



Foundation
for Puerto Rico

Annual Report

Transforming Puerto Rico into a destination for the world

2019

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Foundation for Puerto Rico

Transforming Puerto Rico into a destination for the world

Table of Contents

| | |
|---|----|
| A Word From Our Founder | 05 |
| Our History | 08 |
| Our Strategy | 10 |
| Initiatives and Impact | 12 |
| Beneficiary Profile: ranchella Artisan Ice Cream Shop | 18 |
| Financial Report | 20 |
| Donors and Partners | 22 |
| Our Team | 24 |

A view of Old San Juan and La Pórla from the Castillo de San Felipe del Morro



A WORD FROM OUR FOUNDER

“Since 2011, Foundation for Puerto Rico’s innovative, analytical, and out-of-the-box approach to problem-solving has cemented the organization’s role as designer of a new future for Puerto Rico.”



Through strategic research and policy papers, Foundation for Puerto Rico (FPR) has become a thought leader in the economic development space. We have advocated and supported the implementation of innovation-driven economic strategies including education, adoption, and expansion of the principles of the **Visitor Economy—a concept we have championed as the fastest way for Puerto Rico to achieve short to medium term economic growth that is sustainable, inclusive, and will quickly inject our economy with fresh, incremental revenue.**

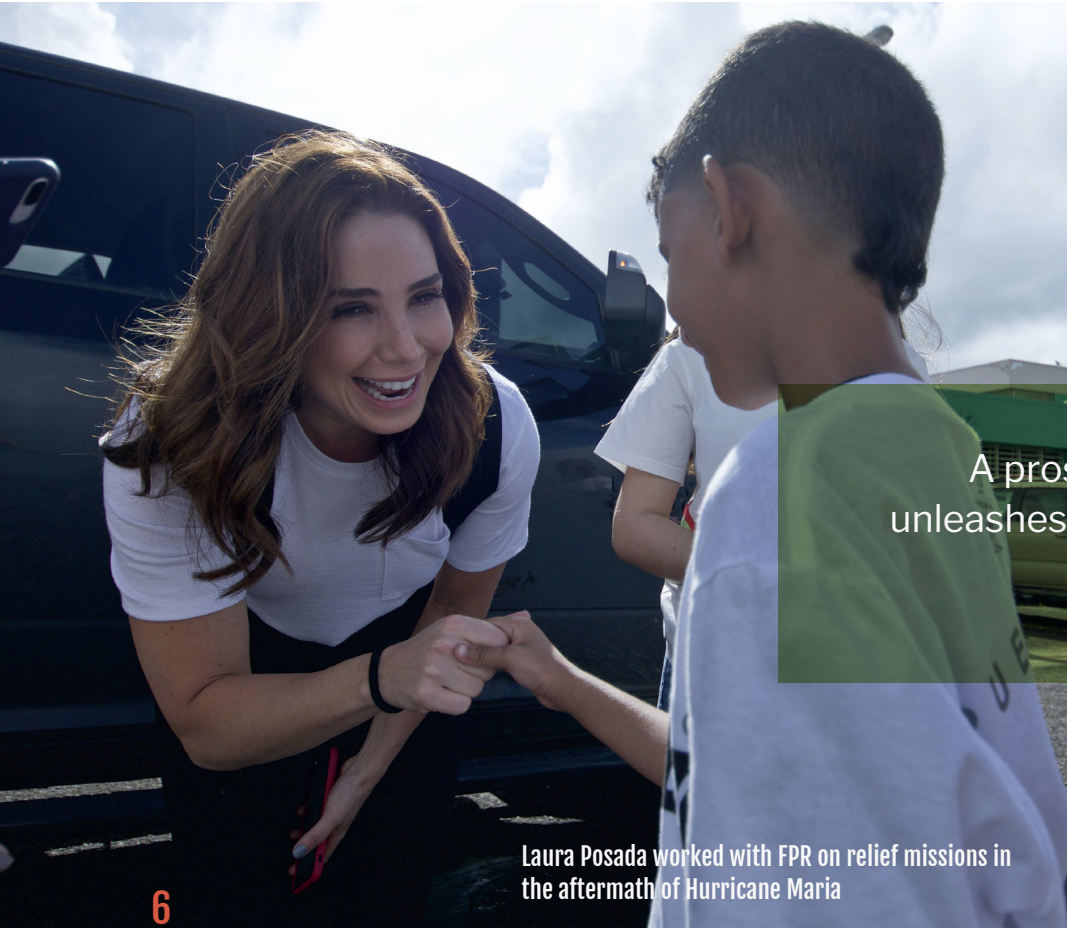
After the devastation caused by Hurricanes Irma and Maria in 2017, Puerto Rico needs more than ever to chart its future course around inclusive and sustainable economic development strategies that will transform Puerto Rico through innovation,

entrepreneurship, and strong mitigation models to make our communities more resilient. As such, FPR has launched a series of high-impact programs outlined in this report that will help re-imagine Puerto Rico’s socioeconomic future.

