

## I. Organization Background Information

### **Name of Organization:**

Cooperativism Institute of the University of Puerto Rico-Rio Piedras (Instituto de Cooperativismo)

### **Mission Statement:**

**Please limit to 1000 characters. Please be aware that your content may be truncated if you are pasting from another source.**

University of Puerto Rico is a public institution of higher education, which is entrusted by law to serve the people of Puerto Rico and contribute to the development and enjoyment of the fundamental, ethical and esthetic values of Puerto Rican culture, and committed to the ideals of a democratic society.

To advance its mission, the University strives to provide high quality education and create new knowledge in the Arts, Sciences and Technology.

The Cooperativism Institute of the University of Puerto Rico-Rio Piedras (UPR-RP) is an academic agency that has been helping foster the development of cooperatives of various types in Puerto Rico since 1953. As its mission, the Institute aims to contribute to a more just and equitable socio-economic development for Puerto Rico, working through studies, training, dissemination and contributing to the organization of companies that practice the core values of cooperative philosophy and those held by the

### **Overview of Organization:**

**Please limit to 2500 characters. Please be aware that your content may be truncated if you are pasting from another source.**

The Cooperativism Institute of the University of Puerto Rico-Rio Piedras (UPR-RP) is an academic agency that has been helping foster the development of cooperatives of various types in Puerto Rico since 1953. Founded in 1903, UPR is the most prestigious center of higher education in Puerto Rico, and highly ranked in Latin America. The Institute combines technical, philosophical and scientific based knowledge to promote the formation of, capacity building, and research in the field of cooperatives as a solidarity model for social and economic development in Puerto Rico. In 2008, the Institute launched an incubator program within its Center for Cooperative Research and Development (I+DC, for its Spanish acronym) to strengthen efforts to promote the creation of all types of cooperatives that best address current Puerto Rican economic conditions. This I+DC incubator program is the only one in Puerto Rico linking academic work with community-based cooperative development ventures. The I+DC incubator offers a unique methodology that has been proven particularly successful for the incubation of worker and mixed cooperatives.

**Website:**

<http://sociales.uprrp.edu/cooperativismo/>

**II. Proposal Contacts - Please enter information for the Primary and Secondary Proposal Contacts**

Primary Contact

**First Name**

Pedro J

**Last Name**

Santiago-Torres

**Title**

Professor / Coordinator PDIC

**Email Address**

pedro.santiago7@upr.edu

**Phone**

(787) 764-0000 ext 87381

**Street Address**

PO Box 23345

**City**

San Juan

**State**

PR

**Zip**

00931-3345

Secondary Contact

**First Name**

Yamil

**Last Name**

Corvalan-Santiago

**Title**

PEAF (Research Assistant)

**Email Address**

yamil.corvalan1@upr.edu

**Phone**

(787) 639-5354

**Street Address**

PO Box 23345

**City**

San Juan

**State**

PR

**Zip**

00931-3345

### III. Proposal Information

**Proposal Title:**

First Contact and E-Learning Cooperative Incubator (FICEL)

**Support Request (check all that apply):**

Investment/Grant, Service

**Requested Dollar Amount:**

\$73,265

**Please describe the type(s) of service(s) needed:**

Grant

**Please list other Significant Partners in the Proposal:**

1. Community Organizations.
  - a. Piñones Se Integra Corp.
  - b. Programa de Educación Comunal de Entrega y Servicio, Inc. (PECES)
  - c. Nuestra Escuela
  - d. MATRIA
  - e. Casa Pueblo
2. Other UPR Campuses:
  - a. UPR Mayagüez (Center for Economic Development)
  - b. UPR Carolina (Business and Tourism Center)
3. Other divisions of the UPR's Rio Piedras Campus:
  - a. Business Center (Centro de Empresarismo)
4. The Alliance of Community Incubators for Solidarity (Alianza de Incubadoras Comunitarias y Solidarias)
5. Credit and savings cooperatives in the areas we wish to influence.
6. Local State Government:
  - a. Commission for Co-operative Development (Comisión de Desarrollo Cooperativo)
  - b. Cooperatives Supervision and Insurance Corporation (COSSEC, Spanish acronym).
7. Municipalities.
8. Cooperative Executive Association
9. Cooperative League
10. Investment and Cooperative Development Fund (FIDECOOP, Spanish acronym)
11. Mujeres de Isla Org.
12. Community Incubator of Vieques (Incubadora Comunitaria de Vieques, Spanish)
13. University Committee in Support of Vieques and Culebra
14. MUSA COOP
15. IUPICOOP
16. COOPSEI
17. COOPERA

