunteers were able to clean houses and deliver mattresses and appliances to the community of Villa Calma in Toa Baja.



FPR's relief team delivering mattresses in Los Naranjos, Vega Baja.



FPR's relief team and volunteers preparing to distribute food supplies in Gurabo.

Small Businesses

While working on multiple relief efforts, FPR noticed that many businesses in these communities were closed or hardly opened. When FPR talked to business owners, many were unsure about reopening and some were on the verge of closing. FPR was very concerned about the potential loss of small businesses given the magnitude of the situation and particularly concerned about several commercial districts that had become major economic hubs for local residents and visitors in Puerto Rico over the past few years. The research on this topic was not encouraging. According to the Institute for Business and Home Safety (IBHS), at least one in four businesses does not reopen after a catastrophic event. This is due to many factors, including the lack of working and long-term capital, being underinsured, damaged inventory and property, limited workforce options, and a diminished customer base. According to the Federal Emergency Management Agency (FEMA), the numbers were even less encouraging, roughly 40% to 60% of small businesses never reopen following a disaster. Using updated data from VIEWPR, FPR was able to validate that many businesses were closed. Business closures can have a devastating impact on the local economy, and hamper the community's recovery. FPR was determined to minimize these closures in order to make recovery efforts more viable.

At that time, FPR began gathering data about the various approaches to help small business owners after a disaster. The most important federal aid resource for small businesses in Puerto Rico is the Small Business Administration (SBA), which makes low-cost disaster loans available to qualified businesses. Early in October, the FPR staff met with SBA officials to discuss the program and to get an update on applications. SBA officials were astonished by the lack of applications at the time, as it was significantly lower than other states after a natural disaster. The *Centro para Emprendedores* (CPE), an FPR collaborator that provides consulting and

coaching services to small business, indicated that many small business owners would not consider a loan after an emergency, due to the uncertainty of not being able to repay it. Not surprisingly, according to a recent report from SBA, of the 86,171 applications that FEMA distributed to small businesses across Puerto Rico, 68,394 were never filled and returned. This significantly low rate of approval should concern all stakeholders, as it doesn't seem it will change much in future emergencies.

Given the low demand for SBA loans, FPR looked at local resources at the time, only to discover that the local government lacked proper short-term financing vehicles for small businesses like the ones used in other states. Some examples of these are gap financing and grant programs or Revolving Loan Funds (RLFs). These short-term loan programs were very effective in New Orleans after Katrina, Florida after Andrew, and North Dakota following their flood. The funds are typically made in smaller amounts than long-term financing. The most well-known bridge loan program was established in Florida after hurricane Andrew in 1992. The Florida Small Business Emergency Bridge Loan Program is activated by the Governor only after declaring a state of emergency, which provides interest-free loans to impacted businesses ranging from \$1,000 to \$25,000. Grand Forks, North Dakota established an RLF after their flood in 1997 using Community Development Block Grant Disaster Recovery Program funds (CDBG-DR), which provided bridge financing, funding for disaster-related needs, and support for businesses who were denied a loan from SBA. Unfortunately, none of these vehicles were available in Puerto Rico after the emergency.

CPE was conducting surveys of local businesses and at the time, advocating for short-term relief and immediate action. Meanwhile, there were several ideas floating among local stakeholders that went from supplying power generators to distributing diesel vouchers to business owners.

FPR discarded those ideas given the logistical challenges of getting, and distributing generators to multiple locations. However, it was counterproductive to restrict support to a particular item like diesel, given the multiple needs businesses had at the time. Moreover, all the literature available on disaster relief pointed to access to cash as the best way to help small businesses during a natural disaster. Due to the lack of existing programs for small businesses and to minimize the number of business closures, FPR moved quickly to design, develop, and deploy what came to be known as the Small Business Cash Grant Program (SBCGP).



Nerma Albertorio, Founder & Executive Director of Centro para Emprendedores.

"After supporting so many entrepreneurs to establish their businesses, we began to receive calls and messages from many of them asking us what to do next. After interviewing the first 26 business owners, we realized that the urgent need was to mobilize funds that could allow them to quickly replace the lost inventory. In all the interviews conducted, business owners asked us for access to cash, for them to start operating as quickly as possible. While this was happening, FPR was receiving donations to their newly establish fund and the possibility of helping these small businesses began. When we found out FPR was working on a relief program for businesses, we quickly shared the information we had collected and collaborated with them on the Small Business Cash Grant Program."

There are several key aspects of the program design that are worth mentioning. First, FPR did not create an open application process for these

grants, as it wanted to strategically crowd together funds around key commercial districts in Puerto Rico. By bundling the grants, FPR could impact a whole geographic area, as supposed to having one single grant within a dense commercial district. This element was important as the goal of the program was to jumpstart these districts so they could act as recovery hubs for surrounding communities. The second component of the program was the two-installment arrangement. Eligible businesses within a selected district would receive half of the grant amount upon completing a thorough needs assessment and then receive the second installment three weeks later upon demonstrating progress with program requirements. Progress was met when a business was able to show evidence of growth in sales and employment relative to the time when it received the first installment. Last, and most important, was the technical support that accompanied the cash grant, to assist business owners with recovery planning. The second installment was only given to business owners that completed four hours of coaching and that their business remained open. This was a key complement to the cash assistance, as businesses often need guidance following a major incident on critical decisions they should take to reconstruct or salvage their operation.

Another important aspect of the program design was a rapid deployment, meaning no long waits or overly bureaucratic processes that could delay assistance. FPR wanted the first installment to be distributed within two weeks of selecting a commercial district. It was important to get cash out as quickly as possible. Although FPR was committed to accelerate assistance it also wanted internal controls and protocols to guarantee the integrity of the program and some common standards for eligibility. Priority was given to businesses that were closed but could open upon receiving the grant and businesses that were operating with less than half of their pre-Maria workforce. Priority was also given to micro-businesses, meaning businesses with less than \$1 million on annual sales.

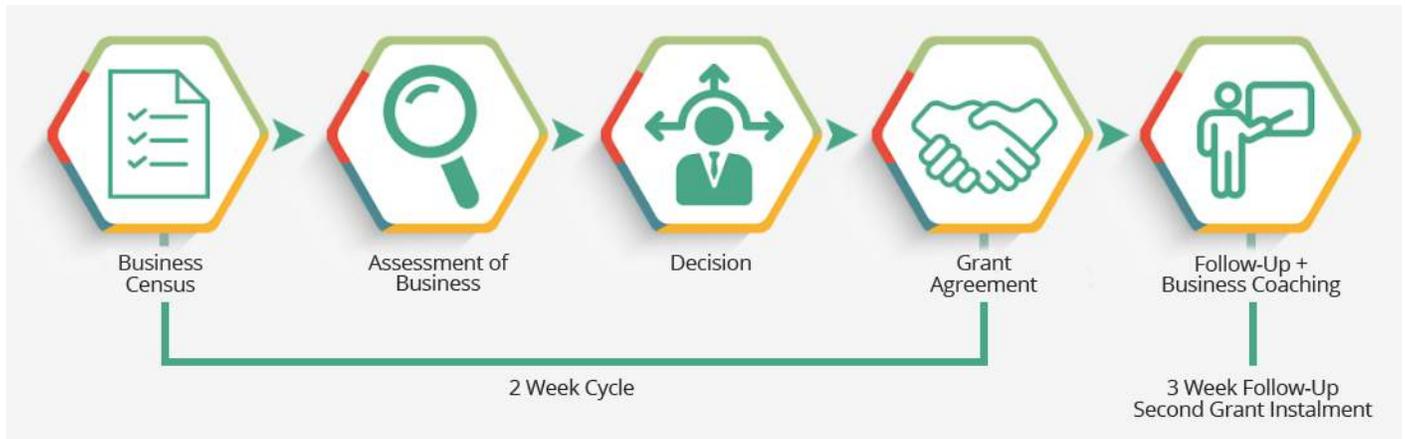


Figure 1. SBCGP framework and timeline.

Given that FPR did not have the internal infrastructure or expertise in place to execute the program right away, it partnered with CPE for the implementation. CPE was responsible for doing the business census, conducting in-depth needs assessment interviews, providing business coaching, and certifying progress so that FPR could issue the second installment.

A full evaluation of the pilot program was conducted in late November with encouraging results. Of the 39 businesses selected, 38 remained opened and completed the technical support portion of the program. There were two additional metrics that were used to evaluate the program, rate of employment and a sales report.



FPR and CPE meeting with business owners from Ponce Town Square.

As FPR is accustomed, the program was piloted first before expanding to the whole Island. The selected sites were:

- ✓ Calle Loíza (Santurce)
- ✓ Ponce Town Square
- ✓ Gastro District, road #110 in Aguadilla

FPR began the pilot in mid-October of 2017 and by the end of the first month, it was issuing the first checks to business owners at Calle Loíza and Ponce. By November, FPR had distributed over \$89,000 in cash grants to 39 businesses.



Graphic 1. Number of employees at SBCGP pilot sites.

As you can see on the graph above, business on these sites lost almost half of their workforce after hurricane Maria. Data collected after the second installment showed that these businesses were able to reach 77% of employment levels by the time they received the second installment. Additionally, sales reports showed participants reaching

90% of pre-Maria levels. Interviews with business owners participating in the program were also revealing. Many stated that they were “playing catch-up,” delayed on payments to suppliers and having to choose between bringing back employees that were on the fence about leaving to the U.S. mainland, or buying loss inventory.

FPR also documented through video many of the grant awards, and it was very moving to see business owners overwhelmed and emotional about the help given. One of them was Saul Rivera who had a skate bar in the heart of Ponce called Anonymous SK8 Bar. His establishment was severely damaged by the storm and was closed at the time CPE reached Ponce. FPR provided a grant of \$4,000 to Saul that he then used to make major repairs to the roof and to buy inventory. Within two weeks of the first installment, Saul was reopening his business with a live concert. The same thing can be said about José Rodríguez owner of *El Nuevo Coquí*, whose restaurant was destroyed after the storm. José decided to invest all he had left from his savings to open in a new location a couple of doors down. He was missing some startup funds to buy chairs, tables, and new inventory. FPR's \$5,000 grant allowed José to open within three weeks of the first installment.



Saul Rivera, owner of Anonymous SK8 Bar, receiving a cash grant.

Given the early success of the program, in early December, FPR decided to expand the program to ten additional commercial districts across the Island. As of May 2018, FPR had

invested over \$500,000 to provide immediate direct economic relief to 200 micro-businesses in 11 municipalities. A full report on the program will be released during the early fall of 2018 as the FPR staff has gone back to check progress on every business six months after receiving assistance.



José Rodríguez, owner of *El Nuevo Coquí*, full of emotion after receiving a cash grant.

Although FPR is still working on the full evaluation of the program, there are some general insights that are worth mentioning that could serve as learnings for the future.

✓ Puerto Rico needs short-term financing vehicles readily available for an emergency like Maria. One recommendation is to leverage CDBG-DR and Economic Development Administration (EDA) funding to create a Business Loan Program (BLP) and/or RLF to use for future occurrences. The Florida program mentioned before has been activated 13 times since it was first established in 1992.

✓ The pairing of technical support with cash assistance is important. Conditioning part of the grant to receiving technical support is a good way of nudging businesses into receiving the necessary guidance during this time, as some business owners might think they don't need it. The technical support ensures funding is well invested and that the business is successful.

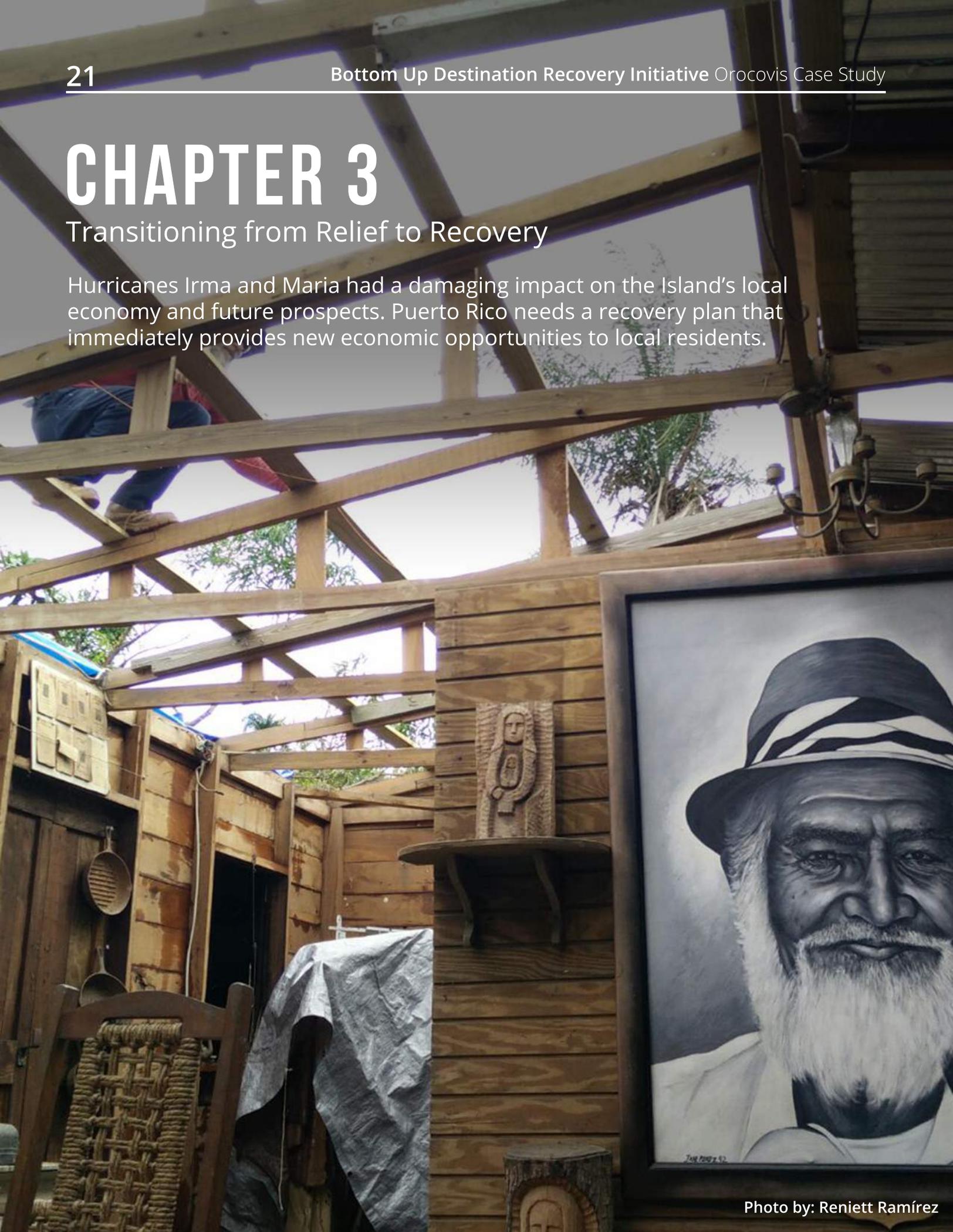
✓ FPR found few locally based privately funded Economic Development Organizations (EDOs) around the Island. According to the

International Economic Development Council (IEDC), EDOs are the best suited to lead economic recovery efforts in the community. During the emergency, the government's EDOs, the Puerto Rico Department of Economic Development and Commerce (DDEC), showed that it lacked the infrastructure to provide support throughout the Island. This was made evident by the lack of local financing programs for small businesses and feedback from participant of the SBCGP. Also, municipalities were flooded with immediate relief work, inhibiting them to properly assist businesses. While state and federal government can bring significant resources after a disaster, a locally based response is vital to recovery operation being more effective at providing necessary support and assistance. As a result, federal funds should be used to strengthen local NGOs and business associations so they can become functioning EDOs in their communities. The DDEC or any other NGO could provide technical assistance to these EDOs in matters such as organization development, emergency management planning, and business development. Given the commonwealth's fiscal woes, and the fragility of the infrastructure in Puerto Rico (power and telecommunications), the government should not rely on a centralized recovery operation. These local EDOs (once fully capable of operating) could be given the responsibility of establishing a Business Recovery Center for business assistance in their communities, as recommended by the IEDC. These locally based recovery centers would be mainly responsible for helping impacted businesses return to operations as soon as possible.

CHAPTER 3

Transitioning from Relief to Recovery

Hurricanes Irma and Maria had a damaging impact on the Island's local economy and future prospects. Puerto Rico needs a recovery plan that immediately provides new economic opportunities to local residents.



From Relief to a Sluggish Recovery

Two months after hurricane Maria, FPR continued to witness help being delivered to many communities across the Island, but no real plan to help them get back on track. While supporting immediate relief efforts, FPR began to think on how to facilitate a reimagined approach to longer-term sustainable recovery initiatives in these communities. While distributing cash grants, FPR also learned that there were other issues affecting small businesses beyond liquidity. For example, limited access to clean water to drink or prepare food and security concerns due to lack of public lighting outside their stores to operate during the evenings. The absence of disaster preparation measures were hindering the recovery in many communities in Puerto Rico. In view of all these problems, FPR felt that recovery initiatives needed to be coordinated as part of an integrated effort with multiple objectives and measurable results to ensure rigorous efficacy.

The scale of the aftermath and the lack of preparedness at all levels was compounded by the pre-existing economic and fiscal crisis in Puerto Rico. Puerto Rico was in terrible straits: real GDP had been falling since 2006, outmigration was accelerating, and the Commonwealth's debt had risen to the point that the government was no longer creditworthy. The Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) established in 2016, mandated an Oversight Board to, among other things, oversee the budget and debt-servicing relief. Like stated previously, before hurricanes Irma and Maria, FPR was advocating for the Visitor Economy as the “low hanging fruit” strategy to jumpstart the economy in Puerto Rico by mapping and visualizing everything the Island has to offer and maximizing its unique assets. The Visitor Economy strategy was gaining momentum before the hurricanes with the creation of the DMO and a destination planning exercise led by FPR.

