



PUERTO RICO  
— 2025 —

STAKEHOLDERS'  
PLAN FOR  
ACHIEVING THE  
PUERTO RICO  
2025 VISION

## Acknowledgements

The development of the Puerto Rico 2025 Vision and Call to Action has depended entirely on the active participation of thousands of individuals and organizations. The Puerto Rico 2025 Steering Committee would like to thank in particular the following individuals who volunteered many hours of personal time to participate in the Strategy Prioritization workshops.

Abel Vale, Abelardo M. Ruiz, Adamina Almódovar, Adelyn López Caraballo, Aida L. Díaz, Aileen Navas-Auger, Aixa Alemán, Alfredo Volckers, Ana Helvia Quintero, Andrés Espinosa, Angie López, Anselmo de Portu, Antonio Sosa Pascual, Ariel Lugo, Awilda Palau, Benjamín Colucci, Blanca E. Concepción, Blanca I. Mera, Carlos A. Rosario, Carlos Maysonet, Carmen Martí, Carmen Villanueva, César Montilla, Cyril L. Meduña, Dalidia Colón, David Alvarez, Deborah Rivera, Deepak Lamba, Edgardo Torres-Caballero, Eduardo Negrón-Navas, Efrén Rivera, Emma Fernández, Enrique A. Vicéns, Enrique Cruz, Ernesto Córdova, Esteban Mújica, Federico González, Félix Aponte, Fernando E. Fagundo, Francisco Martínez, Francisco Montalvo, Fred Muhlach, Gabriel Rodríguez, Guillermo Riera, Héctor Arana, Heidie Calero, Hiram Ramírez, Ileana Cintrón, Iván A. Lugo, Ivar A. Pietri, Ivette Piovantti, Jack T. Allison, Jaime J. Ramírez, Javier A. Quintana, Jorge Laboy, José A. Franqui, José A. Madera, José A. Santana, José Artemio Torres, José G. Rigau, José Jaime Rivera, José L. Caldero, José M. Auger, José Orlando López, Juan A. Castañer, Juan Lara, Juan R. Torruella, Laura A. Vélez, Laura M. Gorbea, Linda Hernández, Lucy Crespo, Luis A. Parés, Luis Del Nido, Luis E. Agrait, Luis Ramírez, Luiz Amador, Madeline de Melgen, Manoel Gómez, Manuel J. Fernós, Manuel M. Maldonado, Manuel Morales Jr., María Calahorranor, María Colón de Marxuach, María Eugenia Santori, María Juncos, Maria T.

Rodríguez, Marimar Benítez, Martha Bravo, Max J. Trujillo, Max Vidal, Miguel A. Ferrer, Miguel A. Nazario, Miguel A. Pereira, Miguel Soto Lacourt, Mike Szendry, Nelson Colón, Nelson Reyes, Norman Maldonado, Osvaldo R. Cianchini, Pablo M. Calero, Pedro A. Gelabert, Pedro Guevara, Rafael F. Martínez, Rafael Irizarry, Roberto Segarra, Rose Marie Bernier, Salvador S. Negrón, Sergio Marxuach, Silvia Alvarez Curbelo, Silvia Arias, Socorro Rivera, Stefan Antomattei, Víctor S. Gutiérrez, William Riefkohl, Yolanda Ramos

We would also like to thank the team of professionals from the Departamento de Desarrollo Económico y Comercio, Junta de Planificación, La Fortaleza, H. Calero Consulting Group, A.T. Kearney and the London School of Economics, who coordinated the strategy development and prioritization process:

Blanca I. Mera, Maritza Crespo, Yinan Estrada-Ortiz, Marta Herrera, Georgiana Rosario, Pavel de Jesús, Luis Gautier, Aixa Alemán, Heidie Calero, David Alvarez, Juan A. Castañer, Roberto Orro, Yamari Rodríguez, Paul Laudicina, Mark Essle, David Attis, Simon Bell, Ilson Dal-Ri, Youmna Harb, Marcos Macedo, Gizem Ozkulahci, Jay Scheerer, Jorge Vilches, Carlos Bana e Costa, Manuel Chagas, Emerson Correa

<b>MESSAGE FROM THE PUERTO RICO 2025 STEERING COMMITTEE</b>	<b>4</b>
<b>THE SHARED VISION FOR PUERTO RICO IN 2025</b>	<b>7</b>
<b>A STAKEHOLDER-DEFINED IMPLEMENTATION PLAN</b>	<b>13</b>
<b>OVERVIEW OF THE IMPLEMENTATION PLAN</b>	<b>17</b>
INNOVATION AND ENTERPRISE	21
COMPETITIVENESS AND CONNECTIVITY	31
OPPORTUNITY AND INCOME	37
EDUCATION	43
HEALTH	51
PUBLIC SAFETY	57
CULTURE AND RECREATION	63
LAND-USE AND ENVIRONMENT	69
UTILITIES	73
TRANSPORTATION	79
<b>NEXT STEPS</b>	<b>85</b>

# Message from the Puerto Rico 2025 Steering Committee

*San Juan, September 1, 2004*

On behalf of the entire Puerto Rico 2025 Team, it is my great pleasure to present a summary of the final output of the Puerto Rico 2025 initiative—a stakeholder-defined plan for achieving the Puerto Rico we all want to see in 2025.

Puerto Rico 2025 has been a broad-based, non-partisan initiative to develop a long-term vision and strategic plan for the future of Puerto Rico, encompassing all aspects of economic, social, environmental and infrastructure development. The initiative originated from the widely held recognition that, despite great progress over the last 50 years, Puerto Rico today faces numerous challenges that are not being addressed effectively by the current political and administrative process.

Puerto Rico has been considered one of the models of development, transforming itself from a poor agrarian society to a "developed" country in less than 50 years. Today, there is widespread concern that this model has run out of steam. Growth rates have slowed, new emerging markets are competing for investment, infrastructure and social services are strained, and Puerto Rico's cherished culture and environment are at risk. There is broad consensus that Puerto Rico needs a new galvanizing Vision—a new plan to take Puerto Rico from "bootstrap" development of industry and infrastructure, to "knowledge-based" innovation in all areas of economic and social endeavor.

Unfortunately, Puerto Rico's vigorous partisan politics and lack of a visible crisis have prevented a real breakthrough in actions or in attitudes. Everyone agrees on the outlines: more innovation, more local enterprise, better education for all, less government, better planning and use of technology, and so on. However, Puerto Rico's leaders have not tackled the tougher reforms for fear of alienating key constituencies or have simply ignored each other's policies for fear of crediting their opponents. To cite two well-known examples:

- Over the last 20 years, at least five Science and Technology policies, roadmaps and reports have been launched, but each new administration goes back to the drawing board and reinvents the wheel. As a result, Puerto Rico today still invests less as a percent of GDP in research and development than most Latin American countries.
- Widely available benchmark data has long made it clear that Puerto Rico's government departments, education system, utilities and other public authorities are bloated and inefficient. Nevertheless, government after government has failed to take decisive action to make these entities more agile, more effective, more responsive to citizen's needs, and a source of pride for their employees.

Recognizing this stalemate, government, business and community leaders launched the Puerto Rico 2025 initiative as a means to build a common agenda for Puerto Rico's future—if a broad coalition of stakeholders can identify the priorities that they agree on, then they may have a chance to develop some policy continuity and persuade politicians and interest groups to push forward with reforms.

To achieve this goal, the Puerto Rico 2025 process has had four objectives:

1. Establish the **Case for Change**—a hard-headed assessment of Puerto Rico's future trajectory if stakeholders do not unite behind a new vision;
2. Agree on a common **Vision** for Puerto Rico's future, laying out the common aspirations that all residents share, regardless of political views or economic status;
3. Agree and prioritize the **Strategies** required to achieve this Vision;
4. Form an independent, non-government entity to push forward **Implementation** of these strategies.

The premise of the Implementation Plan is that these are strategies chosen and prioritized by stakeholders themselves. Based on the Vision, the Assessment and best practices from other locations, stakeholders drew up a long list of potential strategic alternatives to achieve the Vision. They then applied a Decision Science approach to prioritize the strategies into four waves of implementation. It is now planned that stakeholder-led taskforces will combine their energies to push forward the strategies in each wave.

Some will complain that the results are not startling. Academic economists and outside experts may disagree with some of the relative prioritization (stakeholders shied away from addressing early on some of the fundamental bottlenecks). Most of the strategies are not new. It would be surprising if they were, given the number of intelligent people who have produced specific reports and recommendations for each sector. Everyone knows, for instance, that Puerto Rico needs more R&D or a comprehensive land-use plan. But the fact is, it has not happened — and there is no magic formula for making it happen. The only solution is to mobilize and coordinate the various entities who need to get behind these initiatives. Some of the recommended reforms are easy to propose, but much harder to realize. Efforts to bring efficiency and accountability to the education system, the utilities, and the ports, for instance, will undoubtedly encounter resistance. Again, there are no magic bullets. The only solution is to make all the interest groups in each case realize that they have no choice: either they work together to hammer out an acceptable path to reform, or they will suffer together. Even strategies that are new to Puerto Rico — including medicalization of the drug problem, or a tax-structure incenting corporate growth, or deregulation to encourage use of renewable energy - are not hard to devise. They have all been applied successfully elsewhere. All that is lacking is the mentality and political will to follow suit.

The only path forward is for all those who are concerned for Puerto Rico's future to join forces to make this happen, step-by-step, detail-by-detail. Take one initiative as an example: there is no magic policy for "restructuring government." You analyze agency after agency, process after process to identify unnecessary resources, inefficiencies and complexity; you develop appropriate safety-nets and viable alternatives; you act with transparency to ensure that the public interest is served. The only innovation in the approach (suggested by the Cámara de Comercio and the Asociación de Industriales) is that an independent public-private commission should be formed to audit each agency, recognizing that organizations are rarely good at objectively evaluating their own waste and inefficiency.

This report briefly restates the agreed Vision, describes the process used to identify and rank the strategies, and then summarizes the strategic initiatives prioritized by stakeholders in each of ten focus areas. It concludes with a description of the non-profit entity, Todos por Puerto Rico, created to spearhead these initiatives and the steps that Todos por Puerto Rico and its constituent taskforces will need to take to begin implementation. Implementation guides, describing actions, timelines and responsible entities for each strategy, are available from the offices of Todos por Puerto Rico.

We call upon all residents of Puerto Rico, regardless of political views or status, to become supporters of Todos por Puerto Rico and join us in the hard work of making these strategies a reality. The future rests in our hands, and it will require hard work, collaboration and objective pursuit of long-term benefits to get there — not handouts, turf-protection, and obstructionism.

Please contact me today at [hcalero@tppr.com](mailto:hcalero@tppr.com) if you would like to get more information or find out how you can help.

*Heidie Calero*  
Project Manager, Puerto Rico 2025  
Acting Executive Director, Todos por Puerto Rico



*The Shared Vision for  
Puerto Rico in 2025*

## The Shared Vision for Puerto Rico in 2025

The following is the complete text of the 2025 Vision, based on input from hundreds of citizens and refined by a group of stakeholder volunteers. A full explanation of the Vision and

the Case for Action is available in the document "Una Nueva Visión para el Futuro de Puerto Rico."

### OVERARCHING VISION

*In 2025, we, the people of Puerto Rico develop our full potential and aspirations through:*

- *Healthy natural ecosystems that are capable of sustaining life in all its forms;*
- *An advanced and growing economy, based on knowledge and effectively inserted in the global economy;*
- *A just, responsible, secure, and unified society, where public and private actions stimulate its development and dynamism;*
- *A dynamic culture that is open to diversity and which promotes equity and integration and a strong appreciation for the arts and intellectual activity;*
- *Free and democratic participation in fundamental decisions regarding its political condition and international relations with the rest of the world. This process is based on equality, dignity, mutual respect, and is geared to strengthening its economic, social, cultural, and environmental development, as well as achieving its productive integration to the global economy.*

### ECONOMIC VISION

*In 2025, Puerto Rico is a prosperous, productive, and innovative society, capable of generating knowledge with an entrepreneurial spirit and supported by an efficient public sector.*

*Globally integrated, Puerto Rico creates a fertile and dynamic environment for internal growth and provides its population with ample opportunities to reach its potential and to equitably share the benefits of such growth potential. This results from:*

- *A country that fosters entrepreneurial activity;*
- *A fiscal policy that facilitates and encourages productivity, income generation, and savings;*
- *A legal framework that protects the balance between production and natural wealth;*
- *Knowledge and technology are the main drivers of the economy;*
- *An agile, accessible, and reliable public system of economic, social, and geographical information.*

*Economic development increases profits, reduces unemployment, inequality, and poverty rates, allowing all members of society to achieve their full potential using their knowledge and talent.*

*Puerto Rico offers workers, entrepreneurs, and investors (local and foreign) the most competitive location to generate wealth in the Americas, in terms of:*

- *Human capital, knowledge and productivity;*
- *Quality of life;*
- *A natural environment capable of sustaining economic activities;*
- *A built environment and technology;*
- *Social harmony and professional ethic;*
- *Political and legal stability;*
- *Access to capital;*
- *A fair regulatory framework and fiscal policy*

### LOCAL BUSINESS AND ENTREPRENEURSHIP

In 2025, local entrepreneurs, workers and investors are a fundamental driving force of economic development, innovation, export activity, and participation in global supply chains, given:

- The conviction that progress entails risks;
- A high level of management competency and technological knowledge;
- Emphasis on technology transfer and Research and Development;
- Well-developed capital markets.

The brand "Made in Puerto Rico" is recognized as a brand of the best quality.

### HIGH TECH INDUSTRIES

In 2025, Puerto Rico maintains its competitive position as one of the Top 5 technology exporters and is supported by high levels of productivity and competency in human capital.

Puerto Rico is one of the 10 leading global places in innovation and product development for biosciences and high technology, with a special emphasis on:

- Investment in Research and Development and technology transfers;
- Productive alliances among academia, industry, and government;
- Emerging technologies;
- An infrastructure that supports development and research

### KNOWLEDGE-BASED SERVICES

In 2025, Puerto Rico produces and exports high quality services based on knowledge that support productive activities in the following areas:

- Finance;
- Education;
- Health;

- Applied Research;
- Information Technology;
- Culture and Performing Arts;
- Professional Services;
- Transportation and Logistics.

### COMMERCE AND TRAVEL INDUSTRY

In 2025, retail trade and the travel industry provide a wide range of competitive prices with a world-class service.

The combination of natural beauty, efficient infrastructure, cultural assets, tourist services, trade, and entertainment make Puerto Rico the most attractive destination of the region. Puerto Rico is one of the most preferred places in the Americas for conventions, large sport events and shows.

### THE NEW AGRICULTURE

In 2025, Puerto Rico has a feasible agriculture and agribusiness sector in which leading technologies play a critical role in enhancing productivity and quality.

Agribusiness entrepreneurs identify and capitalize on those markets in which Puerto Rico has achieved a competitive advantage.

## SOCIAL VISION

*In 2025, Puerto Rico is a cohesive, confident, and just society that:*

- *Encourages and fosters the necessary conditions that allow all individuals to achieve their full potential to serve society;*
- *Supports families in the advancement of ethical values when raising children and living together;*
- *Promotes responsible communities that participate in forging their future and that live according to the values of acceptance, justice, and peace;*

*The social network, integrated by individuals, families, and communities, is based on ethical values and strong institutions in education, health, and justice.*

*Moreover, the social network is based on a rich cultural heritage, a shared sense of civil purpose and the desire for continuous development while fully enjoying life.*

## COMMUNITY DEVELOPMENT

In 2025, all communities are active and responsible participants in forging the future that they desire for Puerto Rico.

From the start, individuals, community-based organizations, and the community in general work together and in partnership with both the private and public sectors to identify needs, evaluate projects, provide support in the execution and approval of results. These relationships are based on trust, transparency, and commitment.

## EDUCATION

In 2025, we all have access to a high quality education system that, throughout life, promotes the development of:

- Confidence and abilities that all individuals need to achieve their full potential;
- Entrepreneurial attitude, knowledge, and skills necessary to enhance Puerto Rico's competitiveness and solidarity;
- Ethical values and a culture of peace;
- Professional and vocational abilities for the Puerto Rican society to achieve its fullest potential;
- A continuous desire to learn, a restless curiosity, and creativity throughout life.

Students and researchers around the world choose Puerto Rico as a Center for Excellence in education and innovation.

## HEALTH

In 2025, residents of Puerto Rico have exemplary styles of healthy living.

There are effective programs that promote healthy lifestyles and prevention of diseases. Medicine and rehabilitation are integrated into an efficient and accessible system that results in one of the highest levels of healthy living in the world.

The provision of health services is so high that people around the world choose Puerto Rico as the preferred location to receive health care services.

## FAMILY AND SOCIETY

In 2025, the family is the foundation of the Puerto Rican society and plays a central role in the promotion of peace, tolerance, trust, and solidarity.

From childhood to old age, the family nurtures all individuals to grow with love, to be respected and integrated to society. The community lives in peace and respect.

No single individual is excluded.

## PUBLIC SAFETY

In 2025, the values of peace, ethics, acceptance, and respect for human rights guide all social, institutional, and public interactions.

We have an effective, trustworthy, honest, and equitable justice system that allows prevention and rehabilitation.

We enjoy one of the lowest levels of crime and violence in the world.

## CULTURE VISION

*In 2025, we, the people, regardless of where we may be, appreciate those cultural values that contribute to the development of solidarity, creativity, tolerance, and diversity.*

*We make the most of our cultural heritage and talent to become one of the main centers of production and distribution of cultural goods and services.*

*We all enjoy access to a wide range of cultural assets and entertainment options that make daily living more full, conscious, and satisfying.*

- **Cultural Heritage**—Puerto Rico values, maintains, guards, supports, and benefits spiritually and economically from its artistic, architectural, and environmental legacy.
- **Cultural Production**—The cultural production of Puerto Rico (theater, radio, cinema, television, music, literature, dance, crafts, plastic arts, among others) is recognized for its excellence and has effective local and distribution channels.
- **Communications**—We encourage the media to be socially responsible.
- **Entertainment**—There is a wide range of cultural activities and entertainment for all, using different programs and cultural institutions, mass communication, installations, and recreational areas.

- **Values**—We state and share values of inclusion, based on ethics, democracy, solidarity, respect for man's dignity and human rights that support the integrated development of the individual and the community for the enjoyment of life.
- **Beliefs and Traditions**—Individuals, families, and communities cherish, maintain, guard, promote, and benefit spiritually, socially, and economically from its festivals, traditions, customs, and beliefs.

## ENVIRONMENTAL VISION

*In 2025, Puerto Rico has a healthy environment capable of sustaining life in all its forms as well as social and economic activity within a framework of sustainability.*

*All of us are responsible for the preservation of our natural resources, for looking after an infrastructure that is adequately planned, and for ensuring that the natural and built environments are well maintained and that the limits of our ecological systems are respected.*

## ENVIRONMENTAL QUALITY

In 2025, the principle of individual and collective respect for the essence of the environment is the basic rule that guides decision-making and planning, so that natural and built environments provide health, resources, and pleasure and guarantee the sustainable development of Puerto Rico.

## LAND USE

In 2025, as the result of a genuine participation process, we clearly define, plan, and respect the use of land, physical space, and natural resources while simultaneously promoting the sustainable development of Puerto Rico.

### **WATER AND WASTE**

In 2025, all residents of Puerto Rico have access to sufficient and high quality water, and these resources are used in a cost-effective manner, thereby ensuring the existence of reserves.

The production, consumption, and recycling of materials are managed and conducted in such a way that minimizes the generation of waste, which in turn is used as a resource.

### **ENERGY**

In 2025, Puerto Rico is a leader in the development and usage of renewable energy sources and clean technologies.

All of us in Puerto Rico have access to reliable energy services and resources that are economically feasible, socially acceptable, environmentally healthy, and abundant enough to achieve the sustainable development goals of Puerto Rico.

### **TRANSPORTATION**

In 2025, the needs of access and mobility of maritime, air, and ground transportation are met at the lowest possible economic, social, and environmental cost, while at the same time integrating them in the planning process for land use planning and advanced technologies.

### **INFORMATION AND TELECOMMUNICATIONS INFRASTRUCTURE**

In 2025, Puerto Rico has a state of the art telecommunications and information technology infrastructure that is widely used and reliable, and distinguishes Puerto Rico in a global context and provides ample opportunities for all.



*A Stakeholder-Defined  
Implementation Plan*

## A Stakeholder-Defined Implementation Plan

The entire goal of the Puerto Rico 2025 process has been to facilitate stakeholders to express their own Vision for 2025 and define and prioritize the strategies to achieve this Vision. Puerto Rico already has more than enough outside analyses and expert reports enumerating Puerto Rico's challenges and recommending various policy-changes. The trouble is that very few of these recommendations have been implemented. Or they have been launched, but then failed to gain momentum because of diffuse stakeholder efforts or policy-reinvention after each political transition.

The objective of Puerto Rico 2025 has therefore been not to have another group of outsiders tell Puerto Rico what to do, but to have a broad coalition of Puerto Rico's residents reach their own conclusions about what needs to be done. The intention is that these stakeholders will then "own" the recommendations and will push future administrations to move ahead with these initiatives regardless of political differences.

To achieve this outcome, the Puerto Rico 2025 team facilitated a multi-step process whereby a deliberately diverse group of stakeholders first agreed and then prioritized the strategic initiatives required to realize the 2025 Vision. The process included the following steps.

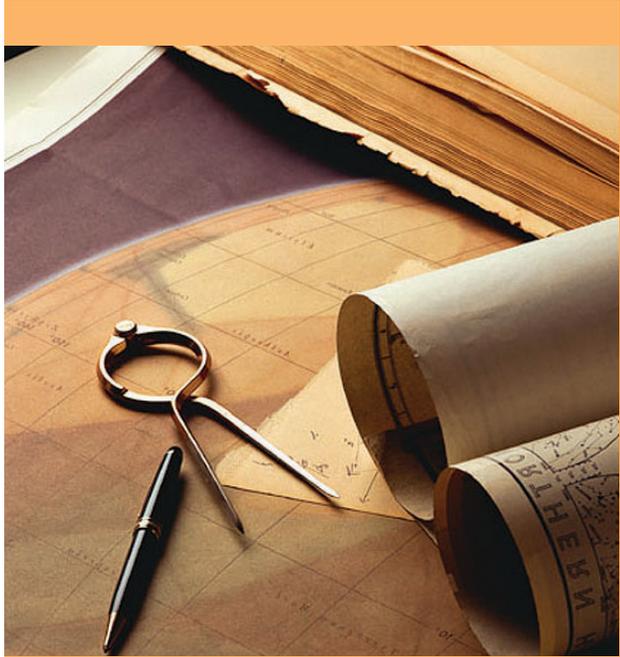
- First, the team defined ten key areas where action is most needed to achieve the Vision:
  - Innovation and Enterprise
  - Competitiveness and Connectivity
  - Opportunity and Income
  - Education
  - Health
  - Public Safety
  - Culture and Recreation
  - Land-use and Environment
  - Utilities
  - Transportation
- The team then defined the fundamental objectives to be achieved in economic, social

and environmental areas and drew up a range of potential strategic initiatives to achieve these goals. This initial list of strategic alternatives was developed based on:

- Puerto Rico's current strengths and weaknesses identified in the Assessment Phase
  - The aspirations outlined in the PR2025 Vision
  - Programs and policies adopted in other locations facing similar challenges
  - Interviews with key stakeholders in each area
- The team then held a series of validation workshops with 10-20 diverse stakeholders in each focus area to confirm the objectives and refine, alter, and augment the potential strategic alternatives.
  - Professor Carlos Bana e Costa of the London School of Economics then took the 10 stakeholder focus groups through a "multi-criteria decision analysis" process, asking stakeholders to rank the strategies in terms of their expected contribution to the objectives and their doability. As a result of this process, the stakeholders prioritized the recommended strategies within each of the 10 focus areas.
  - Stakeholders representing all 10 focus areas then held a 2-day Strategic Decision Conference in order to validate the priorities in each area and agree on an overall prioritized plan for implementing the strategies. At the end of this conference, stakeholders prioritized a total of 169 individual strategies into 4 waves of implementation:
    - 21 Immediate Strategic Initiatives to be launched as soon as possible
    - 59 Short-term Strategic Initiatives to be launched within 1-2 years
    - 57 Medium-Term Strategic Initiatives to be launched within 2-3 years
    - 32 Long-Term Strategic Initiatives to be launched within 3-5 years

- Working with stakeholders, the PR2025 Team then developed Implementation Guides for each of the strategies, defining the responsible taskforces, the key process steps and stakeholders who should be involved and a target timeline for each initiative.