As we continue to move forward with these progressive programs, we are committed to accelerating and expanding their success. We will do it by growing our capabilities in community engagement while maintaining our role as a strategic innovator, thought leader, and convener of stakeholders from all sectors. **Our motto, “there is no future in rebuilding the past,” reflects our transformative vision and dream for the future of our island: a prosperous Puerto Rico that unleashes the talent, creativity and passion of its people.**

OUR MISSION

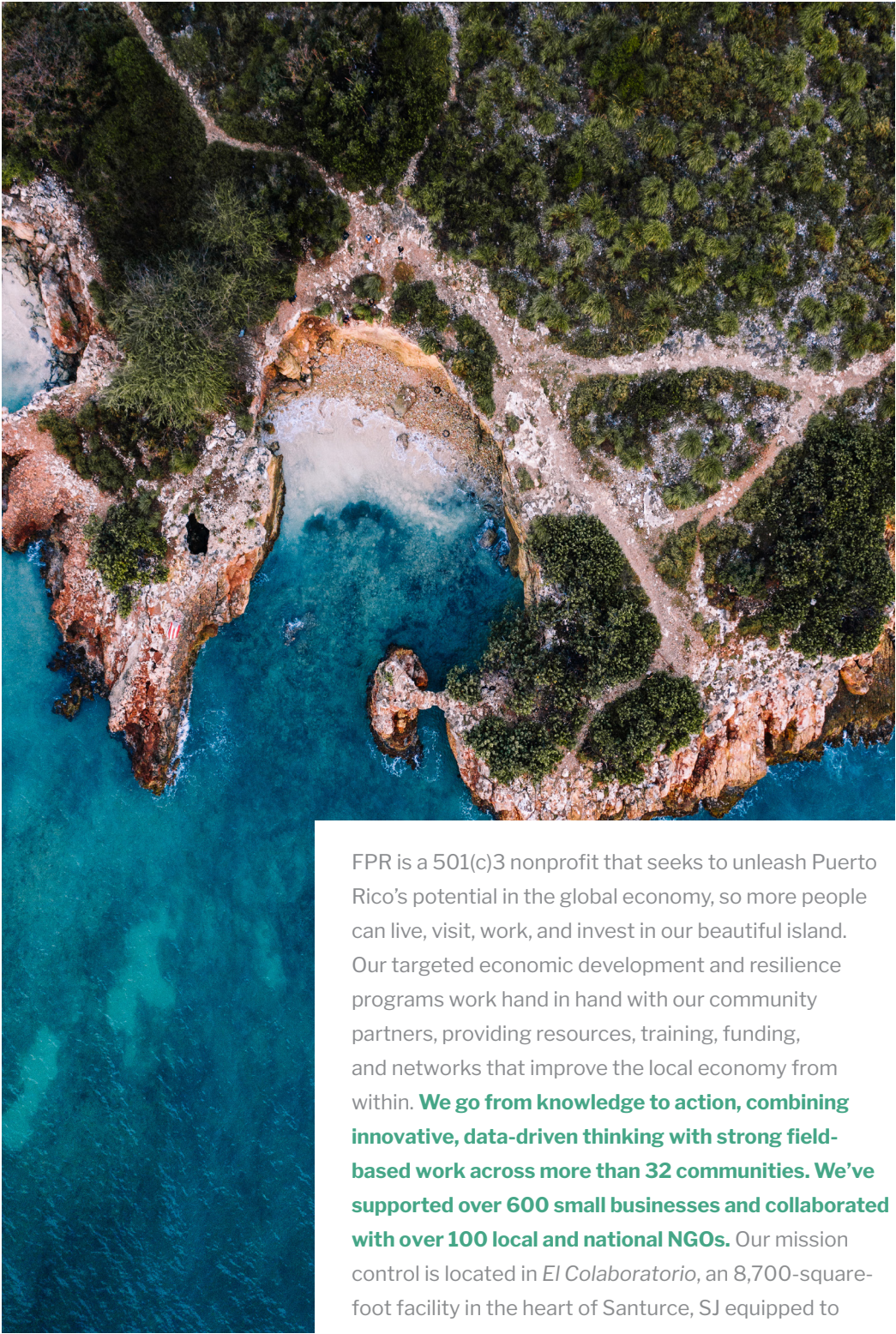
Transform Puerto Rico into a thriving destination for the world