## **Proposal Description:**

**Please limit to 2500 characters. Please be aware that your content may be truncated if you are pasting from another source.**

This project proposes to expand the range of services currently offered by the ICOOP Cooperative Incubator. First, we propose to create a pre-incubation service, that is not currently offered by any institution in Puerto Rico. There are minimal initiatives that are created to promote the integration of individuals in the creation of collective projects. In this sense, our proposal aims to institutionalize this approach, through alliances with community-based nonprofit groups, that have a recognized experience in working with marginalized sectors. In this way these groups help us to detect potentially viable groups in the creation of enterprises. The services we would offer, the following:

- 1) Guidance to Non Profit Organizations (NPO) on the cooperative model as an instrument for national and individual economic development.
- 2) Promote the services of the Incubator, and provide guidance on how to request admission to the program.
- 3) Guidance to community members who respond to the call of the selected NPO's. To be admitted to the program, participants must meet criteria established by the Cooperative Incubator program.

We aim to strengthen the incubation services that we currently offer with a hybrid incubation course that includes aspects of Law 239 for Work Cooperatives, Business Plans, Operational Manuals and Strategies to reach the breakeven point. The above will be achieved by expanding the topics of our distance learning course. This will help us to reach groups that cannot participate in face-to-face incubation because of their economic, social, or geographical conditions. The online platform would allow us to increase this number exponentially. The hybrid course would maintain face-to-face activities on 1: Welcome, introduction to the online platform, 2.

Associativism and tools for effective meetings and 3. Cooperative Identity. We would maintain constant contact and follow up on tasks assigned to it during the process. In addition to real-time meetings to answer questions.

Finally, the requested funds will also help us strengthen the service we currently offer to cooperatives in training. We would create a web page with relevant information on the social economy, collective entrepreneur, incubation, government incentives and international organizations. We hope that this platform will become an important reference on collective entrepreneurship in Puerto Rico.

## **Issues Addressed (check all that apply):**

Broadband Services / Digital Inclusion, Small Business Development / Microlending, Stabilization and Sustainability, Workforce Development / Economic Development

If your project affects multiple states or counties, please use the CTRL key to multi-select.

## **Geographic Impact**

State-wide

## **U.S. States & Territories:**

Puerto Rico

## **Population Served:**

**Please limit to 500 characters. Please be aware that your content may be truncated if you are pasting from another source.**

We are interested on regions with a high percentage of very low, low and moderate income populations. Our focus is the creation of micro and small cooperative ventures, known as microenterprises or SMEs. The criteria for admittance is: Adult; Being unemployed or suffering precarious work conditions; People interested in promoting their professional and personal development through the tools offered by Cooperativism; People with ideas that harmonize with cooperative principles and values.

**Population Income by Area Median Income (AMI) and other identifiers (percentage of Free and Reduced Lunch for youth or designated "Disaster Area" or designated "Distressed or Underserved" served by proposal:**

This proposal has the potential to impact all of Puerto Rico. However, we are interested in focusing on regions with a high percentage of very low, low and moderate income populations. For this first year, we are interested in working with Caguas, Loiza and Humacao. For the second year, we are considering working with Vieques, Culebra, Mayagüez and Adjuntas. These vulnerable populations include poor people, women, minorities, immigrants, seasonal workers and the elderly.

Due to the economic crisis, aggravated by Hurricane Maria and the lack of coherence in the economic development strategy on the archipelago, PR is considered for CRA purposes as a permitted investment zone. According to the Human Development Report made in 2016 and published in 2018, Puerto Rico has a poverty percentage of 52.3% and an inequality coefficient of .54, being one of the most unequal countries. Causing serious problems in the distribution of wealth and access to essential services. Moreover, the fiscal adjustments caused by austerity measures promoted by the Fiscal Oversight Board have forced the government of Puerto Rico to reduce payroll, reduce benefits, close schools, eliminate social programs, and reduce pensions, among other measures.

Meanwhile, a marked increase in terms of contributions is apparent, as well as efforts to eliminate school enrollment exemptions in the public university, affecting low income families gravely. Also an increase in the costs of electricity and water services is affecting the average directly. These adjustments are just beginning, so we are not sure what levels they could reach, increasing discontent and increasing the chances of violent acts, and even criminals.

Among the challenges indicated in the Report are: High School Dropout rates, chronic unemployment, unequal distribution of resources and developmental policies alienated from Puerto Rican reality. The report also tells us that 22% of employed people continue to meet poverty standards and 7% of the poor have post-secondary and high school education. Therefore, neither work nor education is a guarantee to get out of poverty.