The following pages provide an overview of the Strategic Plan and a brief description of the 169 strategies, with an emphasis on the 80 Immediate and Short-term Strategic Initiatives.



*Overview of the  
Implementation Plan*

## Overview of the Implementation Plan

Stripped down to its essentials, the Vision for 2025 consists of four fundamental elements:

- An advanced, globally-connected, knowledge-based economy
- A just and secure society with responsible citizens, communities and institutions
- A healthy and attractive environment
- A diverse and dynamic culture that is respected locally and internationally

To achieve this future state, the Implementation Plan is built around ten broad goals:

- Stimulate increased **Innovation and Enterprise** to increase local value-addition, employment and capital-accumulation
- Enhance the **Competitiveness and Connectivity** of private and public institutions to ensure they remain competitive, exposed to global best practices, and focused on the future
- Provide the means and incentives to ensure that all residents have access to economic **Opportunity and Income**
- Increase the efficiency and effectiveness of the **Education** system to ensure all Puerto Ricans have the skills, knowledge and values needed to support a prosperous economy and responsible society
- Build an advanced, high-quality **Health** system that is also efficient and affordable
- Significantly improve **Public Safety** through crime prevention and an effective judicial system
- Leverage **Culture and Recreation** as a source of social cohesion and international recognition
- Improve regulation of **Land Use and the Environment** to ensure preservation of Puerto Rico's cherished environment

- Improve the economic and environmental efficiency of Puerto Rico's electricity, water, and waste **Utilities**
- Increase the productivity, capacity, and quality of Puerto Rico's local and international **Transportation** systems

The individual strategies prioritized by stakeholders to achieve these goals are summarized in ten sections below. Four common principles run through most of the strategies and form the core of the Implementation Plan:

- **Collaboration:** It is not difficult to find the answers to Puerto Rico's challenges. In most sectors, more than enough reports and recommendations already exist. Even where they do not, it is easy to find programs and models that have succeeded in other locations. Whether it is stimulating R&D, making the education department more nimble, developing an integrated land-use plan, or leveraging Puerto Rico's musical talent, experts have been saying for years what needs to be done. The problem is that it has not happened—or at least not on the scale or with the impact required. Although policymakers and stakeholders generally agree on the end-state they want to reach, a combination of policy discontinuity, competing interests and lack of unified leadership has impeded true progress. For this reason, almost every strategic initiative in this Plan begins with the creation of a taskforce bringing together all relevant stakeholders to agree on the path forward, assign responsibilities, and leverage their combined resources. Collaboration—with all the cynics inside the tent, not outside—is the only way to break the impasse.
- **Hard Facts and Benchmarking:** In some cases, stakeholders have disagreed over the need for action, because there is insufficient data or evidence to prove the case either way.

There is some dispute, for instance, whether access to healthcare services has improved or declined since the health reform, or whether Puerto Rico's water sources are being used in a sustainable manner. In other cases, Puerto Rico performs more poorly than it could, because there has been little attempt to study and apply successful international benchmarks. Once benchmarks are applied, progress becomes easier. The recent benchmarking of legislative costs and outputs, commissioned by MIDA and conducted by Estudios Técnicos, had immediate effects. For this reason, a key task for each taskforce is an accurate inventory of the current situation in Puerto Rico, independent audits of current systems, and benchmarking of performance levels and successful programs in other locations. Accurate intelligence will short-cut unproductive debate and accelerate progress.

- ***Efficient Use of Resources:*** The plan does not call for massive expenditure of new resources. The majority of strategies focus on restructuring or better coordinating existing programs and processes. Many strategies call for reallocating budgets or better use of existing resources within institutions. Some involve better coordinating local efforts to get Puerto Rico's fair share of external funding (such as R&D investments, SBA grants and loans, and workforce skills programs). Even in the infrastructure area, stakeholders have prioritized productivity improvement and capacity redesign at existing facilities, rather than major new infrastructure projects. Throughout, the emphasis is on facilitating and stimulating private sector investment, not extending government responsibilities. A few initiatives will require new public expenditure. Examples include government matching funds for R&D,

investments in Puerto Rico's dilapidated water and waste infrastructure, and paying down public debt and unfunded pension liabilities. However, in all cases the aim is to offset these expenditures through productivity improvements elsewhere and sustainable future funding mechanisms.

- ***Productivity for Growth, Not Downsizing:*** Many of the strategic initiatives call for the restructuring or streamlining of various government agencies and public authorities. This will be seen as a threat in some quarters, but it should be stressed that the goal of these productivity improvements is to free-up resources to expand programs in new areas, not to cut back critical functions. Since new programs and initiatives will be funded primarily from reallocation of existing resources, productivity improvement in public agencies should be seen as an opportunity, not a threat. Eliminating repetitive or obsolete activities in one part of an agency in order to free up resources to invest in new value-added activities should be a welcome innovation for public employees. Just as private companies reduce costs in one area in order to fund their continued growth, so too public agencies need to take advantage of technology and innovation to replace non-value-added activities and focus resources on the areas of greatest benefits and returns—for example, from overhead to the front-line, from manual processing tasks to future strategy, from ongoing operations to new capital investments.

If Puerto Rico's leaders can come together with these principles in mind, there is a chance that past inertia can be overcome.

## Implementation Plan: Innovation and Enterprise

### THE CASE FOR ACTION

Rates of R&D investment and new business formation in Puerto Rico are far lower than competitive benchmarks.

Stimulating more Research and Development (R&D) in Puerto Rico is critical for three reasons:

- Creation of more high-value, knowledge-based jobs
- More local ownership of the intellectual capital that drives wealth-creation in the modern economy
- Attracting and retaining more technology companies and individuals in Puerto Rico who will move elsewhere unless Puerto Rico has local know-how and opportunities to offer

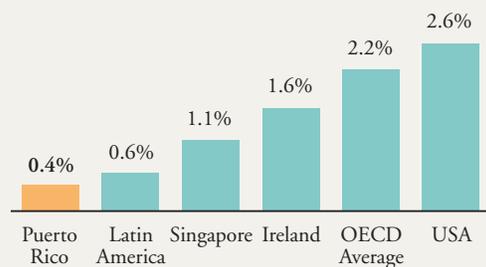
Stimulating the start-up and growth of more locally-owned companies in Puerto Rico is critical for three reasons:

- Locally-owned companies tend to generate more of their value in Puerto Rico and therefore create more economic impact per \$ invested and reinvest their profits in the island
- Even as Puerto Rico becomes uncompetitive in some sectors, locally-owned companies will tend to reinvest in new sectors where Puerto Rico is competitive, whereas foreign companies will tend to relocate to lower-cost locations

**New business created per million population**  
Annual average number  
(1998 – 2002)



**R&D spending as a % of GDP**  
(2001)



- Foreign investors will be reluctant to move elsewhere just for lower costs if Puerto Rico offers unique local suppliers that they cannot find elsewhere (the "cluster" effect)

To meet these goals, stakeholders selected and prioritized strategies in this area as follows:

### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE 1:</b>	Launch a coordinated campaign to attract more federal and external R&D projects to Puerto Rico		
<b>LEADER:</b>	Innovation Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>To raise income-levels and reduce unemployment, Puerto Rico must develop more jobs in knowledge-based sectors, which require greater emphasis on innovation, science and technology</li> <li>Today, investment in R&amp;D in Puerto Rico is very limited. As a percent of GDP total investment in R&amp;D is less than 20% of the average in the United States and Europe and less even than the average in Latin America</li> <li>In the US, the federal government invests more than \$80 billion and the private sector more than \$200 billion per year in R&amp;D. Puerto Rico attracts less than 0.1% of this investment, despite the strength of its universities and its vibrant life-sciences and high-technology sectors</li> <li>Numerous initiatives already exist to attract more R&amp;D, including INDUNIV, the Resource Center for Science and Engineering, INTECO, PRTEC, etc.</li> <li>Nevertheless, as a first step toward stimulating local R&amp;D, it is clear that much more can and should be done to capture Puerto Rico's fair share of US and international investments in R&amp;D</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Launch a coordinated campaign, with the support of all public and private organizations (like the Illinois Coalition and similar entities in other locations) to double international R&amp;D investment in Puerto Rico within the next 2 years, and reach the US and European average within 5 years.</li> <li>This will require: <ul style="list-style-type: none"> <li>Effective coordination and leveraging of all the programs and know-how that already exist</li> <li>Collaboration between the government, universities and private sector</li> <li>Active support from the highest levels of the government and private sector</li> <li>Significant expansion of the Science and Technology Trust Fund to provide matching-funds to attract federal and multinational R&amp;D</li> <li>Parallel programs to accelerate the growth of the science and technology talent pool in Puerto Rico, both through the local education system and by attracting talent from outside Puerto Rico</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	By end of 2005

<b>INITIATIVE 2:</b>	Inventory current R&D skills and launch accelerated programs to fill gaps		
<b>LEADER:</b>	Innovation Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>Puerto Rico has a strong base of potential talent for research and development, thanks to the presence of the life-sciences and high-technology industries and a relatively large stream of science and technology graduates from local universities</li> <li>For the last few years, the Resource Center for Science and Engineering at UPR has been working to increase the number of Masters and PhD in all science and technology disciplines</li> <li>However, with limited R&amp;D work happening in universities and companies in Puerto Rico, the top science and technology talent tends to leave the island, and Puerto Rico does not have the reputation to attract foreign researchers to the Island</li> <li>If Puerto Rico wants to attract more cutting-edge R&amp;D to the island, it is essential that all the necessary skills are available, from lab technicians to PhDs and researchers in relevant science and technology disciplines</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Within the context of the overall Innovation Agenda (see next strategy), undertake a thorough inventory of Puerto Rico's current R&amp;D capabilities, identify critical skills gaps, and recommend specific programs to fill these gaps</li> <li>This evaluation should build on the work of the Resource Center for Science and Engineering and bring together leaders from all leading universities, technology-based companies and existing R&amp;D initiatives, including INDUNIV, INTECO, PRTEC, etc.</li> <li>The taskforce should define the specific skills needed for those R&amp;D programs that Puerto Rico is planning to focus on, with direct input from the sponsoring agencies and companies</li> <li>Like Singapore's Workforce Development Agency and Science and Technology Ireland, a range of tools may then be used to attract and/or develop the necessary talent, including scholarships, incentives, increased budgets for target departments, and recruiting campaigns, among other</li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 3:</b>	Define and implement a coordinated Innovation Agenda to prioritize action and policy across government, business and academia		
<b>LEADER:</b>	Innovation Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>As an increasing number of alternate locations offer lower costs and similar incentives, Puerto Rico must evolve beyond a manufacturing center into a center of research and innovation <ul style="list-style-type: none"> <li>Puerto Rico will only be able to retain its manufacturing base if it offers investors unique local skills and a unique supply base</li> <li>Ultimately, the only way to raise incomes and create jobs will be through moving into value-added, knowledge-based activities</li> </ul> </li> <li>This has long been recognized, and many Science and Technology commissions and policy reform efforts have been launched over the last 20 years</li> <li>Despite this, Puerto Rico's performance in research and innovation remains disappointing - as a percent of GDP total investment in R&amp;D is less than 20% of the average in the United States and Europe and less even than the average in Latin America</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Puerto Rico needs not another Science and Technology policy, roadmap or organization, but effective coordination and continuity across various initiatives that already exist</li> <li>To overcome the turf-battles and policy reversals that have undermined previous efforts, the next governor and his opponent should appoint a commission bringing together leaders of all existing initiatives (including INDUNIV, EPSCOR, INTECO, PRTEC, universities, life-science   and high-technology companies) to agree on a unified S&amp;T policy, evaluate the strengths and weaknesses of existing initiatives, prioritize R&amp;D sectors that Puerto Rico should pursue, and pool resources</li> <li>This commission should in turn take responsibility for the other R&amp;D initiatives included in the PR2025 plan: attracting more federal R&amp;D, funding R&amp;D infrastructure and HR needs, expanding incentives, and reforming university incentive systems</li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	By end of 2005

<b>INITIATIVE 4:</b>	Expand direct government funding for independent R&D centers and initiatives		
<b>LEADER:</b>	Innovation Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>International precedent and the broad desire to limit the growth of the government in Puerto Rico suggests that the bulk of R&amp;D should be led and managed by universities and the private sector</li> <li>Nevertheless, national and regional governments around the world (from Singapore to Ireland to Chile to numerous US states) have proven that direct government funding can play a critical role in stimulating university and corporate R&amp;D <ul style="list-style-type: none"> <li>By providing matching funds to attract federal and corporate R&amp;D programs to the island</li> <li>By building or subsidizing infrastructure required to attract these programs</li> <li>By financing the training required to develop the necessary human resources</li> <li>By financing "chairs" at local universities to attract leading international researchers to the island</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Take the Science and Technology Trust Fund that has already been created, significantly increase its level of funding, and make some enhancements to its structure to ensure its independence and effectiveness</li> <li>Specifically, the Innovation taskforce should: <ul style="list-style-type: none"> <li>Review the many benchmark models around the world</li> <li>Diminish the government role on the Trust Fund Board and increase representation from the private sector and universities, particularly international scientists and corporate researchers</li> <li>Avoid unnecessary delays and political interference with a lengthy evaluation process - simply offer to match the funds that any university, company or other organization invests in peer-reviewed R&amp;D programs in the island</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	By end of 2005

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 5:</b>	Enhance and expand indirect government support and incentives for private sector R&D		
<b>LEADER:</b>	Innovation Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Puerto Rico already has in place various incentives to encourage companies to conduct R&amp;D on the island</li> <li>• Nevertheless, the level of private sector R&amp;D investment in Puerto Rico has been minimal</li> <li>• Various factors other than government incentives are cited as reasons why companies do not do more R&amp;D in Puerto Rico – skills gaps, lack of demonstrated expertise, and reputation, among others</li> <li>• Nevertheless, it may be the case that the incentives being offered are not having the desired effect, due to flaws in their design</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Under the auspices of the Innovation Agenda, undertake a review of current R&amp;D incentives including tax incentives, accelerated depreciation, and special deductions to identify potential improvements: <ul style="list-style-type: none"> <li>– Survey local and overseas business leaders to understand why they have not found the incentives attractive enough to do more R&amp;D in Puerto Rico</li> <li>– Compare to incentives in regions that have been successful in attracting corporate R&amp;D</li> <li>– Evaluate the potential fiscal impact of alternate incentive offerings, as the impact on overall government revenues will likely be minimal, given the current low level of R&amp;D</li> <li>– Make adjustments to the incentives, as appropriate</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 6:</b>	Promote deeper linkages between multinational firms and local firms, and develop an entrepreneurial environment in large firms		
<b>LEADER:</b>	SME Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Puerto Rico has been exceptionally successful in attracting and nurturing international investors, but with only a few exceptions boasts few large, world-class, locally-owned firms</li> <li>• As global competition intensifies and Puerto Rico seeks to move up the value chain, strong local companies will be a key to future prosperity: <ul style="list-style-type: none"> <li>– Unique local suppliers and capabilities will be key to keeping foreign investors, even when other locations offer lower costs</li> <li>– Even as Puerto Rico becomes uncompetitive in some sectors, local entrepreneurs will tend to reinvest in other sectors where Puerto Rico is competitive, whereas foreign producers will tend to relocate to lower-cost locations</li> </ul> </li> <li>• Current incentives reward direct job creation (and thus discourage subcontracting to local suppliers), meaning that there are few local linkages between multinationals and the local economy</li> <li>• Given their dominant role in the economy and their access to world-class skills and technology, multinationals have the ability to play a key role in stimulating more local enterprise</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Set a challenge to the leaders of Puerto Rico's multinational investors and large local firms (under the auspices of PRMA, PIA, and others) to make their own recommendations how they can contribute more to the development of local entrepreneurs</li> <li>• Specific initiatives that large firms should consider would include: <ul style="list-style-type: none"> <li>– Mentoring programs</li> <li>– Voluntary targets for technology transfer and local supplier development</li> <li>– Voluntary reporting by multinationals of the volume of business that they award to local suppliers each year</li> <li>– Awards for firms that have the greatest local impact</li> <li>– Changing internal culture at large firms to make it easier for employees to spin off and become suppliers</li> <li>– Awards for the firms that generate the most employee spin-offs per year</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	By end of 2005

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 7:</b>	Review and adjust government regulations and inefficiencies that unnecessarily hinder the growth of small and medium enterprises		
<b>LEADER:</b>	SME Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Puerto Rico must create more local enterprises to accelerate job creation and income growth</li> <li>• Today, the average rate of new business creation in Puerto Rico is considerably lower than in the US, Latin America and competing economies like Ireland and Singapore</li> <li>• Entrepreneurs in Puerto Rico frequently complain that, aside from the direct cost of taxes, government entities place indirect burdens on SMEs that hinder their start-up and growth through long and inefficient permitting processes, excessive regulations, and other challenges</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• In the context of the larger review of regulatory burdens that hinder business growth, undertake a special review of the regulations and government processes that act as a deterrent to small business start-up and growth: <ul style="list-style-type: none"> <li>– Survey and/or study local SMEs to understand which regulations and processes most hinder their growth and job creation</li> <li>– Compare Puerto Rico's regulations and processes, to regulatory processes in other locations</li> <li>– Enact adjustments to regulations and processes in order to facilitate new small business formation and growth</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Late 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 8:</b>	Make government procurement processes more favorable to local small and medium enterprises		
<b>LEADER:</b>	SME Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• One of the most effective tools that governments have to stimulate local businesses is the government's own purchasing power</li> <li>• Like governments everywhere, Puerto Rico already has several provisions to give preference to local vendors, where feasible</li> <li>• However, entrepreneurs in Puerto Rico complain that they are often not able to compete for government business that would give them the opportunity to grow: <ul style="list-style-type: none"> <li>– Predefined specifications or scale-requirements often favor large foreign suppliers</li> <li>– Lengthy and erratic payment processes are beyond the working-capital capacity of many small businesses</li> <li>– Government departments and public authorities perform many functions themselves that could be contracted out to local entrepreneurs (such as cleaning, catering and others)</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Review all government procurement processes to identify areas where it may be made easier for local SMEs to win government business: <ul style="list-style-type: none"> <li>– Survey local SMEs to understand from which local business they feel excluded</li> <li>– Examine procurement processes used by other governments to provide equal opportunities to local entrepreneurs</li> <li>– Refine processes, where appropriate, to enable local SMEs to compete for government business by redefining specifications and requirements, reducing payment cycles and payment volatility, and expanding subcontracting opportunities</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Late 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 9:</b>	Expand the availability and effectiveness of private equity funding for start-up businesses and small and medium enterprises		
<b>LEADER:</b>	SME Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>Private equity funding from venture capitalists and angel investors is critical to the development of a vibrant entrepreneurial sector because start-up firms with limited cash-flow or assets (particularly those in new technology and service sectors) often lack access debt financing and rely on risk capital</li> <li>Like many jurisdictions, Puerto Rico has taken multiple steps to stimulate the availability of private equity: <ul style="list-style-type: none"> <li>Enacted special tax incentives for investors in venture capital funds</li> <li>Supported the creation of at least 2 locally-focused venture capital funds</li> <li>Created the Grupo Guayacan to familiarize Puerto Rico's institutional investors with the private-equity asset class and promote stronger links between entrepreneurs and investors</li> <li>Guayacan has in turn launched a number of initiatives to "inform, educate, connect, celebrate and create" local investors and entrepreneurs</li> </ul> </li> <li>Nevertheless, the level of early-stage private equity investment in Puerto Rico remains extremely small – about 20% of the US per capita average</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Puerto Rico already has in place generous incentives to stimulate venture capital, and Grupo Guayacan's plans to develop know-how among local investors and entrepreneurs are comparable to successful efforts in other countries</li> <li>Encourage political and corporate leaders to make the development of a private-equity industry a personal priority, as has happened in locations from North Carolina to Chicago to Ireland, in order to bring economy-wide attention to this critical catalyst for the development of a technology-based entrepreneurial economy</li> <li>Encourage public and private leaders to signal their commitment by promoting allocation to this asset class by local financial institutions and institutional investors, supporting more locally-focused venture capital funds and angel investors, and increasing funding for entrepreneur support centers to ensure that local entrepreneurs have the skills to be attractive to investors</li> </ul>	
<b>TARGET LAUNCH:</b>	Late 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 10:</b>	Increase support to small and medium enterprises in accessing federal and other external funding sources		
<b>LEADER:</b>	SME Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>The US Small Business Administration makes available over \$10 billion per year in grants and loans to help small businesses start-up and grow - on average, each US State receives more than \$200 million per year in SBA grants and loans</li> <li>Puerto Rico has never attracted more than \$1 million in SBA grants and loans</li> <li>Other States, such as Colorado and Massachusetts, have significantly increased their share of SBA funds, by establishing special offices to publicize the existence of these funds, identify eligible entrepreneurs and assist them with the application process</li> <li>Small Business Development Centers (SBDCs) and other entrepreneur support centers in Puerto Rico provide this service; however, it is clear that large sums of money are being left on the table</li> <li>Like Puerto Rico's track record in attracting R&amp;D and venture capital funding, low funding through SBA programs indicates considerable room for improvement</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Under the umbrella of the SME taskforce, establish a special group to analyze the causes of Puerto Rico's poor performance in attracting SBA and other external funding for SMEs: <ul style="list-style-type: none"> <li>Evaluate the effectiveness of current programs to support SBA applications</li> <li>Interview SBA administrators to get their perspectives</li> <li>Benchmark successful programs in other states, including Colorado and Massachusetts, among others</li> <li>Design and launch the right program for Puerto Rico</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Late 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 11:</b>	Improve teaching of entrepreneurial and business skills in the education system		
<b>LEADER:</b>	SME Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Many entrepreneurs and business and community leaders comment that one factor stifling entrepreneurial dynamism in Puerto Rico is the lack of emphasis on entrepreneurial and business skills in the education system</li> <li>• This is said to apply both in terms of instilling "softer" appreciation of the value of entrepreneurship in the primary and secondary system, and in terms of learning hard business skills in the secondary and tertiary system</li> <li>• A number of successful models exist worldwide for promoting business and entrepreneurial skills in the education system, ranging from the National Foundation for Teaching Entrepreneurship program in the US to special initiatives in Costa Rica, Chile, Singapore and elsewhere to encourage creation of local satellite campuses by the world's leading business schools</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• In tandem with the Education taskforce, evaluate the teaching of entrepreneurial and business skills at all levels of education system - from kindergarten to tertiary</li> <li>• Review successful models from elsewhere and support their application in Puerto Rico, including: <ul style="list-style-type: none"> <li>– Inclusion of entrepreneurial role models and activities in primary curricula and text books</li> <li>– "Bring your kids to work" days and mentoring programs</li> <li>– Basic business skills as part of the curriculum at secondary schools</li> <li>– Innovation and entrepreneurial awards for high school students</li> <li>– Expansion/improvement of local business schools and further development of linkages with international institutions</li> <li>– More emphasis on vocational training through training and apprenticeship programs, part-time certification programs and classes</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	2005 – 2006 school year	<b>INITIAL RESULTS:</b>	2006 – 2007 school year