The Visitor Economy strategy now becomes crucial for Puerto Rico's recovery, as many on the Island continue to migrate to the U.S. mainland. Therefore, reducing the tax base, diminishing the customer base, decreasing demand for products and services on the Island. According to the U.S. Census, the population in Puerto Rico has been declining since 2004, but the hurricanes accelerated those outmigration trends. There were many alarming estimates of residents leaving the Island early on. One of the most reliable estimates came from the Center for Puerto Rican Studies, which estimated between 114,000 and 213,000 residents leaving the Island annually. By 2019 the Center predicts Puerto Rico may lose up to 470,375 or 14% of its population.³ The Puerto Rico Department of Education (DE) estimates that the public school system is preparing for a drop of about 70,000 students for the next school year.⁴

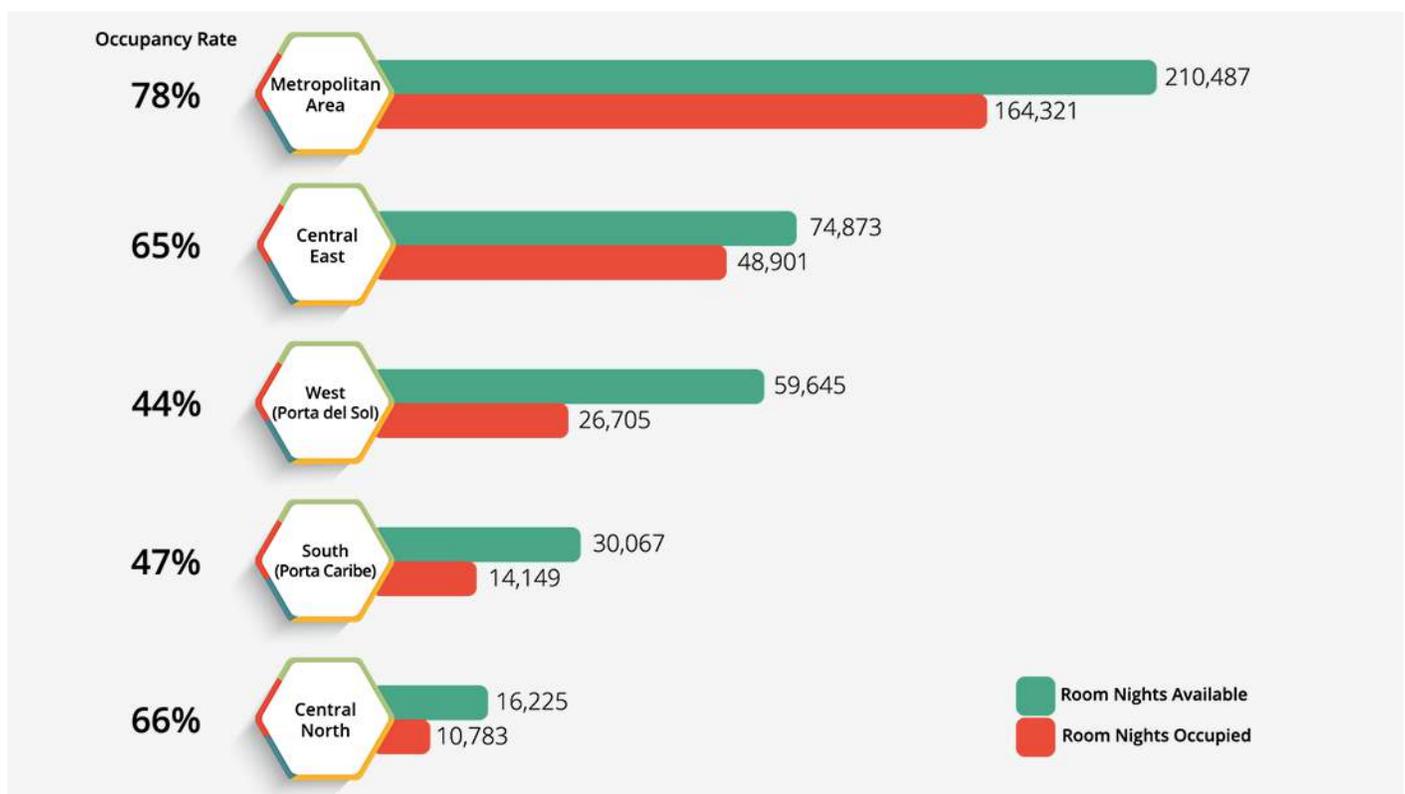
In the wake of a natural disaster like hurricane Maria, new markets realities emerged with new challenges. Population issues can have long-term effects for economic recovery. Two years after the devastation of hurricane Katrina, the Great New Orleans Region still had a population of 200,000 less than pre-Katrina levels. Customer and staff losses were the two main explanatory factors of business performance after hurricane Katrina. Still today, the population has not restored to pre-Katrina levels and it continues to be the single most important factor affecting economic performance in the area.⁵ On many small towns in Puerto Rico, where local business owners rely heavily on community residents to sell their products and services, this exodus can be even more damaging to their local economy and future prospects. The United Nations Office of Disaster Risk Reduction (UNISDR) has recommended small businesses to be less dependent on local markets and to diversify their supply and customer base as a mitigation strategy.

Visitor Economy: a strategy for recovery

FPR has advocated increasing visitor consumption to diversify the client base of local businesses, both at a national level and more importantly for communities outside the metropolitan area, who depend even more on local residents. FPR's previous studies have also noted that visitor consumption is heavily concentrated in the metropolitan area, with the exception of areas with well-known attractions like *El Yunque*. Using 2009-2017 data from the Puerto Rico Tourism Company (PRTC), FPR was able to calculate the occupancy rate for various tourism regions in Puerto Rico, showing significant gaps across the Island, both with lodging inventory and actual hotel registrations. According to the latest visitor survey, 60% of visitors stay only in five of the municipalities in Puerto Rico. Thus, visitor behavior in Puerto Rico is not aligned with what the Island has to offer. In addition, the average visitor stays in endorsed hotels an

average of 2.7 nights in Puerto Rico, compared to an average of 7.5 nights in Croatia. FPR believes that amplifying the range of experiences that the Island has to offer throughout its compacted and accessible geography, will convince potential visitors of choosing a longer stay. Data from the visitor survey validates this statement, as visitors that stay in multiple locations in Puerto Rico, have a significantly higher length of stay and expenditure.

This is why FPR began a Visitor Economy mapping exercise two years ago to help identify key assets around the Island. This is done through VIEWPR, an online platform that aggregates and validates information about places and experiences in one single place. So far, FPR has identified over 11,000 unique Visitor Economy assets around the Island, from restaurants to ecotourism experiences.



Graphic 2. Hotel occupancy rate at different tourism regions in Puerto Rico (2009-2017).

In 2016 FPR also launched a vision document identifying some of the key areas of improvement around the Visitor Economy. FPR believes that, if tourism is prioritized, Puerto Rico could double the size of the Visitor Economy and add billions of dollars to the local economy in a short-time frame, which is what the Island needs right now to speed up recovery. In addition, driving tourism consumption from the metropolitan area to the rest of the Island, communities could develop a sustainable economic development model, one that provides new economic opportunities for local residents. There is plenty of evidence on how tourism can be an effective tool to drive economic development in disadvantaged communities. On FPR's 2016 research paper: *La Economía del Visitante: Del Conocimiento a la Acción*, FPR cited work done by the United Nations World Tourism Organization (UNWTO) about the topic. The UNWTO's 2006 publication *Poverty Reduction through the Tourism* studied 26 cases in 20 countries that developed tourism projects in various communities to fight

poverty. The UNWTO concluded that tourism development not only contributed to improving the local economy but also the quality of life of the residents. One of the most interesting findings of the study was seeing how tourism activities led the communities to act more responsibly, with respect to their environment and the sustainable use of natural resources. FPR has done a lot of work to promote this idea of tourism as a poverty reduction strategy, given the perception on the Island that tourism only benefits large hotel chains. The book *Tourism and Poverty Reduction: Pathways to Prosperity*, by Jonathan Mitchell and Caroline Ashley, also provided plenty of examples of how tourism enables economic growth in disadvantaged communities. One of the best examples given by the authors is from a village in South Africa, where villagers around the newly established Madikwe Game Reserve were able to increase village income by 62% from tourism in less than ten years. Mitchell and Ashley also do a great job of proving a framework of benefits of tourism activity (see next figure).

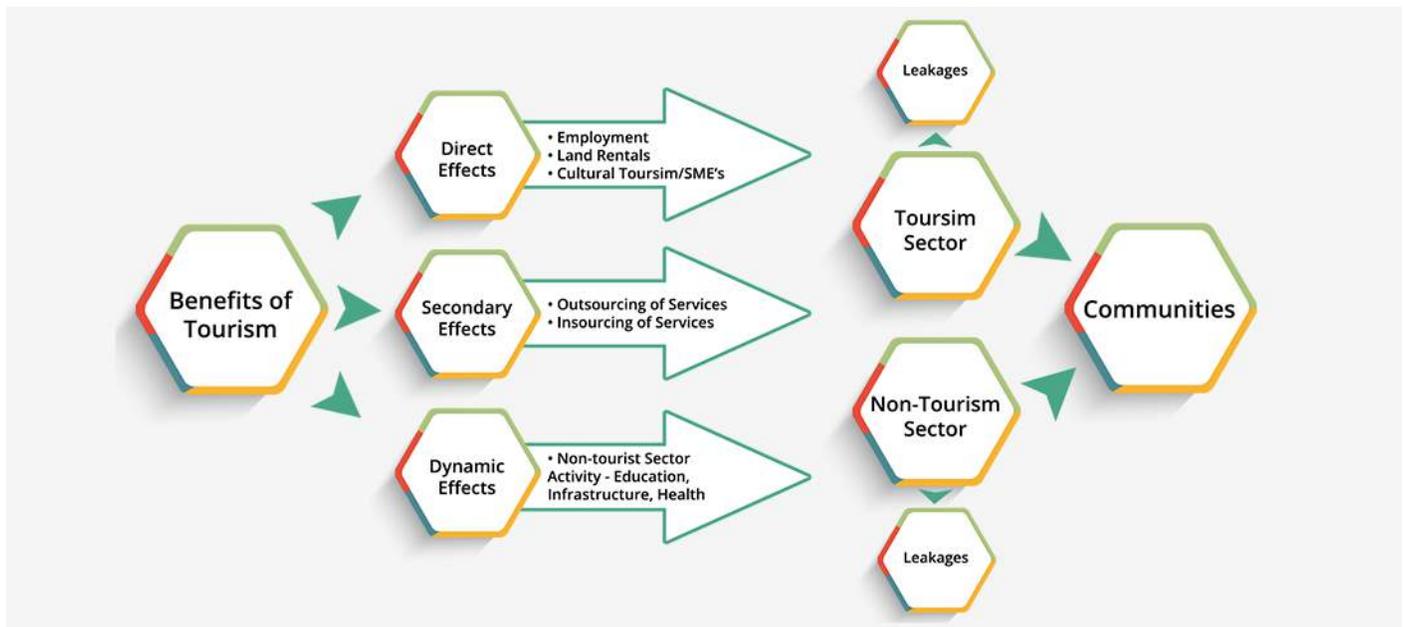


Figure 2. Tourism and poverty reduction: pathways to prosperity. Adapted from Mitchell and Ashley (2010).

As a result of the previous work conducted by FPR around the potential the Visitor Economy has for Puerto Rico, and the challenges with recovery and long-term economic stagnation, FPR began to work on a destination recovery program, one that could be replicated across the Island. After almost two months of program design work, FPR created the **Bottom Up Destination Recovery Initiative**, as a new paradigm and approach for short-term and long-term recovery activities in Puerto Rico.

CHAPTER 4

Bottom Up Destination Recovery Initiative

A short-term economic recovery strategy with a sustainable model that supports communities to become more resilient and active resources in the creation of tourism attractions and experiences.



The Principles of “Bottom Up”

FPR wanted to develop a recovery model that would not only help speed up recovery but also sustain such recovery by building a more resilient Puerto Rico. The term **resiliency** has forcibly entered the common jargon in Puerto Rico this year due to the devastation of hurricane Maria, but from now on, one cannot talk about recovery without incorporating it. The NOAA reported that in recent years there was an average of 12 disasters per year in the U.S. alone. AccuWeather’s official 2018 hurricane forecast calls for 12-15 storms in the Atlantic basin overall, six to eight of which are forecast to be hurricanes, and three to five of which may be major ones. As seen with Maria, hurricanes and tropical storms are among the most powerful natural disasters because of their size and destructive potential. While many of these events are relatively rare in frequency, their impact in a community can last for years. For these reasons, it is critical for recovery plans to include pre-disaster planning and preparation strategies as indispensable components.

Disasters not only cause physical damage to infrastructures, they can also cause a long-lasting decline in the economy. Thus, in order to have a rapid recovery, one that is also sustainable over time, Puerto Rico will need strong economic growth. Reconstructing houses, bridges and repairing shattered infrastructure is critical to the recovery, but Puerto Rico also needs to provide economic opportunities to the local residents if it wants to restore its social fabric. Consequently, FPR began to think of a recovery program that could meet two main objectives, speed up recovery in locations outside the metro area and build a more resilient community to help sustain recovery over the long term.

Before developing the program, FPR settled on a set of principles to guide the program design, given that there were many approaches and



Figure 3. Bottom Up Destination Recovery Plan.

models out there. FPR looked at successful models elsewhere while also adapting various concepts to the realities and particularities of the Island. Not surprisingly, FPR chose the **Visitor Economy** as the main principle of the program. As stated before, due to the outmigration trends and how unevenly distributed the economic activity is in Puerto Rico, many small businesses in communities outside the metropolitan area will not sustain growth unless they are able to diversify their customer base and increase consumption of nonresidents, which may include residents of the metropolitan area with higher purchasing power and/or visitors from abroad that mostly stay around the metro area when they come to Puerto Rico. Although Puerto Rico needs to continue to work on strengthening its manufacture sector and attract more Foreign Direct Investment (FDI), it must see the Visitor Economy as a critical tool for social-economic development in vulnerable communities on the Island. Communities on the more rural and mountainous regions of Puerto Rico are not only more vulnerable than the metropolitan area to natural disasters, but also less likely to directly benefit from a new manufacturing plant or high-tech company. This is due to the socio-demographics of many communities where local residents lack the necessary skills to directly participate in such activities. The participatory credentials of tourism are justified on the basis of the high

labor intensity of the sector, relative to other sectors, particularly manufacturing.⁶ As a result, thousands of unskilled workers are able to access the tourism economy.

The second principle that guided the program design was using an **Asset-Based** approach to development. The Asset-Based Community Development (ABCD) is a methodology for the sustainable development of communities based on their strengths and potentials. It involves assessing the resources, skills, and experiences available in a community; organizing the community around issues that move its members into action; and then determining and taking appropriate action. This method uses the community's own assets and resources as the basis for development; it empowers the people of the community by encouraging them to utilize what they already possess. The ABCD approach was developed by John L. McKnight and John P. Kretzmann at the Institute for Policy Research at Northwestern University in Evanston, Illinois. The ABCD has become one of the most popular sustainable development models around the world, with many universities, local and international NGO's creating toolkits, projects and even institutes. The asset-based approach coincides perfectly with the Visitor Economy based strategy. FPR has shown, Puerto Rico has plenty of assets around the Island, both natural, cultural and otherwise.

The third principle was a **Community-Based** approach since it goes hand in hand with the asset-based methodology. Besides, any recovery or development strategy requires a collaborative effort from multiple stakeholders which includes residents, business owners, local organizations, and the government. Thus, the program needed to ensure the community was part of the recovery effort. A community-based approach is essential not only for identifying the community's assets but also figuring out strategies to leverage them for economic development efforts. To successfully integrate the community, the program

requires a stakeholder mapping exercise that identifies key local leaders that could become champions of the recovery effort. Giving the time constraints, the asset mapping exercise did not have to be very detailed but needed to have enough information about the general dynamics of the community in order to better integrate them into the efforts. In sum, as the program's name states, the recovery projects and initiatives needed to develop a bottom up and not top down approach with intense community involvement and feedback.

The fourth principle was **Resiliency**. As stated before, any recovery or community development work requires resiliency goals. Resiliency was looked from two perspectives. First, building local capacity and leadership to better respond to an emergency and second, building better and stronger infrastructure to sustain future disasters.

The fifth and final principle was **Action-Based**, meaning fast implementation to allow for quick results and findings. This was important for several reasons. First, although it was stated before that the recovery process required a comprehensive plan and strategy, Puerto Rico didn't have time for lengthy community engagement efforts or complex (“pie in the sky”) development frameworks. The fact was that by the end of December many communities were still responding to the emergency and lacked basic needs or proper physical infrastructure to even think about long-term recovery. This was made evident by the fact that in January, FPR was still being asked to deliver food and supplies to various communities. Secondly, the program needed to show some preliminary results within a short time frame. This would allow FPR to provide valuable and timely insight on recovery issues based on actual fieldwork. It would also allow FPR to apply improvements to future engagements using lessons learned during this first implementation. Although action-based and community-based approaches might seem at odds with each



Figure 4. Bottom Up Destination Recovery Principles.

other, given the amount of time and work typically required in community work, FPR wanted to examine approaches that could help accelerate this process in a responsible manner. Also, FPR knew that the program would need a second phase to incorporate longer-term projects, destination planning, and additional disaster preparedness.

Once settled on those five principles, FPR began to work on program design, the budget, and the operational framework. The goal was to begin piloting the program on a specific community by the beginning of January 2018: make the necessary recovery investments within three months and have preliminary results by May 2018. Although there were some changes through the design phase, the budget was originally capped at \$700,000 per community based on funds available in FPR's Hurricane Maria Relief and Recovery Fund.

“Bottom Up” Operational Framework

The program design team needed to create an operational framework that could guide short-term investments in a community that could:

- ✓ Speed up recovery
- ✓ Improve resiliency to sustain future disasters

By the end of this first phase of investments, the community needed to be in a better position to initiate longer-term recovery, destination planning and development.

The program design team identified four impact areas that were critical, in the short term, to meet both recovery and resiliency objectives. These four impact areas would guide the operational field team during the implementation. Only by having clearly defined and agreed measures from the beginning, could it be possible to know whether a program objective had been met successfully. Therefore, the program had defined deliverables, a temporary management environment, a defined end date, and a defined budget. To minimize the risk of failure, the program was designed to deliver results in phases, enabling progress to be tracked and measured in the short-term, in order to provide valuable insight for future engagements. The first phase would focus on the short-term recovery, and the second phase on longer-term planning and development.