Laura Posada worked with FPR on relief missions in the aftermath of Hurricane Maria

OUR VISION

A prosperous Puerto Rico that unleashes the talent, creativity and passion of its people.



FPR is a 501(c)3 nonprofit that seeks to unleash Puerto Rico’s potential in the global economy, so more people can live, visit, work, and invest in our beautiful island. Our targeted economic development and resilience programs work hand in hand with our community partners, providing resources, training, funding, and networks that improve the local economy from within. **We go from knowledge to action, combining innovative, data-driven thinking with strong field-based work across more than 32 communities. We’ve supported over 600 small businesses and collaborated with over 100 local and national NGOs.** Our mission control is located in *El Colaboratorio*, an 8,700-square-foot facility in the heart of Santurce, SJ equipped to foster collaboration, sharing new ideas, and creating synergies among other NGOs—all united by the goal of transforming Puerto Rico.

OUR HISTORY

| 2011 | 2013 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020* |
|---|---|--|---|--|---|--|--|
| <p>FPR was founded with the goal of becoming a thought leader in the economic development of Puerto Rico.</p> <p>In partnership with MIT, FPR launched the Puerto Rico Project to do market analysis and explore the potential for growth of various economic sectors such as workforce development, medical and educational tourism.</p> | <p>Established a think tank unit focused on research, public policy, and coalition building. Launched “Imagine Santurce,” an initiative to foster dialogue, collaborations, and action to achieve urban revitalization in Santurce, that is sustainable, equitable and inclusive.</p> | <p>Focused efforts around researching, advocating, and promoting the Visitor Economy as Puerto Rico’s best strategy for achieving short to medium term economic growth.</p> <p>Created the first mission-driven incubator in Puerto Rico – El Colaboratorio – conceptualized as a “laboratory of collaboration” to house, support, and grow Puerto Rico’s NGO ecosystem.</p> | <p>Developed working plans that created a local Destination Marketing Organization (DMO) as a recognized worldwide tourism best practice.</p> | <p>Launched an island-wide Visitor Information and Experienced Warehouse database - VIEWPR - with over 8,000 geo located points of interest in the island, including attractions, restaurants, and lodging services for visitors. It is used as a planning and data tool for FPR’s programs.</p> <p>Convened and collaborated with leaders in state government, NGOs, and the private sector to get the government to approve and sign into law Act 17, which created the Puerto Rico DMO, Discover Puerto Rico.</p> | <p>Designed, piloted and funded the Bottom Up Destination Recovery Initiative (Bottom Up) in Orocovis and later on in Humacao. As a result, we received a \$7.9M federal grant from the US Department of Commerce’s Economic Development Administration (EDA), allowing us to scale Bottom Up to 12 additional municipalities island-wide.</p> | <p>Bottom Up started work in the regions of Aguadilla & Isabela, Cabo Rojo & San Germán, Arecibo & Camuy, and Barceloneta & Manatí</p> <p>Began the program design phase for the WCRP, expanded our team, and engaged with NGOs and municipalities across Puerto Rico.</p> <p>Received a grant from the prestigious Ewing Marion Kauffman Foundation under the Inclusion Open 2019 competition. Our small business incubation initiative - Emprende 360° - marks the first time the Kauffman Foundation supported a program in Puerto Rico.</p> | <p>Puerto Rico suffered a series of earthquakes, including one of 6.4 magnitude on January 7th, mainly affecting the Southwestern part of the island. FPR created the Earthquake Relief Fund to ensure emergency resources get where they are needed most, including the reactivation of the Small Businesses Support Program to provide relief to small businesses impacted by the earthquake.</p> |



Alma Frontera, Director of Economic Development Programs, on one of the 230 missions led by FPR, working alongside the National Guard to bring essential relief items to communities days after the landfall of Hurricane Maria

In the aftermath of Hurricanes Irma and María, actively participated in the relief and recovery efforts. El Colaboratorio was able to open its doors two days after the event and housed over 180 relief and private organizations for four months.