<b>INITIATIVE 12:</b>	Launch a broader campaign to cultivate a widely-held entrepreneurial culture		
<b>LEADER:</b>	SME Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Perhaps because of the leading role of the government and multinationals in the economy, many business and community leaders comment that there is little appreciation for the value of entrepreneurship in Puerto Rican culture - in schools, in the media, in political debate, and in the career choices of skilled professionals, among other areas</li> <li>• While it is difficult to find hard evidence of this attitude, it is true that the average per capita rate of new business creation is 20 – 30% lower than in the US and 80% lower than in dynamic economies like Ireland and Singapore</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Task the business associations and communications profession to develop a campaign to promote the values of entrepreneurship at all levels of society</li> <li>• Components may include: <ul style="list-style-type: none"> <li>– Evaluate the effectiveness of current programs to support SBA applications</li> <li>– A news and information service to publicize small business success stories</li> <li>– Annual awards and contests, celebrating entrepreneurs</li> <li>– Competitions in schools and communities</li> <li>– Tracking and reporting of all new businesses created — by company, by sector, by community, and by other criteria</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Late 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 13:</b>	Establish coordinated entrepreneurial support networks to help small and medium enterprises get organized and leverage capabilities		
<b>LEADER:</b>	SME Taskforce		
<b>Why Action is Necessary</b>	<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Leverage SBDCs, Guayacan, university technology transfer offices, chambers of commerce, and rotary clubs, among other existing entrepreneur support centers to coordinate efforts and create a larger, more visible entrepreneurial support network across the island (like the Center for Entrepreneurial Development in North Carolina or the Ben Franklin Centers in Pennsylvania)</li> <li>Utilize websites, forums, and workshops to stimulate interaction and learning</li> <li>To the extent necessary, mobilize funding necessary to create physical spaces such as incubators, business centers, and technology parks where entrepreneurs can interact and share resources</li> </ul>		
<b>Why Action is Necessary</b>	<ul style="list-style-type: none"> <li>Numerous studies have found that, aside from the presence of research universities, innovative corporations and government incentives, the other critical success factor for successful entrepreneurial regions like Silicon Valley and "Silicon Hills" (Austin, Texas) is the presence of more informal entrepreneurial networks - places and events where entrepreneurs can meet, cross-fertilize ideas, and share resources</li> <li>Regions develop a virtuous cycle because the more easily that entrepreneurs can find the investors, researchers and managers they need in a given region, the more they move there, and the more investors, researchers and managers will follow them there</li> <li>Through the efforts of the SBDCs, Guayacan, business associations and others, Puerto Rico has the beginnings of these networks, but nothing on the scale or visibility of successful entrepreneurial centers in other regions</li> </ul>		
<b>TARGET LAUNCH:</b>	Late 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 14:</b>	Reform University budget and incentive structure to promote R&D and technology transfer		
<b>LEADER:</b>	Innovation Taskforce		
<b>BRIEF DESCRIPTION:</b>	Reform incentive systems at Puerto Rico's universities by changing compensation, promotion, tenure, and budget-allocation to encourage more professors and students to engage in research and innovation		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 15:</b>	Attract more global talent to conduct R&D at universities		
<b>LEADER:</b>	Innovation Taskforce		
<b>BRIEF DESCRIPTION:</b>	Attract more international researchers to conduct research at Puerto Rico's universities by making more funding available and changing processes and attitudes towards hiring foreigners		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 16:</b>	Increase funding for laboratories, research centers and other R&D infrastructure at universities		
<b>LEADER:</b>	Innovation Taskforce		
<b>BRIEF DESCRIPTION:</b>	Attract more corporations and researchers to conduct R&D at Puerto Rico's universities, by increasing/reallocating the funding available for physical infrastructure for R&D		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 17:</b>	Fund major scientific infrastructure projects needed to attract more private sector R&D		
<b>LEADER:</b>	Innovation Taskforce		
<b>BRIEF DESCRIPTION:</b>	Evaluate and invest as necessary in the physical infrastructure such as broadband networks and laboratories required to attract and foster increased corporate R&D in Puerto Rico		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 18:</b>	Create government research centers to pursue high-priority research needs		
<b>LEADER:</b>	Innovation Taskforce		
<b>BRIEF DESCRIPTION:</b>	Where appropriate, mobilize local and/or US government funding to create government research centers focused on high-priority R&D areas, as with the US federal R&D labs		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 19:</b>	Reduce the tax burden and other financial costs that government imposes on small and medium enterprises		
<b>LEADER:</b>	SME Taskforce		
<b>BRIEF DESCRIPTION:</b>	Review all taxes and financial costs imposed by the government on SMEs to identify areas where the financial cost could be reduced, thereby stimulating growth and employment-generation		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 20:</b>	Improve the effectiveness of existing entities designed to promote the growth and formation		
<b>LEADER:</b>	SME Taskforce		
<b>BRIEF DESCRIPTION:</b>	Undertake a comprehensive review of the various entities and programs sponsored by SBDCs, community business centers, and other organizations to help entrepreneurs in order to ensure their effectiveness and coordination		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 21:</b>	Enhance debt financing options available to small and medium enterprises		
<b>LEADER:</b>	SME Taskforce		
<b>BRIEF DESCRIPTION:</b>	Revise and promote the financing options available to SMEs from banks and other debt-financing institutions		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)

<b>INITIATIVE 22:</b>	Enhance use of public equity funding for local enterprises		
<b>LEADER:</b>	SME Taskforce		
<b>BRIEF DESCRIPTION:</b>	Explore ways to promote the use of public equity funding and encourage more Puerto Rican companies to go public		
<b>TARGET LAUNCH:</b>	2007 onwards	<b>INITIAL RESULTS:</b>	2008 onwards

## Implementation Plan: Competitiveness and Connectivity

### THE CASE FOR ACTION

The productivity and competitiveness of Puerto Rico's public and private organizations is critical for the island's future:

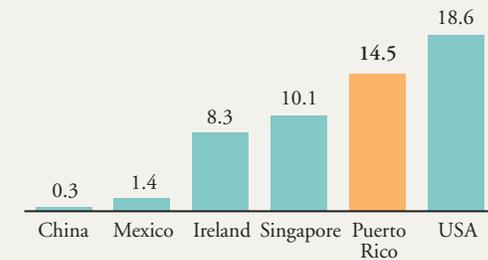
- Unless Puerto Rico remains competitive, local and foreign investors will shift operations elsewhere and job creation will be at risk
- Productivity improvement (value of output per worker) is the only way to raise incomes and ensure that Puerto Rico remains competitive, even as wages and other costs rise

Today, Puerto Rico's original sources of competitive advantage - including its low labor costs and privileged access to US markets - are eroding, and Puerto Rico is less competitive than competitors in areas as diverse as the cost of utilities and transport, regulatory burdens on business, and the quality and use of information technology.

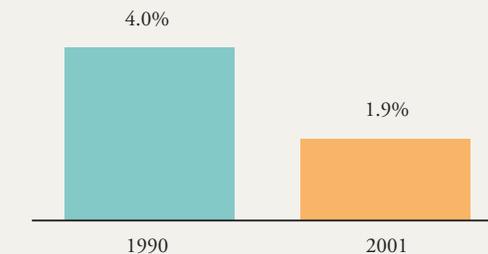
To boost job creation and income levels, Puerto Rico's private and public institutions must continuously increase productivity and monitor global best practices and future trends, to ensure they remain competitive.

To meet these goals, stakeholders selected and prioritized strategies in this area as follows:

**Labor costs per hour in pharmaceuticals**  
US\$ (2002)



**Access to the US market**  
Average US weighted tariff rate



## STRATEGIES TO BE LAUNCHED IN THE IMMEDIATELY (EARLY 2005)

<b>INITIATIVE 1:</b>	Increase the agility and reduce the financial cost of government		
<b>LEADER:</b>	Agile Government Taskforce		
<p><b>Why Action is Necessary</b></p> <ul style="list-style-type: none"> <li>• The public sector in Puerto Rico is large, with more than 30% of total employment, 20% of economic output, and far more employees per capita than competing US states and countries of similar size</li> <li>• Numerous examples are cited of functions - a and even whole agencies - that continue to exist even when no longer needed</li> <li>• Aside from the financial costs, this places many burdens on the economy: <ul style="list-style-type: none"> <li>– Large bureaucracies slow down decision-making</li> <li>– Government provision of services stifles ability of local entrepreneurs to do the same</li> <li>– Ongoing operating costs limit ability of the government to invest in value-adding programs</li> </ul> </li> <li>• Expansion without increasing productivity also increases pressure on government finances: <ul style="list-style-type: none"> <li>– Many are concerned about growing government and public authority debts and unfunded public pension liabilities</li> <li>– With its emphasis on revenue collection, the tax structure</li> </ul> </li> </ul>		<p><b>Proposed Solution</b></p> <ul style="list-style-type: none"> <li>• Create a public/private commission to: <ul style="list-style-type: none"> <li>– Conduct an independent review of each public entity (central, municipal, public authorities) to identify areas of obsolescence, overlap and inefficiency and make recommendations to increase the agility of each entity</li> <li>– Agree on mechanisms to stimulate alternate job creation in the private sector (retraining, tax credits, etc.)</li> <li>– Communicate and mobilize support for the necessary reforms</li> </ul> </li> <li>• Establish a second independent task force to review the combined public debt and develop a coordinated program to manage current liabilities and establish more sustainable future funding streams</li> <li>• Implement comprehensive tax reform (drawing on results of study to be published in 2004), shifting the focus from incremental revenue generation to economic development and ease of administration</li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 2:</b>	Improve the competitiveness, quality and capacity of Puerto Rico's Telecom and IT infrastructure		
<b>LEADER:</b>	Information and Communication Technology (ICT) Taskforce		
<p><b>Why Action is Necessary</b></p> <ul style="list-style-type: none"> <li>• If Puerto Rico is to become a center of knowledge-based industries, world-class information and communication infrastructure will be critical</li> <li>• Puerto Rico today has a relatively strong telecom and IT infrastructure, with one of the highest levels of telecom and internet access in Latin America, healthy competition between telecom and IT providers, and reasonable international broadband connections</li> <li>• However, compared to leading high-technology regions in the US, Europe and Asia, Puerto Rico's Information and Communications Technology (ICT) Infrastructure is uncompetitive - with low overall internet penetration in schools, households and small businesses, limited competition and service options in some areas, and inferior broadband capacity</li> <li>• Much more ICT infrastructure is needed to get to the cutting-edge - whether through large government-funded infrastructure projects (like Malaysia's Multimedia Super Corridor) or hybrid public-private initiatives like the UK's Broadband Initiative</li> </ul>		<p><b>Proposed Solution</b></p> <ul style="list-style-type: none"> <li>• Create a taskforce bringing together the JRT, telecom and IT providers, economic development and business interests to develop a strategic plan to catapult Puerto Rico's ICT infrastructure to world-leading status: <ul style="list-style-type: none"> <li>– Identify relative infrastructure gaps and weaknesses</li> <li>– Benchmark ICT infrastructure initiatives in best-practice countries</li> <li>– Continue to address regulatory, capital and other barriers, to stimulate private sector provision</li> <li>– Modify regulations to include ICT requirements in all new projects</li> <li>– Where necessary, offer targeted incentives and subsidies to provide ICT infrastructure to key sectors, including schools, hospitals, research centers, and special communities</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

## STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 3:</b>	Increase the productivity of local human capital through increasing use of technology		
<b>LEADER:</b>	Information and Communication Technology (ICT) Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• To remain competitive while raising incomes, Puerto Rico must increase productivity per worker</li> <li>• Increased technology usage is key to raising productivity</li> <li>• While some sectors of the Puerto Rican economy, including the pharmaceuticals, high tech, and financial services industries employ the latest technologies and enjoy high productivity levels overall technology-usage levels are far behind the most advanced economies, particularly in the small business and government sectors</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Conduct an inventory of technology usage patterns across all sectors of the Puerto Rican economy - manufacturing, retail, tourism, professional services, education, health, government, etc.</li> <li>• Identify areas of greatest weakness</li> <li>• Develop programs to overcome technology gaps and stimulate greater usage: <ul style="list-style-type: none"> <li>– Continuation and expansion of OGP's program to IT enable government information and processes</li> <li>– Initiatives led by business and professional associations to drive technology usage and training in their respective sectors</li> <li>– Expansion of computer and internet training and certification programs</li> <li>– Completion of IT infrastructure and training throughout the education system</li> <li>– Partnerships with IT vendors to provide training for their products</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 4:</b>	Increase the productivity of local human capital through training and skills programs		
<b>LEADER:</b>	Workforce Skills Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• As incomes rise and other low-cost countries compete to attract investors from Puerto Rico, Puerto Rico can only remain competitive by increasing productivity per worker</li> <li>• Continuous investment in education and training at all levels is therefore critical to maintain Puerto Rico's competitive edge</li> <li>• While reported productivity in sectors like high tech manufacturing and pharmaceuticals is excellent, productivity in many sectors lags behind global best practices</li> <li>• Business leaders frequently complain that the general education system does not adequately prepare workers for today's business needs, vocational training is limited, and it is widely perceived that government funds available for workforce skills and retraining are not used effectively</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Establish a workforce skills taskforce, bringing together business, labor, education and training leaders, to identify weaknesses in current programs, recommend changes, and establish mechanisms for employers and labor leaders to provide ongoing input to workforce education and training</li> <li>• All aspects of workforce training should be evaluated <ul style="list-style-type: none"> <li>– Continuous upgrade of primary, secondary and tertiary curricula to ensure they are providing the literacy, mathematical and analytical skills needed by today's workforce</li> <li>– Expansion and/or upgrading of technical and vocational schools to ensure they are providing the practical skills needed in key economic sectors</li> <li>– Expansion of university programs producing the specialist graduates needed in key target sectors</li> <li>– Evaluation of workforce skills programs managed by the Department of Labor and others to ensure effective use is made of all available programs</li> <li>– Training and skills programs by individual firms and business associations</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 5:</b>	Reduce regulatory inefficiencies impacting the economy		
<b>LEADER:</b>	Agile Government Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Aside from the direct cost of taxes, investors and entrepreneurs frequently complain that excessive regulatory burdens and inefficient processes hinder investment and growth</li> <li>• Compared to such key competing locations as the US states, Ireland, and Singapore, permitting and approval processes are slow, incremental regulations are often duplicative or unnecessarily burdensome, and agency processes are slow and not customer-oriented</li> <li>• Although initiatives such as e-government platforms and one-stop windows have been taken in many agencies to streamline regulatory processes, few government agencies undertake regular and systematic reviews of all regulations and processes to identify opportunities to streamline and rationalize requirements</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Task OGP to work with the public-private "agile government" commission (see Initiative 1 above) to conduct a thorough review of regulations and processes in every government agency, to identify opportunities for improvement</li> <li>• In each case, OGP and the Commission should: <ul style="list-style-type: none"> <li>– Map each regulation and process managed by the agency</li> <li>– Identify and eliminate redundant or obsolete regulations and process steps</li> <li>– Find means to reduce steps or delays in each process by reengineering workflows and responsibilities, among other items</li> <li>– Improve transparency about requirements</li> <li>– Define time limits for each process</li> <li>– Train and incent employees to seek continuous process improvement</li> <li>– Introduce "citizen charters" setting service standards and continuous improvement targets for each agency</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 6:</b>	Overhaul the positioning and branding of Puerto Rico		
<b>LEADER:</b>	Economic Strategy Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Since the 1950s, Puerto Rico has invested aggressively in communications campaigns to promote its image. As one of the world's leading destinations for tourists and foreign investors, these campaigns have clearly been successful.</li> <li>• However, as increasing numbers of locations compete for attention, Puerto Rico must continue to evolve and reinforce its international image: <ul style="list-style-type: none"> <li>– While Puerto Rico has been successful in getting its message to pharmaceutical investors, key tourism segments and other target audiences, it remains the case that many have a very out-dated image</li> <li>– Current branding initiatives are fragmented with multiple agencies promoting different messages - as competition intensifies, a coherent message is needed to cut through the clutter</li> <li>– The core messages of Puerto Rico's image need to evolve to reflect the realities of its position today - for investors, focus needs to shift from low costs and incentives, to the quality of human capital, R&amp;D infrastructure and attractiveness as a place to live and work; for tourists, focus needs to shift from sun-and-sand, to a hub of entertainment, culture, retail and business services</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Building on the work of the PRImage initiative, put in place a permanent coordinating team to track and evolve Puerto Rico's international image</li> <li>• Involve a cross-section of business and community leaders, in addition to representatives from the main image-building agencies like PRIDCO, PromoExport, the Tourism Company, the Convention Bureau, and Rums of Puerto Rico</li> <li>• Define the key communication messages to be incorporated in all image-building activities, and ensure consistency across agencies</li> <li>• Evolve the message to one that emphasizes quality and high-value and make the "made in Puerto Rico" label a concept that consumers will pay a premium for and investors cannot afford to abandon for lower-cost options, much like the "Intel Inside" slogan</li> <li>• Focus on Puerto Rico's fundamental assets (human capital, infrastructure, stability, environment, culture), and not so much on transient factors like low costs and tax incentives</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 7:</b>	Overhaul the systems for promoting investment in Puerto Rico		
<b>LEADER:</b>	Economic Strategy Taskforce		
<p><b>Why Action is Necessary</b></p> <ul style="list-style-type: none"> <li>• Since the 1950s, PRIDCO has been a key driver of economic success, organizing the incentives and infrastructure to attract many of the world's leading companies to establish operations in Puerto Rico</li> <li>• However, as the organization has matured, there is a widely-held perception that it has become less nimble, forward-thinking and responsive to customers' needs</li> <li>• With more than 700 employees, large real-estate holdings and operational responsibilities, PRIDCO spends a large amount of time responding to developments and crises, with little time left to devote to proactive strategies. Specific weaknesses commonly cited include: <ul style="list-style-type: none"> <li>– Continued bias for manufacturing, with insufficient attention to R&amp;D, services and individual entrepreneurs</li> <li>– Inward-looking - limited time is spent on strategic intelligence, benchmarking competitors, proactively identifying new sectors, understanding customer needs</li> <li>– Reactive - not proactively charting a new course for Puerto Rico's future</li> </ul> </li> </ul>		<p><b>Proposed Solution</b></p> <ul style="list-style-type: none"> <li>• Bring together a taskforce of business leaders to initiate a comprehensive review of Puerto Rico's investment promotion organizations and processes <ul style="list-style-type: none"> <li>– Survey investors and local leaders to understand their view of PRIDCO's strengths and weaknesses</li> <li>– Benchmark the structure and systems of successful investment and economic development agencies in other regions</li> <li>– Explore options to separate operational aspects of PRIDCO, to free up time to focus on strategy</li> <li>– Create an international advisory board and mechanisms to provide continuous feedback from investors and assist in spotting new trends</li> <li>– Create a strategic intelligence unit charged with monitoring the global environment, benchmarking competitors and identifying new target sectors</li> <li>– Explore need to adjust current incentives and services to be more relevant to new target sectors, including advanced manufacturing R&amp;D and the services sector, as well as individual entrepreneurs</li> <li>– Further streamline approval processes to ensure Puerto Rico matches best-practice competitors</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 8:</b>	Overhaul the systems for promoting exports from Puerto Rico		
<b>LEADER:</b>	Economic Strategy Taskforce		
<p><b>Why Action is Necessary</b></p> <ul style="list-style-type: none"> <li>• While Puerto Rico has established itself as an export-base for multinationals, Puerto Rico has not developed many export-oriented local firms</li> <li>• With a few notable exceptions (in financial services, food and beverages, construction materials and services, etc.), very few Puerto Rican firms have established a strong presence outside Puerto Rico</li> <li>• In recent years, PromoExport and the Exporters' Council have taken significant steps to encourage more local firms to export, provide support to exporters and raise their visibility abroad</li> <li>• However, exports by local firms remain minimal</li> <li>• This has limited the size of local firms and their exposure to global best practices, constrained local capital and skills accumulation, and left Puerto Rico reliant on the investments of international investors</li> </ul>		<p><b>Proposed Solution</b></p> <ul style="list-style-type: none"> <li>• Building on the work of PromoExport and the Exporters' Council, bring together a taskforce of business leaders to initiate a radical expansion of Puerto Rico's export activities <ul style="list-style-type: none"> <li>– Segment economic sectors to identify sectors with the strongest export potential (including services)</li> <li>– Survey exporters and key target customers to get their views of key strengths and weaknesses</li> <li>– Benchmark the structure of successful export promotion programs in other regions</li> <li>– Create an international advisory board and mechanisms to provide continuous feedback from customers and assist in spotting new trends</li> <li>– Create a strategic intelligence unit, charged with monitoring the global environment, benchmarking competitors and identifying new target sectors</li> <li>– Explore need to adjust current export incentives and services to encourage more companies to export through improved financing and other options</li> <li>– Evaluate the specific proposal to link corporate tax rates to growth rates, thereby incenting more companies to seek export-growth opportunities</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 9:</b>	Institute programs to attract more global talent to Puerto Rico		
<b>LEADER:</b>	Workforce Skills Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's competitiveness and connectivity to the world by attracting more international talent to work in Puerto Rico: entrepreneurs, investors, knowledge-workers, researchers, professors, students, etc.		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 10:</b>	Deepen linkages between Puerto Rico's people and the world		
<b>LEADER:</b>	Workforce Skills Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase the competitiveness and connectivity of Puerto Rico's workforce by increasing their exposure to international best practices — through study-abroad, internships/exchanges, training programs, etc.		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 11:</b>	Promote multilingual abilities in all sectors of the economy		
<b>LEADER:</b>	Workforce Skills Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's competitiveness as a place to do business by promoting the learning of English and other languages		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 12:</b>	Rationalize unproductive subsidies distorting competition and resource allocation in key economic sectors		
<b>LEADER:</b>	Economic Strategy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Evaluate the benefits and costs of subsidies promoting resource allocation in certain economic sectors and reduce/remove these subsidies as appropriate		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 13:</b>	Improve the ongoing process for defining the overall economic strategy of Puerto Rico		
<b>LEADER:</b>	Economic Strategy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Institute a more structured, consolidated and forward-looking process for defining the overall economic growth strategy for Puerto Rico		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)

<b>INITIATIVE 14:</b>	Reduce the total effective cost of human resources in Puerto Rico		
<b>LEADER:</b>	Economic Strategy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's competitiveness as a place to do business by decreasing the total effective cost of labor (focusing on areas like benefits, workers comp, work days, employment taxes, and so on)		
<b>TARGET LAUNCH:</b>	2007 onwards	<b>INITIAL RESULTS:</b>	2008 onwards
<b>INITIATIVE 15:</b>	Remove protections and other impediments limiting competition in key economic sectors		
<b>LEADER:</b>	Economic Strategy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Evaluate the benefits and costs of barriers limiting competition in certain economic sectors (such as certificates of need, etc.) and remove barriers as appropriate		
<b>TARGET LAUNCH:</b>	2007 onwards	<b>INITIAL RESULTS:</b>	2008 onwards

## Implementation Plan: Opportunity and Income

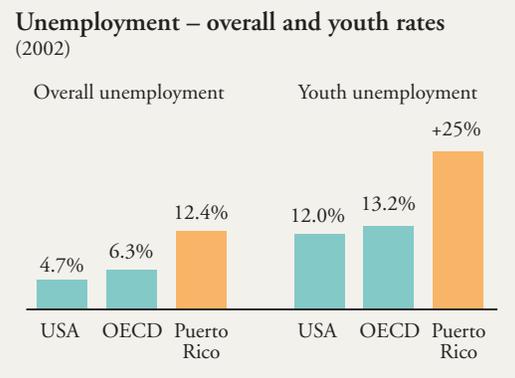
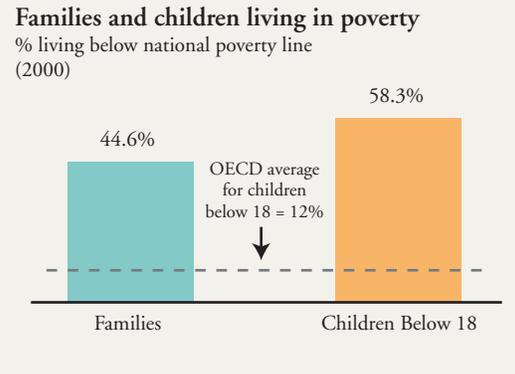
### THE CASE FOR ACTION

Despite Puerto Rico's economic progress for the last 50 years, it remains the case that an unacceptable proportion of the population does not have access to full economic opportunity and adequate incomes, with more than 40% of households living below the poverty line.