The four critical impact areas selected were based on FPR's relief work experience, the existing asset and community-based literature, and previous Visitor Economy research done by FPR. The four impact areas were:

- ✓ Basic Needs and Infrastructure
- ✓ Small Business Support
- ✓ Branding and Marketing
- ✓ Social Capital

The **Basic Needs and Infrastructure** area was selected given the importance of physical infrastructure for economic development. Small businesses, who are the backbone of a local economy, were unable to jumpstart their operations given their challenges with electricity, telecommunications, clean water, and debris removal. As a result, they were not able to either open during the evenings due to lack of public lighting, have clean water to cook, or process credit cards due to lack of internet. Therefore, **quick investments needed to be made to improve the quality, durability, sustainability, and resiliency of local infrastructure in order to minimize business interruption.**

The basic needs component is more associated with improving resiliency and emergency response capacity in the community. During Maria, neither the central government nor FEMA could immediately provide assistance to all communities across the Island. It is hard to expect a different outcome in a future storm, given the local government's diminishing resources. And although a stronger electrical grid, more resistant power cell sites, and reliable water and sewer system are all desirable outcomes, it could take years to rehabilitate the Island's utilities and make them resistant to future disasters, given the propensity of atmospheric events in the Caribbean. As a result, many communities will remain vulnerable to another hurricane. Therefore, **communities need better and more resilient infrastructure to mitigate disaster impact and facilitate emergency response.** One cannot effectively start economic recovery if communities adjacent to commercial districts are distressed and are unable to access basic needs. Local residents are key ingredients to a community-based economic development strategy and thus need to be incorporated into the program.

The second impact area is **Small Business Support**. As stated before, small businesses are the backbone of these communities and are indispensable to drive the recovery. Thus, the program had to **ensure current business owners were able to cope with the current emergency and were better prepared for future occurrences**. To accelerate growth, a community needs rapid development of new businesses and the expansion of existing ones. To do that, the program needed to **build an environment of entrepreneurship among local residents**, encouraging them to think about ideas, and provide resources (technical and financial) to enable the establishment of innovating products and services that could help attract new visitors.

The third impact area was **Social Capital**. As defined by Robert Putnam in his book **Bowling Alone**, social capital refers to the connections among individuals, their social networks, and the norms of reciprocity and trustworthiness that arise from them. Given the program’s asset and community-based characteristics, it was imperative to **build capacity so that local organizations could work together on their own recovery and development strategy**. Many times, communities lack formal (or even informal) organizations that engage and connect with all local stakeholders, partner with outside organizations and experts, and bring attention

to the community and its needs. These organizations can be either the municipal government, a local NGO, or a private business. Having one or two anchoring organizations can enhance coordination among all local stakeholders (private and public), and link economic resources with potential opportunities. This is especially important in the context of a small community, as a large number of external factors directly and continuously influence the local economy. Having strong institutions that can coordinate development efforts, is essential to a successful recovery strategy; one that’s sustainable over the long-term.

The final impact area was **Branding and Marketing**. If the program was based on a Visitor Economy strategy, one would need to attract new visitors to the community. A community might have many Visitor Economy assets, but if it can’t effectively market them, it won’t generate the necessary demand for visits. Hence, this impact area required learning about challenges, gaps, and opportunities in the community and **determining the best marketing strategy to bring more tourists to the area in a sustainable manner**. After selecting these four impact areas, the program design team worked with the operational field team on an implementation framework.



Figure 5. Bottom Up Implementation Framework.

Once the community was identified, the operational field team would do an assessment to identify challenges and opportunities within each impact area. This would require a mapping exercise to identify key stakeholders in the community which may include, leading organizations, anchoring businesses, the Mayor, local community leaders, among others. After stakeholders are identified, the operational field team could conduct interviews and surveys, to perform a full community-assessment. FPR was careful about over-assessing, as it didn't want to get the local stakeholders weary with overlong evaluations when they were still struggling with the emergency. Always having present that time was of the essence and it was imperative to begin impacting communities as quickly as possible.

Upon the completion of the assessment, general guidelines were developed by the program design team to guide investments within each impact area. Once those guidelines were in place, the operational field team would work with local stakeholders to develop and implement specific projects within each impact area. The guidelines would also include Key Performance Indicators (KPIs) to measure outputs, and when possible, program outcomes. The operational field team and the program design team would meet periodically to evaluate progress and make adjustments to the implementation strategy when necessary.

Selecting the Pilots

Once the program was designed, it needed to be tested in an actual community to assess the validity of the framework. Given the diversity in Puerto Rico, FPR ended choosing three distinct locations to evaluate the program under different environments, with communities with different characteristics. The following elements were used to select the first three pilot communities:

- ✓ Geographic defined area with a high commercial density.
- ✓ Visitor Economy driven destination with existing Visitor Economy assets.
- ✓ A destination with significant physical infrastructure damages due to the hurricane.
- ✓ A destination with existing local leadership, open and willing to work with FPR on the project.
- ✓ Likelihood of success of the program within a short-time frame.

Based on information collected from the relief missions and Visitor Economy data from VIEWPR, FPR pre-selected about a dozen potential locations. FPR's relief team was sent to these locations to collect more information and produce scouting reports for each one. Once the information was analyzed, FPR settled on three locations to pilot the program.



Figure 6. Selected pilot destinations.

Orocovis and Punta Santiago are similar in that they have an anchoring tourist attraction,

Orocovis has Toro Verde Adventure Park and Punta Santiago has Humacao's Natural Reserve. They both are alternative tourist destinations outside the metro area, for which FPR has advocated to promote for many years. Orocovis is in the heart of the mountainous part of the Island, while Punta Santiago is in the southeast corner of Puerto Rico, which is where hurricane Maria made its entrance. They do have an important difference which is why FPR wanted to start the pilots there. The difference can be found in social capital characteristics. Although Orocovis has several Visitor Economy assets, it seemed to lack integration within the ecosystem, due mainly to the absence of strong local institutions working on stakeholder engagement. Thus, the pilot in Orocovis would allow FPR to learn about the challenges of building a strong coalition of local stakeholders from the ground up. Unlike Orocovis, Punta Santiago has a strong and recognized NGO that was founded in 1985 named Programa de Educación Comunal de Entrega y Servicio (P.E.C.E.S.).

FPR wanted to compare agility and viability of the program in a community that has a strong local NGO versus one that doesn't. The importance of this comparison is that Puerto Rico can have communities with strong institutions and some with none. Therefore, different approaches for recovery and development need to be created.

Finally, with Aguadilla and Isabela, FPR chose a very different approach, as it involved two municipal governments. Given the current state of municipalities in Puerto Rico, FPR wanted to test the viability of regional recovery and development planning between two Mayors.

CHAPTER 5

Bottom Up Orocovis: The First Pilot

The operational field team moves to Orocovis to begin a stakeholder mapping exercise and needs assessments, to determine the optimal investment strategy for the community.



Orocovis: Area of Study

Orocovis is known as the "heart of Puerto Rico" and the "geographical center of Puerto Rico", because it is located precisely in the center of the Island. This municipality corresponds geographically to a region of Puerto Rico characterized as a mountainous area. Although the pilot bears the name Orocovis, it doesn't mean that the entire municipality was part of the program. Due to time and budget constraints, FPR focused its investments within a specific geographic area in the municipality. This would facilitate the evaluation of the program, as working with the entire geographic boundary of Orocovis would have taken longer to fulfill the program's objectives and would have made it harder to identify the direct impact of the investments.

To identify the specific areas of impact, FPR looked at commercial clusters within Orocovis, in other words, geographic concentrations of

Visitor Economy assets. These clusters needed to contain a mix of products and services related to Visitor Economy linkages. The agglomeration of related economic activity was the central feature in the selection process. The cluster analysis was qualitative in nature, using information from VIEWPR database, business directories, U.S. Census data, commercial mapping applications, and online travel platforms. The operational field team also visited Orocovis several times to validate information. The final commercial clusters selected were:

- ✓ Orocovis Town Center ("La Plaza")
- ✓ *La Ruta de la Longaniza* ("La Ruta")

Once settled in the geographic areas, the operational field team was sent to make the needs assessment, which began in January.



"La Plaza" of Orocovis. Photo by: Reniett Ramírez

Community Survey & Stakeholder Mapping

Evidence from other asset and community-based programs around the world showed that it takes considerable time and effort for outside organizations to build trust with local residents. Some examples in the ABCD literature have shown years and not months, as a minimum timeframe. Given the urgency and the recovery nature of the program, FPR knew that it needed to identify ways to accelerate this process. The most immediate component of the implementation was the needs assessment since it was the basis for decisions on community investments. FPR was a step ahead with local businesses, thanks in part to the SBCGP, but it needed to map out other key stakeholders to facilitate the asset mapping exercise and have a more complete picture of the needs in Orocovis.

An important decision made by FPR early on was to move the entire operational field team to Orocovis for the duration of the program. This proved to be one of the wise decisions of the program as it facilitated and accelerated the data gathering exercise. Most importantly, it helped build solid relationships with local stakeholders early on.



Multisectorial meeting.

There were some initial meetings with key stakeholders during the first weeks, as the operational field team was looking for

program champions. They met with the Mayor of Orocovis, Hon. Jesús Edgardo Colón Berlingeri, the Director of Arts and Tourism for the municipality, and managers from Toro Verde Adventure Park.



FPR with the Mayor of Orocovis, Hon. Jesús Edgardo Colón Berlingeri.

Mapping out stakeholders in a community is hard work since usually there isn't a list to go by. Thus, the operational field team collected names from local residents in the community. Due to the importance of local residents for the asset mapping and needs assessment exercises, FPR identified three communities that were adjacent to "La Plaza" to collect additional information: *Calle Luis M. Alfaro* (colloquially known to some as "La Pica"), *Calle Dr. Umpierre* (colloquially known to some as "Los Duros"), and *La Guaira/Acueducto*.



Calle Luis M. Alfaro ("Los Duros") in Orocovis.

The operational field team had to make quick decisions about how to collect information from local residents. One common strategy is to

organize community meetings or gatherings. This could be useful, but many times fails to get sufficient turnout. Since FPR also wanted to get a sense of the socio-economic characteristics in these communities and there was no recent census-tract data, FPR decided to conduct a community survey. This survey would allow the field team to create a demographic profile of these communities, ask questions about the recovery, and identify challenges and opportunities in Orocovis. It would also help identify additional key stakeholders.

The survey was conducted in late January and took three days to complete. There were 90 households surveyed, equivalent to 205 residents. In addition to collecting important demographic information, the survey helped the operational field team to get immersed in the community, better understand their needs and hear their stories about Orocovis. It was also incredibly helpful for the asset mapping exercise, as it allowed the team to meet other key leaders that lived in those communities.



Orocovis community household survey conducted in January.

Given the importance of local residents to an economic asset-based strategy, the demographic information that came from the survey was also useful. There were several distinct characteristics in these communities. For example, 58% of people

surveyed were over 60, a large number relative to the rest of Orocovis and Puerto Rico where the percentage of people over 60 is around 20%. Granted, this is based on a non-representative survey where in most cases the participant was the head of the household, but still a high number indeed. About 60% of respondents stated that nobody currently works in their household. On the other hand, 40% of the respondents had an associate degree or higher, which is significantly higher than in Orocovis and Puerto Rico. Based on the information gathered, these communities had an older, educated, and unemployed workforce. Interestingly, when you asked respondents to state the top social problem in their community, they said it was unemployment. As suspected on the initial assessment, local NGOs working with socio-economic issues were not identified. Almost 90% of respondents stated that they had never received services from an NGO.

The Visitor Economy scored high points, as 98% stated that it would be good for Orocovis to receive more international visitors. Toro Verde Adventure Park was ranked as the most important attraction, while other important Visitor Economy assets were identified through the survey process, like the *Museo Orocoveño Celestino Avilés Meléndez*, *El Cerro La Guaira*, and *El Centinela* (a 100-year-old mango tree). Additionally, there were key stakeholders identified through this process, like Doña Irma P. Vazquez, a local retired teacher that would later become a key Bottom Up collaborator, and Héctor Rosario, a local business owner that was involved with various local initiatives that got incorporated in the program later on.

Businesses Stabilization

While the operational field team was conducting the needs assessment, FPR brought in the SBCGP to the location. This provided much-needed help to small businesses in the selected areas, while also allowing the operational field team to collect information. As with other iterations, CPE conducted a business census of the area and collected information on sales and employment levels pre and post-Maria for all businesses. This allowed the operational field team to get great insight into the current state of businesses, and meet and talk to business owners. To identify the specific impact areas, FPR looked at commercial clusters within Orocovis, meaning geographic concentrations of Visitor Economy assets.

The initial business census stats were the following:

Based on our interviews, most of the establishments at “La Plaza” are family operated, which might explain the employee retention numbers relative to sales. At “La Ruta,” sales dropped by about 38% after Maria, while employment dropped by 38% as well. This showed that “La Ruta” employment was more responsive to business interruption, particularly for establishments with a larger workforce.

Although it was January, business owners at “La Plaza” and “La Ruta” were still struggling with the hurricane aftermath, buying back loss inventory, paying late bills, and wrestling with their insurance claims. When FPR arrived with the grants, business owners were incredibly grateful, many stating that it was the first time they had received any type of assistance. A great example was Rosita Miranda from *El Cafecito* at “La Plaza,” as she was able to buy back inventory and

Impact Area	Count	Composition	Annual Sales (avg)	Employees (avg)
“La Plaza”	13	Retail: 9 Food: 3 Services: 2	\$164,000	3
“La Ruta”	15	All Food & Beverage	\$330,000	16

Table 2. Business census.

“La Plaza” is mostly a retail-oriented cluster that relies on local resident consumption with small annual sales. If you take the pharmacy out, average annual sales are much lower. This seems to be the profile for many *plazas* around Puerto Rico. “La Ruta”, on the other hand, has much larger sales which according to business owners, is due to non-resident consumption. There are also some outliers at “La Ruta”, like *Roka Dura*, that offers additional services such as lodging. Based on the initial assessment done by CPE for businesses at “La Plaza,” average sales dropped by 42% after the hurricanes, and employment declined by 17%, less than our other cash grant locations.

purchase kitchen equipment she lost during the hurricane. Meanwhile, Wanda Torres from *Foto Arte* used the grant to process pending vital orders.



Rosita Miranda from *El Cafecito* receiving her cash grant in January.

In total, FPR granted 31 grants in Orocovis within the first two months of the program, distributing \$77,000. It also facilitated 120 hours of technical assistance to these businesses.

Based on the final intake, all “La Plaza” businesses on average were able to reach pre-Maria sales levels, with the exception of the one furniture store, that not surprisingly, had higher than usual sales after Maria. On the other hand, businesses at “La Ruta” were at 78% of pre-Maria sales levels and 80% employment upon completing the technical assistance component of the program.

In addition to helping stabilize small businesses, the SBCGP was an effective way to get introduced in the community and get business owners on board with additional program objectives. It also helped the operational field team with the needs assessment, as business owners were more than willing to discuss issues and ideas for recovery and development.

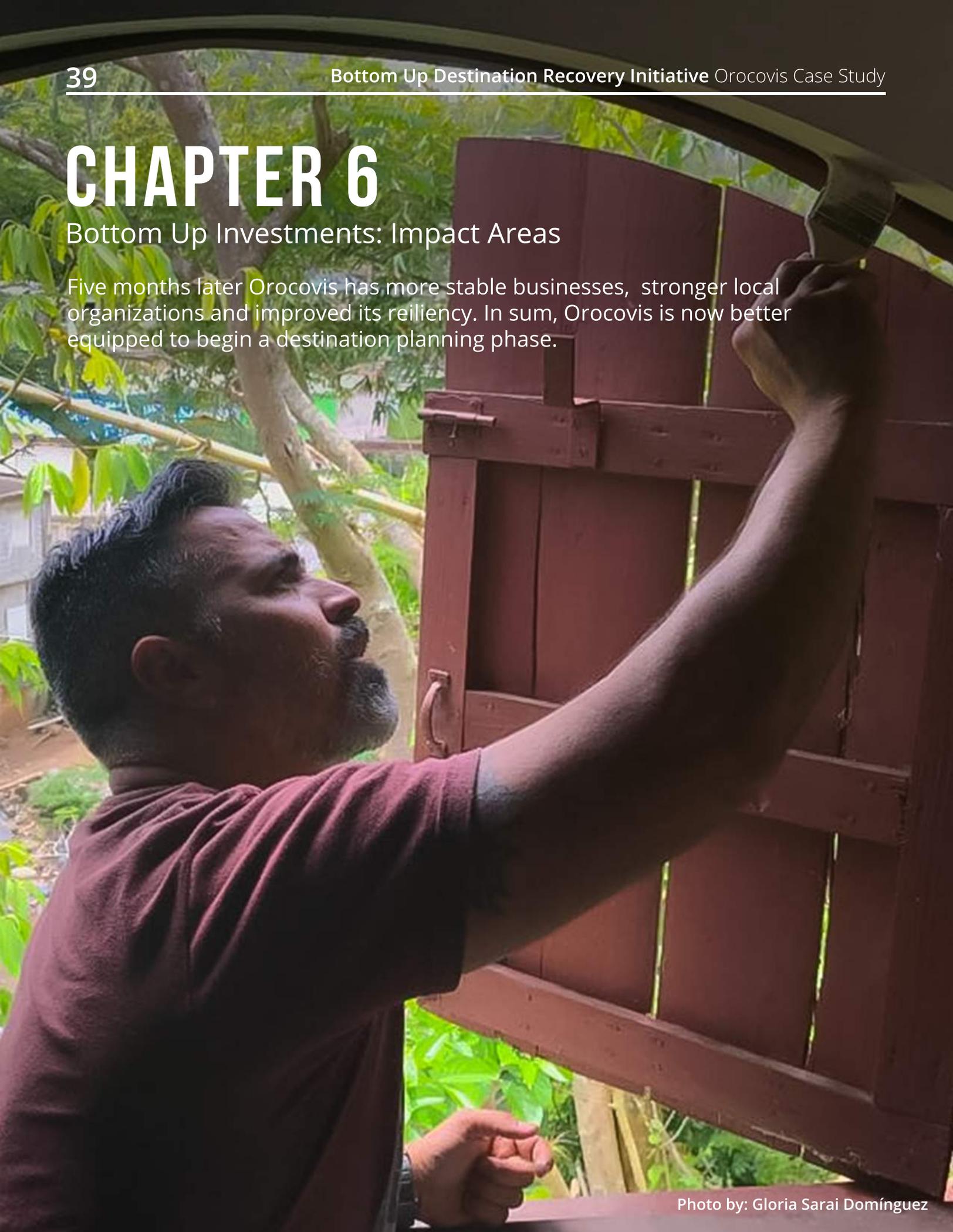


First cash grant for *Restaurante La Sombra*.