Raised over \$4M in funds, allowing us to launch hundreds of missions, and provided direct aid to families, farmers, artists, and small businesses. Served as fiscal sponsor of more than \$10M to local NGOs.



President Bill Clinton, Secretary Hillary Clinton, and Chef José Andrés visit Bottom Up's field program in Punta Santiago, Humacao

WCRP developed an online interactive map of Social Capital and a Risk & Vulnerability Index.

*As of July 2020 at publication

OUR STRATEGY

We take knowledge to action to achieve resilience, economic growth, and policies that scale up social and economic impact.



Policy & Advocacy

Our Policy & Advocacy pillar generates thought leadership and research to guide strategies for the Visitor Economy, resilience, and economic development. This unit collects data to measure and track impact, while collaborating with global partners to publicize the findings and recommendations that will transform Puerto Rico. By identifying critical challenges and opportunities affecting the development and management of the destination, the team also provides recommendations for improving the resilience of communities.

Visitor Economy

Our Visitor Economy pillar seeks to grow this economic model in the rural communities of Puerto Rico by developing destination plans alongside communities. Through this pillar, we are cultivating the natural, cultural, and human capital assets in each destination, to create an explosion of sustainable and authentic experiences for visitors from around the world.

Resilience

Our Resilience pillar seeks to mentor, prepare, and fund existing and emerging new businesses in order to inspire a new generation of resilient entrepreneurs, prepared to survive and thrive under unforeseen circumstances. We also work with local NGOs, governments, businesses, and stakeholders across all communities to facilitate comprehensive planning that will lead to sustainable and measurable improvements in community resilience across the island.

Achievement: The efforts of this group helped successfully design, incubate and advocate for a non-partisan, nonprofit DMO: Discover Puerto Rico. This organization develops cutting-edge marketing to promote the destination in new markets, repositioning Puerto Rico from a sand and beach destination to a natural, cultural, and experience-based destination for the world.

Achievement: We operate five immersive programs for local business owners, NGOs, and across sectors to provide entrepreneurial education and technical assistance to stakeholders at the community level. In over 32 communities, we invest capital for seed funding and small business cash grants, and facilitate thousands of hours in mentoring and support to these communities.

Achievement: To support community resilience and increase access to data and information, we launched the Social Capital Mapping Tool to identify the availability of resources at the local level, allowing effective, agile, and participatory community planning across five focus areas: health, education, security, at-risk communities, and community services.

INITIATIVES AND IMPACT

Hurricane Maria Relief Fund



Raised over **\$4M** for relief and recovery efforts in the aftermath of Hurricanes Irma and Maria.



Disbursed over **\$1M** in support to local farmers, artists, and small businesses.



Executed **230** missions island-wide, providing food, water, and basic needs.



Served as fiscal sponsor for more than **\$10M** to local NGOs.



Provided basic community needs and recovery support to **over 600 small businesses** with \$500K in grants and 3,000 hours of technical assistance.

Small Business Support Program

In Puerto Rico, small businesses are the backbone of the local economy, employing more than 80% of all private sector workers. Along with the immediate response initiatives, FPR designed and launched a long-term recovery effort: the Small Business Support Program. This initiative helped existing business owners remain open, retain employees, and optimize their business through immediate assistance and relief in the form of cash grants and technical assistance. Impact to date includes:

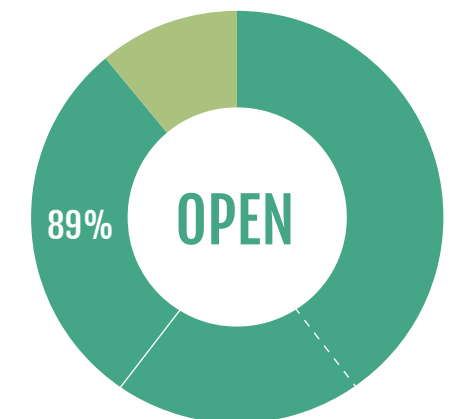
Disbursed **\$504K** in cash grants

Supported over **200** businesses across **11** municipalities

Sponsored over **800** hours of mentorship and technical assistance



FPR and its Collaborators meet in Orocovis to map challenges and priorities to be addressed by our recovery initiatives



89% of assisted businesses are still open, as of 2019.