Increasing productivity and competitiveness and stimulating innovation and enterprise will be the key to creating more jobs and raising incomes. Nevertheless, even if more high-value, productive jobs are created, a large section of the population does not have the means (or the motivation) to access these opportunities.

Stakeholders in the Puerto Rico 2025 process therefore agreed that, alongside initiatives to increase competitiveness, innovation and enterprise, additional measures are required to ensure that all the population has the means and motivation to access high-value economic opportunities.

To meet these goals, stakeholders selected and prioritized strategies in this area as follows:



## STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE 1:</b>	Ensure that all have access to the education and skills needed to compete in the labor market		
<b>LEADER:</b>	Workforce Skills Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• While increased productivity and innovation should stimulate economic growth and job creation, a large portion of Puerto Rico's population does not have the skills to access high-value jobs</li> <li>• Numerous initiatives exist in the government and in individual communities to provide workforce skills and training</li> <li>• However, with high school drop-out rates close to 40%, workforce participation at less than 50%, and unemployment consistently above 10%, it is clear that more can and should be done to ensure that all have access to the skills need to compete in today's workforce</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Launch a holistic workforce skills development campaign including: <ul style="list-style-type: none"> <li>– Review all existing government-funded workforce development programs to ensure funds are being used effectively and results meet the real needs of employers and entrepreneurs</li> <li>– Scan federal government programs, foundations and other external funding sources to ensure that Puerto Rico is effectively tapping all available funds</li> <li>– Institute regular independent reviews of the curricula in the formal education system (secondary schools, universities, vocational and technical institutes) to ensure alignment with the needs of today's workforce</li> <li>– Analyze best practices among creative private sector/ community-led programs in individual communities and recruit private sector and community leaders to expand model programs to other target communities</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 2:</b>	Promote self-sufficiency and individual and community responsibility as priorities for all Puerto Ricans		
<b>LEADER:</b>	Empowerment Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• There is a widespread perception that unemployment rates in Puerto Rico remain high in part because of a widespread dependency culture - not just "welfare dependency", but a broader culture (at all levels of society) of looking to the government to solve all problems</li> <li>• While reforming welfare incentives and reducing the role of the government will be the key to changing this dependency culture, stakeholders in the Puerto Rico 2025 process felt that a broader campaign is required to promote the virtues of self-sufficiency and responsibility at levels of society – not just economic self-sufficiency, but also a broader sense of personal and community responsibility for civic values, environmental preservation, resource consumption, etc.</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Challenge the Media and Communications industry to develop a campaign to promote the values of self-sufficiency and responsibility at all levels of society</li> <li>• Components suggested by stakeholders include: <ul style="list-style-type: none"> <li>– Integrate ethics and civic values programs into school curricula</li> <li>– Encourage business and community organizations to launch programs to instill a sense of pride in local business success and a sense of ownership</li> <li>– Leverage the media to highlight self-reliance success stories</li> <li>– Monitor and report visible advances in self-sufficiency, such as neighborhood clean-up programs, decrease in welfare-roles, etc.</li> <li>– Establish awards for those communities that register the highest level of job creation and sustained employment</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	By end of 2005

## STRATEGIES TO BE LAUNCHED IN THE SHORT TERM (BY END OF 2005)

<b>INITIATIVE 3:</b>	Provide incentives for job creation in the private sector		
<b>LEADER:</b>	Job Creation Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Despite Puerto Rico's economic success on many fronts, unemployment levels have remained stubbornly high - consistently above 10% for the last 50+ years - and workforce participation rates have remained low</li> <li>• Puerto Rican policy-makers have tended to rely on government agencies, public authorities and publicly-funded projects to stimulate employment</li> <li>• Clearly, if Puerto Rico's large and inefficient bureaucracies are to be restructured, it is imperative to stimulate more job creation in the private sector. This should be achieved in large part through the measures proposed by the Enterprise and Competitiveness panels to stimulate more entrepreneurial start-ups and streamline burdensome business regulations</li> <li>• However, special incentives may also be needed to stimulate job creation in the private sector during the period of government restructuring</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Establish a taskforce of economists, policy-makers, business and labor leaders to explore all means to stimulate increased job creation in the private sector</li> <li>• Do a root-cause analysis of the reasons why private companies are not creating more jobs - understand to what extent the causes are hiring disincentives such as regulations, a lack of growth from such factors as inexperience in export markets or lack of competitiveness, or other factors</li> <li>• Evaluate the use of specific fiscal incentives as a means to generate increased private job creation, including.: <ul style="list-style-type: none"> <li>– Special tax-credits for hiring unemployed or displaced workers</li> <li>– Subsidized training/re-skilling programs for firms that hire unemployed or displaced workers</li> <li>– Special incentives for companies that locate operations in areas of high unemployment</li> <li>– A tax structure that rewards growth - corporate tax rates decline the faster companies grow, thereby incenting faster revenue (and employment) growth</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 4:</b>	Promote job creation by small and medium enterprises, community businesses and cooperatives		
<b>LEADER:</b>	Job Creation Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Empirical research around the world has shown that small and medium enterprises (SMEs) and community-based organizations (CBOs) create jobs at a faster pace and respond faster to economic cycles than large corporations</li> <li>• Particularly in less-advantaged communities, micro-enterprises and micro-finance initiatives have proven effective at getting community-based entrepreneurs to mobilize their own resources and skills to serve the needs of their neighbors</li> <li>• In Puerto Rico's case, a large number of CBOs and micro-enterprises (often in the informal sector) exist in special communities and other less-advantaged neighborhoods</li> <li>• However, most efforts to assist these communities have focused on infrastructure and community-empowerment, not on job creation</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• In collaboration with the SME taskforce, conduct a thorough evaluation of the factors inhibiting job creation in the SME and CBO sectors and recommend initiatives to stimulate increased job creation by these organizations: <ul style="list-style-type: none"> <li>– Survey a cross-section of SMEs and CBOs to understand what factors limit their growth and job creation - access to capital, skills, regulations, technology, etc.</li> <li>– Benchmark successful micro-enterprise and micro-finance programs elsewhere</li> <li>– Work with the Special Communities Trust Fund and community representatives to pilot and then roll-out programs that provide SMEs and CBOs with the capital, skills, technology and regulatory environment that they need to grow</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

## STRATEGIES TO BE LAUNCHED IN THE SHORT TERM (BY END OF 2005)

<b>INITIATIVE 5:</b>	Use direct government funding to stimulate job creation		
<b>LEADER:</b>	Job Creation Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>Historically, Puerto Rico has used government spending as a means to create employment - both directly, through creating and retaining jobs in government agencies and authorities, and indirectly through government funding of public works, infrastructure projects, community programs, etc.</li> <li>Given broad consensus that the size of the public sector and dependency on government should be reduced, stakeholders agree that the onus for job creation should now shift to the private sector</li> <li>Nevertheless, given the persistence of Puerto Rico's labor force participation and unemployment levels, stakeholders still feel that the government may need to play a role in stimulating employment - or at least directing employment to locations where it is most needed</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Alongside the initiatives to stimulate more private-sector and community-based job creation, evaluate and define where and how the government can selectively use its resources to create employment, through initiatives including: <ul style="list-style-type: none"> <li>Public works and infrastructure projects that will contribute to long-term economic growth, while generating short-term employment opportunities</li> <li>Community-based initiatives such as training and education programs, environmental clean-up campaigns, and crime prevention efforts that will both improve quality of life and create employment in communities where it is most needed</li> <li>Relocation and/or outsourcing of existing government functions to areas of high unemployment</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 6:</b>	Expand job-search and placement assistance programs		
<b>LEADER:</b>	Empowerment Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>Around the world, "job centers" and integrated job placement assistance programs have proven effective in giving the unemployed the skills, means and confidence to re-enter the workforce</li> <li>Puerto Rico has a number of such programs, sponsored by government entities and other organizations</li> <li>However, with unemployment stubbornly high, it seems that more can be done to assist the unemployed in getting access to the information and skills needed to be successful job-applicants</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Mobilize the combined assets of government, business and communities to launch an all-hands effort to support the unemployed in accessing the information and skills they need to find and secure jobs: <ul style="list-style-type: none"> <li>Inventory and evaluate all existing job placement assistance programs operating on the island</li> <li>Benchmark successful programs operating in other regions</li> <li>Challenge business and professional associations to take a lead in designing community-level job search and placement programs, leveraging their knowledge of recruiting needs and best practices</li> <li>Review the Special Community program and other government assistance programs, to explore ways that funds can be used more effectively to stimulate empowerment and employment, not subsidence</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 7:</b>	Provide support and incentives to non-profit organizations to create more job opportunities		
<b>LEADER:</b>	Job Creation Taskforce		
<b>BRIEF DESCRIPTION:</b>	Alongside initiatives to spur job creation by SMEs and CBOs, launch a program to facilitate job creation by non-profit organizations in target communities (with incentives, technical assistance, etc.)		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 8:</b>	Reform social assistance programs to encourage employment		
<b>LEADER:</b>	Empowerment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Make adjustments to existing social assistance programs (modeled after successful welfare reform programs elsewhere) to increase incentives to seek employment		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 9:</b>	Encourage saving and asset building among low-income populations		
<b>LEADER:</b>	Empowerment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch a coordinated program to increase savings and asset-building in low-income communities, through education, cooperation with financial institutions, government-sponsored savings accounts, community-based micro-finance networks, etc.		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)

<b>INITIATIVE 10:</b>	Use fiscal mechanisms to increase the incentives for seeking employment		
<b>LEADER:</b>	Empowerment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Leverage concepts like the Earned-Income Tax Credit (EITC) to make it more rewarding for those receiving social assistance to join the workforce		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 11:</b>	Provide practical services that make it easier to access and stay in employment		
<b>LEADER:</b>	Empowerment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Recognizing that such practical constraints as mobility concerns, child care, and elder care, among others, often prevent low-income families from accessing and keeping jobs, replicate successful initiatives elsewhere that provide practical assistance (day-care, transport, etc.) to make it easier for individuals to work outside their homes		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 12:</b>	Rationalize regulations in order to stimulate more job creation		
<b>LEADER:</b>	Job Creation Taskforce		
<b>BRIEF DESCRIPTION:</b>	Recognizing that excessive regulations limit employers' incentives to create jobs, review labor and other regulations to allow for increased flexibility in the labor market, while maintaining essential protections		
<b>TARGET LAUNCH:</b>	2007 onwards	<b>INITIAL RESULTS:</b>	2008 onwards

### STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)

<b>INITIATIVE 13:</b>	Raise participation of low-income populations in formal financial networks		
<b>LEADER:</b>	Empowerment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Help bring the marginalized into the formal economy and alleviate poverty by working with communities and financial institutions to increase access to banking services, credit, etc.		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 14:</b>	Optimize the distribution of jobs in the public sector		
<b>LEADER:</b>	Job Creation Taskforce		
<b>BRIEF DESCRIPTION:</b>	Review current distribution of jobs in private sector agencies and authorities to identify opportunities to relocate jobs in low-income and under-served communities		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 15:</b>	Increase the role of employers in keeping employees motivated and in the workforce		
<b>LEADER:</b>	Empowerment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Challenge employers to increase incentives to workers to maintain employment through incentive-based compensation systems, skills development programs and community-building initiatives, while at the same time continuing efforts to reduce the incentive structure that rewards lack of work		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards

## Implementation Plan: Education

### THE CASE FOR ACTION

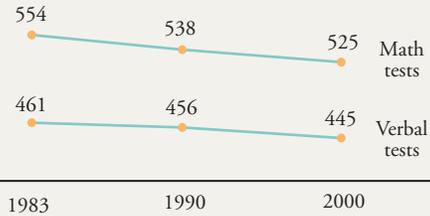
While spending on education and overall attainment levels in Puerto Rico are on a par with the most advanced countries, Puerto Rico's education system faces increasing challenges. A very high proportion of resources are expended on overhead. Scores on standardized tests have been declining, and there is widespread perception that the education system has not adapted sufficiently to the needs of today's labor-force and economy. Spending on research and development (R&D) is very low compared to international benchmarks. Although overall graduation rates are high, it remains the case that 40% of the population does not complete secondary school, and behavior and violence problems in schools are common.

Increasing the efficiency and effectiveness of the Education system is critical to ensure all Puerto Ricans have the skills, knowledge and values needed to support a prosperous economy and responsible society.

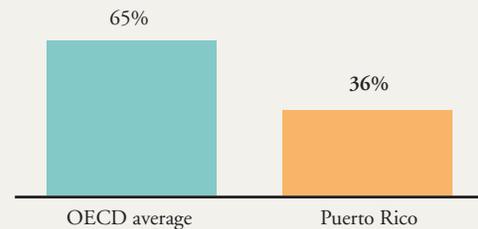
To meet these goals, stakeholders selected and prioritized strategies in this area as follows:

#### Results of CEEB aptitude tests

Average results for Puerto Rico Public Schools (1983 – 2000)



#### % of education budget on teaching staff salaries (2001)



### STRATEGIES TO BE LAUNCHED IN THE IMMEDIATELY (EARLY 2005)

<b>INITIATIVE 1:</b>	Achieve universal primary education		
<b>LEADER:</b>	Education Access Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Puerto Rico has had universal and mandatory primary education for many years</li> <li>• However, declining test scores and high drop-out rates throughout K-12 education are often the result of external factors that cannot be addressed solely by increasing the education budget. Key issues include home and family situations, health and nutritional conditions, as well as class size, infrastructure and teachers' ability to work with at-risk children, particularly in the case of special students</li> <li>• When these issues are not addressed early on, they can severely impact quality of learning, and, in the long run, motivation to continue education</li> <li>• These issues are accentuated in the case of special students. There are insufficient specialized school slots to accommodate all children with special needs, and most of these students end up being handled by infrastructure and teaching resources not adapted to their needs</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Organize a multi-disciplinary task force (Education, Health, Public Safety, Family, Sports) to address three objectives: <ul style="list-style-type: none"> <li>– Guarantee all children access to high quality public primary education</li> <li>– Develop multi-agency plans to guarantee the provision of important health and nutrition enablers</li> <li>– Develop multi-agency plans to provide for the education of special-needs students</li> </ul> </li> <li>• The actions will include: <ul style="list-style-type: none"> <li>– Design and coordinate a Master Census of the school age population to assess and segment needs</li> <li>– Design specific programs and public policy to close the gaps identified in the census (class availability, special infrastructure needs, transportation, etc)</li> <li>– Reallocate budget to cover identified needs</li> <li>– Design a process of continuous feedback and identification of specific needs</li> <li>– Follow-up and monitor implementation metrics</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 2:</b>	Promote security and the battle against drug use in schools		
<b>LEADER:</b>	Education Content Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Gang disputes, vandalism, drug-related problems and violence are becoming more common in schools across Puerto Rico</li> <li>• There have been numerous measures to improve school security, but these are often short lived (usually enforced after a tragedy has occurred) and insufficient to tackle the root causes of violent behavior</li> <li>• As in other developed and developing nations, idle time during and after school, non-inspiring/motivating education programs, and lack of community and family involvement in the education process are important contributors to the problem</li> <li>• There is a lack of integration and coordination in defining security procedures and establishing norms applicable to the whole school system</li> <li>• A coordinated multi-agency effort, including the direct involvement of the families and community, is needed to re-establish schools as institutions capable of motivating and involving students and building responsible citizens</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Organize a multi-agency task force (Education, Health, Public Safety, Family, Sports) to address four objectives: <ul style="list-style-type: none"> <li>– 100% pupil and teacher attendance at class</li> <li>– Wide implementation of after-class and summer programs, aligned with students' interests, aimed at retaining students, specially those in high risk areas</li> <li>– Broad-based communication campaigns in schools and communities to enhance appreciation for public goods and responsible citizenship, and to discuss the impact of drug-usage</li> <li>– Guarantee the safety and integrity of pupils, teachers and infrastructure</li> </ul> </li> <li>• Specific actions will include: <ul style="list-style-type: none"> <li>– Survey a cross-section of school pupils and teachers to identify needs and root causes of low attendance, vandalism, and poor safety standards</li> <li>– Benchmark successful programs elsewhere</li> <li>– Design and implement pilot programs</li> <li>– Involve community in designing and implementing program initiatives (pilots and roll out)</li> <li>– Make changes in regulations as necessary</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 3:</b>	<b>Improve financial management of the education system</b>		
<b>LEADER:</b>	<b>Education Management Taskforce</b>		
<p><b>Why Action is Necessary</b></p> <ul style="list-style-type: none"> <li>Investments in education in Puerto Rico are high - in 2000, 8.2% of GNP was spent on education vs. an OECD average of 5.5% of GNP</li> <li>However, these resources are not optimally spent <ul style="list-style-type: none"> <li>0.9% of budget is spent on improvements versus an OECD average of 7.9%</li> <li>36% of operational costs are for non-academic staff versus 14% in OECD countries</li> </ul> </li> <li>There are also additional sources of funding that are not being tapped effectively: <ul style="list-style-type: none"> <li>Puerto Rico does not fully utilize all of the funds and grants available from the US and other multi-lateral agencies</li> <li>Incentives for private contributions to educational institutions and programs are not well developed</li> </ul> </li> <li>In 2003, the Department of Education commissioned McKinsey to evaluate better use of resources in the education system; the results of this study are now under consideration</li> <li>Halting waste, reallocating resources to direct educational activities, and fully tapping all sources of funding will be critical to building an education system that prepares all Puerto Ricans to compete in today's economy</li> </ul>		<p><b>Proposed Solution</b></p> <ul style="list-style-type: none"> <li>Building on the recent studies undertaken by the Department of Education, launch a comprehensive overhaul of the financial structure and management of the education system</li> <li>Develop a system with appropriate controls and mechanisms to enable tracking of costs</li> <li>Develop a continuous process to optimize cost structures across all educational levels, based on solid understanding of the value added of different cost elements and better use of technology</li> <li>Define clear lower and upper limits for each cost element</li> <li>Properly evaluate and follow through the recommendations of McKinsey and others to spin-off administrative functions of the Department, so as to free up resources and management time for core educational functions</li> <li>Launch a taskforce to investigate all potential sources of financing, including the evaluation of improved incentives for private or public donors</li> </ul>	
<b>TARGET LAUNCH:</b>	<b>Mid 2005</b>	<b>INITIAL RESULTS:</b>	<b>2007 onwards</b>

<b>INITIATIVE 4:</b>	<b>Introduce metrics and incentives to improve performance in the education system</b>		
<b>LEADER:</b>	<b>Education Management Taskforce</b>		
<p><b>Why Action is Necessary</b></p> <ul style="list-style-type: none"> <li>Alongside weak financial management, the education system also suffers from lack of metrics and incentives for continuous performance improvement: <ul style="list-style-type: none"> <li>There are no incentives for education centers or the Department of Education to become more efficient</li> <li>The performance of different centers, programs and processes are not measured, benchmarked and evaluated</li> <li>Best practices are not regularly studied and rolled out</li> <li>The school system is not well integrated - there is little leveraging of potential synergies and sharing of information and lessons learned</li> </ul> </li> <li>Introducing clear metrics and incentives will be critical to compare performance, improve integration and address weak components of the system</li> </ul>		<p><b>Proposed Solution</b></p> <ul style="list-style-type: none"> <li>Design and introduce a comprehensive system of metrics and incentives for the entire education system - public and private: <ul style="list-style-type: none"> <li>Establish a permanent task-force with representatives from all sectors of education, plus business and community leaders, to design and win acceptance for a measurement system</li> <li>Study best practices in education measurement and improvement (numerous models have been successful in the US and Europe)</li> <li>Institute a broad set of performance indicators for each center, program and process</li> <li>Introduce clear incentives and rewards for institutions and individuals that demonstrate improvement</li> <li>Agree on remedial steps for those that fail to meet targets</li> <li>Define common goals and institute mechanisms to better leverage resources and share information across institutions</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	<b>Mid 2005</b>	<b>INITIAL RESULTS:</b>	<b>2007 onwards</b>