CHAPTER 6

Bottom Up Investments: Impact Areas

Five months later Orocovis has more stable businesses, stronger local organizations and improved its reiliency. In sum, Orocovis is now better equipped to begin a destination planning phase.



Basic Needs

Based on the relief work and community survey, access to potable water was one of most critical basic need challenges in Orocovis at the time. The operational field team quickly organized a water testing workshop with Oxfam, an international organization that works in disaster relief. Professor Susan Murcott of Massachusetts Institute of Technology (MIT), an environmental engineer experienced in water treatment and sanitizing in developing countries, led the introductory workshop at *Roka Dura*. Later, the team went to the main testbed which is the natural surface water source accessed by the non-PRASA⁶ community "Los Duros" and did water testings. Results were interpreted the day after and all samples tested positive for total coliforms, and E. coli presence was detected (associated with mammalian feces). Thus, water was not suitable for drinking nor bathing.



Operational field team collects water samples from a spring near *Calle Dr. Umpierre* ("Los Duros").

Another issue was the lack of resilient shelters in Orocovis to help better coordinate disaster response. Most of the shelters in Puerto Rico are schools (all eight shelters in Orocovis are schools) and none of them are equipped with resilient infrastructure to provide continuous access to clean water, energy, and

telecommunications for local residents in case of an emergency.

Given these issues, the operational field team was determined to create a resilient hub around "La Plaza," one that could help better coordinate relief work and provide access to clean water, telecommunications and energy to adjacent communities. Given the typical clustering of services in a *plaza* in Puerto Rico (they usually have government offices, pharmacies, convenient stores, and police department) it had the ideal density to deploy community-based resiliency projects, like a micro grid, a community water oasis or satellite antennas.



Operational field team examining community water pipes.

As the operational field team was getting ready to look at solutions and approach potential vendors to make "La Plaza" a resilient hub for Orocovis, information began to flow from local residents regarding its vulnerability. After going through newspaper reports, videos shared by residents, the official FEMA flood map, testimonies from the municipal government, and small business owners, it was determined that "La Plaza" was not the ideal place to invest due to the high-risk of flooding. Since "La Plaza" is surrounded by Orocovis' main river, when there is heavy rain, flooding blocks all entrances. As a result, the

operational field team needed to figure out a different way to improve resiliency in order to sustain future disasters around the program impact areas.

This was an important decision, as there was a lot of eagerness around the Island to invest in sustainable projects during the first months after the storm. Many vendors were approaching FPR and other organizations during that time. Had FPR used the funds to create a microgrid or a community water oasis at "La Plaza", it would have had little value to the local residents in case of another storm.

The operational field team also looked at public schools that currently serve as shelters around "La Plaza" to equip them with resilient infrastructure. It was a challenge to coordinate permits and project specifications with the public entity that manages most of the school buildings. Therefore, the operational field team decided to explore other options and improve resiliency around the impact areas using multiple fronts, working more directly with nearby communities.

"Los Duros" was one of the most critical of the nearby communities, as it had a large non-PRASA system, sourced with contaminated water. The operational field team partnered up with *Por Los Nuestros*, a private citizen initiative working on water issues, and installed two large water cisterns with six water filters at "Los Duros". Each water cistern has the capacity to produce around 2,160 gallons of purified water a day, enough to serve around 500 individuals. Since two cisterns were installed, over 4,000 gallons of purified water are available now, and will be available in case of another storm. These cistern systems are fairly cheap and easy to operate; thus, they are a cost-effective solution for potable water in small communities. FPR complemented this effort by partnering with Oxfam to supply 70 households with small water filters capable of producing at least two gallons of purified water a day, which is equivalent to 121 gallons of purified water per

per day around the entire residential area. Thanks to *Por Los Nuestros* and Oxfam, "Los Duros" is now capable of producing 4,121 gallons of purified water a day, significantly improving its access to potable water in case of another emergency.



Operational field team installing a water community cistern at Calle Dr. Umpierre ("Los Duros").



Delivering water filters to Calle Dr. Umpierre ("Los Duros").

Although the operational field team was not able to fully retrofit the school that was adjacent to "La Plaza" (that's also a shelter) with resilient infrastructure, it was able to provide a large water cistern through *Por Los Nuestros*, along with a number of small water filters. Also, due to the fact, that Orocovis was still going through emergency water issues at the time, the team expanded its water program to other areas, including a water cistern at another public school *Segundo Unidad Botijas I*, and small water filters for the *Saltos Coli* community. Finally, as part of the

business resiliency program which will be discussed in another section, 26 large water filters were given to SBCGP participants. After all, was said and done, communities in Orocovis are now able to produce more than 11,000 gallons of purified water a day, independent from the PRASA system.

Once the filters were distributed and cisterns installed, FPR began to think about how to make water testing more sustainable. Orocovis will not be able to ensure water bodies (rivers in this case) have good water

quality unless there is collective appreciation and awareness for the protection of natural water resources. In an effort to promote the importance of water quality, the operational field team organized a collaboration initiative between two schools that have a Problem Based Learning (PBL) curriculum around issues of sustainability. Students at these schools were dealing with topics of clean water and green area development. Again, through a partnership with Oxfam, a water testing workshop was conducted with 12 students from the *Escuela Superior Alberto Meléndez Torres*.



FPR, Oxfam and Susan Murcott from MIT, providing a water testing workshop for the community.

Infrastructure

As stated on one of the initial sections, small businesses were unable to jumpstart their operation given their challenges with power, telecommunications and clean water. Thus, investments needed to be made to improve the quality, durability, sustainability and resiliency of local infrastructure in order to minimize business interruption. Clearly, FPR could not make Puerto Rico Electric Power Authority (PREPA) build a stronger grid, build new cell antennas or improve the PRASA water and sewer system. Therefore, more creative ways were needed to make businesses less susceptible to disasters. The water filters were the first step towards that goal, by giving them access to safe water to cook and serve their clients in case the water and sewer system fails again.

Another roadblock for small businesses in Orocovis was public lighting. Although they had power generators, they were frustrated due to their inability to host clients during evening hours, giving how dark it was outside their establishments. Business owners were closing around 4:00 P.M. - 5:00 P.M. every day, including the weekends. Even in areas where power had been restored, there were no standing light poles.

FPR knew that waiting for PREPA was not an option, as reports indicated that full restoration of public light poles could take years. As a workaround to PREPA, the operational field team figured out a way to restore public lighting using easy to install solar lamps. A total of 81 solar lamps were installed in 39 businesses. Upon surveying the business owners several weeks after installation, they stated that their operating hours increased on average of three hours per day, which resulted in an average of 20 extra clients a week per establishment.

Wilson Jiménez, owner of *Los Naranjos* explains the impact of the lamps:

"We were without power for seven months and thanks to the solar lights donated by FPR, we were able to operate additional hours during the evenings, and they also helped with security issues. We operated with a generator, but when we closed the store the solar lights remained on, illuminating surroundings areas."



FPR installed 81 solar lamps to 39 businesses in Orocovis , increasing operational on average of three hours per day.



More than just helping local businesses attract more clients, this technology targeted the public security threats the community was facing.

As stated earlier, after the storm, local residents were unable to buy things or use their food stamp card due to POS not having internet. To prevent Orocovis from becoming

once again a cash-only town, FPR installed three EBT satellite systems at three different business establishments, one of them being Orocovi's main supermarket Selectos. In case of an emergency, should connectivity drop, Orocovi's main supermarket will be able to process credit card payments and the PAN card as well.

The second issue FPR wanted to tackle was access to the internet, not only to provide the necessary connectivity to enable electronic transactions, but also create Wi-Fi hotspots to enable communications for the community. This would not only help residents communicate with their loved ones, but also enable them to quickly register for federal assistance, which was a critical issue during the disaster. FPR needed to find innovative and creative ways to provide internet access to people in isolated communities. An extensive search was done on internet companies around the Island that offered Wi-Fi services. Of all companies, the HughesNet satellite system was chosen, since it was the only one that could work using satellite equipment in the geography in Orocovi and guaranteed the connection. Also, the system is easy to take down and install back up again, in case of another hurricane.

Businesses from "La Ruta" were approached to validate interest in the system and to receive an orientation about the equipment and data plans from the supplier. FPR would pay for the equipment and installation under the agreement that, the business owners would pay the monthly service and in case of an emergency such as (but not limited to) hurricanes, general blackouts, earthquakes, etc, the businesses would allow local residents to access their internet service for free. The following business accepted the terms and the system was installed:

- ✓ Bertito's Car Wash Bar
- ✓ Fonda & Posada El Navideño
- ✓ Roka Dura Wine and Grill
- ✓ Ruly's Pizza
- ✓ Toro Verde Adventure Park

There are now eight Wi-Fi emergency hotspots throughout five miles in Orocovi's road for residents to access in the case of another emergency. An important lesson here is leveraging small businesses around resiliency and emergency response, given that they are members of the community and thus have a vested interest in its recovery. Small business owners are used to holding up under pressure and bouncing back quickly from setbacks, making them dependable and reliable during an emergency. They are also more likely to be there for the next storm, relative to an altering government administration or a newly formed organization. This is why the program relied on business owners to improve public lighting and create resilient Wi-Fi hotspots for local residents. **Thus, partnering with local businesses for disaster preparedness and response is a cost-effective way to improve the resiliency in a community.**

- ✓ Los Naranjos Restaurant
- ✓ Sorbo's Bar & Rest
- ✓ Restaurante Vagoneando & Home Made Pizza

Business Support

The economic development objective of the program was primarily driven by supporting small businesses in Orocovis. As stated earlier, the first thing FPR did was to provide immediate aid to help stabilize existing businesses through the SBCGP. Once that process was finalized, the business support strategy focused on two objectives:

- ✓ Help current businesses grow and ensure they are better prepared for future emergencies;
- ✓ Build an entrepreneur environment among local residents, encourage them to think about new ideas and provide resources (technical and financial) to enable the establishment of new innovative products and services.

Several support initiatives were deployed to directly help existing businesses. There were four support areas: cash grants, resiliency, sustainability and technical support.



Figure 7. Support areas for existing businesses.

The resiliency components were highlighted on the previous Basic Needs and Infrastructure sections. All businesses from "La Ruta" and most from "La Plaza" were given

a large water filter and solar lamps. Also, eight businesses at "La Ruta" received satellite Wi-Fi equipment. These businesses are now better equipped to sustain future storms and also serve their communities and visitors.

To help them with more sustainable operations, they received technical assistance on efficient energy consumption. FPR contracted *Verdifica PSC-Ingeniería Eléctrica*, a local engineering company that provides design and consulting services on sustainable practices, to conduct a Power Energy Assessment. Twelve business from "La Ruta" participated on this program. After a site visit and initial interviews with the business owner, *Verdifica* provided each business with the following:

- ✓ Analysis of current energy used, and recommendations to be more efficient.
- ✓ Retrofitting plan to make business more sustainable and less dependent on PREPA. This also included the estimated costs for such plan.
- ✓ Plan to get off-the-grid from PREPA (this only applied to certain business that had the infrastructure to be able to do so and ability to serve the community).

Another sustainability initiative was the compostable program. Environmentally friendly products for restaurants and everyday use are rapidly growing in popularity, and hopefully will soon replace plastic as the standard for all of our disposable needs. Given their large volume of sales, "La Ruta" are heavy producers of waste in Orocovis, thus getting them to more sustainable practices would not only help the local environment, but also encourage others to do the same. As a result, FPR began a pilot program with "La Ruta", by donating them a "compostable kit" that included

utensils, cups, straws, napkins, to-go containers, and plates. The intention was to begin creating awareness and appreciation about the use of these materials with the hopes of all of them continuing with the program, while serving as example to others.

Here's Héctor Colón, owner of *Ruly's Pizza*:

"The compostable products donated by FPR help us continue preserving the environment. But, you still need to educate customers because most of the time they don't understand the importance of using these type of biodegradable products instead of plastic materials".



Restaurante Vagoneando & Home Made Pizza from "La Ruta" leading the sustainability movement.

The other key component was technical support, designed to help grow existing businesses. For this, FPR brought in *INprende*, a private innovation and entrepreneurship incubator. The *INprende* team visited businesses at "La Ruta" to conduct an individual needs assessment in the following areas: marketing, sales, operations, human resources, and entrepreneurship. Based on each individual assessment, *INprende* provided specific recommendations to each business. They also designed a handbook to help them continuously assess their business operations. Based on *INprende* reports, there were some gaps in several areas such as, social media management, marketing and operations. Some

business owners needed guidance with pricing and product development. Others had stated they wanted to expand and needed capital but didn't have a business plan in place for such expansion.

According to *INprende's* Executive Director, Alexandra Correa:



INprende's Executive Director, Alexandra Correa

"There is good commercial activity in Orocovis, the challenge sometimes is breaking down that barrier of being seen as a 'local business' instead of believing you are capable of dramatically growing your business".

INprende conducted several group sessions for existing businesses at "La Ruta" and surrounding areas to address issues of marketing and operations. FPR's operational field team also provided technical support in the digital presence area, training businesses on making themselves more visible.



Supporting local entrepreneurs through technical assistance and business education.

FPR partnered with *INprende* to develop a business incubation program with the goal of identifying potential new ideas worth investing.. FPR would facilitate seed funding to the viable ideas that could improve Orocovis as a destination. The program was divided into four phases:

- ✓ **Opening Event:** A big event (with about 100 participants) with three main objectives: (1) motivate the participants to leave their comfort zone (2) generate interest in the Visitor Economy (3) nudge the development of new business ideas.
- ✓ **Selection to the Incubation Program:** FPR would open an application process to an incubation program. Local residents with ideas could submit an application and participate in group sessions to learn about how to construct a business idea. FPR would meet with *INprende* to select the top ten ideas for the program.
- ✓ **Incubation Process:** The top ten ideas would go through an incubation program consisting of 18 hours of coaching and technical support.
- ✓ **Seed Funding:** The top three ideas would be eligible for up to \$20,000 of seed funding from FPR.



¡Activa tus ideas!, a motivational entrepreneurial event in collaboration with *INprende*.

Of the ten selected for the incubation process, five completed all boot camp hours and were evaluated for seed funding. Unfortunately, none of the ideas were developed enough to merit immediate funding, although four of them showed a lot of potential. A decision was made to provide three months of additional technical support from *INprende* and then reevaluate them. Each individual entrepreneur will receive 48 hours of coaching and technical support, before having another chance at FPR's seed funding. "I believe that it was an important step to take a massive entrepreneurship event to a place where these topics are rarely discussed", said Alessandra Correa.



Building a new generation of entrepreneurs in Orocovis.

Although the original objective was to create three new businesses by the end of the program, the tight timeline turned out to be unviable. According to Correa, whether in Orocovis or elsewhere in the world, the pre-incubation and incubation processes usually last six months if you want good results. FPR was aware of the challenge, but it was hoping to leapfrog the process as with other areas of the program. One of the four finalists who will begin the new technical support program is Reniett Ramírez, born and raised in Orocovis and creator of *Disfruta Orocovis*, a local travel, and tourism web page. Reniett wants to expand his product to other towns around the mountainous region of Puerto Rico and of course, make the digital magazine a profitable business. He is full of positive energy and the *INprende* team sees potential in him.



Reniett Ramírez, incubator participant and key stakeholder.

"The incubator program forces you to face reality and enables you to think more like 'a businessman'. The program helped us be more grounded so that we could design a product based on concrete facts and figures, and with the lowest possible risk, so that your business becomes a successful one. Now I feel like a true entrepreneur because I went through an official training process guided by a group of professionals in the field of entrepreneurship that makes me feel more confident with one's business ideas."

Along with Reniett, there is Edwin Pérez with a new agrotourism experience, Fransela Búrgos with an ice cream parlor that uses local ingredients, and Lizayra Rivera with her kayak renting business. FPR is looking forward to seeing the results in three months and it is confident it will be able to find viable businesses to fund. According to Correa: *"In Orocovis, we saw an opportunity to carry the message of innovative ventures versus the more typical idea of opening up another restaurant. Thus, there is a lot of opportunity in training the entrepreneurs and developing the vision of his or her idea."*

Branding & Marketing

There were several objectives within this impact area. FPR wanted to learn about challenges, gaps, and opportunities around the impact area to then determine the best marketing strategy to bring more visitors in a sustainable manner. This first step was understanding the destination's current assets. FPR had done preliminary work mapping Visitor Economy assets using various sources, especially VIEWPR and other travel platforms. Although this is usually a good place to start, the most effective asset mapping exercise requires a "boots-on-ground" approach. Thus, the operational field team began to identify additional Visitor Economy assets through its community survey exercise, and with multiple conversations with local residents.

To complement their work, FPR brought in Local Guest, a local sustainable tourism development company. Local Guest was tasked with performing a robust destination assessment, identifying potential new tourism products to enhance destination experiences. Also, suggesting a new content strategy to market Orocovis to Puerto Rico's residents, and nonresidents that visit Puerto Rico but stay mostly around the metro area. Local Guest used a specific methodology during their assessment that included: an inventory of physical tourism assets, interviews with key stakeholders, and the establishment of a Technical Advisory Group (TAG) to define stakeholder groups and map the context of tourism in Orocovis. An inventory of tourism businesses and attractions, as well as public services, was conducted to gain quantitative and qualitative information about tourist sites in the region. This process was borrowed from the George Washington University (GW) and Conservation International (CI) called **Tourism Assessment Process Manual**.

Here are some findings from the destination assessment conducted:

Lodging - Very limited capacity and lodging options.

Occupancy/Length of stay - An average length of stay of one (day trips), which might have to do with lack of lodging options.