This compared to the Federal Emergency Management Agency (FEMA) estimates, which says that 40 - 60% of businesses close after a natural disaster.

Bottom Up Destination Recovery Initiative (Bottom Up)

Bottom Up supports the development of the Visitor Economy across under-served communities as a driver of sustainable and inclusive economic growth. The program is an evidence and asset-based community development initiative with the potential to transform communities and scale across the island. Through civic engagement and action planning, we are empowering communities across Puerto Rico from the bottom up. The program creates jobs, growth opportunities and new revenues that improve the lives of families and their communities.

After the first two pilots in Orocovis and Humacao, Bottom Up has scaled its impact island-wide across 12 additional municipalities outside San Juan, thanks to a \$7.9M EDA grant. Our field team lives in the communities for six months to ensure plans meet local needs and are sustainable in the long term.

By early 2021, our results will include:

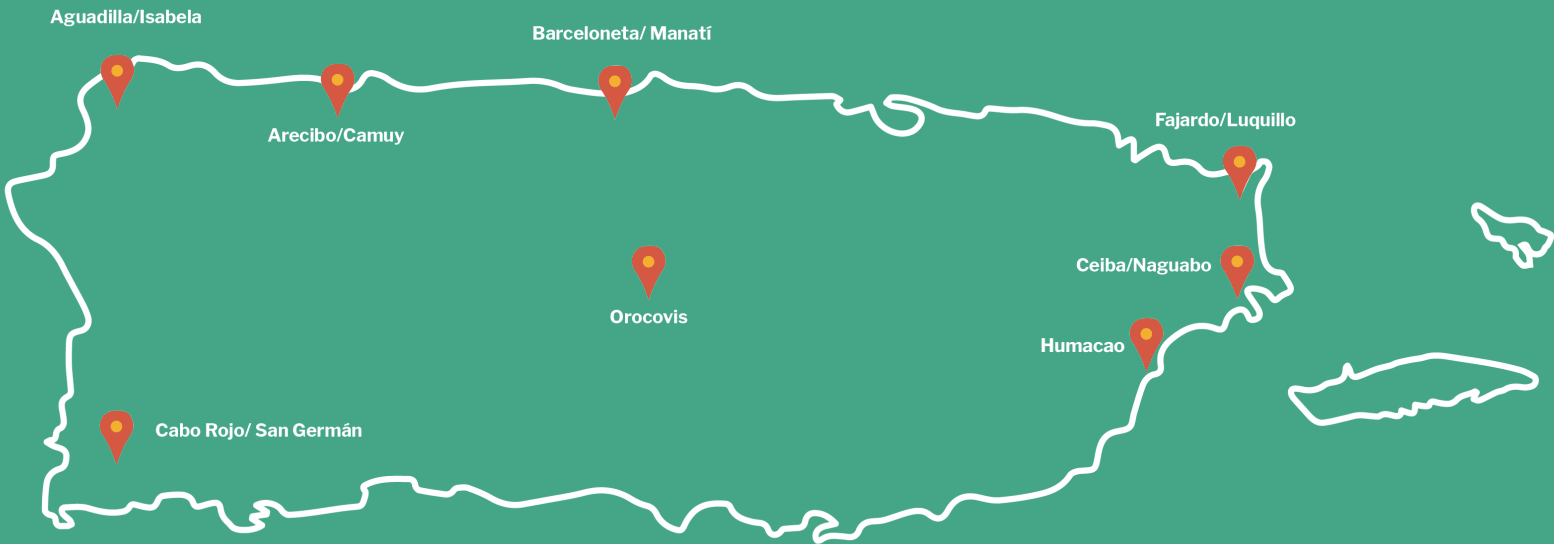
-  Providing more than 2,000 hours of operational support to over 500 small businesses across the island, as well as resiliency training in the form of disaster preparedness and response plans.
-  Building trust and coalitions amongst private, public, nonprofit, and community stakeholders.
-  Directly and indirectly helping over 400,000 individuals in the communities that we serve.