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 5:</b>	Improve the quality of resources for primary and secondary education		
<b>LEADER:</b>	Education Management Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Due to lack of good management and performance measurement, the quality of resources in the primary and secondary education system has suffered: <ul style="list-style-type: none"> <li>– Financial and other rewards are not sufficient to attract and retain the best teachers in the public education system</li> <li>– Much of the physical infrastructure is inadequate</li> <li>– Investment in materials and equipment has not kept pace with needs and latest development in technology and pedagogy</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Alongside initiatives to improve the financial management and performance measurement of the education system, launch a systematic program to upgrade the quality of resources in public and private schools: <ul style="list-style-type: none"> <li>– Inventory all gaps and weaknesses (human resources, infrastructure, equipment, materials) compared to benchmarks in the most advanced economies</li> <li>– Improve financial and other incentives (training, career development) for top-performing teachers and administrators</li> <li>– Identify weaknesses in infrastructure, equipment and materials, and reallocate resources to address them (leveraging private contributions and external funding sources, wherever appropriate)</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 6:</b>	Improve the quality of resources for post-secondary education		
<b>LEADER:</b>	Education Management Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Despite the wide reach and achievements of Puerto Rico's higher education system, there are serious deficiencies in the system: <ul style="list-style-type: none"> <li>– Much of the physical infrastructure is antiquated and in poor repair</li> <li>– Investment in materials and equipment have not kept pace with needs and latest development in technology and pedagogy</li> <li>– Overhead costs are high</li> <li>– Tenure and compensation systems for academic staff do not sufficiently reward strong performers and address weaknesses</li> <li>– Employers comment that the mix of higher education programs does not link well with needs of the workforce</li> <li>– Resources for vocational education in particular are inadequate</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Alongside initiatives to improve financial management and performance measurement, launch a systematic program to upgrade the quality of resources in higher education: <ul style="list-style-type: none"> <li>– Utilize measurement systems to inventory all gaps and weaknesses (human resources, infrastructure, equipment, materials) compared to benchmarks in the most advanced economies</li> <li>– Adjust tenure and compensation systems to attract and retain top academic staff (including international talent)</li> <li>– Identify weaknesses in infrastructure, equipment and materials, and reallocate resources to address them (leveraging private contributions and external funding sources, wherever appropriate)</li> <li>– With input from business and community leaders, institute regular reviews of curricula and resource-allocation to ensure relevance to the needs of students and the labor force</li> <li>– Evaluate and strengthen the vocational education system</li> <li>– Improve mix of expenditure between academic and overhead costs</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 7:</b>	Promote total quality in the operation of the public and private education system		
<b>LEADER:</b>	Education Management Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• The emphasis in much of the education system today is on maintaining the status quo and protecting the interests of institutions and interest groups. There is little emphasis on quality improvement</li> <li>• In recent years, important strides have been made toward improving the flexibility, responsiveness and creativity of the educational establishment - several pilot programs for educational reform and new educational approaches have been tried</li> <li>• However, incentives for performance improvement are lacking, and earning approval for innovative programs remains difficult. Overall, schools and the institutions that oversee them remain resistant to change</li> <li>• There is also a lack of continuity in programs, due to political transitions</li> <li>• In order for Puerto Rico to rise to its educational challenges in the coming years, more flexible institutions and a new culture focused on improving standards, constant innovation and a desire for top quality will be essential</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Building on the new systems of performance metrics and incentives, launch a comprehensive "total quality" program throughout the education system: <ul style="list-style-type: none"> <li>– Instill a "culture of quality service" throughout the various units and functions of educational institutions</li> <li>– Build a regular process for analyzing and grading quality of education and service delivery, both in the department and in individual schools</li> <li>– Train public and private school administrators in self-assessment of quality performance</li> <li>– Provide public reports on the results of quality surveys</li> <li>– Encourage sharing of information and best practices between institutions (and collaboration with world-class global institutions)</li> <li>– Ensure continuity in reform programs, despite political transitions</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 8:</b>	Optimize academic results and promote the search for excellence		
<b>LEADER:</b>	Education Content Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Puerto Rico's education system has traditionally focused on providing a solid foundation to the widest possible cross-section of people. Puerto Rico today boasts a broadly literate and well-educated society as a result</li> <li>• However, academic standards have been slipping and there is widespread perception that the education system is failing to produce the right output at all levels: <ul style="list-style-type: none"> <li>– A large portion of students leave school without adequate basic skills in reading, writing and math</li> <li>– At the top end of the scale, there are few rewards or resources for outstanding students</li> </ul> </li> <li>• Puerto Rico needs to improve academic results across the board, from ensuring basic skills for all, to providing appropriate resources for exceptional students</li> <li>• This will also be critical to attracting international students and positioning Puerto Rico as a regional center for education</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Institute a program to improve academic results at all levels and reward top performance: <ul style="list-style-type: none"> <li>– Evaluate and revise curricula and teaching methods to ensure acquisition of basic skills by all</li> <li>– Design mentor programs to match students with adults who can provide encouragement and advice</li> <li>– Develop intervention programs for at-risk students</li> <li>– Measure and reward teachers and schools based on the performance of students</li> <li>– Institute incentive programs to encourage better educational attainment, such as providing scholarships and guaranteeing university admission to the top 10 percent of graduates from each school (including opportunities for foreign study to exceptional students)</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

## STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 9:</b>	IT-enable the education system and promote extensive use of the Internet		
<b>LEADER:</b>	Education Management Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Effective use of information technology is critical both for the efficient management of the education system and for the preparation of students for today's technology-based economy and society</li> <li>• Puerto Rico has invested heavily to provide computers in schools and information systems for management. However, due to poor training and process management, technology usage remains low</li> <li>• More needs to be done to promote effective use of technology both in learning and in management of the education system</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• In collaboration with the Information and Communication Technologies Taskforce, roll-out a program to radically increase use of technology throughout the education system</li> <li>• Evaluate current technology deployment and usage throughout management and administration of the system; benchmark other education systems; recommend technology upgrades, training and other measures to increase effectiveness and efficiency</li> <li>• Evaluate use of technology by students and teachers; identify all factors constraining usage (equipment, connections, training, etc.) and deploy resources to address these weaknesses: <ul style="list-style-type: none"> <li>– Build out necessary technology infrastructure, such as computer labs and Internet access for all schools</li> <li>– Design new technology-based courses</li> <li>– Increase training for teachers and professors</li> <li>– Establish minimum computer skills to be achieved by grade level, and design compliance metrics</li> <li>– Recognize and reward students and teachers who excel in use of technology</li> <li>– Share ideas for creative teaching methods and pair with private business to promote technology use</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 10:</b>	Promote ethical and civic content in curricula and education professionals		
<b>LEADER:</b>	Education Content Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Stakeholders in the Puerto Rico 2025 process agreed that more teaching of ethical and civic values in schools is critical for the social, economic and environmental well-being of Puerto Rico</li> <li>• Stakeholders believe that current emphasis on civic and ethical values in the curriculum is weak and is limited to designated courses</li> <li>• Moreover, teachers in the public school system are not given adequate training in promoting ethical and civic values</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Launch a program to integrate civic and ethical content into all aspects of the education system: <ul style="list-style-type: none"> <li>– Review the current scope and effectiveness of civic and ethical content in all parts of the curriculum</li> <li>– Analyze best practices globally and work closely with public and private school representatives to adapt the findings to Puerto Rico</li> <li>– Provide training to ensure that all teachers are adequately equipped to teach ethical and civic values in a constructive and meaningful manner</li> <li>– In the long term, integrate teaching of civic and ethical values into the preparation process of every teacher</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

## STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 11:</b>	Develop R&D at universities in collaboration with industry		
<b>LEADER:</b>	Innovation Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>Increasing R&amp;D at Puerto Rico's universities and institutes is key to attracting and retaining knowledge-based industries and to developing customized solutions to Puerto Rico's social and environmental issues</li> <li>Numerous roadmaps, policies and initiatives have been launched to promote R&amp;D in Puerto Rico, but the results are still disappointing: R&amp;D spending as a % of GDP is far less than the US and Europe and even lower than the Latin American average; in 2001, Puerto Rican residents were granted only 3 patents per million residents, as opposed to 43 in Ireland and 73 in Singapore</li> <li>Creating the right environment for R&amp;D at Puerto Rico's universities and other institutes will be key to overcoming these weaknesses - not only in terms of infrastructure and resources, but also in terms of skills, incentives and attitudes among university professionals</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Participation and cooperation of all universities will be critical to all R&amp;D-related initiatives in the Innovation Implementation Plan summarized above: <ul style="list-style-type: none"> <li><i>Launch a coordinated campaign to attract more federal and external R&amp;D projects to Puerto Rico:</i> offices should be created at each university with expert staff dedicated to targeting available funds, and consortia should be formed to leverage efforts</li> <li><i>Inventory current R&amp;D skills and launch accelerated programs to fill gaps:</i> curricula at all universities should be reviewed to ensure that the quantity and quality of S&amp;T graduates and post-graduates continues to expand to meet demand</li> <li><i>Define and implement a coordinated Innovation Agenda to prioritize action and policy across government, business and academia:</i> universities will be key to defining R&amp;D strengths and needs</li> <li><i>Reform university budget and incentive structure to promote R&amp;D and technology transfer:</i> reforming compensation, promotion, tenure and budget-allocation systems will be critical to encourage more professors and students to engage in research</li> <li><i>Attract more global talent to conduct R&amp;D at universities:</i> improving funding, processes and attitudes for hiring foreigners, and creating international partnerships will be critical to creating world-class R&amp;D programs</li> <li><i>Increase funding for laboratories, research centers and other R&amp;D infrastructure at universities:</i> improving physical infrastructure will be critical to attracting more corporations and researchers to conduct R&amp;D at Puerto Rico's universities</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards
<b>INITIATIVE 12:</b>	Promote community and family participation in the pre-K-to-12 learning process		
<b>LEADER:</b>	Education Content Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>Education research worldwide clearly shows that students' family and community environment has a profound impact on their education performance</li> <li>Involving families and communities in the education process strengthens academic results and also lessens tendencies towards damaging behavior such as drug-use, teenage pregnancies, violence and crime</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Study best-practices and launch an island-wide program to increase involvement of parents and communities in the education process: <ul style="list-style-type: none"> <li>Increase the number of meetings held at schools with families</li> <li>Encourage voluntary efforts at schools by parents and community members</li> <li>Involve parents in review of students' work</li> <li>Encourage parents to take an interest in student homework and research</li> <li>Involve parents in extracurricular activities</li> <li>Develop volunteer initiatives for students in their communities</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 13:</b>	Optimize retention and graduation rates in schools and universities		
<b>LEADER:</b>	Education Content Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch an island-wide initiative to improve secondary and tertiary graduation rates to benchmark levels, through expansion of relevant vocational options, family and community involvement, and targeted intervention		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 14:</b>	Guarantee education for disadvantaged groups		
<b>LEADER:</b>	Education Access Taskforce		
<b>BRIEF DESCRIPTION:</b>	Improve access to quality education for low-income and immigrant students, through measurement, incentives and intervention to ensure all schools meet minimum standards		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 15:</b>	Guarantee education for the disabled		
<b>LEADER:</b>	Education Access Taskforce		
<b>BRIEF DESCRIPTION:</b>	Improve access to quality education for individuals with physical and/or mental disabilities, by ensuring accessibility of all schools and expanding availability of special facilities		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 16:</b>	Promote adult education		
<b>LEADER:</b>	Education Access Taskforce		
<b>BRIEF DESCRIPTION:</b>	Expand availability of education and retraining options for adults at all levels (from primary to technical and superior)		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 17:</b>	Develop arts and culture		
<b>LEADER:</b>	Education Content Taskforce		
<b>BRIEF DESCRIPTION:</b>	Include/strengthen cultural content in the curricula, to develop talent and promote appreciation and enjoyment of Puerto Rico's and other cultures' values		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

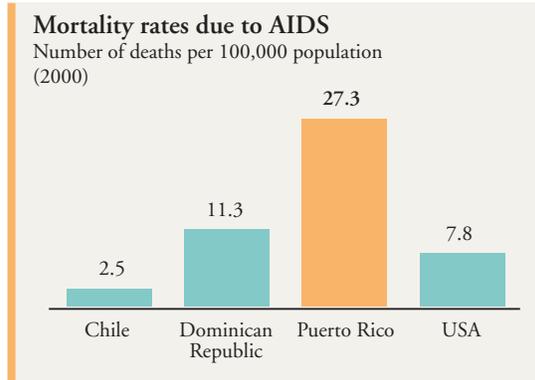
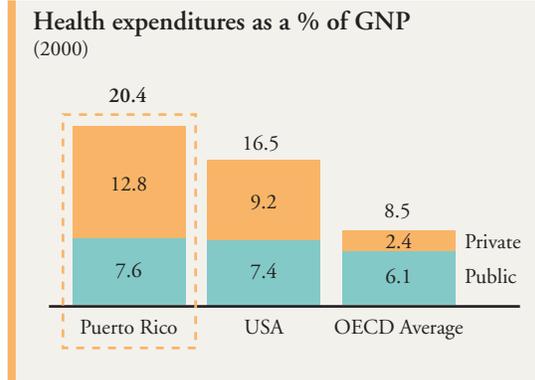
## Implementation Plan: Health

### THE CASE FOR ACTION

While Puerto Rico enjoys a world-class health-care system, with life expectancy and health-care spending at a par with the most advanced countries, the system is under increasing strain. Mortality rates due to AIDS and other behavior-related diseases are amongst the highest in the Americas. As a percent of GNP, Puerto Rico spends more on healthcare than any other jurisdiction, and costs continue to rise faster than overall economic growth. Even so, a proportion of the population remains uncovered by public or private health programs.

Increased focus on health promotion and illness prevention, as well as continued attention to the quality and efficiency of health services, is required to ensure that all residents have access to affordable healthcare.

To meet these goals, stakeholders selected and prioritized strategies in this area as follows:



### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE I:</b>	Promote healthy lifestyles, illness prevention and health protection		
<b>LEADER:</b>	Health Promotion Taskforce		
<b>Why Action is Necessary</b>	<ul style="list-style-type: none"> <li>Behavior-related issues are the largest source of health problems in Puerto Rico:                             <ul style="list-style-type: none"> <li>The leading causes of death in Puerto Rico, such as heart problems, cancer, diabetes and hypertension, are all lifestyle related and can to a great degree be prevented</li> <li>Obesity rates in Puerto Rican adults are amongst the highest in the United States</li> <li>Nutrition is poor - average per capita consumption of fruits and vegetables is lower than in any of the 50 States</li> <li>The mortality rate from AIDS is among the highest in the Americas</li> </ul> </li> <li>Increased focus on promoting healthier lifestyles, protection and prevention is critical, not only to improving quality of life, but also to reducing the unsustainable costs of the healthcare system</li> </ul>		
<b>Proposed Solution</b>	<ul style="list-style-type: none"> <li>Bring together public sector, private sector and community leaders to launch a coordinated campaign to promote healthier lifestyles, illness prevention and health protection among Puerto Ricans:                             <ul style="list-style-type: none"> <li>Identify best practices in health promotion and disease prevention in Puerto Rico and elsewhere</li> <li>Design objectives and programs tailored to Puerto Rico's specific epidemiological profile</li> <li>Include health classes in school curricula</li> <li>Develop communication strategies using a variety of media</li> <li>Strengthen the capacity of personnel responsible for health promotion programs</li> <li>Involve communities in the design and implementation of programs</li> <li>Mobilize employer-sponsored wellness programs, recognizing the return on investment from these programs</li> </ul> </li> </ul>		
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

**STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)**

<b>INITIATIVE 2:</b>	Optimize the use of financial resources in promotion and prevention activities		
<b>LEADER:</b>	Health Resources Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Efforts in health promotion and disease prevention are in the early stages in Puerto Rico, with most health programs and resources still focused on medical treatment</li> <li>• Around the world, evidence clearly shows that increased spending on health promotion and disease prevention reduces overall spending on healthcare</li> <li>• As well as reducing state expenditures on healthcare, wellness programs reduce healthcare costs for employers and individuals: <ul style="list-style-type: none"> <li>– Motorola's wellness program saved the company almost \$4 for every \$1 invested</li> <li>– Johnson &amp; Johnson's Health and Wellness Program has produced average annual healthcare savings of \$225 per employee</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Form a Health Resources Taskforce, bringing together public and private providers to coordinate and optimize use of resources for healthcare in Puerto Rico:</li> <li>• Define an optimal percentage of healthcare budgets that should be used for promotion and prevention activities</li> <li>• Assess private and public best practices in health promotion campaigns and disease prevention efforts to define those programs that will provide the most significant ROI to Puerto Rico</li> <li>• Revise reimbursement and contribution policies to encourage disease prevention versus medical treatment</li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

**STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)**

<b>INITIATIVE 3:</b>	Develop specific action plans to tackle the main health problems in Puerto Rico		
<b>LEADER:</b>	Health Promotion Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• There are significant health problems in Puerto Rico that require stronger action: <ul style="list-style-type: none"> <li>– Cardiac illness is the main cause of death in Puerto Rico, followed by cancer, diabetes, and hypertension. All of these indices are some of the highest in the Americas</li> <li>– AIDS related mortality is alarmingly higher than in other countries in the Americas</li> <li>– Close to 5% of the population (180,000 people) are drug addicts, a level which is 40% higher than the international average</li> <li>– Growing rates of mental illness do not receive adequate attention</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Establish multisectoral teams to develop specific action plans to address Puerto Rico's main health problems: cardiovascular illnesses, obesity, diabetes, cancer, HIV-AIDS, drug-addiction and mental illness</li> <li>• In each case: <ul style="list-style-type: none"> <li>– Launch targeted prevention and education campaigns</li> <li>– Improve dissemination of information about symptoms</li> <li>– Improve coordination of the different health services</li> <li>– Strengthen skills, treatment and testing facilities</li> <li>– Promote epidemiological research in Puerto Rico</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

## STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 4:</b>	Provide adequate access to medical attention and rehabilitation services		
<b>LEADER:</b>	Health Resources Taskforce		
<b>Why Action is Necessary</b>		<b>Proposed Solution</b>	
<ul style="list-style-type: none"> <li>• With approximately 15% not covered under private or public programs, a significant portion of the population does not have access to adequate healthcare services or does not use the appropriate mix of prevention and treatment services</li> <li>• Since the health reform, there has also been some centralization and consolidation of services, which some argue has reduced access in parts of the island</li> </ul>		<ul style="list-style-type: none"> <li>• Conduct a fact-based inventory of healthcare needs and resources throughout Puerto Rico</li> <li>• Define minimum standards of access to each type of healthcare service (distance, time to access, waiting times, etc.)</li> <li>• Identify areas where services do not meet these standards, and develop plans to address these gaps</li> <li>• Develop campaigns to educate consumers about how to use a better mix of prevention and treatment services</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 5:</b>	Incorporate preventive services into routine medical care, both public and private		
<b>LEADER:</b>	Health Promotion Taskforce		
<b>Why Action is Necessary</b>		<b>Proposed Solution</b>	
<ul style="list-style-type: none"> <li>• Preventative services are not well covered in Puerto Rico's current healthcare system for a variety of reasons: <ul style="list-style-type: none"> <li>– Disease prevention needs are not clear given the absence of a comprehensive epidemiological profile</li> <li>– There are inefficiencies in the procurement, distribution and storage of vaccines</li> <li>– Health workers lack educational resources on preventative medicine</li> <li>– The incentive structure for health providers and health practitioners does not encourage the integration of preventative services into routine medical care</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Define the priorities for preventative medicine in Puerto Rico</li> <li>• Optimize the procurement and storage of vaccines, and expand vaccination campaigns</li> <li>• Supervise an economic analysis of the benefits of providing preventive care during routine medical exams, and create appropriate incentives for practitioners</li> <li>• Develop educational materials on preventative medicine (leveraging existing work such as the recommendations of the US Preventive Services Task Force) and disseminate these to health care providers</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 6:</b>	Improve collection, analysis and dissemination of information about health problems, behaviors, attitudes and knowledge		
<b>LEADER:</b>	Health Promotion Taskforce		
<b>Why Action is Necessary</b>		<b>Proposed Solution</b>	
<ul style="list-style-type: none"> <li>• The current epidemiological profile of Puerto Rico and main behavioral factors affecting health are not well known</li> <li>• Incomplete knowledge is a result of weak research studies driven by a distinct lack of available human, technical, financial, infrastructure resources</li> <li>• The ownership of the results of surveys and studies is highly decentralized and not sufficiently disseminated resulting in the lack of a coherent epidemiological profile</li> </ul>		<ul style="list-style-type: none"> <li>• Establish ongoing mechanisms to develop a comprehensive epidemiological profile of Puerto Rico and the health behaviors and attitudes of the population: <ul style="list-style-type: none"> <li>– Develop and strengthen health sampling, analysis and information programs</li> <li>– Define appropriate mechanisms for aggregating the data from studies</li> <li>– Make available the necessary resources, including funding, personnel, and equipment</li> <li>– Develop a program for disseminating results to all health providers</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 7:</b>	<b>Optimize the use of health data and information</b>		
<b>LEADER:</b>	Health Resources Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• There is currently a lack of information on the health of the Puerto Rican population, the state of health services and the different programs in existence</li> <li>• This lack of data complicates the development of effective health promotion and disease prevention programs</li> <li>• The lack of data also prevents optimization in the use of existing resources</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Create an information database to house all health related information in Puerto Rico <ul style="list-style-type: none"> <li>– Ensure that the database is managed and developed in such a way as to guarantee the privacy of the information stored</li> </ul> </li> <li>• Establish the necessary infrastructure to enable ready access and exchange of this information between the various components of the healthcare system</li> <li>• Expand coverage of information centers available to the community <ul style="list-style-type: none"> <li>– Make information centers accessible via phone, internet and/or other technologies 24 hours/day</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 8:</b>	<b>Establish and publicize quality standards for healthcare providers</b>		
<b>LEADER:</b>	Health Resources Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• While it is clear that discrepancies in the quality of health services exist throughout Puerto Rico, both the information and the mechanisms needed to measure or report these differences are insufficient, making it very difficult for the community to make intelligent choices about its healthcare</li> <li>• In addition there is a significant proportion of the population which is not aware of their rights or the minimum level of care that should be offered</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Launch a program to collect and maintain an information database and communication system that provides information about healthcare providers in Puerto Rico: <ul style="list-style-type: none"> <li>– Define minimum quality standards to be followed</li> <li>– Create incentives to ensure transparency of information related to the quality of medical services</li> <li>– Provide information to the population on their rights and the quality of service of different providers</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 9:</b>	<b>Promote illness prevention in target population groups</b>		
<b>LEADER:</b>	Health Promotion Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Certain population groups have specific health issues which are not being adequately addressed: <ul style="list-style-type: none"> <li>– Puerto Rico's population is gradually aging and the health needs of the elderly need increased attention. Campaigns of health promotion, and accident and disease prevention are particularly important to reduce cost burdens on the health system</li> <li>– There is lack of information about the level and types of work related injuries in Puerto Rico and consequently targeted campaigns to address them</li> <li>– The design, implementation and reach of school health awareness programs is limited</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Develop action plans to deal specifically with each one of these groups, encouraging the relevant groups to take leadership: <ul style="list-style-type: none"> <li>– Develop an inventory of the infrastructure to attend the health needs of the elderly and define gaps in services for this growing segment of the population</li> <li>– Launch aggressive health awareness campaigns for the elderly</li> <li>– Involve groups like the PRFSHC in identifying the main occupational health and safety issues and developing the appropriate measures to deal with these</li> <li>– Create new health awareness curricula for schools and secure the resources to disseminate these throughout all schools in Puerto Rico</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 10:</b>	Optimize health infrastructure		
<b>LEADER:</b>	Health Resources Taskforce		
<b>Why Action is Necessary</b>	<ul style="list-style-type: none"> <li>• There are significant opportunities to improve the allocation of resources across health service centers in Puerto Rico, to address quality and capacity issues</li> <li>• Currently the use of health service centers in Puerto Rico varies significantly across municipalities, with some not able to cope with the demand and others with idle capacity</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Measure demand for treatment centers across the island</li> <li>• Evaluate the conditions of these centers in terms of infrastructure, equipment and personnel</li> <li>• Based on information gathered reallocate resources as necessary and obtain financing for necessary investments</li> </ul>
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 11:</b>	Optimize the use of financial resources for health treatment		
<b>LEADER:</b>	Health Resources Taskforce		
<b>BRIEF DESCRIPTION:</b>	In light of escalating costs and an aging population, undertake a comprehensive review of the health system, to optimize use of resources, improve cost controls and identify sustainable funding sources		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 12:</b>	Promote and reinforce human resource skills in the health system		
<b>LEADER:</b>	Health Resources Taskforce		
<b>BRIEF DESCRIPTION:</b>	Strengthen linkages between health providers and educational institutions to ensure that the supply of health personnel matches Puerto Rico's projected needs and develop incentives to ensure retention of critical personnel in Puerto Rico		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 13:</b>	Promote coordination between diverse public and private organizations for the achievement of health objectives		
<b>LEADER:</b>	Health Resources Taskforce		
<b>BRIEF DESCRIPTION:</b>	Improve coordination between the Department of Health, public and private health providers, insurers and related agencies (education, family, environment, etc.) to leverage existing synergies and ensure better utilization of resources		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 14:</b>	Reduce environmental risks to health		
<b>LEADER:</b>	Health Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Improve analysis of the environmental factors impacting health, and provide the necessary human and financial resources to tackle key threats		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