Visitor Data Gathered - There was little to no data available. Toro Verde Adventure Park did provide the following data regarding their visitors: 50% Locals (30% San Juan, Fajardo, Dorado and Río Grande), 40% U.S. (New York, Florida, Texas), 5% Latin American, and 5% European and Asian.

Tour Guides - There are no municipal or PRTC tour guides available.

Tour Operators - Most tour operators are outbound who bring tourists to enjoy "La Ruta" or Toro Verde Adventure Park. The only inbound tour operator is Toro Verde Adventure Park.

Transport - There is no public transportation available for locals or tourists.

Local Guest, with the help of the operational field team, was also able to identify additional ecotourism assets that were not in traditional travel platforms, like *La Represa de Coli*, *Salto Mete Miedo*, *El Centinela* and *La Charca de la calle Dr. Umpierre*. There were also some assets like



Salto Mete Miedo in Orocovis. Photo By: Stephanie Segarra.

the *Museo Orocoveño Celestino Avilés Meléndez* and a rich ecosystem of local artisans (wood carvers). Part of the challenges in Orocovis, as in Puerto Rico in general, is the short length of stay of visitors, which FPR estimated as half a day. According to Carmen Portela, Co-Founder of Local Guest:



Carmen Portela, Co-Founder of Local Guest, meeting with key stakeholders of Orocovis.

“La Ruta de La Longaniza is a very well-established product and Toro Verde is a world-class adventure attraction, but they alone are simply not enough to increase the length of stay of a visitor in Orocovis, or provoke repeat visits. Therefore, Local Guest focused on all the other assets of the town: natural resources, the history, and culture to portray the richness of their offerings.”

There were three new potential experiences identified by the Local Guest team (see figure 8).

These were some examples of potential new experiences in Orocovis that could complement the gastro assets of "La Ruta" and the Toro Verde Adventure Park. Local Guest suggested incorporating Toro Negro Natural Reserve, a 7,000-acre park that surrounds the grandest peaks of the *Cordillera Central* mountain range. Although Toro Negro Natural Reserve was not part of program since the beginning, Local Guest suggested its inclusion due to its tourism value and potential linkage to other assets. "La Plaza" experience would incorporate a set of cultural elements together, like a visit to the *Museo Orocoveño Celestino Avilés*

Meléndez with a local artist and a walking tour around the surroundings communities to learn more about the rich history of Orocovis.



Figure 8. Tourism opportunities in Orocovis presented by Local Guest.

Once a full assessment was done and new experiences were conceptualized, the next step was suggesting content strategies to market Orocovis as a destination. The suggested marketing strategy by Local Guest is to make Orocovis recognized for its natural wonders and how it contains the essence of Puerto Rico, under the suggested tagline “Find me in the Heart of Puerto Rico.”



An example of a social media ad designed by Local Guest.

Local Guest suggested billboards to attract local residents and the use of social media influencers as the main digital strategy. As a proof of concept, Local Guest prepared two marketing videos with this new branding. The first video was called **The Top 10 things to see in Orocovis**. When posted in social media, the video got more than 28,000 views and over 1,000 shares in just five days. Many of the comments were from locals living in the metropolitan area, stating that they didn't know there were so many attractions in Orocovis.

Although there is a lot of potential for Orocovis as a destination, and marketing strategies can get many people excited, there

around the destination. A key issue is the signage, as either they were destroyed by the hurricane or never had one in the first place. Thus, it was suggested to design and install signage on existing Visitor Economy assets to facilitate navigation for the visitor. They also suggested interpretative signs for several other attractions like, *Museo Orocoveño Celestino Avilés Meléndez*, *El Centinela*, *El Mirador*, ect. Finally, Local Guest suggested new resilient signage for all restaurants of “La Ruta” (see figure 9).



Figure 9. Concept designed for new signage at “La Ruta”, developed by Local Guest.

Another issue identified by Local Guest during their assessment was the huge skills gap. There is a need for new businesses to be developed to provide employment, and tourism to become a real local economic engine. Portela from Local Guest adds:

“Knowledge of how the tourism industry works, business 101, customer service and an entrepreneurial culture, are key fundamentals for a successful self-management and sustainable business. Capacity building and workforce development are key to making the destination work.”

An opinion shared by INprende, who insisted on more advocacy around entrepreneurship and more technical support to both existing business and potential new ones. A point well taken that needs to be addressed if we want to unleash Orocovi's potential. There were other issues around Orocovis that needed attention, like, the lack of lodging capacity, no public transportation available for locals or tourists, lack of inbound tour operators, lack of local tour guides, and lack of data about tourism activity in Orocovis. These are all issues similar to the ones Puerto Rico has at a national level, that required robust destination planning strategies, which FPR constantly advocated for. However, effective destination planning requires strong local leadership and stakeholder engagement. On that note, Portela adds: "Orocovis needs to create local champions and leaders that work as pillars in the co-creation of their own future and provide a long-term strategic perspective to generate true local commitment of the entire community."

To put that in perspective, think about the new tourism experiences recommended by Local Guest and let's ask ourselves some questions: Who is going to conduct the walking tours? Who is going to look for potential economic opportunities for artisans in Orocovis? Who is going to organize business owners to better coordinate emergency response activities? Who is going to organize cultural events? It can't be a sole responsibility of the municipal government and their limited resources. Orocovis will need strong local institutions and build stronger social capital to enable real sustainable development.

Social Capital

Now to the last and arguably most important of the impact areas. FPR knew this was going to be the area that could bring all of the program components together. From the original scouting reports on Orocovis, FPR perceived a lack of integration within the ecosystem due mainly to the absence of strong local institutions working on stakeholder engagement. Thus, this was an excellent opportunity to learn about the challenges of building a strong coalition of local stakeholders from the ground up.

To be successful, FPR needed to map out as many community assets as possible so that it could quickly identify the local organizations that were able to help with recovery and long-term development strategies in Orocovis. The initial field assessment consisted of a number of meetings with key stakeholders, which helped the field team navigate the ecosystem. The diversity of stakeholders was crucial during this initial phase since it allowed the operational field team to have a more dynamic and comprehensive view of Orocovis. The operational field team also benefited from the community survey exercise to identify additional key players.

An initial meeting with Reniett Ramírez of *Disfruta Orocovis*, an online platform that promotes the culture and history of this municipality was critical as Reniett led us to *Orocoveños for Orocovis (OPO)*, a non-for-profit organization that seeks to promote local culture. Although Reniett would collaborate with the operational field team in other aspects, he facilitated a meeting with the organization. The meeting with OPO on January 30th, would become the turning point in the program. During this meeting, OPO presented the history of its organization, its vision and mission, projects of interest, and their past cultural events that included: *Plaza*

viva and Homenaje al árbol de mangó Centinela; events that were successful despite having limited resources. FPR knew at that point that OPO could play a key role in long-term development strategies for Orocovis.

There were other important meetings with key stakeholders, like Dalma Cartagena, who in addition to being a municipal legislator, manages an educational project called the Agriculture Project in Harmony with the Environment at *Escuela Segunda Unidad de Botijas I*. Dalma told the operational field team about home gardening work she does with the students and the importance of integrating sustainable and ecological consideration into any developing projects FPR would want to foster in Orocovis. The operational field team also visited the *Museo Orocoveño Celestino Avilés Meléndez* on several occasions to assess their needs. The museum stores ancient artifacts and works of art that tell the story of Orocovis. The current administrator of the museum, Antonio “Papo” Avilés faced great challenges with the rehabilitation of the museum after hurricane Maria. The museum suffered damages in infrastructure, compromising the integrity of its content and limiting its capacity to continue operating. The operational field team also considered this an important cultural institution that could serve as a catalyst for other cultural promoters in Orocovis.

During the community surveys, the operational field team also met Irma P. Vazquez, president of LUMAFLOROCOVIX, a community organization composed of residents of *La Calle Luis M. Alfaro*. This organization is part a Community Security Council of the Puerto Rico State Police Department. While doing the community survey the operational field team discovered that there were some local artisans living at *La Calle Luis M. Alfaro*, where LUMAFLOROCOVIX works.

The municipality also had an important cultural program with *La Casa de la Cultura Orocoveña*, an

important asset for the program, providing information and facilitating resources to the operational field team.

One of the original objectives of the program was establishing a business association among business owners of “La Ruta”. Nevertheless, after individual conversations with business owners and witnessing their interactions during group meetings, the team quickly recognized that developing the association would require more time and effort. Due to its sensitivities, forcing the business owners to work under the association scheme would have been counterproductive. Instead, the strategy during this phase focused on strengthening the relationship among business owners of “La Ruta” by piloting collaborative projects. In addition, “La Ruta” was created and is managed by the municipality, meaning that any work or idea around the asset requires municipal coordination.

Once the asset map was completed, the operational field team met with program partners, *INprende*, Local Guest and CPE to match opportunities with existing organizational assets and capacity.

The impact strategy was based on strengthening the operational capacity of existing organizations and begin to integrate the ecosystem with pilot collaborations.

Orocoveños por Orocovis (OPO)

The initial assessments of OPO indicated that they were a young but fertile non-for-profit with a lot of potential. Even with limited resources, they had been solely responsible for the rehabilitation and beautification of the urban areas of Orocovis. Amidst the program’s assessments, it was found that OPO did have a Board comprised of four members. A board matrix exercise performed during the first meetings revealed that OPO lacked members



Figure 10. Social Capital Mapping Exercise.

with financial and legal backgrounds on their board, which are crucial in a non-for-profit setting. They also lacked members from the diaspora and of a more older age group. After reviewing their documentation, it was revealed that OPO lacked the local tax exemptions, merchant registration, employer identification number, and other documentation, which limited their fundraising capabilities, as well as compliance with the state. During the meetings, OPO's board did recognize they needed help with compliance and fundraising strategies. After careful evaluation, a plan of action was set. The first phase of the intervention consisted on an educational component followed by a series of workshops and work sessions. The first workshop the operational field team gave, covered basic aspects of non-for-profit corporations.



Operational field team conducting a capacity building workshop for OPO.

Héctor "Lulo" Rosario, member of the Board of OPO states: *"After the workshops by FPR, we the OPO board, organized our thoughts and ideas and were able to construct more solid plans. Now, we are able to better visualize how we are going to reach our goals as an institution. Thanks to this help, we now feel better prepared to achieve the new goals that we have set for ourselves."*

Given their immediate legal and compliance needs, FPR granted OPO an in kind donation to cover administrative fees and legal services. The scope of the services included, assisting OPO with their local tax exemption application and eight hours of additional legal and compliance support. As part of the second phase of the program, FPR will evaluate progress three months from now to check the status of applications and re-evaluate OPO for an additional operational grant.

Movimiento Artesanal Colaborativo (MAC)

During the initial community survey at the *Calle Luis M. Alfaro*, the operational field team identified a high concentration of artisans in the area, many of whom were part of LUMAFLOCOVIX. Irma P. Vazquez, the organization's president helped the operational field team convene a meeting with the artisans to identify current needs. The meeting revealed that the main need of artisans was a venue to sell their products. This was mainly due to the cancellation of local festivals and events, which is where artisans usually sell their work. Given the importance of artisans to the cultural vibrancy of Orocovis, and the need to agglutinate their efforts under a common interest, a new initiative was born, MAC, with LUMAFLOCOVIX as the coordinating entity. This new initiative would allow artisans to work on common projects, share resources and opportunities.

Given the low traffic at "La Plaza" at the time, the operational field team worked with LUMAFLOCOVIX, artisan and business owners, to design a program that could enhance opportunities for artisans, leveraging one of the most important assets in Orocovis, "La Ruta". Participant restaurants of "La Ruta" would provide space at their establishments to an artisan on a rotating basis during the weekends. This would give artisans access to hundreds of costumers that they otherwise wouldn't had. This access to new customers will provide economic stability to many

artisans that are struggling due to lack of costumers.

The operational field team helped LUMAFLOROCOVIX develop the protocols and processes to operate the program, from having a formal application process for both the artisans and the restaurants, to official space assignments.

Once the arrangements were done with “La Ruta”, there was one thing missing, materials for the artisans. As a result, FPR purchased branded tablecloths, 15 chairs and tables, branded polos and tents. All donated to LUMAFLOROCOVIX.



A new movement of local artisans is born: MAC.



Operational field team donating materials to LUMAFLOROCOVIX for the MAC program.



Local artisan, Mercedes Rivera, selling her products at *Roka Dura* thanks to the MAC program.

Museo Orocoveño Celestino Avilés Meléndez

As stated before, the museum had suffered major damages in infrastructure, compromising the integrity of its content and limiting its capacity to operate. While developing a strategy to help the museum, Reniett Ramírez of *Disfruta Orovis*, began to visit the museum on his own time to help with the cleaning of rubble and the rehabilitation of space. The operational field team joined Reniett and helped him develop what would become his new venture, *Amigos del Museo Orocoveño* (Friends of the Museum), with the goal of involving other organizations, businesses and individuals in the restoration of the museum, not only to reopen it, but also to contribute to its continuous operation. FPR helped organized two brigades to clean, reorganize and paint the museum. Additionally, to accelerate the restoration process, FPR made a donation of \$3,000 to the museum. With this help, in addition to the work of *Amigos del Museo Orocoveño* and other local businesses, the museum managed to complete the first phase of its restoration process.

Although there is additional restoration work ahead, the most immediate need is organizational capacity to operate the museum.

To that end, FPR brought CPE to provide technical support to Antonio “Papo” Avilés, one of the museum’s owners, to help him create and implement a viable operational plan.



Museo Orocoveño Celestino Avilés Meléndez with damages suffered due to the hurricane.



Museo Orocoveño Celestino Avilés Meléndez after FPR's recovery initiatives.

The Municipal Government of Orocovis & the Mayor

A lot has been said about the role the municipal government must take in a community-based economic development program. Given the current fiscal crisis, where mayors are scrambling for funds, non-government organizations can play a vital role in economic development and disaster response. The challenge with municipal governments in Puerto Rico is to avoid the temptation to try to affect everything via direct intervention. Mayors can provide leadership but can be more effective by delegate responsibility and ownership to local organizations, under a “bottom-up” approach.

In Orocovis, the municipal government was very helpful during the initial needs

assessment, facilitating information to the operational field team about the current needs in Orocovis and potential opportunities. Lorimar Santo Domingo Torres, the municipality’s Director of the Department of Arts, Tourism and Culture, was also very helpful providing guidance to the operational field team during those first few weeks in Orocovis. During that time, the municipal government was stranded responding to the emergency as many of its residents were still without power and water, thus the help provided by FPR early on, particularly to small businesses, was very much appreciated. According to Lorimar Santo Domingo, *“The ability of FPR to provide help in an expedited manner to our small businesses, without bureaucratic processes, certainly contributed to our recovery, since it was an area we didn’t have resources to help at the time.”* The Mayor of Orocovis Hon. Jesús Colón Berlingeri, was also grateful for the help provided by FPR.



Meeting with the Mayor of Orocovis Hon. Jesús Colón Berlingeri.

“FPR came to fill a gap of recovery efforts in Orocovis that as a municipal entity we couldn’t fill on our own. FPR as a non-profit organization does not have legal and bureaucratic obstacles that many times are imposed on the municipal government. When institutions like FPR arrive with development initiatives, our job as a municipality is to get out of the way and simply facilitate their work without wanting to be a protagonist. I believe the Orocoveños, and especially the local businesses, welcome the help of an external organization like FPR because they do not associate them with the government or a political party. For that reason, I understand, support and appreciate the work they have done in ‘nuestro pueblo,’ Orocovis.”

During the implementation of the program, the municipal government was also very supportive, making its public buildings available whenever there was an event or a business workshop. *La Casa de la Cultura Orocoveña*, the municipality's gallery, was also made available to the operational field team for meetings and events in various occasions. The Mayor and the municipality's staff would come to meetings and events whenever invited without ever requesting public credit for any of their help.

FPR had a relief program for artists developed after the hurricane, entitled **Portraits for Puerto Rico** through a partnership with *Santurce es Ley*, a popular street art festival in Puerto Rico. The objective of the program was to transform a large structure in the center of a community with an image of Puerto Rico being rebuilt by its people's resiliency. The program was deployed in various towns across the Island. The program design team felt it would be a good idea to bring the festival to Orocovis to help create appreciation and awareness of cultural events that mainly target nonresidents, in this case, people from the metropolitan area. According to Oklobdžija (2015), *"Events can have a significant effect on the formation of destination image and can help with promoting, positioning and branding it, which can contribute to a more favorable perception as a potential tourist destination"* (p.94).⁷ Events can be the "engine" that creates the reason behind a potential tourist visit. During that time, the operational field team was working intensely with various social capital initiatives related to the Visitor Economy, thus a successful event could help get momentum through the final stages of the program.

Portraits of Puerto Rico

On April 8, 2018, the event Portraits of Puerto Rico was held from 12:00 P.M. to 6:00 P.M. at "La Plaza." The event showcased art, history, and entertainment through the portrayal of

live music and documentaries. A set of murals were created with the hope of attracting visitors from all over Puerto Rico. After a series of interviews with business owners, vendors, and artisans the economic activity generated by the event was estimated.



Live musical performance at "La Plaza" during the event.

Crowd assistance was measured per hour, using a clicker. The peak hour for the event was 3:00 P.M. where the operational field team accounted for approximately 419 people in the public plaza and inside the surrounding businesses. At *La Casa de la Cultura Orocoveña*, where documentaries of the program were being shown, a clicker was also used, counting 264 people. Surveys collected by the operational field team during the event specified that two-thirds of attendees were not residents of Orocovis and more than 50% had a bachelor's degree or higher education level.

According to business surveys conducted, all "La Plaza" businesses that opened, the artisans and street vendors reported dramatic increase in sales. The 89-year-old "Piragüero" (a street vendor that sells snow cones) sold over \$110 dollars worth of "Piraguas." He ran out of ice about halfway into the event. *Sorbo's Restaurant*, on the other hand, is one of the few businesses that rarely opens on Sundays. According to the owner, sales on the day the event were more than triple of what he usually sells on a Sunday. By 4:00 P.M. he ran out of inventory.



Students from *El Taller de Luiyi* painting a live mural during the event.