Program Impact and Key Performance Indicators

- Delivering over 1,000 hours of entrepreneurial education to existing small businesses and emerging startups as well as through our program – Destino Empresarial. This initiative will incubate 24+ new businesses concepts.
- Creating or retaining 1,000 jobs through the businesses or nonprofit organizations that we assist.
- Co-developing 8 destination plans with the communities to make them more attractive and competitive tourism destinations.
- Facilitating over 65 workshops to build the capacity of local NGOs and strengthen social capital in communities.

Donation and installation of hundreds of pieces of resilience equipment that can provide crucial energy, water safety, and telecommunications support in a future emergency.

- 360 water filters
- 180 water cisterns
- 06 microgrids
- 900 solar-powered lamps



The 14 locations of Bottom Up's regional programs across Puerto Rico. Our teams live in each of these communities for six months.

Whole Community Resilience Planning

This collaborative program was established as part of Puerto Rico's Disaster Recovery Action Plan after Hurricane Maria to help communities across Puerto Rico. Community resiliency plans allow communities to identify projects, develop policies, and increase management capacity through a comprehensive planning process. **The program nurtures civic engagement and helps communities set long-term goals and short-term objectives, determine priority projects, and facilitate requests to develop and implement projects identified in community resilience plans.**



This program allocates \$37.5M to the communities through federal Community Development Block Grant – Disaster Recovery (CDBG-DR) funds.

Emprende 360°

This program marked the first time the Kauffman Foundation, the renowned nonprofit that studies and promotes entrepreneurship, has awarded a Puerto Rican organization a grant. FPR was selected among 750 applicants across 42 states and two territories. **Our program is a multistage incubation model guiding participants through the entrepreneurial journey, from idea to launch, with an inclusive, equitable, and collaborative educational approach. We co-designed the curriculum with four leading organizations in the entrepreneurial ecosystem: Centro Para Emprendedores, Grupo Guayacán, INprende, and Kiva/Causa Local.**



This program will launch at least 15 new businesses in the southern towns of Ponce and Coamo, and create a new educational program that can be offered to other local startups across Puerto Rico.

Visitor Information and Experience Warehouse

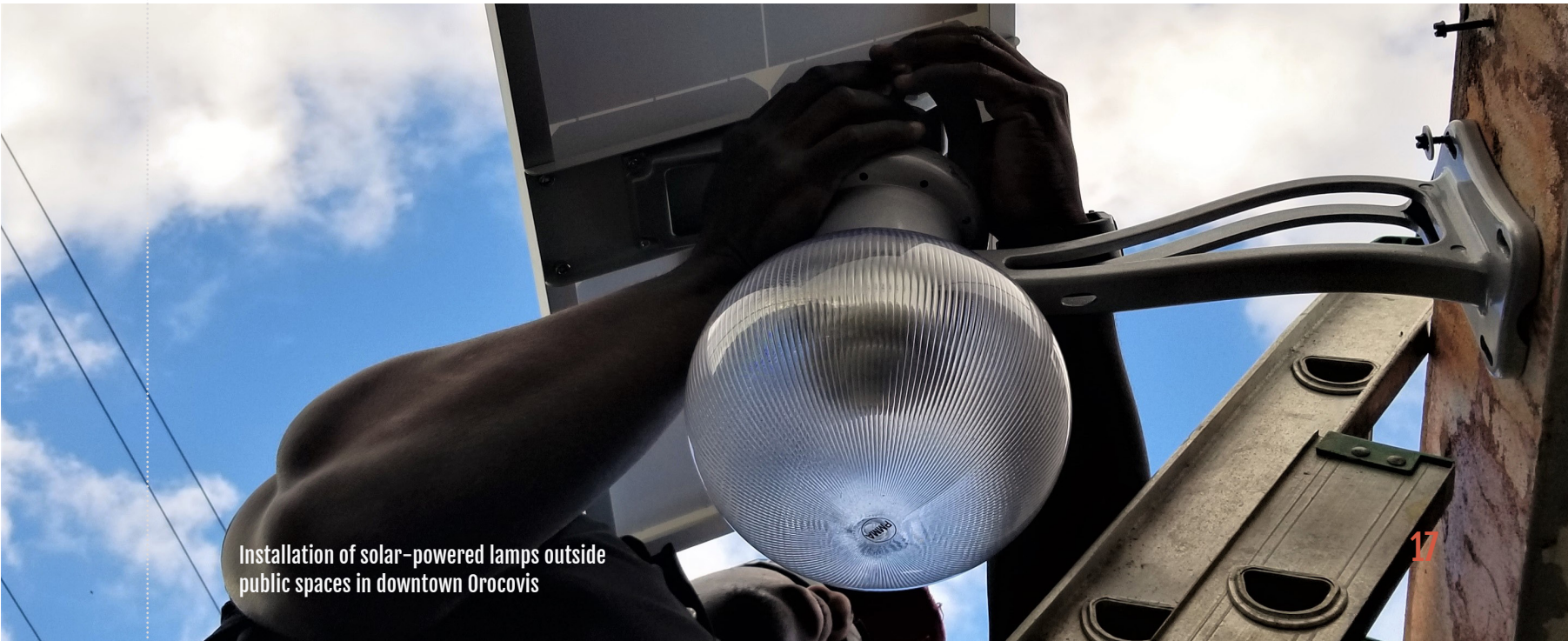
The Visitor Information and Experience Warehouse of Puerto Rico (VIEWPR.org) platform is an asset map of the Visitor Economy developed by FPR to understand our island's travel experiences on offer and increase their visibility online. The platform has over 8,000 travel related geo located points of interest including attractions, accommodations, restaurants, and travel services. In Puerto Rico, 75% of our local business owners have not claimed their online accounts in platforms such as Google Maps, Facebook, Tripadvisor, and others, which are essential tools for customer service and engagement. We provided digital presence workshops to help business owners navigate existing free digital tools and social media platforms such as Google My Business to attract more clients.