The selection of the municipalities was mainly based on the criteria of need, the existence of organized community groups, and the proximity to strong savings and credit cooperatives. However, they are also located in strategic places, from where we can impact areas of even greater need. For example; Adjuntas, adjoins Lares and Utuado. The three municipalities have a poverty rate of more than 50%. Another example is Caguas, which is the municipality with the most neighboring towns. From there we can work with San Lorenzo, Gurabo, Trujillo Alto, Aguas Buenas, Cidra and Cayey. Among them you average a percentage of poverty that exceeds 55%. In addition, we include other municipalities that, due to their remoteness, are deprived of most of the business support services offered by the state. For example, the islands of Vieques and Culebras.



## **Anticipated Outcomes/Impact:**

**Please limit to 2000 characters. Please be aware that your content may be truncated if you are pasting from another source.**

With the support of this proposal at the end of the 1st year, we hope to have achieved the following:

1. Creation of 10 new cooperative ventures. This means practically doubling the number of cooperatives created in Puerto Rico in a given year.
2. Creation of at least 60 new jobs.
3. Establishment of 5 new multi-sectoral alliances aimed at the sustainability of the project.
4. Increase the amount of online courses currently offered by ICOOP by 75%.
5. Potentially expand our area of impact throughout Puerto Rico.
6. Achieve 100% commitment of the incubated groups to contribute to the sustainability of the project.
7. Establish permanent links between the Community Sector and the Cooperative Movement.
8. Create at least two alliances with A/C Cooperatives with the potential to contribute to the long-term sustainability of the program.
9. We will contract the services of three successfully incubated groups that have graced the IC, to support us in the work of the Incubator. Among them:
  - MISACOOOP- It will support us in the recording and editing of online courses
  - IUPICOOP CAFÉ - Provide hors d'oeuvres / breakfast of face-to-face meetings.
  - COOPSEI - Directs the external evaluation of the impact of the proposal.
  - COOPERA - It will support us in the creation of popular education instruments to carry the message of Cooperativism effectively to the communities.

## **Describe evaluation methods used to measure success:**

**Please limit to 2000 characters. Please be aware that your content may be truncated if you are pasting from another source.**

We aim to contract external evaluators to guarantee the efficiency of the methods and the objectivity in the analysis. We will use a variety of instruments in the evaluation to help us triangulate the information. Among them; questionnaires, focus groups and in-depth interviews. The contracted group will be responsible for measuring the following:

- Participants' perception in terms of quality of materials, clarity of information, empathy with the groups, feeling of being accompanied in the process, relevance of the topics, order of the topics, depth of the topics discussed and availability of to clear doubts.
- Perception of resources on expectations with groups vs. results. In addition, we hope to identify specific recommendations that maximize impact.
- Results. In this sense, we will measure how many orientations were offered (we expect at least 5 per semester), how many alliances were created (we expect 3 with NPOs, 2 with Cooperatives, one with other UPR programs and one with the public sector, how many groups requested the Incubators, how many groups were admitted (we expect a minimum of 6 groups per semester), how many groups remained involved with the Incubator, and continued with the post-incorporation phases.
- Geographical area and profile of the participants meet with the CRA.
- Sustainability - How many MOU's are created between cooperatives and the UPR.

## **Project time frame - Is your request for an existing or new program?**

Existing Program

IV. Submit Supporting Documentation - Please attach your most recent audited or reviewed financials in PDF format to this proposal application. Your proposal application will be considered incomplete until the appropriate financial documentation is provided. By submitting a proposal application you agree to share with the Federal Reserve information regarding connections that were made with funders regarding the proposal or other work your organization conducts that was identified by a funder that used the Investment Connection platform. After you submit a proposal application, we will follow up with you to see if Investment Connection was helpful with your informational and business needs.

## **Upload your most recent audited or reviewed financials (for internal uses only)**

Estado Financiero 2018 (1).pdf

V. Other Supporting Documentation - You may submit a photo (jpeg) and/or a video (mp3 or mp4) that helps

describe your proposal. (information available to funders)

**Upload a picture or video that helps describe your proposal or organization**

(information available to funders)

**Upload additional picture or video**

(information available to funders)

**Add any additional links to supporting documentation**

(information available to funders)

<https://www.youtube.com/watch?v=8r8nkO1cKs0&t=20s>

<https://www.youtube.com/watch?v=G0812owblmM>

<https://www.youtube.com/watch?v=fzjvmAW-rjs>

<https://www.youtube.com/watch?v=wEcKzdJHK8k>

VI. Disclaimer - The Federal Reserve Banks do not endorse or make any representations as to the propriety or suitability of organizations, investments or programs listed. Organizations should perform their own due diligence before engaging in any transactions with these entities to ensure that any such transactions meet the organization's objectives.