Portraits of Puerto Rico was a vessel that allowed FPR to connect all of the social capital initiatives in the **Bottom Up Destination Recovery Initiative**. It was an instrument to expose the artists of the MAC and bring them an opportunity to sell their products and expose the *Museo Celestino Avilés Meléndez*. It was an event that involved the cooperation of all stakeholders. The event was a huge success and exceeded expectations. The momentum of the event helped gather more appreciation towards the Visitor Economy and of the potential of bringing visitors using Orocovi's biggest asset, its people.

CHAPTER 7

Results & Lessons Learned (Phase 1)

As the first phase of Bottom Up ends in Orocovis, a new chapter begins with Foundation for Puerto Rico working with local stakeholders on a long-term destination planning exercise.



Results

The first phase of the program ended in May. This document went through each impact area describing not just the results, but the process which is as important. A summary of the full intervention is below, which includes the objective for each impact area, the intervention strategy, the actions taken and the results. Within the results, one must take into consideration that some of them are reported as outputs and not outcomes since it will take some time for some to materialize. That's why the program's design required two additional touch points to evaluate. The first evaluation will be performed in September 2018, and the other in January 2019. These two additional evaluations will only apply to current investments from the first phase.

To reiterate, the program was designed so that short-term investments in a community could: speed up recovery and improve resiliency to sustain future disasters. Also, by the end of this first phase of investments, the community needed to be in a better position to initiate longer-term recovery destination planning and development.

The main strategy used to speed up recovery was through investments in small businesses. The SBCGP and the 120 plus hours of technical assistance were effective at maintaining businesses open and helping them get back to pre-Maria levels. The numbers collected validated those assertions. FPR also made some investments to spur the development of new ideas and opportunities in Orocovis. Although the program was not able to deliver new businesses by May 2018, it found four excited and highly motivated *Orocoveños* that will get a chance to develop their ideas and get funding. Based on conversations with local stakeholders, the interventions by both CPE and *INprende* have encourage a new entrepreneurship environment in Orocovis. According to Alessandra Correa from *INprende*, it is now evident that this entrepreneurial spirit has kickstarted. This sort of

environment can make a huge impact and can be the difference between a short and long recovery in a community. In the end, these business development programs effectively complemented the stabilization component of the SBCGP, speeding up the recovery around the impact areas.

The resiliency objectives were tackled through investments in community-based organizations and leveraging small businesses to improve physical infrastructure. With infrastructure, Orocovis now has more capacity to produce potable water in case PRASA fails, resilient Wi-Fi hotspots available to residents in case of an emergency, and solar public lighting. There are also EBT satellite equipments at local supermarkets in case connectivity fails again.

The other resiliency component had to do with social capital, which means building local capacity and leadership to make recovery and development sustainable. When the operational field team arrived at Orocovis in January, it had a hard time identifying the non-governmental organizations. The ones that were active were struggling with compliance and funding, typical issues with emerging NGOs. The strategic investments in OPO, LUMAFLOCOVIX, MAC, *Museo Orocoveño Celestino Avilés Meléndez*, and *El Taller de Luiyi*, have certainly strengthened local organizations and thus improved local capacity to lead development efforts. More investment and follow up is needed, but if these organizations are able to grow and prosper, long-term destination planning and development will surely be more viable. FPR will continue to support these emerging organizations over the next months. In sum, with more stable businesses, improved resiliency, stronger local organizations and a robust destination assessment and branding exercise, Orocovis is better equipped to begin a new phase of planning and development which FPR now calls **Destination Planning** or **Bottom Up Phase II**.

Total FPR commitment Bottom Up Orocovis: \$564,491

Area	Objective	Intervention Strategy	Action	Results
Basic Needs & Infrastructure	Community Resiliency Communities need better and more resilient infrastructure to mitigate disaster impact and facilitate emergency response.	Use business owners and community based organizations as assets to mitigate immediate disaster issues related to damages in public infrastructure	<ul style="list-style-type: none"> • Installed 5 water cisterns with filters • Distributed 104 water filters to communities and businesses • Donated and installed satellite Wifi equipment to 8 businesses • Donated and installed 3 Satellite EBT systems 	<ul style="list-style-type: none"> • Capacity to provide 11,000 gallons of potable water daily • 8 Wi-Fi hotspots through 6 miles of road in Orocovis • 3 EBT POS hubs in Orocovis
	Business Resiliency Improve the quality, durability, sustainability and resiliency of local infrastructure in order to minimize business interruption.	Provide small businesses in Orocovis with the resiliency kit.	<ul style="list-style-type: none"> • Water filters to 17 businesses • 81 solar lamps installed • 8 businesses with satellite Wifi • 3 businesses with EBT system 	<ul style="list-style-type: none"> • 17 businesses at impact areas that are better equipped to sustain possible infrastructure wreckage due to natural disaster
Business Support	Existing Business Ensure current business owners are able to cope with current emergency and are better prepared for future occurrences.	Provide immediate cash assistance to stabilize existing businesses, and provide technical support to help them grow under new market realities	<ul style="list-style-type: none"> • \$77,000 in cash grants • 120 hours of technical support • 12 hours of Entrepreneurships workshops 	<ul style="list-style-type: none"> • No business closures after grant/technical support • Average sales at 83% Pre-Maria level • Average employment at 82% Pre- Maria level
	New Business Build an environment of entrepreneurship among local residents, encourage them to think about ideas and provide resources (technical and financial) to enable the establishment of innovate products and services	Organize an Entrepreneurship event to generate interest in the visitor economy and new business ideas and establish an incubation program with seed funding to catalyst the development of new businesses.	<ul style="list-style-type: none"> • One Entrepreneurship Event • 18 hours of Incubator program 	<ul style="list-style-type: none"> • 4 potential ideal business completed incubator program and are eligible for seed funding. • No seed funding distributed at this time
Branding & Marketing	Based on the challenges, gaps and opportunities in the community, determine the best marketing strategy to bring more tourists to the area in a sustainable manner	Complete a versatile visitor economy asset mapping exercise and develop content using a sustainable tourism expert	<ul style="list-style-type: none"> • Completed visitor economy asset map • Completed destination assessment • Identified challenges within the destination • Developed sample marketing campaign and content strategy 	Note: The work products developed will provide a starting point for the next phase of Bottom Up, where local stakeholders work on a destination marketing plan.
Social Capital	Build capacity so that local organizations could work together on their own recovery and development strategy.	Perform an asset map of the local organizations/leaders and provide technical support to enhance their capacity	<ul style="list-style-type: none"> • Completed stakeholder map • Provided cash and/or technical support to the following local organizations <ul style="list-style-type: none"> o OPO o Taller Luiyi o MAC o Orocovis Museum o LUMAFLOROCOVIX 	<ul style="list-style-type: none"> • 5 non-governmental organizations with improved capacity to work on destination planning and development • 1 new collaborative project.

Table 3. Bottom Up Key Performance Indicators.

Lessons Learned

Initial program investments were critical to accelerate the recovery objectives of the program and were also effective at getting early buy-in from community stakeholders. The ability of FPR to make quick investments, like the SBCGP and the solar lamps, contributed greatly to the stabilization of small businesses in the region. This didn't require lengthy planning or numerous community meetings as Orocovis was going through a crisis when FPR arrived in January. Most of the local stakeholders appreciated the swiftness of these investments and thus were more than willing to sit down with the operational field team to discuss other program components. To that end, the quick investments not only contributed to the stabilization of the region but also enhanced community engagement work. Consequently, initial strategic investments create early traction with local residents in community-based development, resulting in a more fertile environment for additional community engagement.

On the other hand, not all planned investments were made within the program's timeframe. A great example was the seed funding for new startups, which was aimed to fund three new business ideas. There were some business ideas from the incubation program that were interesting but required more work and technical support. Although the program called for the creation of three new businesses to meet result objectives, FPR did not distribute the funds and instead decided to sponsor additional technical support to four of the program's participants. This was an important decision as by waiting three additional months, FPR will improve the ROI of the program. Investing "now" is not always the best option as these programs require constant evaluation and scenario planning to maximize the impact of all investments.

It was also extremely difficult to replicate the entrepreneurship spirit in Orocovis that

currently exists around the San Juan area. However, this has more to do with the fact that the entrepreneurship environment around the San Juan area has been brewing for years, and it's the result of large government investments in projects like The Puerto Rico Science Trust and Parallel18. Unfortunately, that type of public investment in places like Orocovis is not probable, thus FPR needs to continue to work on alternative approaches for creating an entrepreneurship environment in places like Orocovis and Punta Santiago with limited resources. FPR did see some encouraging signs with the INprende program, thus expanding the number of entrepreneurship events and incubation programs are enhancements that will be made in Humacao and other Bottom Up communities. Some enhancements will include a recurrent schedule of entrepreneurship events to help cultivate and maintain an entrepreneurship culture; and supplementary capacity workshops as prerequisite for incubator participants. Developing local resident's skills through workforce investments will enhance the results of incubator programs and seed funds.

One interesting observation is the link between business development and social capital. A solid entrepreneurship environment does not happen overnight as many times is catalyzed by local anchoring institutions. Those local institutions are critical for harnessing opportunities for local businesses. In a previous section of this document, FPR discussed the importance of locally based (and privately funded) EDOs. According to the IEDC, EDOs are best suited to lead economic recovery and development efforts in the community. It doesn't mean that each community should have one centralized EDO, maybe you have a combination of NGOs that work together on development efforts which seems to be the model that best suites place like Orocovis. That being said, these local NGOs need a lot of

not just financial, but technical assistance as well. Lack of technical capacity will limit the impact these organizations can have with the progress of other critical destination components. Hence, the decision of FPR to invest in local organizations so that they could become stronger assets during a destination planning exercise. The stronger the local organizations are, the better the outputs of the destination plan. Think about the value an organization like OPO or LUMAFLOROCOVIX could bring to a place like Orocovis with additional capacity and support.

This brings us to another point about community planning and engagement. When the operational field team arrived in Orocovis, it attempted to create a coalition of stakeholders to work together on a recovery and development plan for the destination. However, the fact is that it was extremely hard to find all relevant stakeholders during the initial meetings. The community survey conducted by the operation field team proved to be the most important tool for identifying lead organizations and local leaders. Although it's more

abor-intensive, it yields much better results than the traditional community meeting or relying solely only on information from the most visible stakeholders.

One last addition, the packaging of solutions under one program is the best way to accelerate recovery and development work. The SBCGP helped introduce the operational field team to the community, the relationship developed with businesses allowed the creation of resilient infrastructure hubs for the local residents, the social capital investments are now harnessing better linkages around the Visitor Economy assets, and the branding and marketing program is aligning business development to destination assets. All these positive externalities are possible due to the packaging of all investments under one program. This packaging creates real leverage as projects piggyback on each other, maximizing their individual ROI impact. Most importantly, it makes projects easier to track and measure.



Phase 1 transition meeting with key stakeholders at *La Casa de la Cultura Orocoveña*.

CHAPTER 8

Local Destination Management Plan of Orocovis

As with the rest of Puerto Rico, there was a significant need to increase knowledge and create awareness of the visitor economy in Orocovis, a necessary step for any tourism initiative in Puerto Rico. FPR learned this while working with local leaders during the first phase of the Bottom Up, as the knowledge about destination management and development was minimal. As a result, FPR led several discussions with local stakeholders around the potential of tourism to create jobs and grow the economy in the community.

Activos naturales

- Toro Negro
- Atarullas
- La Guaira
- Charca Los Duros
- Cintinela
- Charca
- Toro geográfico
- Charca la Guaita
- Proyecto Agroturismo
- En Armonía con el Ambiente
- Cascadas y aguas

Activos astronómicos

- La Longaniza (restaurantes)
- Las Cabañas de Doña Juana
- Los Dardanelos
- Café Sano
- La Orocovis



Activos construidos (man made)

- Toro Verde
- Area recreacional Damián Abajo
- Mirador Orocovis-Villalba
- Parque del Niño
- Pista atlética

Activos artísticos

- Artesanos
- Músicos
- Galería Casa de la Cultura
- Museo Orocoveño C.A.M.
- El Taller de Luiyi
- Murales



Activos culturales

- Talla de santos
- Festival del pastel



Activos históricos

- Plaza pública
- Parroquia San Juan Bautista
- Alcaldía



Activos - hosp...



grupos & iniciativas

- Roka Du
- Hacien
- Toro

Local Destination Management Plan

In February 2017, FPR published a research paper on Destination Management that analyzed the different elements that comprise a destination, and the different governing structures to manage it. Most importantly, the paper made some critical observations about the challenges within each element in Puerto Rico and recommended a management framework to develop the destination. During that time, FPR urged national stakeholders to begin a destination planning exercise using the framework suggested by FPR. As a result of these efforts, several key stakeholders joined a coalition with FPR, to work on a national destination plan for Puerto Rico.

As it relates to Bottom Up, FPR wanted to apply the recommended national framework at a community level. Thus, the FPR program design team adopted concepts from various traditional destination planning models, community-based planning initiatives in Puerto Rico and asset-based development programs around the world. The result was a customized proprietary framework that could work in communities in Puerto Rico. This part of the program has three main objectives:

- Create a community-led destination plan that could help bring more visitors in the short-term.
- Ensure commitments from local stakeholders towards the implementation of the plan.
- Develop a sustainable locally-based governance around plan goals and objectives.

The following are some of the benefits of creating a local destination management plan with the participation of local leaders from the community:

- Encourages residents to value their assets and commits them to managing them responsibly;
- Promotes that local residents themselves, and not external agents, develop and manage their

not external agents, develop and manage their community as a destination, capitalizing on existing assets;

- Helps establish strategies that serve as a guide for local governance among the different stakeholders of the community;
- Facilitates the incorporation and participation of the community in other tourism projects and efforts at the state and regional level (for example: Puerto Rico Tourism Company, Discover Puerto Rico, Para la Naturaleza, among others);
- Enables the development of a local, multisectoral and sustainable governance model, strengthening the social capital and its capacities to strengthen economic community development.



Identification and mapping exercise of community assets.



Arnaldo Cruz, presenting topics on destination management to the local leaders of Orocovis.

Scope and Methodology

This Local Destination Management Plan (“Plan”) will convey a statement of purpose shared and agreed upon by a group of key stakeholders in the community. The Plan seeks to define the ways to develop the destination over a given period of time. It also describes the roles and concrete actions to be carried out by the local key stakeholders in the short-term to increase tourism activity sustainably, in line with the vision adopted by community residents themselves.

The World Tourism Organization (UNWTO) defines six main elements that include most aspects related to tourism activities in a destination: attractions, amenities, accessibility, image, price and human resources. The Plan uses this model, or theoretical framework, to address tourism from a holistic, comprehensive and inclusive perspective.

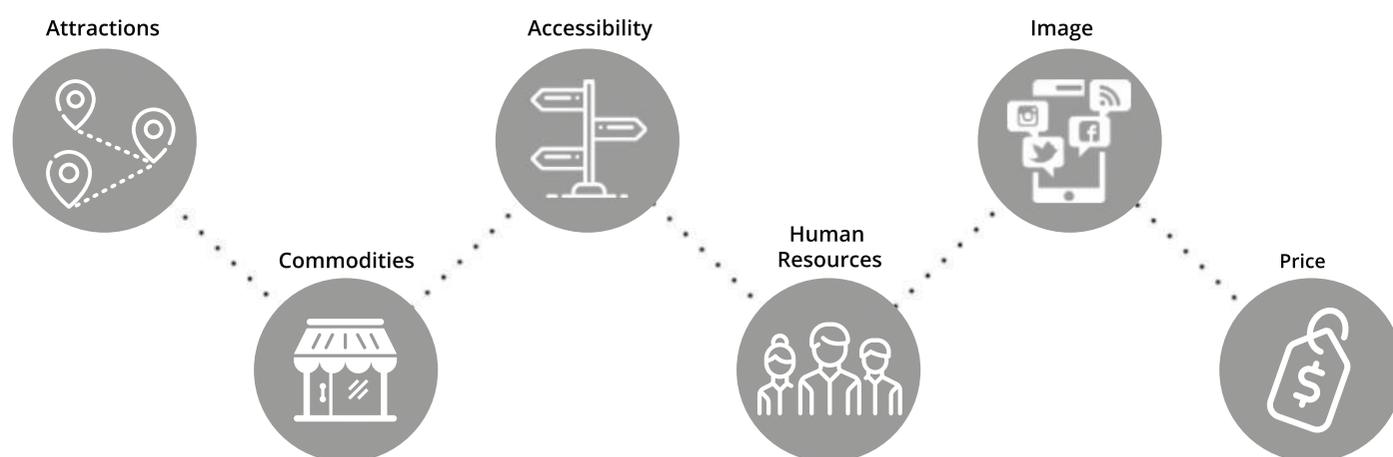


Figure 11. Elements of a destination according to the UNWTO.

A traditional destination plan includes elements such as territorial planning, improvements to essential infrastructure (telecommunications, roads, and energy), land and coastal management, zoning, and government incentives. However, the objective of this plan is to achieve a local approach to the planning and management of the destination’s tourism offer.

For this reason, the Plan establishes short-term attainable goals that do not depend on a large extent, on factors or actors external to the destination. A new bridge, the dredging of a body of water or tax incentives are examples of projects that would fall outside the scope of this plan. The objectives and projects included in the Plan must be managed by local leaders themselves, even if it might require collaboration with a state agency. This process aims to establish local governance of tourism efforts, so it could lead to future initiatives managed by the local stakeholders themselves.

It should be noted that Orocovis’ Local Plan did not develop the price element because it depends on conditions that are beyond the reach of local leaders.

Orocovis Local Plan - Overall Process

As a facilitator of the process, FPR proposed to local leaders a six-month work plan to complete the Plan for Orocovis. After a series of workshops and trainings around the visitor economy and destination management, FPR led several group discussions to encourage participants to think collaboratively as a destination.