Our digital presence workshops impacted more than 15 municipalities, over 300 participants, and more than 250 businesses.



Effective 2020, the VIEWPR program was integrated into the Policy & Advocacy Unit. The data is used for program planning purposes by FPR, Discover Puerto Rico, and others.



Installation of solar-powered lamps outside public spaces in downtown Orocovis

BENEFICIARY PROFILE

Franchella Artisan Ice Cream Shop

Who are they?

Husband and wife team **Fransela Burgos and Reniet Ramírez**, who come from a long line of proud residents of Orocovis.

Searching for Hope in Times of Despair

Fransela and Reniet are natives to Orocovis, Puerto Rico, a gorgeous mountainous town in the center of Puerto Rico, one of the hardest hit municipalities after Hurricane Maria. This is where FPR piloted Bottom Up. When Reniet and Fransela met the FPR team, Reniet was running out of options. He operated a local tourism-focused site struggling to survive the aftermath of the crisis. They both loved their town and wanted to contribute to bringing more visitors to experience its many beauties but didn't know where to start after the devastation of Hurricane Maria. "It was then that I met the FPR team, which gave us the push we needed to persevere," says Reniet. "What really struck me was the positivism of the Bottom Up team. During that time of despair, they became the most solid and reliable thing we had to lean on. They became family."

Seeing Potential

After Hurricane Maria, FPR started piloting Bottom Up in Orocovis. Among the many plans we had to help Orocovis was running an entrepreneurial program where some entrepreneurs

would be chosen to develop their new business ideas and positively impact tourism in Orocovis. The participants would be given business education and the finalists would receive seed funding. It never crossed Reniet and Fransela's minds that they could participate in this selection. But people in their lives – including the FPR team – insisted that this program was for them, who wanted to have a business in Orocovis that would bring about a positive change for their community. That same night, they talked about it and it was there, on February 2018, that the idea of an artisanal ice cream shop using only local flavors and produce – Franchella – was born. This is a business concept that had never been done in Orocovis.

"The capacity building we received was of tremendous benefit. Before being exposed to the content, we didn't know anything about formal entrepreneurship. It wasn't until FPR facilitated the trainings and workshops that we saw how our idea could be turned into a true reality. We were able to discover the potential that we didn't know we had."

After successfully completing the entrepreneurial training curriculum, FPR awarded Fransela \$13K in seed funding to start the business.

Things are Happening

The seed funds were used towards assuring a physical space, rent, purchase of all equipment and materials needed to open their doors. To date, Franchella has become a magnet attraction in the historic downtown of Orocovis. Business is strong and sales are growing.

But the impact of Franchella's success is not limited to just one business: "One of the great things about the program is that it benefits the whole region. FPR took care of the whole town, not just a particular type of business, but a broad variety, such as restaurants, lodging, museums, etc. This allowed all of these different sectors to start growing in a uniform way. It gave everyone this feeling that something is happening in the town, and the different events became opportunities for many of us to exchange ideas and have an active dialogue."