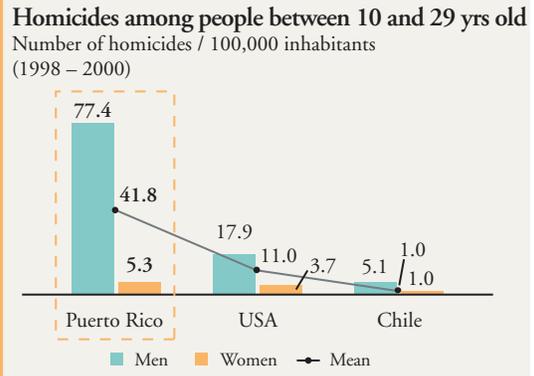
<b>INITIATIVE 15:</b>	Guarantee food assistance for higher risk groups and strengthen nutritional food surveillance systems		
<b>LEADER:</b>	Health Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Recognizing the impact of poor nutrition on health in Puerto Rico, study current eating habits and knowledge, and roll out public campaigns to improve nutrition for all		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

## Implementation Plan: Public Safety

### THE CASE FOR ACTION

While overall crime rates in Puerto Rico have been declining and are lower than rates in most of North America and Europe, homicides (particularly among the youth) are at alarming levels. Puerto Rico's prison population is already large (second only to the US on a per capita basis) and recurrence rates are relatively high. With only 40% of crimes solved, there is also concern that the judicial system could be more effective

Tackling crime and establishing an effective and fair judicial system is clearly a priority for the well-being of all residents and to realign Puerto Rico's image as a destination for investors and tourists.



To meet these goals, stakeholders selected and prioritized strategies in this area as follows:

### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE I:</b>	Promote citizen participation in crime prevention		
<b>LEADER:</b>	Crime Prevention Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• With homicide rates at alarming levels, stakeholders agreed that crime prevention should be the first priority for all Puerto Ricans</li> <li>• Mobilizing citizens in the fight against crime (through Neighborhood Watch programs, community policing, and crime-hotlines, among other possibilities) has proven to be effective in other locations</li> <li>• Currently, there is limited knowledge in Puerto Rico about the best methods for effective citizen participation, and formal mechanisms have not been developed to motivate and facilitate civic participation in crime prevention</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Bring together a public/private taskforce on crime prevention that will dedicate resources to defining the role that citizen groups, as well as each citizen, can play in crime prevention efforts in Puerto Rico</li> <li>• Encourage non-governmental organizations, public and private entities tasked with the development of crime prevention programs to share information on their work to raise awareness</li> <li>• Better disseminate information (through the media and direct communication channels) on practical solutions that have been successful at the local, regional and international level in the fight against crime</li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	By end of 2005

### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE 2:</b>	Optimize treatment of drug addiction in Puerto Rico		
<b>LEADER:</b>	Crime Prevention Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• While in 1986 only 1.6% of the murders were related to illegal drug distribution, by 2001 this ratio had increased to 63% - Puerto Rico is the second most important entry for illegal drugs into the United States after the Mexican border</li> <li>• The number of addicts to illegal drugs in Puerto Rico represents 4.7% of the population, 38% higher than the world average of 3.4%</li> <li>• The problem of illegal drug consumption is much more serious among the youth, with an addiction rate of 6.1% of the population above 15 years of age</li> <li>• Addressing the drug addiction problem of Puerto Rico will have an immediate and tangible impact on several aspects of life, from economy to education levels. It will also have a large effect on decreasing crime levels</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• With representatives from health, education and other areas, start a workstream within the crime prevention taskforce with resources solely dedicated to the treatment of drug addiction</li> <li>• Reform the health and justice codes so that drug addicts are treated as any other medical patient, with the same rights and privileges extended to them</li> <li>• Guarantee the financing and necessary infrastructure for the appropriate medical and psychological treatment of drug addicts. Channel the money obtained from drug confiscations to the treatment programs. Establish trusteeships which will help utilize funds from different resources</li> <li>• Create and facilitate access for addicts to medical and psychological treatment centers</li> <li>• Modify the system in order to increase the severity of penalties imposed upon those that traffic drugs in substantial quantities in and out of Puerto Rico</li> <li>• Educate personnel that work with addicts to ensure their needs are addressed as best possible</li> <li>• Develop programs emphasizing controlling demand for drugs, as opposed to supply, reducing risk factors and increasing preventive measures. These programs should be inserted in public education from a very early age</li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 3:</b>	Develop a plan for the ongoing study of violence		
<b>LEADER:</b>	Crime Prevention Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• A coordinated effort to track offenses against public safety is lacking in Puerto Rico</li> <li>• As a result, important trends and specific risk factors related to violence are not studied appropriately and consistently across Puerto Rico</li> <li>• Identifying and measuring key predictable risk factors could alert the authorities to develop meaningful and results-oriented programs and take action on time</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Recognizing that violence is a complex, dynamic and multidimensional problem, create a permanent mechanism for the study, evaluation and handling of acts of violence</li> <li>• As a result, identify the key risk-factors and draft policy measures and programs geared towards tackling root-causes</li> <li>• Use an electronic database to record all cases and relevant information in an effort to have better surveillance. These records should be accessible to all public safety authorities across Puerto Rico</li> <li>• Connect this database with those maintained by international authorities to enable quick and effective data exchange and also to share best practices</li> <li>• Create information centers which will work to disseminate information on activities promoting harmonious social coexistence</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

## STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 4:</b>	Provide assistance and protection to the victim of crimes and violence		
<b>LEADER:</b>	Judicial System Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• In the social dialogues conducted as part of Puerto Rico 2025 effort, 22% of the participating public identified crime and violence as the number one concern facing the island today, followed by 20% who viewed drugs and drug violence as the main issue</li> <li>• While numerous entities exist to aid and protect victims of crime and violence, formal mechanisms to address the needs of victims are not well defined or coordinated</li> <li>• There is a need to optimize the processes in terms of geographical coverage, types of treatment offered and information sharing</li> <li>• Training provided for those individuals treating the victims could be improved and organized better</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Create a sub-group cutting across the judicial and crime prevention task forces to focus on the personal as well as legal needs of victims of crime</li> <li>• Establish clearly defined norms for addressing the medium and long term financial and medical needs of victims of crime</li> <li>• Define a "code of rights" for the victims and witnesses of crimes which clearly defines the roles and responsibilities of different authorities</li> <li>• Strengthen the office of the "Procurator of the Citizen" (Ombudsman) and give this office the resources to carry out investigations on behalf of victims</li> <li>• Establish training programs to ensure that social workers and others who come into contact with crime victims are sensitive to their needs and concerns and are aptly prepared to address these - these include community leaders, religious leaders, physical and mental health professionals, as well as law enforcement authorities</li> <li>• Utilize the Internet and other communication media to make information available to victims on their rights and the processes available to help them</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 5:</b>	Guarantee the independence of the legal justice system and the continuity of key policies		
<b>LEADER:</b>	Judicial System Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Stakeholders involved in the Puerto Rico 2025 process argue that a lack of continuity in the judicial branch with changing administrations is cause for concern and that it hinders the sense of consistency in the system</li> <li>• Judicial authorities have been accused of not exercising their independence as effectively as they could which erodes their authority and hinders implementation of long term strategies</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Disclose in detail the existing judicial process to the general public. Pay special attention to ensuring that the processes are institutionalized to ensure continuity</li> <li>• Integrate into the system the necessary mechanisms to ensure transparency</li> <li>• Develop mechanisms separate from the political process for the selection, appointment and retention of members of the judicial system</li> <li>• Legally and practically guarantee the independence of the judicial authorities in the execution of their responsibilities</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

## STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 6:</b>	Guarantee compliance with international human rights norms		
<b>LEADER:</b>	Judicial System Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• As U.S. citizens, Puerto Ricans are guaranteed all civil liberties granted in the United States</li> <li>• The Puerto Rican constitution and subsequent legal codes also clearly define the rights of all citizens and adhere to international human rights norms</li> <li>• At the same time, as in any country, there is always lingering concern that rights and liberties are not respected in all cases</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Within the Judiciary System taskforce, assign a subcommittee to evaluate the observance of international human rights in Puerto Rico</li> <li>• Establish an ongoing mechanism for monitoring human rights in Puerto Rico, leveraging government and non-governmental resources: <ul style="list-style-type: none"> <li>– Establish an evaluation system for public and private entities to ascertain that they comply with international codes and standards</li> <li>– Increase the number of personnel evaluating Puerto Rico's compliance with international norms on an ongoing basis</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards
<b>INITIATIVE 7:</b>	Coordinate crime fighting efforts at local, regional and international levels		
<b>LEADER:</b>	Crime Prevention Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• With the increasing internationalization of crime (particularly in the drug trade), coordination of crime-fighting efforts across jurisdictions is critical</li> <li>• Puerto Rico has taken significant steps to adopt best practices and improve crime prevention in recent years - with an increase of 86% in the last ten years, Puerto Rico today has 711 policemen per 100,000 inhabitants, far more than most Western economies</li> <li>• Puerto Rico also has the advantage of having federal law enforcement programs, as well as the resources and know-how from the agencies in the United States</li> <li>• Nevertheless, continuous learning and greater collaboration both within Puerto Rico (across agencies) and at an international level is needed to win the fight against crime</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Bring together the various law enforcement agencies to improve collaboration and sharing of information and best practices across agencies and with international counterparts: <ul style="list-style-type: none"> <li>– Establish an ongoing system for evaluating and adopting international norms and standards for crime-prevention and criminal justice</li> <li>– Improve mechanisms for collaboration across different agencies and entities</li> <li>– Develop systems of ongoing surveillance which allows for better handling of information</li> <li>– Develop processes of administrative and judicial cooperation with other jurisdictions, including exchange of information, identification and prosecution of criminals, and extradition of goods</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

## STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 8:</b>	Guarantee access to justice for all citizens		
<b>LEADER:</b>	Judicial System Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Puerto Rico has a relatively efficient and open judicial system. The Judicial Law of 1994 includes measures that facilitate the better management of legal cases, promoting time and quality processing standards</li> <li>• Nevertheless, concerns remain that all do not have equal access to legal resources and assistance: <ul style="list-style-type: none"> <li>– The remuneration of legal assistance professionals is not adequate</li> <li>– Available resources do not meet existing demand</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Evaluate mechanisms that guarantee fair remuneration of legal assistance professionals</li> <li>• Regularly carry out diagnostic studies to determine the public's requirements from the judicial system <ul style="list-style-type: none"> <li>– Identify the gap between the supply and demand of judicial services</li> <li>– Identify other obstacles that prevent access to justice</li> <li>– Take steps to address these gaps and obstacles</li> </ul> </li> <li>• Educate and train public servants to provide just and equal treatment of all those passing through the judicial system</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 9:</b>	Substantially reduce corruption		
<b>LEADER:</b>	Crime Prevention Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Corruption is a long-standing problem in Puerto Rico and even today, the exercise of public power is not sufficiently regulated</li> <li>• To achieve local and international credibility, which will contribute to a more stable environment to live and work in, Puerto Rican authorities (both public and private) need to adopt transparency as an ultimate goal</li> <li>• The promotion of behavior codes and ethical norms for the public and the private sector needs to become a top priority</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Assign a subcommittee to focus on corruption issues</li> <li>• Reinforce regulatory mechanisms overseeing use of public/private power to minimize abuses and to adapt it to the changing needs of society</li> <li>• Define processes to make available to the public necessary information on public officials (with due respect to rights of privacy and confidentiality) <ul style="list-style-type: none"> <li>– Create incentives so that private companies and the media report violations of the law and cases of abuse of power</li> </ul> </li> <li>• Ensure that all officials, particularly those related with administration of justice, medical, psychological and social services are trained adequately to observe local, federal and international regulations related to human rights</li> <li>• Promote the observance of standard international behavior codes and ethical norms by both public and private office holders. Examples would include the United Nations Code of Behavior for law enforcement officers; the principles of medical ethics in the health profession; the International Code of Behavior for public officials, among others</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 10:</b>	Develop a juvenile criminal justice plan		
<b>LEADER:</b>	Judicial System Taskforce		
<b>BRIEF DESCRIPTION:</b>	Develop programs for the education and rehabilitation of young-offenders to ensure future re-integration into society and the workforce		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 11:</b>	Intervene to prevent domestic violence and sexual aggression, and eliminate recurrence		
<b>LEADER:</b>	Crime Prevention Taskforce		
<b>BRIEF DESCRIPTION:</b>	Direct the necessary funding, training and organizational attention to guarantee support for the victims of sexual and domestic violence and treatment/prevention for offenders		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 12:</b>	Expedite penal procedures		
<b>LEADER:</b>	Judicial System Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch a coordinated program to reduce overpopulation in holding centers and improve crime-solving rates, by implementing more efficient procedures and adopting alternative methods for minor offences		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 13:</b>	Promote the habilitation and rehabilitation of the prison population		
<b>LEADER:</b>	Crime Prevention Taskforce		
<b>BRIEF DESCRIPTION:</b>	Review and improve classification systems, support services, skill development and training programs, so as to reduce repeat-offences and facilitate re-integration into society		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 14:</b>	Guarantee the effectiveness of programs that receive public funding through external assessment		
<b>LEADER:</b>	Judicial System Taskforce		
<b>BRIEF DESCRIPTION:</b>	Establish a system of external audits to ensure that publicly-funded crime-prevention and judicial programs meet set standards		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

## Implementation Plan: Culture and Recreation

### THE CASE FOR ACTION

Puerto Rico boasts outstanding cultural heritage and talent and a good network of recreational and cultural facilities. However, as in most countries, resources for culture and recreation are often scarce, given competing social, economic and infrastructure needs. Moreover, despite Puerto Rico's strength as a source of cultural talent (particularly in music), little of the economic activity associated with its cultural exports is managed out of Puerto Rico.

Establishing Puerto Rico as a center for cultural production and sports events will be critical to Puerto Rico's ambition to become a hub for business, services and tourism. More broadly, expanding cultural and recreational facilities and events throughout the island is critical for social cohesion and quality of life.

To meet these goals, stakeholders selected and prioritized strategies in this area as follows:

### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE I:</b>	Protect Puerto Rico's historic and archaeological heritage and patrimony		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>Why Action is Necessary</b>	<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Establish a public/private task force to: <ul style="list-style-type: none"> <li>– Identify and list all places of significant archaeological, historical and cultural interest in Puerto Rico</li> <li>– Prioritize and recommend sites for preservation and upkeep, including policy measures to protect against future deterioration or neglect</li> <li>– Evaluate current conditions, infrastructure requirements and management needs at high priority sites</li> <li>– Establish and update performance standards</li> <li>– Channel requests for action to the appropriate units, agencies, or departments and oversee implementation</li> </ul> </li> <li>• Implement changes in the funding mechanisms for such critical organizations as the Institute of Puerto Rican Culture, Office of Historic Preservation, and Puerto Rico Parks Company to ensure adequate funds</li> <li>• Create inter-ministerial committee to boost coordination among transportation, tourism, development and finance agencies, as well as the federal level National Parks Service and other organizations</li> </ul>		
	<ul style="list-style-type: none"> <li>• Given its long history as a cultural crossroads and center of civilization, Puerto Rico today boasts a rich patrimony of archaeological, historic and cultural places of interest. These range from ceremonial Taino sites and haciendas in the central mountains to the churches, forts and houses of Old San Juan</li> <li>• In recent years, Puerto Rico has made important steps toward recognizing and preserving places of historical significance. The restoration of Old San Juan, the creation of a Puerto Rico Parks Company, and detailed studies on tourism have helped focus attention and improve performance standards</li> <li>• However, more can be done to protect Puerto Rico's historical and cultural endowments. At present, the island lacks such basic elements as a single registry of important cultural and historical sites, or a list of priority sites that should command a share of limited time, attention and funding. Other complaints include poor maintenance, inadequate roads and other infrastructure and lack of identifying signs</li> <li>• Better maintenance and preservation of these sites would not only aid tourism, but also improve the quality of life for Puerto Rico's residents by building greater awareness and pride</li> </ul>		
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE 2:</b>	Improve financing for cultural activities in Puerto Rico		
<b>LEADER:</b>	Culture Promotion Taskforce		
<p><b>Why Action is Necessary</b></p> <ul style="list-style-type: none"> <li>• Puerto Rico has long been a center of culture and the arts, creating and exporting some of the world's most recognizable forms of cultural expression, from music and dance to visual and performing arts. Today, Puerto Rican music and film stars are known around the world</li> <li>• In Puerto Rico, culture and the arts depend heavily on public funding, and there are limited alternate forms of support. Little is known of the potential commercial size or impact of the culture sector</li> <li>• Moreover, residents express concern that Puerto Rico is losing its unique cultural identity. Foreign influences crowd out local culture, and younger people feel detached from traditional culture</li> <li>• To maintain a vibrant, confident local culture, Puerto Rico should support and promote broad participation in cultural activities. It should find ways to recognize and reward people who deepen understanding of Puerto Rico's arts and culture, achieve excellence in the arts and contribute to new forms of cultural expression</li> </ul>		<p><b>Proposed Solution</b></p> <ul style="list-style-type: none"> <li>• Create a public/private partnership combining artists, educators, community groups and others to promote and invigorate basic art education and participation within Puerto Rico's schools</li> <li>• Publicize and run a series of public art competitions and prizes, with particular emphasis on outreach to young Puerto Ricans and a focus on contemporary culture, to renew connections between art and life</li> <li>• Establish a public commission that will: <ul style="list-style-type: none"> <li>– Study the potential economic impact of cultural industries, including potential exports of arts and crafts, music, and film</li> <li>– Evaluate the effectiveness of current public funding and other support programs for artistic and cultural activities and advocate appropriate reforms</li> <li>– Recommend creation of an arts foundation to provide long term funding for artists and their work</li> <li>– Design tax and other incentives to encourage widespread private funding of arts and culture</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 3:</b>	Promote and develop the musical arts		
<b>LEADER:</b>	Culture Promotion Taskforce		
<p><b>Why Action is Necessary</b></p> <ul style="list-style-type: none"> <li>• Puerto Rico has a special place in musical history, particularly in the Spanish-speaking world. The island is internationally known as a creative center for music, its songs and musical forms are widely recognized, and its biggest stars enjoy international acclaim</li> <li>• Despite these strengths, Puerto Rico has failed to reach its potential as a center of performance, production and recording, and distribution. At present, there are few facilities for performers, producers, agents and others to locate in Puerto Rico, and many leave the island in search of more established centers in Florida, California, New York and even Mexico</li> <li>• Nevertheless, Puerto Rico has a unique opportunity to position itself as a center for the production and distribution of Latin music. Its strong musical heritage, close cultural ties to Latin America and the Caribbean, and commercial and political ties to the United States are a powerful starting point</li> </ul>		<p><b>Proposed Solution</b></p> <ul style="list-style-type: none"> <li>• Create a public/private commission consisting of music industry performers, technicians, producers, distributors and associations, along with government ministries to: <ul style="list-style-type: none"> <li>– Study the potential export market for music created and/or produced in Puerto Rico</li> <li>– Brand and promote Puerto Rican music for sale both on the island and in international markets</li> <li>– Propose tax incentives, infrastructure investments, personnel training and other necessary measures to improve Puerto Rico's attractiveness as a center for production and dissemination of music, film and other forms of art and culture</li> <li>– Publicize Puerto Rico as an emerging international center for music production and distribution</li> </ul> </li> <li>• Work with event planners, tourism officials and others to attract international performers and stage a variety of high-profile musical performances and events in order to position Puerto Rico as a music center and destination</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 4:</b>	Develop and strengthen culture and recreation centers in municipalities and communities		
<b>LEADER:</b>	Culture Access Taskforce		
<b>Why Action is Necessary</b>	<ul style="list-style-type: none"> <li>• Puerto Rico provides remarkable support for artistic expression. In San Juan, academies for visual and fine arts and music combine with theaters and other facilities to create a vibrant artistic community. Arts organizations, display spaces and performance sites exist in abundance</li> <li>• Although the Institute for Puerto Rican Culture (ICP) has made great strides to develop museums and other facilities across the island, support for the arts remains concentrated in San Juan. Smaller outlying cities and towns often lack facilities for promoting the arts or providing opportunities for participate in cultural activities</li> <li>• Many localities feel that they lack the facilities to provide cultural activities that reflect the needs and desires of the community. To address that problem, Puerto Rico needs a system of cultural and recreation centers that are better dispersed across the island</li> </ul>		
<b>Proposed Solution</b>	<ul style="list-style-type: none"> <li>• Establish a commission of community leaders and representatives of recreation and culture to: <ul style="list-style-type: none"> <li>– Accurately assess current conditions regarding support and promotion for recreation and culture in cities and towns outside San Juan</li> <li>– Define a plan for developing and organizing recreation and culture centers across Puerto Rico, including ideal number and size</li> <li>– Develop guidelines for appropriate programming</li> <li>– Recommend sources of funding for recreation and culture centers, including mix of federal, Commonwealth, municipal and private funds</li> </ul> </li> <li>• Create a working group of relevant Commonwealth government agencies including recreation, tourism, and economic development along with selected municipalities to define standards, share best practices, schedule major events, and coordinate resources</li> </ul>		
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 5:</b>	Provide incentives for professional and competitive sports		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch a coordinated campaign (similar to the Olympics bid) to attract and develop world-class sports events and teams in Puerto Rico		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 6:</b>	Promote recreation and sport among children and youth in schools and universities		
<b>LEADER:</b>	Culture Access Taskforce		
<b>BRIEF DESCRIPTION:</b>	Ensure that recreation and sports opportunities are provided and funded at all levels of the education system, as a means to develop talent and opportunities for all, promote team work, and stimulate healthy activities in place of anti-social behaviors		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 7:</b>	Develop human capital for cultural production		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Identify the technical and management skills required to establish Puerto Rico as a center for cultural production (films, music, arts) and launch targeted programs to fill critical skill gaps		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 8:</b>	Facilitate access to schools specializing in art and culture		
<b>LEADER:</b>	Culture Access Taskforce		
<b>BRIEF DESCRIPTION:</b>	Guarantee that all persons with interest in developing artistic and cultural skills are able to do so in specialized schools (music, arts, theater, film, etc.)		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 9:</b>	Establish a coordinated organizational model for cultural activities in Puerto Rico, that improves coordination, resource-allocation and continuity, while maintaining autonomy		
<b>LEADER:</b>	Culture Access Taskforce		
<b>BRIEF DESCRIPTION:</b>	Study the current structure of the culture sector in Puerto Rico, evaluate alternatives and define a structure that improves coordination and continuity, while maintaining autonomy		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards
<b>INITIATIVE 10:</b>	Promote the development, management and coordination of museums		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch a coordinated program to optimize development and management of museums throughout Puerto Rico		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards
<b>INITIATIVE 11:</b>	Promote Puerto Rican festivities and traditions		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Ensure the preservation and appreciation of Puerto Rico's traditions and festivities, by improving understanding, education and promotion		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards
<b>INITIATIVE 12:</b>	Promote and develop the plastic arts		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch a coordinated program to develop the plastic arts in Puerto Rico and promote Puerto Rican talent internationally		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards
<b>INITIATIVE 13:</b>	Promote and develop the representational arts		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch a coordinated program to develop the representational arts in Puerto Rico and promote Puerto Rican talent internationally		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards
<b>INITIATIVE 14:</b>	Promote the development of literature and its diffusion within and outside Puerto Rico		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch a coordinated program to develop literature in Puerto Rico and promote Puerto Rican talent internationally		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 15:</b>	Foster reading habits		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Analyze the root-causes of declining reading habits, and bring together schools, media, libraries, authors and others to promote the joys of reading		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards
<b>INITIATIVE 16:</b>	Promote social responsibility in the audiovisual and printed communication media		
<b>LEADER:</b>	Culture Access Taskforce		
<b>BRIEF DESCRIPTION:</b>	Review and adjust regulations governing media-content, to promote a healthy social environment, while ensuring freedom of expression and political independence		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

### STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)

<b>INITIATIVE 17:</b>	Promote Puerto Rican cultural production in the international environment		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase recognition of Puerto Rico's cultural riches and establish Puerto Rico as a center for the production of music, film, and other cultural goods through international promotion campaigns, distribution contracts, etc.		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 18:</b>	Promote recreation and sports among seniors		
<b>LEADER:</b>	Culture Access Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch a special program to promote recreation and sports among seniors		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 19:</b>	Promote recreation and sports among the physically and mentally disabled		
<b>LEADER:</b>	Culture Access Taskforce		
<b>BRIEF DESCRIPTION:</b>	Review and eliminate barriers for disabled people to participate in recreation and sports and promote recreational facilities and events for the disabled		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 20:</b>	Promote library-management and the conservation and diffusion of Puerto Rico's documentary patrimony		
<b>LEADER:</b>	Culture Promotion Taskforce		
<b>BRIEF DESCRIPTION:</b>	Launch a coordinated program to improve management and funding of libraries and ensure preservation of Puerto Rico's documentary, audiovisual and other archives		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards

## Implementation Plan: Land Use and Environment

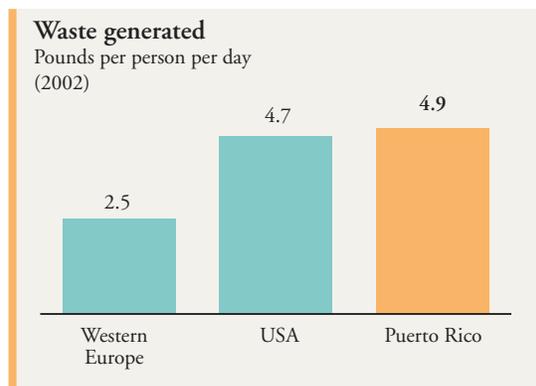
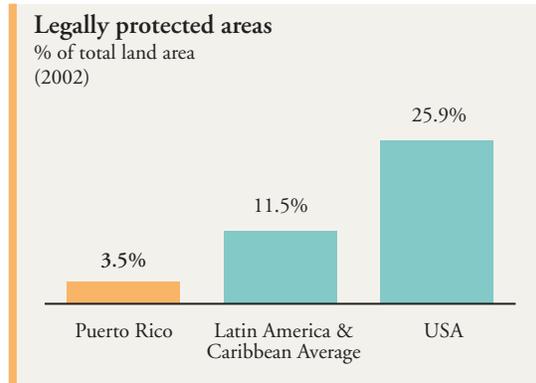
### THE CASE FOR ACTION

Preservation of Puerto Rico's natural environment and heritage is critical not only to the health and enjoyment of all Puerto Ricans, but in a world of increasing mobility, it is also a critical competitive factor in determining Puerto Rico's attractiveness as a location for investors, entrepreneurs and knowledge-workers, as well as tourists and business visitors.

As a relatively small, heavily populated island, Puerto Rico's land and other environmental resources are under increasing threat. Poorly controlled development and lack of individual environmental consciousness threaten sensitive ecosystems and makes Puerto Rico less attractive for residents and visitors. At the same time, lengthy and inconsistent application of land-use and other environmental regulations delays projects and deters investment.

Clarifying, streamlining and enforcing Puerto Rico's land-use and other environmental regulations are therefore critical to ensuring Puerto Rico's prosperity and quality of life.

To meet these goals, stakeholders selected and prioritized strategies in this area as follows:



### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE I:</b>	Create and enact an integrated and detailed land-use master plan		
<b>LEADER:</b>	Land-Use Taskforce		
<b>Why Action is Necessary</b>	<ul style="list-style-type: none"> <li>• Although Puerto Rico was one of the first regions to establish a central Planning Board, Puerto Rico today does not have an updated and integrated master land-use plan</li> <li>• Lack of a clear land-use plan both hinders development and endangers the environment - since the parameters for new development are not defined</li> <li>• Approximately 22 territorial plans exist, but these have not been integrated with a general plan for the island and regional plans exist on paper, but only the plan for the San Juan metropolitan region is truly functional</li> <li>• The regional land-use plans that do exist are not respected</li> <li>• At this time, the Planning Board is completing an island wide land-classification, categorizing all land as urban, urbanizable or rural - this plan should be completed during 2004</li> </ul>		
<b>Proposed Solution</b>	<ul style="list-style-type: none"> <li>• Create and enact into law a unified set of municipal, regional and island-wide land-use plans, which are sufficiently detailed to guide and facilitate development:                             <ul style="list-style-type: none"> <li>– Form an interdisciplinary group led by the Planning Board to guide the process of creating the integrated plans</li> <li>– Define the overriding objectives and parameters that should be taken into account in each plan</li> <li>– Define the detailed processes and resources required to complete the municipal, regional and island-wide plans</li> <li>– Design the "top-down" island-wide and regional plans</li> <li>– Design the "bottom-up" municipal plans</li> <li>– Harmonize the plans</li> <li>– Enact the necessary legislative and regulatory changes to pass the plans into law</li> <li>– Set the conditions and process for regular update and review of the plans</li> </ul> </li> </ul>		
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE 2:</b>	Communicate the new land-use plan and permitting process to the community		
<b>LEADER:</b>	Land-Use Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Not only does Puerto Rico lack an integrated land-use plan, but those plans that do exist are not well communicated to the community</li> <li>• Without clear communication, community understanding and input for the process are limited, and it is difficult to enforce compliance</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• In parallel with the completion of the integrated land-use plan, establish a formal communication process to ensure broad community input to, and understanding of the new land-use plans and permitting process</li> <li>• Standardize and simplify the process to facilitate compliance</li> <li>• Leverage appropriate information channels and technologies to ensure broad community awareness and input</li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	By end of 2005

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 3:</b>	Strengthen mechanisms for enforcing compliance with the new land-use plan		
<b>LEADER:</b>	Land-Use Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Non-compliance with existing zoning and land-use plans is so widespread that it is almost the norm - particularly at the level of individual households and businesses</li> <li>• With little evidence that infractions are penalized, there is little incentive for households, businesses and developers to comply with regulations</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• In parallel with the completion of the integrated land-use plan, establish and communicate clear rules and penalties for non-compliance with the new land-use plan</li> <li>• Ensure that public authorities have the resources, training and incentives to penalize and remove infractions</li> <li>• Penalize infractions and make the penalties visible to deter future non-compliance</li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 4:</b>	Restructure the adjudication, permitting and approval process		
<b>LEADER:</b>	Land-Use Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Current permitting and approval processes are lengthy, erratic, open to interpretation, and often result in exceptions</li> <li>• Approval processes are not standardized</li> <li>• The information required is not clear, and communication between and within participating agencies is inadequate</li> <li>• This frustrates both developers and environmentalists. For developers, projects are delayed for months or even years and extra costs are incurred. For communities and environmentalists, too many projects are approved as exceptions</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• First, enact integrated land-use plans that are detailed enough to minimize subjective interpretation and uncertainties (see Imperative 1 above)</li> <li>• In parallel, evaluate and restructure permitting and approval processes in each responsible agency: <ul style="list-style-type: none"> <li>– Map current processes and survey applicants to identify major areas of delay and uncertainty</li> <li>– Redesign processes to remove bottlenecks</li> <li>– Clearly define and communicate information and time required at each step</li> <li>– Establish clear guidelines for approvals and/or exceptions</li> <li>– Set time-limits for response</li> <li>– Ensure the agencies have the resources and personnel necessary to expedite processes</li> <li>– Expand use of technology to improve communication</li> <li>– Train and incent agency employees to comply with the new processes</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 5:</b>	Restructure the functions of government agencies to carry out the land-use planning and permitting process		
<b>LEADER:</b>	Land-Use Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase the effectiveness and efficiency of the agencies responsible for land-use planning and permitting (JP, ARPE, municipalities, etc.), by restructuring their responsibilities and processes, where appropriate		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 6:</b>	Improve mechanisms for community participation in the land-use planning and permitting process		
<b>LEADER:</b>	Land-Use Taskforce		
<b>BRIEF DESCRIPTION:</b>	Improve public involvement by communities in the land-use planning and permitting process in order to ensure greater understanding, acceptance and compliance		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2006 onwards

<b>INITIATIVE 7:</b>	Redefine and ensure compliance with environmental agencies' processes		
<b>LEADER:</b>	Environment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Undertake regular review and updating of environmental agencies and processes, to ensure that environmental regulation is being implemented as efficiently as possible		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 8:</b>	Establish environmental market-based systems to encourage self-administration by businesses and households		
<b>LEADER:</b>	Environment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Where appropriate, establish market-based systems (e.g. credits for lower usage, penalties for higher usage of resources) to encourage self-administration by businesses and households		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 9:</b>	Expand the environmental quality concept and make it applicable to physical infrastructure		
<b>LEADER:</b>	Environment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Use incentives, education and other means to encourage businesses and households to incorporate environmental considerations into all buildings and other infrastructure		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 10:</b>	Invest in education to foster consciousness of environmental responsibility		
<b>LEADER:</b>	Environment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Promote broad-based environmental conservation, by focusing on education and community awareness campaigns		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	By end of 2006

### STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)

<b>INITIATIVE 11:</b>	Strengthen or modify current environmental laws, and explore new regulation schemes to ensure environmental conservation		
<b>LEADER:</b>	Environment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Undertake regular review and updating of all environmental regulations, to ensure that the environment is being protected, while not unnecessarily constraining development		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 12:</b>	Promote environmental consciousness among individuals through regulation and incentives		
<b>LEADER:</b>	Environment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Promote broad-based environmental conservation, by focusing on regulations and incentives to change individual behavior		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 13:</b>	Define community compliance goals for environment safekeeping		
<b>LEADER:</b>	Environment Taskforce		
<b>BRIEF DESCRIPTION:</b>	Promote broad-based environmental conservation, by focusing on measurement systems, whereby the environmental impact of each household and neighborhood is tracked and reported		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

<b>INITIATIVE 14:</b>	Strengthen funding mechanisms to purchase property and/or compensate owners impacted by land-use enforcements		
<b>LEADER:</b>	Land-Use Taskforce		
<b>BRIEF DESCRIPTION:</b>	Ensure that the financial resources are available to compensate owners negatively impacted by land-use requirements		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

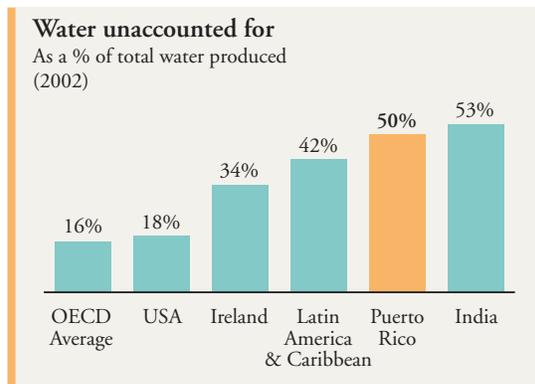
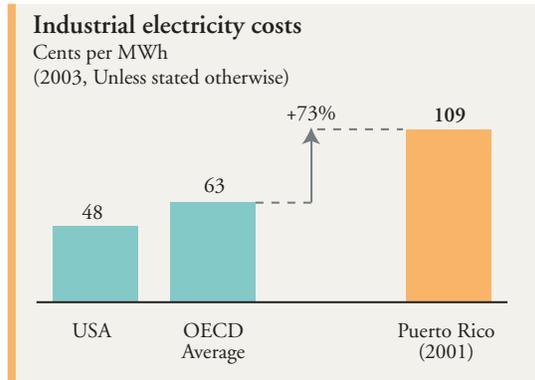
## Implementation Plan: Utilities

### THE CASE FOR ACTION

Puerto Rico's electricity, water and waste utilities perform poorly compared to best-practice benchmarks. Both environmental and health impacts (emissions, discharges, etc.) and financial costs are high (whether borne directly by customers or subsidized by tax-payers). Quality and reliability are poor. Debt-levels are also high, limiting ability to invest in upgrades to infrastructure and systems.

Increasing the economic and environmental efficiency of these utilities is critical to improving Puerto Rico's environment, health, quality of life and economic competitiveness.

To meet these goals, stakeholders selected and prioritized strategies in this area as follows:



### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE I:</b>	Review and update the long-term water and sewage management plan		
<b>LEADER:</b>	Water Taskforce		
<b>Why Action is Necessary</b>	<ul style="list-style-type: none"> <li>• Puerto Rico's long-term water and sewage management plan has not been updated for over 30 years</li> <li>• While USGS and others maintain information on the availability and usage of different water sources, there is widespread skepticism that this information is accurate</li> <li>• Without a clear picture of future demand patterns and supply availability, both environmental quality and economic development are at risk. Development may become constrained due to uncertain water supplies, and supply sources may become unsustainable due to ill-planned development</li> <li>• Without a long-term plan, it is also impossible to plan the investments required to build and maintain an efficient water system</li> <li>• The Department of Natural resources has been assigned responsibility to develop a long-term water-use plan, which should be presented by the end of 2004</li> </ul>		
<b>Proposed Solution</b>	<ul style="list-style-type: none"> <li>• Develop a long-term comprehensive water and sewage management plan:                             <ul style="list-style-type: none"> <li>– Create an interdisciplinary taskforce bringing together all relevant public entities, community and business representatives</li> <li>– Inventory all potential sources of water and their current usage and replenishment rates</li> <li>– Project future water and sewage demand patterns for commercial and residential needs (taking into account latest land-use and economic development plans)</li> <li>– Compare projected supply and demand conditions, and adjust development plans to ensure sustainability of water supply</li> <li>– Define infrastructure required to meet future water and sewer needs</li> <li>– Define operational and financial requirements to build and maintain the proposed infrastructure</li> </ul> </li> </ul>		
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE 2:</b>	Implement and update the solid-waste management plan		
<b>LEADER:</b>	Solid-Waste Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• According to EQB analysis, of Puerto Rico's 29 existing landfills, only 6 meet satisfactory standards, and only 4 have capacity beyond 10 years</li> <li>• Despite the fact that new landfills need at least 5 years of preparation, work has not yet begun on developing any new landfills</li> <li>• Inadequate solid-waste management not only endangers the environment, but also impacts the economy: lack of systems for handling hazardous waste and industrial waste add to the cost of doing business in Puerto Rico</li> <li>• Recognizing these constraints, the Solid Waste Management Authority is now in the process of completing a long-term solid-waste management plan: <ul style="list-style-type: none"> <li>– A revised study on the useable lifespan of existing landfills should be ready in August 2004, and the new strategic plan should be complete by December 2004</li> <li>– Development of a long-term operational plan should begin by the end of 2004</li> </ul> </li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Provide the support necessary to ensure that the long-term solid-waste management plan is completed and necessary resources are made available to implement the plan</li> <li>• Put in place a clear process for regular review and   updating of the long-term solid-waste management plan</li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	By end of 2005

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 3:</b>	Increase investment in water and sewage infrastructure and systems to improve efficiency and reliability and reduce pollution		
<b>LEADER:</b>	Water Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Due to low prices and underinvestment, Puerto Rico's water and sewage infrastructure is unreliable and inefficient - both economically and environmentally. As a result of old and inadequate infrastructure: <ul style="list-style-type: none"> <li>– Large numbers of households and businesses depend on non-municipal water and sewage systems whose quality and reliability are hard to track and maintain</li> <li>– More than 50% of the water produced cannot be accounted for</li> <li>– Interruptions to water-supply are common in many areas</li> <li>– Water sources and the environment are at risk of contamination</li> </ul> </li> <li>• Beyond repairing and upgrading today's infrastructure, significant additional investment is required to augment storage capacity and sources of supply for future needs</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• In conjunction with development of the long-term water and waste plan, develop a comprehensive plan for the modernization and upgrade of Puerto Rico's water and waste infrastructure and systems: <ul style="list-style-type: none"> <li>– Given projected demand and supply patterns contained in the long-term plan, define the additional infrastructure and systems required, as well as upgrades/repairs to existing systems</li> <li>– Define the financial resources required to fund new infrastructure and systems</li> <li>– Define a sustainable financial structure for raising the resources required - including revised pricing structures, government and/or federal subsidies, private sector investment and management, etc.</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 4:</b>	Establish a truly independent regulatory body for the electricity sector		
<b>LEADER:</b>	Energy Taskforce		
<b>Why Action is Necessary</b>		<b>Proposed Solution</b>	
<ul style="list-style-type: none"> <li>Currently there is little accountability for the efficiency and reliability of Puerto Rico's electricity system, since the Autoridad de Energía Eléctrica (AEE) is both the regulator and monopoly distributor of electricity in Puerto Rico</li> <li>Most other countries and states have separated the functions of regulator and operator, to ensure independent oversight of their electricity operators efficiency, reliability, pricing and environmental, health and safety standards</li> </ul>		<ul style="list-style-type: none"> <li>Strengthen the Administración de Asuntos de Energía (AAE) so that it is truly independent and is given effective responsibility for regulating and planning the development of the electricity system:               <ul style="list-style-type: none"> <li>Study successful regulators in other regions</li> <li>Bring together all key stakeholders in the electricity system (AAE, AEE, independent generators, customers, suppliers, labor leaders, etc.) to define the structure, role and powers of the regulator</li> <li>Enact legislation to give the regulator the ability to enforce its authority</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006

<b>INITIATIVE 5:</b>	Promote use of renewable energy sources		
<b>LEADER:</b>	Energy Taskforce		
<b>Why Action is Necessary</b>		<b>Proposed Solution</b>	
<ul style="list-style-type: none"> <li>Despite being an island with no fossil fuels but with plenty of sun, wind, tides and waste, Puerto Rico generates less than 1% of its energy needs from renewable sources - vs. a global average of 13.5%</li> <li>Even leaving aside hydroelectric sources, many countries and regions now generate more than 10% of their needs from renewable sources</li> <li>Several island-states have instituted successful incentive programs to stimulate use of renewable energy sources</li> <li>Increased use of renewable energy alternatives would reduce exposure to price volatility and supply risks and reduce environmental damage - PREPA currently accounts for more than 70% of air emissions and more than 30% of surface water discharges in Puerto Rico</li> </ul>		<ul style="list-style-type: none"> <li>Launch a comprehensive program to increase use of renewable energy sources to global average levels within the next 10 years:               <ul style="list-style-type: none"> <li>Remove regulatory and institutional barriers to make it easier to establish new generation facilities</li> <li>Give energy from renewable sources priority access to the transmission network</li> <li>Expand and better publicize incentives for residential and commercial use of renewable energy devices</li> <li>Gradually increase taxes on fossil fuels</li> <li>Set targets for public-sector purchases of energy from renewable sources</li> <li>Sponsor R&amp;D into latest renewable energy sources applicable to Puerto Rico's conditions</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 6:</b>	Promote reduced water-usage		
<b>LEADER:</b>	Water Taskforce		
<b>BRIEF DESCRIPTION:</b>	Use incentives, education and other means to encourage businesses and households to minimize unnecessary use of water, thereby conserving Puerto Rico's limited water resources		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 7:</b>	Reduce waste generation by reducing usage of materials and maximizing recycling		
<b>LEADER:</b>	Solid-Waste Taskforce		
<b>BRIEF DESCRIPTION:</b>	Use incentives, education and other means to encourage businesses and households to minimize unnecessary use of packaging and other materials and maximize recycling, thereby minimizing the amount of solid-waste that needs to be processed		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 8:</b>	Promote reduced energy-usage		
<b>LEADER:</b>	Energy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Use incentives, education and other means to encourage businesses and households to minimize unnecessary use of energy, thereby reducing the burden on the economy and the environment		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 9:</b>	Diversify fuel sources for electric power generation		
<b>LEADER:</b>	Energy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Reduce the cost and risk associated with heavy dependency on oil by permitting and promoting use of other fuel sources, such as natural gas and renewable energy sources		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 10:</b>	Promote cleaner use of fossil fuels for electric power generation		
<b>LEADER:</b>	Energy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Promote the use of newer technologies and processes that minimize the environmental impact of fossil fuels used in electricity power generation		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 11:</b>	Increase investment in electricity infrastructure and systems to improve efficiency and		
<b>LEADER:</b>	Energy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Develop a comprehensive plan for the modernization and upgrade of the electric power system, so as to maximize its reliability and efficiency and minimize losses and pollution		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards

### STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)

<b>INITIATIVE 12:</b>	Redefine water and sewage pricing structure		
<b>LEADER:</b>	Water Taskforce		
<b>BRIEF DESCRIPTION:</b>	Ensure that the water and sewage pricing is structured in such a way that it promotes efficient usage and reduces the financial debts of the authority, while maintaining social justice		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards

<b>INITIATIVE 13:</b>	Redefine electricity pricing structure		
<b>LEADER:</b>	Energy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Ensure that electricity pricing is structured in such a way that it promotes efficient generation, distribution and usage and covers reinvestment needs, while maintaining social justice		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards

**STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)**

<b>INITIATIVE 14:</b>	Strengthen the water and sewage regulatory body so that it becomes truly independent		
<b>LEADER:</b>	Water Taskforce		
<b>BRIEF DESCRIPTION:</b>	Ensure that the water and sewage systems are operated as efficiently and effectively as possible, by separating the regulatory and operational functions and giving the regulatory body real authority		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 15:</b>	Open the electric power market to competition in all areas (generation, transmission and distribution)		
<b>LEADER:</b>	Energy Taskforce		
<b>BRIEF DESCRIPTION:</b>	Ensure that the electricity system is operated as efficiently and effectively as possible, by stimulating competition in the various parts of the generation, transmission and distribution system		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 16:</b>	Open the water and sewage market to competition at all levels		
<b>LEADER:</b>	Water Taskforce		
<b>BRIEF DESCRIPTION:</b>	Ensure that the water and sewage systems are operated as efficiently and effectively as possible, by stimulating competition in the various parts of the water and sewage system		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards

## Implementation Plan: Transportation

### THE CASE FOR ACTION

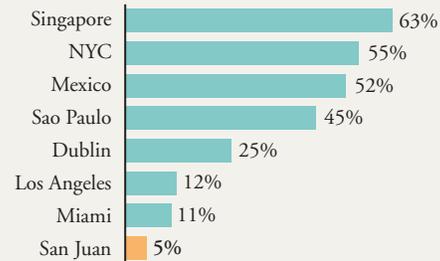
Puerto Rico's transportation systems today are showing increasing signs of stress. Car density and congestion are high, and use of public transit is low. Puerto Rico's ports face increasing competition from lower-cost Caribbean locations, and the costs of imports and exports are increased by the inefficiencies of inland and overseas freight systems. International air connections will have to increase significantly if Puerto Rico is to position itself as a regional hub for knowledge-based services, education, health and tourism.