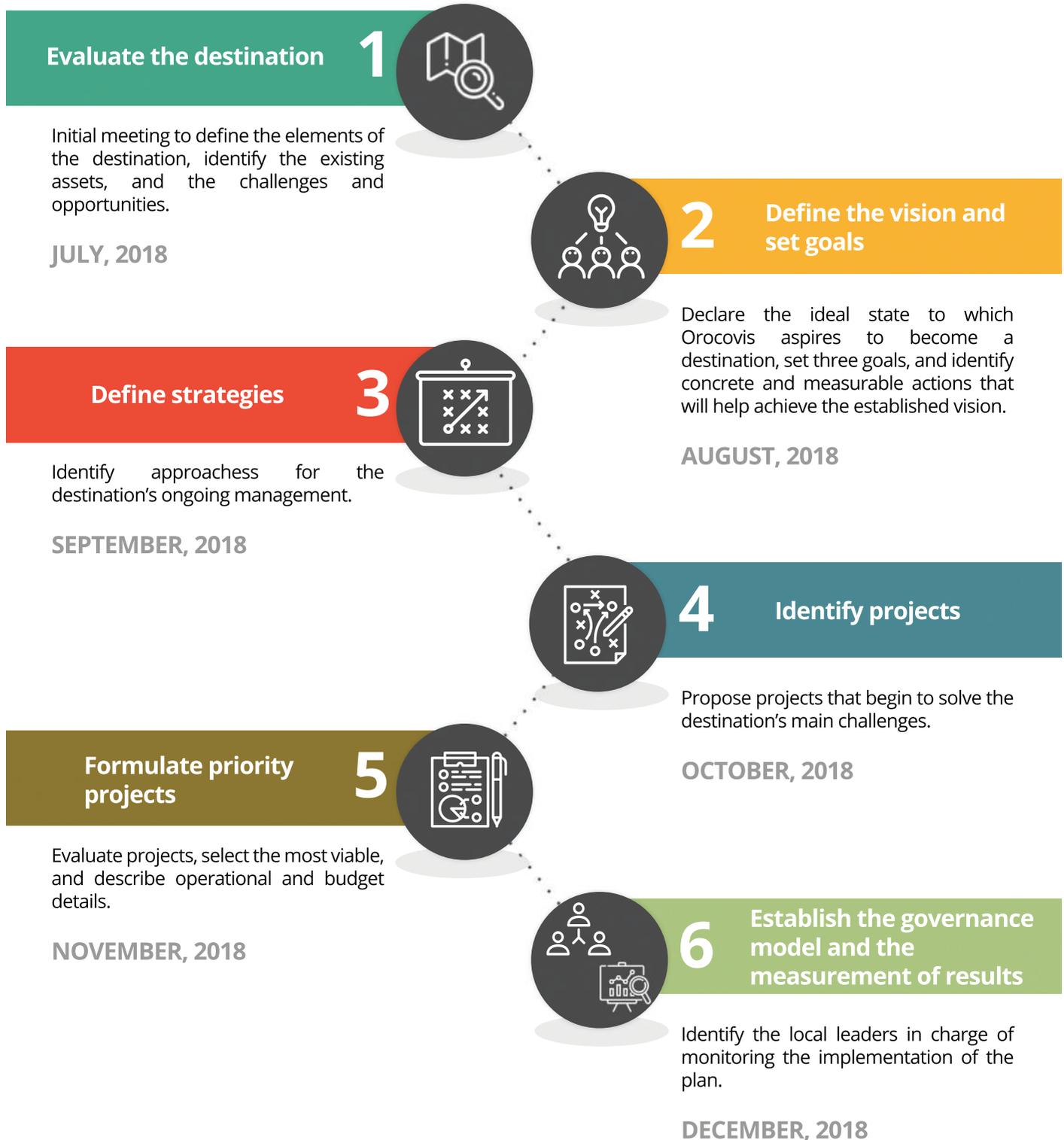


Figure 12. Work plan for the Local Destination Management Plan.

Development Process

During the development of the Local Destination Management Plan for Orocovis, all sectors participated: from residents and business owners, to state agencies and outside investors. A multisector approach leads to a more robust Plan, and thus a stronger destination. Below is a list of some of the key participants in the development of this Local Plan. As FPR kept an open invitation approach during the planning process, some stakeholders joined the effort at different stages in the process.



Figure 13. The creation of the Plan had a multisectoral participatory process.

In addition to eight formal planning meetings over six-months, participants worked on multiple tasks to prepare for every session. In total, FPR calculated more than 400 work hours from all participants. The official planning process began by reviewing a geographical map of the destination, listing all tourism assets and validating all resources available to visitors in the community. Participants then identified challenges and opportunities through a series of collaborative exercises.

Over the following months, e-mail communications and text messages were sent to community leaders to gather ideas and articulate the overall vision for Orocovis, as well as challenges and opportunities within each element of the destination. Finally, participants evaluated and formulated potential projects for the Plan. Throughout the process, community leaders maintained an active role, while the FPR team supported them on more specialized topics such as cost validation, marketing and promotion.

Identification of Community Assets

The first exercise of the planning process was creating an Asset Map of Orocovis. It is considered a best practice to use existing assets as a starting point for any destination planning effort. This inventory is not fixed; assets could be added or cease to exist with time. Therefore, it's a dynamic tool. Ideally, local leaders maintain an updated inventory of the assets and add additional information such as the current physical state of the asset, hours of operation, photos, description of service/product offering, among other things.

The inventory list can be integrated into a GIS map with the geographic coordinates of all the assets. Doing so will facilitate the visualization of their assets and their relationship with each other, to encourage local leaders to include the various resources available in their community.

In Orocovis, the FPR operational field team had already identified several assets during the first phase of the Bottom Up. Local leaders who participated in the workshops validated, corrected and contributed additional information to the destination assets inventory.

The purpose of this exercise was to raise awareness among local leaders, about the existence and value of their existing tourism assets, and to use existing resources as a basis for establishing the goals and objectives of the plan.



Figure 14. List of Orocovis' assets identified by local leaders.

Assessment of the Destination

As part of the initial assessment of Orocovis, FPR wanted to identify critical challenges and opportunities affecting the development of the destination. Our collaborators Local Guest, conducted an initial destination assessment. FPR led a series of validation exercises with participating local leaders until they reached a consensus around the biggest challenges in Orocovis. The following diagram displays these challenges by each destination element category:

Attractions



Biggest challenge(s):

- Lack of integration of existing tourist attractions
- Lack of development of the cultural component in the destination

Commodities



Biggest challenge(s):

- Scarcity and lack of variety of accommodation options

Accessibility



Biggest challenge(s):

- Poor road signs and no signage for tourist attractions
- Lack of parking

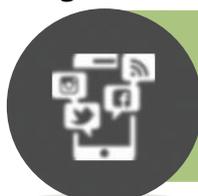
Human Resources



Biggest challenge(s):

- Lack of hospitality and customer service skills for local business employees

Image



Biggest challenge(s):

- Lack of a comprehensive image/brand of Orocovis that integrates the nature, culture and assets of the urban area

Figure 15. Challenges identified by each of the elements of the destination.

According to Local Guest's assessment, visits to Orocovis currently last, on average, half a day and rarely include multiple experiences per visit. There are two common day-trips to Orocovis: a visit to ToroVerde Adventure Park and the "chinchorro" (roughly translated as "barhopping") which is limited to the gastronomic experience. However, Orocovis has the potential to offer many other tourism experiences. By integrating those additional experiences to the existing popular day-trips, Orocovis could extend the

length of the visit, which will result in a greater economic impact on the area. This strategy could encourage recurrent visits by residents of the metropolitan area of Puerto Rico. After several meetings, local leaders reached a consensus with regards to Orocovis' unique opportunity to maximize the existing cultural, adventure and ecotourism assets to encourage a longer stay by the visitor.

Vision and Goals for the Destination

The next step in the process was to reach a consensus about the vision of the destination. The vision is an aspiration statement describing the desired future state. This statement provides a guide to mobilizing the destination as it allows individual and collective community efforts to focus on the same goal.

After several exercises with participants, using surveys and group discussions, they agreed on a statement that best describes Orocovis as a destination 20 years from now:

The geographic center and heart of Puerto Rico, will become a unique destination in the Caribbean; accessible to all, with the widest variety of world-class experiences, including adventure, cultural, gastronomical, agrotourism and ecotourism.

Once participants reached a shared vision, the next step was to establish concrete goals for the destination. Goals are the results or achievements that you want to accomplish through specific actions and projects. In Orocovis, participants were asked to mention three goals that they wanted to achieve in the short-term, to fulfill their vision as a destination. To select them, local leaders considered the challenges and opportunities discussed in the previous session as well as the destination assessment provided by FPR. The participants agreed that these goals were achievable, measurable and could have a significant impact in Orocovis as a destination.

Orocovis short-term goals (2020)

- 20% of the visitors at the main attractions (ToroVerde and Toro Negro) will spend at least one night in Orocovis.
- 50% of the visits to Orocovis will include at least three different types of tourism experiences (either adventure, culture, gastronomy, agritourism, and ecotourism).
- Orocovis' cultural events will become one of the main drivers of repeat visits from residents of the metropolitan area throughout the year.

Destination Strategies

After defining the vision, goals and main challenges for each element of the destination, local leaders defined strategies that could guide decisions around investments and identification of projects. During a strategy session held with local leaders, they identified potential ideas and projects that could help Orocovis achieve its goals. This process was repeated for each destination element.

Attractions



- Establish a “living” map of Orocovis’ assets that identifies and describes the current state of the municipality’s attractions and serves as the basis for the creation of products and strategies that foster multi-tourism experiences in the destination.
- Establish a viable and sustainable program of cultural events throughout the year to generate visitor demand for the destination and that complements other cultural assets such as museums, galleries, art workshops, artisans, musicians, among others.

Commodities



- Prioritize the development of short-term rentals on platforms such as AirBnB, HomeAway, Join-a-Join, and others, through education and training programs for residents, while leveraging existing accommodations and exploring alternative lodging options such as glamping sites.

Accessibility



- Improve signage at the destination, not only on the roads but also in tourist attractions, to improve the visitor’s experience.
- Improve and expand parking options, particularly in the urban area, so that the public plaza can support an increase in visitors while possible internal transportation projects become viable.

Human Resources



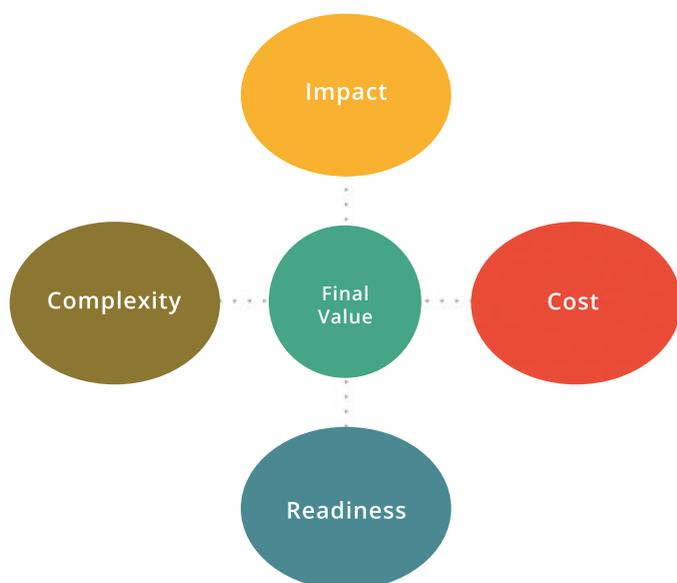
- Train a local entity to manage a continuous and recurrent training program for local employees.

Figure 16. Strategies identified in each of the elements of the destination

Project Evaluation

The process began with a brainstorming session to identify potential projects aligned with the strategy. The next step was a prioritization exercise conducted among participants to select the projects that would receive priority in the Plan. An electronic questionnaire evaluated the project across four areas: impact, cost, readiness, and complexity.

Priority was given to projects with the highest score, as they were defined as having the most significant impact, lower cost and complexity, and shorter implementation periods.



Point System

- 1 = Negative value (lower impact, higher cost, less readiness, and greater complexity)
- 5 = Average value
- 10 = Positive value (greater impact, lower cost, greater readiness, and less complexity)

Figure 17. Project evaluation rubric.

Local leaders evaluated a total of 13 proposed projects through an electronic survey. They discussed the results at a subsequent meeting and focused on the six projects with the highest scores.

Since several projects had similar objectives, some of them were consolidated. Once local

leaders reached consensus on the six main projects, a project formulation process began to determine costs and implementation details.

Each chosen project was paired with participating local leader who then acted as project coordinator. Each coordinator received a template to design and delineate the project details. With the assistance of FPR's technical staff, managers conducted independent research to establish a detailed description of the project, cost estimates, implementation schedule, impact level and possible funding sources.

Each manager presented their findings to the rest of the participants at a subsequent meeting. By the end of the exercise, local leaders had a clearer idea of the steps required to implement each project.



Several community planning exercises were conducted over a period of six months.

List of Selected Projects

Below is a description of the first projects defined, developed and selected by participating local leaders.

IDENTIFICATION AND EVALUATION OF PROJECTS			
Position	Name of the project	Total score	Destination element
1	Orocovis visitor information center	358	Attractions
2	Road signs	354	Accessibility
3	Continuing education program	349	Human Resources
4	Ambassador program	345	Human Resources
5	Cultural programmatic offer	330	Attractions
6	Program of cultural events	329	Attractions
7	Orocovis tourist information guide	304	Attractions
8	Interpretative signs	301	Accessibility
9	Municipal parking	299	Accessibility
10	Economic subvention for short-term rental project	293	Commodities
11	Tour guides	266	Attractions
12	Internal transport	262	Accessibility
13	Parking meters	137	Accessibility

Table 4. List of preliminary projects identified by the local leaders

FINAL LIST OF PROJECTS SELECTED FOR DEVELOPMENT		
Project	Destination element	Coordinator
✓ Orocovis tourist information guide	Attractions	Reniett Ramírez y Lorimar Santo Domingo
✓ Orocovis visitor information center	Attractions	Irma Vázquez
✓ Program of cultural events	Attractions	Orocoveños por Orocovis (OPO)
✓ Road and interpretative signage	Accessibility	Reniett Ramírez y Lorimar Santo Domingo
✓ Continuing education program	Human Resources	Carmen Báez y Luis Latorre
✓ Economic subvention for short-term rental project	Commodities	Edwin Rivera

Table 5. Final priority projects selected by local leaders



Project prioritization exercise for the development of new visitor economy opportunities in Orocovis.



Local leaders participating in the exercise of identifying challenges and opportunities in their community.

Orocovis Tourist Information Guide

PROJECT DESCRIPTION:

The Orocovis tourist information guide seeks to group the destination's attractions into a single document that is eye-catching, easy to understand and useful to reach points of interest. Initially, it will be a printed and foldable map showing all the points of interest with photographs. Later on, more sophisticated products could be developed, such as thematic routes or an interactive digital map. The guide will be linked to the Tourist Information Center project as the guides will be available as the main source of information to visitors.

IMPLEMENTATION STRATEGY:

The guide will be distributed at five locations with the highest visitor flow: Casa de la Cultura Orocoveña (Galería San Juan Bautista), the Toro Negro State Forest, the Toro Verde amusement park and the area's largest restaurants, such as La Sombra, Roka Dura and Vagoneando.

ESTIMATED IMPLEMENTATION TIME:

Three (3) months

ESTIMATED IMPLEMENTATION COST:

Initial cost: \$4,000

Yearly operational cost: \$4,080

PROJECT OWNER(S):

- Disfruta Orocovis (Reniett Ramírez) – design and content
- Municipality of Orocovis – distribution and content



PROJECT COSTS	
LINE ITEM	COST
✓ Content production	\$1,800
✓ Graphic design and initial impression	\$2,400
✓ Operational expenses (for one year)	\$4,080
✓ Other related expenses	\$1,800
TOTAL	\$10,080

FINANCING		
SOURCE	AMOUNT	TYPE
✓ Municipality of Orocovis and "Disfruta Orocovis"	\$1,800	In-kind
✓ Innovations Designs	\$200	In-kind
✓ Ad sales	\$4,080	Annual sale
✓ Subvención económica por parte de FPR	\$4,000	Donation

PROJECT PERFORMANCE INDICATORS	
✓	Number of visitors who come to the attractions through the tourist information guide
✓	Amount of money raised in ad sales

Orocovis Visitor Information Center

PROJECT DESCRIPTION:

Local leaders deemed important to have a place to receive visitors and inform them on the diversity of experiences that Orocovis has to offer. Although local leaders initially considered establishing the center in other locations, they ultimately identified the lobby of the Casa de la Cultura Orocoveña as the most profitable and strategic place to start the project. Currently, the venue is open Monday through Saturday from 8:00 am to 4:00 pm. During this period, there is already a municipal employee at the reception to serve the public. However, some adjustments, as well as additional investments, are required to convert the current operation into a visitor's center.

IMPLEMENTATION STRATEGY:

Modifications necessary to transform Casa de la Cultura into a tourist information center include: training the employee at the Center in areas such as hospitality, customer service and general knowledge about the area's tourist attractions. An investment in shelves and audiovisual equipment should be made in order to stock the guides and have a medium to show the local attractions respectively.

ESTIMATED IMPLEMENTATION TIME:

Three (3) months

ESTIMATED IMPLEMENTATION COST:

Initial cost: \$10,600

Yearly operational cost: \$41,000

PROJECT OWNER(S):

•Municipality of Orocovis – Department of Art, Culture and Tourism



PROJECT COSTS	
LINE ITEM	COST
✓ Facilities (per year)	\$24,000
✓ Employee (per year)	\$17,000
✓ Content production	\$7,000
✓ Refurbishment of space	\$3,600
TOTAL	\$51,600

FINANCING		
SOURCE	AMOUNT	TYPE
✓ Municipality of Orocovis	\$41,000	In-kind
✓ Grant by FPR	\$10,600	Donation

PROJECT PERFORMANCE INDICATORS	
✓	Number of people arriving at the visitor information center a week

Cultural Events Program

PROJECT DESCRIPTION:

Orocovis is well-known for being a tourist destination rich in culture, history, tradition, and art. Local leaders want to develop this potential to its maximum. This project seeks to hold a series of events throughout the year that will attract visitors, particularly from the metropolitan area. These events will focus on promoting the municipality's culture and integrating the various attractions such as museums, art workshops, art galleries, artisans, and musicians.

IMPLEMENTATION STRATEGY:

The production of additional events in Orocovis will require a promoter or event coordinator who may charge admission fees or negotiate sponsorship deals, among other activities, to generate a profit. A cultural events committee will be established; its members will include the promoter, the Department of Art, Culture and Tourism of the municipality, and representatives from local entities and businesses, such as Orocoveños por Orocovis, El Taller de Luiyi and business owners of La Ruta de la Longaniza and the city center, among others.