Franchella Ice Cream Shop owners,
Fransela Burgos and Reniet Ramírez.

2019 FINANCIALS

| Revenues and support | Without Donor Restrictions | With Donor Restrictions | 2019 | 2018 |
|--------------------------------------|----------------------------|-------------------------|---------------|---------------|
| Donor contributions and pledges | \$1,515,516 | \$365,030 | \$1,880,546 | \$5,146,805 |
| Federal grants | \$ - | \$2,112,433 | \$2,112,433 | \$192,739 |
| Other income | \$204,295 | \$ - | \$204,295 | \$655,381 |
| Donated goods and services | \$64,352 | \$5,966 | \$70,318 | \$154,435 |
| Total revenues and support | \$1,784,163 | \$2,483,429 | \$4,267,591 | \$6,149,360 |
| Assets released from restrictions: | | | | |
| Satisfaction of program restrictions | \$5,723,039 | (\$5,723,039) | \$ - | \$ - |
| Expenses: | | | | |
| Program Services: | | | | |
| Disaster recovery | \$2,888,915 | - | \$2,888,915 | \$2,121,548 |
| Scaling up for innovation | \$2,425,673 | - | \$2,425,673 | \$4,986,745 |
| Mobilizing for transportation | \$112,946 | - | \$112,946 | \$276,805 |
| Pursuing global market | \$346,823 | - | \$346,823 | \$517,069 |
| Total program services | \$5,774,357 | - | \$5,774,357 | \$7,902,167 |
| Support services: | | | | |
| Management and general | \$1,602,174 | - | \$1,602,174 | \$716,962 |
| Fundraising and development | \$427,740 | - | \$427,740 | \$325,100 |
| Total supporting services | \$2,029,914 | - | \$2,029,914 | \$1,042,062 |
| Total expenses | \$7,804,271 | - | \$7,804,271 | \$8,944,229 |
| Changes in net assets | \$(297,068) | \$(3,239,611) | \$(3,536,679) | \$(2,794,869) |
| Net assets, beginning of year | \$1,793,809 | \$4,285,705 | \$6,079,514 | \$8,874,383 |
| Net assets, end of year | \$1,496,741 | \$1,046,094 | \$2,542,835 | \$6,079,514 |

| Assets | Without Donor Restrictions | With Donor Restrictions | 2019 | 2018 |
|--|----------------------------|-------------------------|-------------|-------------|
| Current Assets: | | | | |
| Cash and cash equivalents | \$1,025,975 | \$996,742 | \$2,022,718 | \$5,172,366 |
| Contributions receivable | \$0 | \$0 | \$0 | \$210,000 |
| Other receivable | \$532,008 | \$53,725 | \$585,733 | \$426,580 |
| Prepaid expenses | \$15,467 | \$0 | \$15,467 | \$14,407 |
| Total current assets | \$1,573,451 | \$1,050,467 | \$2,623,918 | \$5,823,353 |
| Property, plant and equipment, net of accumulated depreciation | \$979,027 | \$2,398 | \$981,425 | \$1,167,535 |
| Total Assets | \$2,552,478 | \$1,052,865 | \$3,605,343 | \$6,990,888 |
| Liabilities and Net Assets | | | | |
| Currant Liabilities: | | | | |
| Accounts payable | \$265,911 | \$6,200 | \$272,111 | \$163,665 |
| Accrued expenses | \$314,830 | \$571 | \$315,401 | \$177,709 |
| Total current liabilities | \$580,740 | \$6,771 | \$587,512 | \$341,374 |
| Deferred lease incentive | \$475,000 | \$0 | \$475,000 | \$570,000 |
| Total Liabilities | \$1,055,740 | \$6,771 | \$1,062,512 | \$911,374 |
| Net assets: | | | | |
| Without donor restrictions | \$1,496,737 | \$0 | \$1,496,737 | \$1,793,809 |
| With donor restrictions | \$0 | \$1,046,094 | \$1,046,094 | \$4,285,705 |
| Total net assets | \$1,496,737 | \$1,046,094 | \$2,542,831 | \$6,079,514 |
| Total liabilities and net assets | \$2,552,478 | \$1,052,865 | \$3,605,343 | \$6,990,888 |

OUR TEAM

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Alma Frontera,
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Luis Monterrubio,
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