Increasing the capacity, productivity and quality of Puerto Rico's local and international transportation systems will therefore be critical to improving quality of life and economic competitiveness.

To meet these goals, stakeholders selected and prioritized strategies in this area as follows:

#### Usage of public transportation

% of workers that use mass transit to go to work (2002)



#### Transshipment handling costs

US\$ per transshipment container (2002)



### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE I:</b>	Create and promote efficient and reliable collective transport		
<b>LEADER:</b>	Collective Transport Taskforce		
<b>Why Action is Necessary</b>	<ul style="list-style-type: none"> <li>• Puerto Rico has very low levels of public transport usage, with less than 5% of the population of the San Juan metropolitan region regularly using public transit</li> <li>• The opening of the new Tren Urbano and associated intermodal system should help increase ridership</li> <li>• However, after 50 years of transportation policy focused on promoting car usage, more fundamental changes will be required</li> <li>• Increased use of collective transport would not only decrease pollution and environmental damage, but also reduce the economic, social and health costs caused by congestion, traffic accidents, and dependency on imported fuel, among other factors</li> <li>• A new Multimodal Transportation Strategy is scheduled to be published by the end of 2004</li> </ul>		
<b>Proposed Solution</b>	<ul style="list-style-type: none"> <li>• Take the new multimodal transport strategy to be published by the end of 2004 and roll-out an integrated plan to increase collective transport usage across the island:                             <ul style="list-style-type: none"> <li>– Establish effective, reliable collective transport alternatives throughout the island</li> <li>– Launch education and promotion campaigns</li> <li>– Ensure easy intermodal connections</li> <li>– Integrate collective transport options into all land-use plans</li> <li>– Gradually increase disincentives to car use through higher fuel prices, congestion charges, tolls, or other means</li> </ul> </li> </ul>		
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IMMEDIATELY (EARLY 2005)

<b>INITIATIVE 2:</b>	Complete the road and highway network		
<b>LEADER:</b>	Land Transport Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>All stakeholders agreed that collective transport must be the focus of future transport strategy and investments - Puerto Rico does not have room for more highways, and in any case they will never provide a permanent solution to congestion</li> <li>Nevertheless, some portions of the already-planned road and highway network have not yet been completed, as is the case with PR66</li> <li>These projects should be completed to ensure equal access to services and economic opportunity for all resident of the island</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>In the context of the new 2030 Transportation Plan, ensure that the resources are made available to complete the remaining portions of the planned road and highway network: <ul style="list-style-type: none"> <li>Identify the sources of financing</li> <li>Define the operational and technical requirements</li> <li>Complete designs, environmental studies and permissions</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Early 2005	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 3:</b>	Improve the productivity and competitiveness of existing ports and airports		
<b>LEADER:</b>	Air and Ports Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>To reduce import and export costs and increase transshipment business, much attention has been paid to the idea of building major new port and airport facilities (leveraging old military installations or other locations)</li> <li>However, the stakeholders in the PR2025 process agreed that the first priority should be to improve the productivity and competitiveness of Puerto Rico's main existing ports and airports</li> <li>With improved productivity and redesign, the port of San Juan, Luis Muñoz Marín Airport and Aguadilla Airport have sufficient capacity to meet projected needs - without creating new traffic patterns or environmental implications</li> <li>The Autoridad de Puertos (which manages all ports and airports, except Ponce and Mayaguez Ports) is widely perceived to be in need of reform: productivity levels are low compared to benchmarks, its financial position is poor, and strategic planning capacity is limited</li> <li>Other regulatory factors such as the Jones Act and a number of labor regulations also increase costs and reduce competitiveness</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>Recognizing that Puerto Rico's existing ports and airports risk losing out to competitors, undertake a thorough review of current strategy and operations: <ul style="list-style-type: none"> <li>Bring together port and airport users, customers, labor and management</li> <li>Benchmark all aspects of operations and facilities against regional and US competitors</li> <li>Undertake a thorough restructuring of the Ports Authority along all dimensions - including long-term strategy, management and human resources, financial structure, and internal processes</li> <li>Evaluate options for separating some responsibilities and operations (such as the ferry system) to increase focus and competition</li> <li>Redesign facilities to expand capacity</li> <li>Evaluate potential to further reduce costs and increase productivity through regulatory reforms</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 4:</b>	Ensure that the land-use plan reduces the need for transport		
<b>LEADER:</b>	Land-Use Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Current land-use patterns necessitate use of cars and private vehicles to access housing, services and employment</li> <li>• At the macro level, scattered residential, commercial and industrial development, without dense corridors and nodes, limits the feasibility of point-to-point collective transit</li> <li>• Even at the micro level, neighborhoods, roads and streetscapes are not designed in a way that makes walking or bicycling attractive, safe and feasible</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• Ensure that non-car transport options are built into all aspects of the new land-use plans: <ul style="list-style-type: none"> <li>– Prioritize and incent revitalization of dense inner-city areas</li> <li>– Encourage mixed-use developments, with housing, services and employment all within walking or biking distance</li> <li>– Require that collective transit considerations are included in all new development proposals, such as rail or bus corridors or other rights of way grants</li> <li>– Incorporate pedestrian and bike-friendly features in all new projects and transport plans - such as accessible sidewalks without obstacles, attractive streetscaping, lighting, bike lanes, greenways, and parks</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2007 onwards

<b>INITIATIVE 5:</b>	Increase the efficiency and capacity of existing roads		
<b>LEADER:</b>	Land Transport Taskforce		
<b>Why Action is Necessary</b> <ul style="list-style-type: none"> <li>• Puerto Rico has very high levels of traffic density and congestion delays</li> <li>• Without capacity for major new highways, more efficient use of the existing road and highway system will be critical to reducing congestion and pollution</li> <li>• A number of design and technology innovations in such other regions as London and Singapore have proven successful at reducing congestion</li> <li>• Operation and maintenance of the roads system are also not as efficient as possible, impacting traffic flow and safety</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• In the new Transportation Plan, prioritize innovations and mechanisms to increase the efficiency of the existing road and highway network</li> <li>• These may include: <ul style="list-style-type: none"> <li>– Technology innovations such as Intelligent Traffic Management Systems, coordinated/smart signals, smart toll-systems</li> <li>– Design innovations such as contraflow lanes, HOV/transit lanes, parking restrictions</li> <li>– Peak-hour/congestion charges/premia</li> <li>– Opening alternate routes through urbanizations during peak hours</li> <li>– Traffic calming devices</li> <li>– Restructuring of the Departamento de Transportación y Obras Públicas (information systems, human resources, management) to increase efficiency and responsiveness</li> </ul> </li> </ul>	
<b>TARGET LAUNCH:</b>	Mid 2005	<b>INITIAL RESULTS:</b>	2006 onwards

### STRATEGIES TO BE LAUNCHED IN THE SHORT-TERM (BY END OF 2005)

<b>INITIATIVE 6:</b>	Expand the capacity of passenger air terminals		
<b>LEADER:</b>	Air and Ports Taskforce		
<b>Why Action is Necessary</b>	<ul style="list-style-type: none"> <li>• If Puerto Rico is to establish itself as a center of research and innovation as well as business and leisure services, global passenger connections will be critical</li> <li>• Luis Munoz Marin and other airports currently have sufficient capacity to meet projected demand</li> <li>• However, to support the growth in business and leisure travel proposed in the Vision, planning should begin now for long-term capacity expansion</li> <li>• Other regions, from Schipol to Changi to Miami, have used their airports as key levers to establish themselves as regional centers for business, services and R&amp;D</li> </ul>		<b>Proposed Solution</b> <ul style="list-style-type: none"> <li>• In conjunction with the Economic Strategy Taskforce, develop a long-term plan for establishing Puerto Rico as an air passenger and cargo hub on the scale of major US and global cities: <ul style="list-style-type: none"> <li>– Develop long-term demand projections for passengers and cargo, given economic development plans</li> <li>– Develop a long-term facilities plan for each airport, defining user-types, infrastructure requirements, services, intermodal connections, and sources of financing</li> </ul> </li> </ul>
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

### STRATEGIES TO BE LAUNCHED IN THE MEDIUM-TERM (2006 – 2007 TIMEFRAME)

<b>INITIATIVE 7:</b>	Expand capacity of existing air cargo facilities		
<b>LEADER:</b>	Air and Ports Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's competitiveness for air cargo, by focusing efforts on expanding the capacity of existing air cargo facilities		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 8:</b>	Promote clean fuels and advanced technology for transportation		
<b>LEADER:</b>	Land Transport Taskforce		
<b>BRIEF DESCRIPTION:</b>	Use incentives, education and other means to encourage businesses and households to minimize environmental impact by using cleaner transport fuels and technologies		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards
<b>INITIATIVE 9:</b>	Encourage reduction in car use		
<b>LEADER:</b>	Land Transport Taskforce		
<b>BRIEF DESCRIPTION:</b>	Use incentives, education and other means to encourage businesses and households to minimize unnecessary use of vehicles, thereby reducing congestion, and negative economic and environmental impacts		
<b>TARGET LAUNCH:</b>	2006	<b>INITIAL RESULTS:</b>	2007 onwards

## STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)

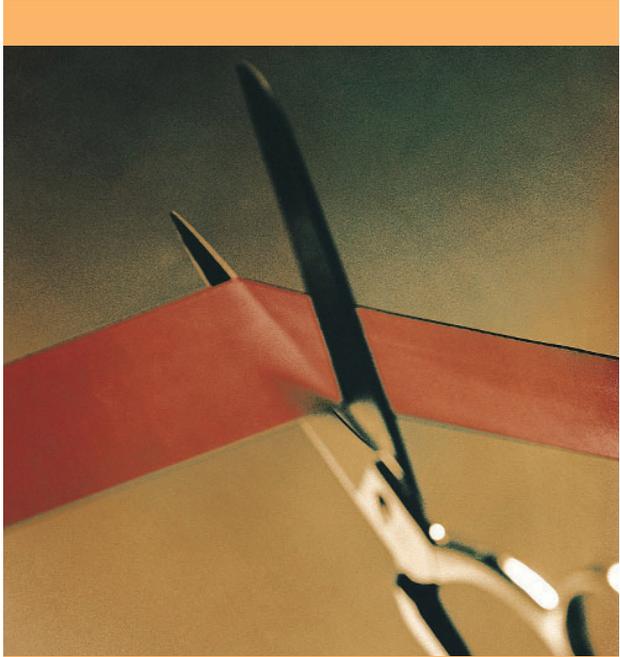
<b>INITIATIVE 10:</b>	Expand the capacity of existing sea ports for cargo services		
<b>LEADER:</b>	Air and Ports Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's competitiveness for sea cargo, by focusing efforts on expanding the capacity of existing ports		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards
<b>INITIATIVE 11:</b>	Increase the number and frequency of air connections for passengers		
<b>LEADER:</b>	Air and Ports Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's competitiveness as a business and tourism location, by increasing the number and frequency of flights to and from Puerto Rico		
<b>TARGET LAUNCH:</b>	2007	<b>INITIAL RESULTS:</b>	2008 onwards
<b>INITIATIVE 12:</b>	Increase the number and frequency of maritime connections for passengers		
<b>LEADER:</b>	Air and Ports Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's share of Caribbean cruise traffic, by increasing the number and frequency of passenger services		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 13:</b>	Expand capacity of passenger sea terminals		
<b>LEADER:</b>	Air and Ports Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's share of Caribbean cruise traffic, by expanding the capacity of the passenger sea terminals		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 14:</b>	Improve the productivity of land freight services		
<b>LEADER:</b>	Land Transport Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase the efficiency and reliability of Puerto Rico's inland freight services, by focusing on improving the productivity of existing providers and infrastructure		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards
<b>INITIATIVE 15:</b>	Create new mechanisms to incorporate the community in transportation planning and communication process		
<b>LEADER:</b>	Land Transport Taskforce		
<b>BRIEF DESCRIPTION:</b>	Improve public involvement by communities in transportation planning in order to ensure social acceptance		
<b>TARGET LAUNCH:</b>	2008	<b>INITIAL RESULTS:</b>	2009 onwards

**STRATEGIES TO BE LAUNCHED IN THE LONG-TERM (2008 ONWARDS)**

<b>INITIATIVE 16:</b>	Invest in new land freight systems		
<b>LEADER:</b>	Land Transport Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase the efficiency and reliability of Puerto Rico's inland freight services, by building new land freight systems (e.g. freight rail systems)		
<b>TARGET LAUNCH:</b>	Beyond 2008	<b>INITIAL RESULTS:</b>	2009 onwards

<b>INITIATIVE 17:</b>	Transform small and military airports into new airports for cargo services		
<b>LEADER:</b>	Air and Ports Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's competitiveness for air cargo, by creating new cargo airports to provide efficient and reliable access and transshipment		
<b>TARGET LAUNCH:</b>	Beyond 2008	<b>INITIAL RESULTS:</b>	2009 onwards

<b>INITIATIVE 18:</b>	Transform small and military sea ports into new ports for shipping services		
<b>LEADER:</b>	Air and Ports Taskforce		
<b>BRIEF DESCRIPTION:</b>	Increase Puerto Rico's competitiveness as a shipping hub, by creating new ports to provide efficient and reliable access and transshipment		
<b>TARGET LAUNCH:</b>	Beyond 2008	<b>INITIAL RESULTS:</b>	2009 onwards



*Next Steps*

## Next Steps

The final deliverable of the Puerto Rico 2025 process has been the creation of an independent, non-governmental entity to drive forward this implementation plan. Given a history of partisan competition undermining policy continuity, it has long been seen as imperative to create an independent civil-society organization to promote the long-term strategic development of Puerto Rico. To this end, **Todos por Puerto Rico**, an entirely independent, privately-funded organization, was formally launched and announced in June 2004, with sponsorship from Puerto Rico's leading business and civil society associations.

The mission of Todos por Puerto Rico is: "To provide cross-sectoral, non-partisan leadership to push forward the fundamental initiatives required to ensure the long-term vitality of Puerto Rico's economy, society and environment." To achieve this mission, the primary responsibilities of the organization are:

- To mobilize research and stakeholder task-forces to define a common implementation agenda on priority policy issues
- To provide support to political leaders to push through necessary policy reforms
- To benchmark Puerto Rico's progress on a variety of economic, social and environmental metrics to identify areas of weakness that need addressing
- To launch periodic updates/re-evaluations of the long term vision, to ensure that Puerto Rico is continuously reinventing itself and focusing on future needs, not past models.

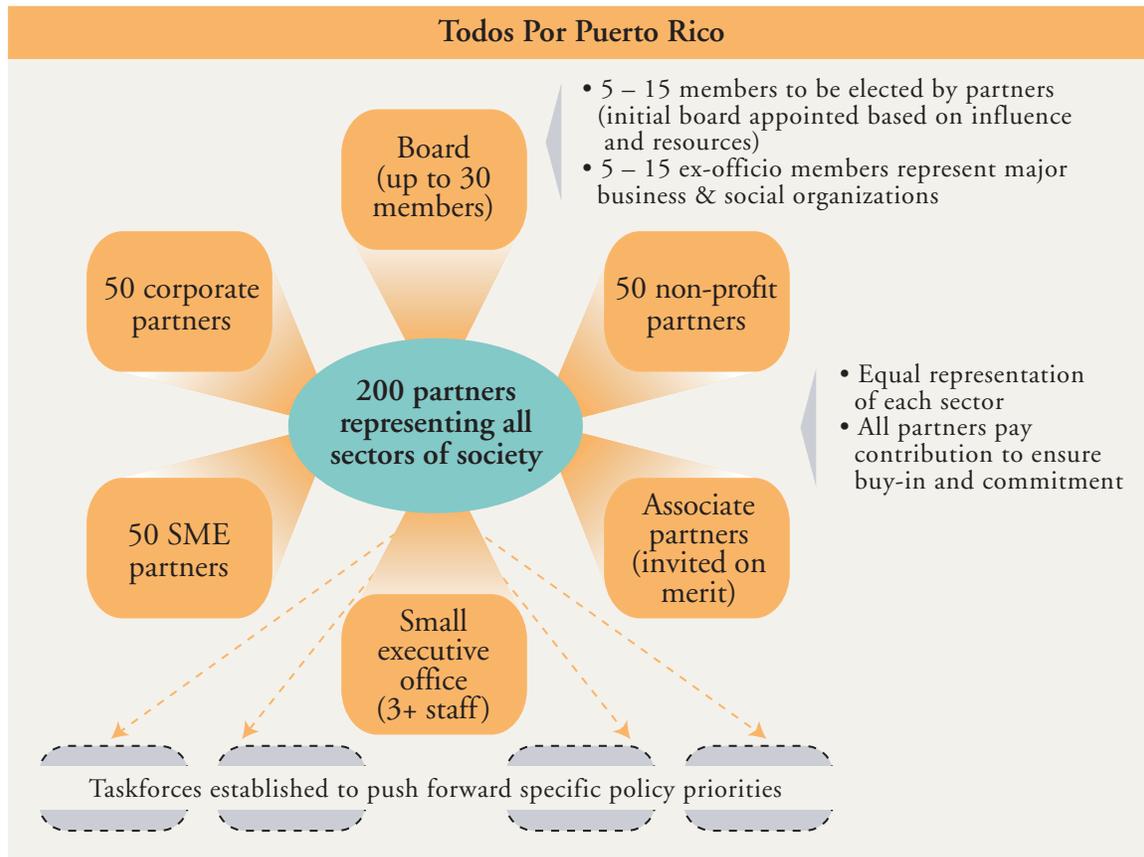
Based on successful models elsewhere (such as the New York City Partnership and the North Carolina Progress Board) and the specific political and socio-economic context in Puerto Rico, the entity has been designed according to the following guidelines:

- Completely independent of government
  - Led and funded by non-government actors to ensure continuity and avoid

partisan bias

- Government leaders may be invited to participate as guests, but hold no voting or funding power
- Represents all sectors of civil society: both the business sector and the non-profit sectors (community, environmental, academic organizations)
- Consciously maintains a mix of members with affiliation to all major political parties to ensure access to all potential administrations
- Aims to balance being small and nimble enough to get things done, and yet large enough to represent a critical mass of opinion and exert real pressure on government leaders
  - This is achieved though having a smaller Board (up to 30 members with responsibility for action) and a larger Membership responsible for approving decisions and contributing expertise
- Leverages the expertise and resources of associations, think-tanks and other existing organizations and does NOT duplicate their activities
  - The entity should be a coordinating committee for other organizations, to bring the combined weight of all economic, social and environmental sectors behind critical reform initiatives
- Staff should be minimal (to avoid scope creep and duplication) and could even be seconded from member organizations; their role should not be to implement, but rather to mobilize stakeholders and resources, commission research, and track progress
- Budget should be limited and should be raised from private, non-governmental sources — organizations and individuals should pay to be members, to ensure buy-in and commitment

With these guidelines in mind, the entity has been structured as follows:



established, members will then elect a permanent Board, with equal representation from each of the four Partner categories. The organization will mobilize and guide the various public-private taskforces required to imple-

ment the initiatives included in this Implementation Plan.

Under the leadership of the initial Board, the timeline to begin implementation of each of the initiatives is expected to be as follows:

- Complete legal, financial and administrative set-up of *Todos por Puerto Rico* — September 2004
- Mobilize membership and funding contributions — September – December 2004
- Present complete final report and recommendations to the 3 candidates for Governor — October 2004
- Select leaders for each Taskforce responsible for Immediate Initiatives — November 2004
- Taskforce leaders to convene other taskforce members, hold first meeting — November – December 2004
- Agree detailed policy recommendations for Immediate Initiatives — November – December 2004
- Launch Immediate Initiatives in collaboration with new Administration — January – June 2005
- Agree on detailed policy recommendations for Short-term initiatives — March – June 2005
- Launch Short-term initiatives — July – December 2005
- Track progress; launch Medium-term and Long-term recommendations — 2006 onwards

*We call upon all residents of Puerto Rico, regardless of political views or status, to become supporters of **Todos por Puerto Rico** and join in the hard work of making these strategies a reality. The future rests in your hands, and it will require hard work, collaboration and objective pursuit of long-term benefits to get there. Please contact **Heidie Calero**, Executive Director of **Todos por Puerto Rico**, if you would like to get more information or find out how you can help.*



Puerto Rico 2025 is a broad-based, non-partisan initiative to develop a long-term vision and strategic plan for the future of Puerto Rico.

It encompasses all aspects of economic, social, environmental and infrastructure development.

The initiative has been led by a broad coalition of community, business, and labor leaders, academics and policy-makers, and draws on the input and expertise of thousands of citizens — through surveys, community meetings, workshops and sectoral analyses.

The ultimate goal of the project has been to create an independent non-government entity to mobilize civil-society and maintain pressure on Puerto Rico's leaders to address the fundamental reforms required to build the prosperous, just and healthy society that all Puerto Ricans want to see in 2025.