ESTIMATED IMPLEMENTATION TIME:

Four (4) months

ESTIMATED IMPLEMENTATION COST:

Initial cost: \$29,650

Yearly operational cost: \$31,250

PROJECT OWNER(S):

•Orocoveños por Orocovis (OPO)



PROJECT COSTS	
LINE ITEM	COST
✓ Proposal design	\$1,500
✓ Tent	\$5,400
✓ Promotion and marketing (seven events)	\$14,000
✓ Event costs (seven events)	\$17,250
✓ Production and coordination costs (seven events)	\$22,750
TOTAL	\$60,900

FINANCING		
SOURCE	AMOUNT	TYPE
✓ Proposal to solicit sponsorships from private companies and organizations	\$31,250	Sponsorships
✓ Grant by FPR	\$29,650	Donation

PROJECT PERFORMANCE INDICATORS	
✓	Number of cultural events per year
✓	Net income from events
✓	Attendance of the general public to the events

Road and Interpretative Signage

PROJECT DESCRIPTION:

The signage project seeks to provide the destination a complete and high-quality system that facilitates access and effective communication of information and contributes to the overall image of the place. Three types of signs will be used: road signs for main attractions in the destination using standard symbols; signs for the Ruta de la Longaniza ("the sausage trail"), which is one of the main gastronomic assets of the area; and interpretive signs with detailed information (descriptions, historical background, etc.) of some of the main attractions.

IMPLEMENTATION STRATEGY:

A community coordinator will be in charge of contacting suppliers to obtain quotes, select the suppliers and coordinate the installation of the signs. In addition, a graphic designer will be needed to generate the designs for each sign, ensuring that they are aligned with the destination's image and the Orocovis tourist information guide as well as applicable regulation to road signage.

ESTIMATED IMPLEMENTATION TIME:

Four (4) months

ESTIMATED IMPLEMENTATION COST:

Initial cost: \$13,000

Yearly operational cost: N/A

PROJECT OWNER(S):

- Municipality of Orocovis – Department of Art, Culture and Tourism
- Disfruta Orocovis (Reniett Ramírez) – design
- FPR



PROJECT COSTS	
LINE ITEM	COST
✓ Graphic design	\$2,500
✓ Signs	\$7,500
✓ Installation	\$3,000
TOTAL	\$13,000

FINANCING		
SOURCE	AMOUNT	TYPE
✓ Disfruta Orocovis	\$200	In-kind
✓ GranT by FPR	\$12,800	Donation

PROJECT PERFORMANCE INDICATORS	
✓	Number of new road signs in Orocovis
✓	Number of new interpretive signs in Orocovis

Continuing Education Program

PROJECT DESCRIPTION:

The continuing education program seeks to strengthen the hospitality and customer service skills of business owners, managers, employees and other service providers who interact directly with visitors. We will identify provider's main needs with regards to training and continuing education in order to build a curriculum that includes the most relevant topics. After this, a series of workshops will be coordinated throughout the year where experts in various topics will be invited to share their knowledge and relevant tools.

IMPLEMENTATION STRATEGY:

A local training coordinator will be required who will be responsible for creating the curriculum, defining the workshop schedule, contacting speakers, convening participants and coordinating events. The coordinator should create a list of potential experts who will be invited to conduct the training exercises. Workshop resources may be obtained in-kind through partnerships with universities, nonprofit organizations, and private organizations.

ESTIMATED IMPLEMENTATION TIME:

Six (6) months

ESTIMATED IMPLEMENTATION COST:

Initial cost: \$2,400

Yearly operational cost: \$4,200

PROJECT OWNER(S):

- Municipality of Orocovis – Department of Art, Culture and Tourism
- FPR



PROJECT COSTS	
LINE ITEM	COST
✓ Annual rental of the premises	\$1,800
✓ Catering (per year)	\$2,400
✓ Experts and lecturers (per year)	\$1,000
TOTAL	\$5,200

FINANCING		
SOURCE	AMOUNT	TYPE
✓ Municipality of Orocovis	\$1,800	In-kind
✓ Businesses and companies	\$1,000	Sponsorships
✓ Grant by FPR	\$2,400	Donation

PROJECT PERFORMANCE INDICATORS	
✓	Number of participants in the workshops
✓	Level of satisfaction of the participants

Short-term Rental Program

PROJECT DESCRIPTION:

The short-term rental project seeks to create new accommodation options for visitors wishing to spend the night in Orocovis. Residential areas close to main tourist attractions will be identified to develop an inventory of properties that could be refurbished and converted into short-term rental locations. Owners of the selected properties will receive guidance about the conversion process and assistance to identify funding sources for the necessary investments.

IMPLEMENTATION STRATEGY:

The Project Coordinator will work with properties that require minimal financial investment and are strategically located in various geographic and commercial areas of the destination. The goals should be to identify at least five properties requiring an investment of \$4,500 or less per unit. Also, a company or individual dedicated to the management of short-term rental properties will be identified to manage such units.

ESTIMATED IMPLEMENTATION TIME:

Six (6) months

ESTIMATED IMPLEMENTATION COST:

Initial cost: \$24,300

Yearly operational cost: N/A

PROJECT OWNER(S):

•Municipality of Orocovis – Department of Art, Culture and Touris



PROJECT COSTS	
LINE ITEM	COST
✓ Host orientation	\$300
✓ Identification of properties	\$1,500
✓ Grant for conditioning	\$22,500
TOTAL	\$24,300

FINANCING		
SOURCE	AMOUNT	TYPE
✓ Proposal to request grants to private companies and organizations	\$22,500	Donation
✓ Grant by FPR	\$1,800	Donation

PROJECT PERFORMANCE INDICATORS	
✓	Number of new lodging options available in Orocovis
✓	Amount of records in short-term rentals

Governance Model

Collaborative work is essential to develop the destination in an integrated way, taking advantage of the opportunities offered by the visitor economy. To improve destination management, one must enhance transparency in decision-making, avoid segmentation in the communication among the destination's diverse local leaders and encourage active collaborations across all sectors.

Therefore, it is necessary to establish a governance structure composed of various local leaders committed to the development of the destination. Following a discussion with local leaders, a consensus was reached to create a Standing Committee for the Management of the Orocovis Destination. This committee would be responsible for:

- Establishing and reviewing the destination's priorities;
- Monitoring the various activities that will be carried out to implement the Plan;
- Measuring progress and results; and
- Identifying and distributing funds and resources.

This Committee will be composed of the participating local leaders or any other person that the committee recommends to include.

Under the local governance structure, there will be a Plan Manager who will in charge of the following:

- Safeguarding the objectives of the Plan;
- Reviewing that all projects are satisfactorily implemented;
- Gather all necessary information to measure progress;
- Work with local leaders and external actors in the coordination of projects.



Meeting with the Mayor of Orocovis Hon. Jesús E. Colón Berlingeri.

Under this proposed local governance model, Project Coordinators will continue to be responsible for following up on specific tasks for each assigned project.

The Director of the Department of Art, Tourism and Culture of the Municipality of Orocovis will serve as Plan Coordinator, given the critical role that the Department plays in the destination. The Coordinator will periodically convene the committee and the Project Managers for follow-up meetings.

Because this is a new function for the municipality of Orocovis, FPR will provide technical assistance to the municipality's staff over the next year in the areas of destination management, project management, and economic development.



Figure 18. Governance structure model.

The Standing Committee and Coordinators should meet with the Plan Manager once every two months to discuss the status of the projects as well as the progress with the objectives of the Plan. During these meetings, Managers will also be able to communicate their challenges or needs.

FPR will sponsor a Fellow, Destination Plan Assistant, over six months to assist the municipality's staff with the coordination of meetings and follow-up efforts. As part of the arrangement, the Fellow will submit monthly progress reports to FPR.

Performance Measurement

Measuring the results of the Plan's implementation is an important component of destination management, as it ensures that the efforts and resources invested are being maximized.

Destination performance will be measured through the outcome of key performance indicators (KPIs). These KPIs were established based on the goals defined by local leaders. The Committee should be committed to periodically measure the progress of the KPIs.

For the Plan indicators, FPR will develop a simple questionnaire based on its experience working with the visitor survey in Puerto Rico to collect information from visitors. As part of these efforts, the survey will be distributed in the following locations:

- Toro Negro National Park
- Toro Verde Adventure Park
- New Visitor Information Center
- New Glamping site at Finca Oro Rojo
- Camping site at Toro Negro Park
- Roka Dura Restaurant

PLAN PERFORMANCE INDICATORS	GOALS 2020
✓ Percentage of people who spend at least one night in Orocovis	20%
✓ Percent of visits that include at least three types of different experiences	50%
✓ Number of people coming to at least two cultural events during a year	5,000

Figure 19. Key performance indicators based on the goals defined by the community.



Alma Frontera, Director of Strategic Projects and Alliances, facilitating a focus group with the local leaders of Orocovis.

Keys to Success

Creating awareness around the visitor economy in the community

As with the rest of Puerto Rico, there was a significant need to increase knowledge and create awareness of the visitor economy in Orocovis, a necessary step for any tourism initiative in Puerto Rico.

FPR learned this while working with local leaders during the first phase of the Bottom Up, as the knowledge about destination management and development was minimal. As a result, FPR led several discussions with local stakeholders around the potential of tourism to create jobs and grow the economy in the community.

Although many communities in Puerto Rico see tourism as exclusive to hotel chains and big attractions in the San Juan area, in Orocovis there was some recognition of the value of visitors, thanks in part to the success of Toro Verde Adventure Park. To that end, FPR focused on introducing the visitor economy framework in all discussions which, as stated before, has a broader perspective than tourism.

For example, FPR highlighted all the direct and indirect beneficiaries of a visit to an attraction like Toro Verde or Toro Negro so they could easily categorize the broader economic impact of tourism activity. This information helped local leaders think about the supply chain and the inter-industry linkages of tourism. Local leaders were also encouraged to identify additional tourism opportunities around these two big tourist attractions to connect with other tourism assets (like the museum and the artesanos) during those visits.

After a few working sessions, FPR noticed that local leaders began to think about strategies to maximize visitor expenditure and increase the length of the stay. These sessions were essential to getting local leaders into the right mindset

about destination planning. Without this initial visitor economy immersion, it would have been very difficult to use a common terminology during the planning discussions. As a result, when the planning meetings began, local leaders were already equipped with basic knowledge of the visitor economy and the importance of growing the sector in their community. This kind of onboarding on the visitor economy proved to be an effective way to get local leaders aligned to a shared vision.

The importance of Phase 1 in the Bottom Up Destination Recovery Initiative

Keys to success in a community planning exercise are understanding community dynamics and continuing building trust with local leadership. This process takes time, sometimes years, particularly for an unknown organization with no previous experience in the community. Also, local leadership is not easily defined. There is no formal, updated list of organizations or stakeholders working in a community. Many times, information on who is a local leader will depend on whom you ask—as with trust, identifying local leadership can take time. For example, in Orocovis, some key leaders were identified by FPR's operational field team six months after working in the field every day. Since having the right mixture of local leaders is essential for good planning outcomes, it was critical for FPR to identify and engage with them from the beginning. In sum, regardless of the type of community planning, you need time to understand community dynamics, build trust, and map-out the social capital ecosystem.

Fortunately, the Bottom Up program has two phases; the first one works around the recovery and the second one with destination planning. During the first phase, the operational field team spent approximately six months working with various stakeholders and helping with the recovery of Orocovis. More than \$500,000 was invested in small businesses, basic needs, and

infrastructure during those six months. Local leaders saw the investments as proof that FPR was committed to helping the community. The FPR operational field team were often seen as members of the community and were thanked continuously by local leadership. This relationship certainly accelerated the trust process and was an effective instrument to bring everyone to the table in the destination planning phase.

This level of investment is uncommon in planning initiatives, and thus, should not be seen as a new standard for community planning in Puerto Rico. However, there is a lesson learned here about community expectations when an outside organization leads planning efforts. It seems like communities have become suspicious of strenuous consultation efforts that don't yield immediate benefits for residents or offer help that never materializes. Along with planning for the future, local leaders want to see some type of investment to address immediate needs in their community before they fully commit to a planning effort. Keep in mind that these local leaders in Orocovis were fully committed and engaged for over six months of planning and dedicated more than 400 hours to the effort. Without their efforts and contributions, this Plan would have never materialized.

It's hard to tell how significant an investment should be to help build trust and buy-in for a planning initiative of this scale. It doesn't seem like it would require an investment as substantial as the one made on this program since a large portion was tied to hurricane recovery efforts, and local leaders were well aware of that. Rarely did local leaders use financial references when talking about FPR's commitment to the community. Local leaders involved in the destination planning process often stated that "FPR was just fully committed to Orocovis." Regardless of the amount or type of commitment, it's clear that some kind of investment to address immediate needs reinforces engagement and builds the necessary trust to begin a planning process.

In addition to trust, the first six months of the program helped identify those key leaders that were essential for the destination planning process. The right mixture of local participants is one of the most important elements of a successful destination planning process. The time spent in the community, before the destination planning effort, allowed FPR to engage participants that represented all the destination components in Orocovis, leading to more comprehensive planning outcomes.

The Role of the Municipal Government

In Orocovis, the role of the municipal government was critical to the success of the planning process. The Mayor and his tourism director were committed to the initiative at all times. The commitment of the municipal government gave the other local leaders some assurance that the effort was going to continue once FPR transitioned out of the process. At times, the municipal government also played a passive role during the planning sessions, which gave the other local leaders more room to actively participate in the process. It was not easy at first since there was some tension between the municipal government and other stakeholders because of past matters. As a neutral party, FPR was vital in facilitating the sessions and setting the right tone for the discussions. At first, there was a lot of "I," and "you," but in the end, there were more "us" from local leaders. Getting local leaders to think collectively was one of the biggest wins of this process.

In many community initiatives, there is a level of distrust of the municipal government among non-government stakeholders. Therefore, it was essential to align the municipal government with the vision of the planning process and for the other local leaders to see them as partners. Having the municipal government engaged with the process and with the other local leaders will increase the success rate of the projects in the Plan. After all, the municipal government plays an essential role in the destination (permitting, zoning, solid waste, signage, local taxes, event fees, and other aspects).

Reducing the Scope of the Destination Plan

From the start, a strategic decision was made to reduce the scope of the destination plan components. The Plan focused on short-term attainable goals that are not dependent on factors or actors external to the destination. A new bridge, the dredging of a body of water or tax incentives were examples of projects that fell outside the scope of this Plan, because the objective of this process was to achieve a local approach to the planning and management of the destination's tourism offer. This decision made the planning process more approachable and engaging for local leaders. They were able to understand the objectives quickly, relate to the issues and feel that the projects were indeed possible. This mindset allowed active and continuous engagement throughout the planning process.

Although it's fair to criticize the Plan because it fails to address important issues in the destination like infrastructure or incentives, it is a stepping stone for locally-led, multisector planning initiatives in Orocovis. This process is meant to create local capacity and a collaborative culture among local stakeholders and develop an appetite for destination planning and development. Creating this demand will depend on local leaders seeing results from their efforts. That is why the projects in the Plan are all attainable in the short-term with very little investment, as opposed to a plan with big projects that never get implemented. Success with this Plan will undoubtedly help build momentum for additional planning initiatives with a broader scope and more ambitious goals for the future.



The right mixture of local participants is one of the most important elements of a successful destination planning process.

Lessons Learned

There are a couple of lessons learned that will be applied to future community destination planning efforts in Puerto Rico:

Shorter timeframe and quicker turn around for deliverables. To avoid fatigue among participants, FPR was conducting one meeting per month during the first few months. However, this proved to be counterproductive at times, since it affected momentum and ultimately delayed the process. Since there was a big gap between meetings, FPR always had to spend a considerable amount of time recapping what happened in the previous one. FPR did engagements between meetings via emails, calls, and texts, but ultimately most of the discussions and decisions occurred in the meetings. Also, since there were relatively few meetings, missing one meant that a local leader would lose a meaningful conversation. Again, FPR tried to compensate with offline engagement, but more meetings, particularly at the beginning would have been beneficial in speeding up the process and improving engagement. FPR is making these adjustments in their other destination planning efforts.

Additional capacity building. Destination Management is not an easy process; it takes time, resources and technical capacity. Although FPR invested time to educate and provide a technical capability to local leaders about the visitor economy and the destination elements, it takes more hours of training and coaching to fully equip local stakeholders in all destination management components. Also, the destination assessment conducted was based on a particular point in time. Thus, there is a need to perform periodic updates at all levels of the destination. FPR was able to facilitate the initial assessment, but local leaders would need to continue to reevaluate the needs and identify new tourism

opportunities moving forward. Unfortunately, local leaders in Puerto Rico, including municipal governments, do not have the capacity and experience in this kind of process. Aside from visitor economy specific skills, there is a need for project management, economic development, grant writing, leadership, marketing, and community development. Without building capacity in these areas, there is a fair chance that these efforts might diminish over time.

FPR is currently working on a potential program that could provide ongoing support and technical capacity to local leaders from Bottom Up communities. It might even include some sort of certificate in visitor economy management or a partnership with a university to create continuing education programs around destination management. In the end, the visitor economy will grow if local leaders are continuously engaged in strategy and destination management in their community. The process started in Orocovis; we must provide support to ensure these efforts are sustainable.



Presenting findings and results to the community.

Endnotes

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ACTIVOS DE OROCOVIS



Activos gastronómicos

- La Ruta de la Longaniza (restaurantes y fábricas)
- Las Cabanas de Doña Juana
- Los Dardanelos
- Pueblo Sano
- Café Licor
- La Orocovena Biscuit (fábrica)



Activos artísticos

- Artesanos
- Músicos
- Galería Casa de la Cultura
- Museo Orocoveno C.A.M.

Orocovenis

The geographic center and heart of Puerto Rico, will become a unique destination in the Caribbean; accessible to all, with the widest variety of world-class experiences, including adventure, cultural, gastronomic, agrotourism and ecotourism.



Activos culturales

- Talla de santos
- Festival del pastel



Activos históricos

- Plaza pública
- Parroquia San Juan Bautista
- Alcaldía



Activos - hospederías



Activos - grupos & iniciativas

- Roka Dura
- Hacienda Mo...
- Toro Negro