

PRESS RELEASE

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Launching of **DESARROLLO PARA EL PUEBLO**, a Program Promoting Entrepreneurship and Employment Generation

BAYAMON, PR- Government Development Bank for Puerto Rico (GDB) President Carlos M. García announced today at El Mercado (The Marketplace) in Bayamón the launching of an innovative program that will provide citizens with the necessary tools to develop their own businesses under the **DESARROLLO PARA EL PUEBLO**, or Development for the People, program. This program is being funded through the Puerto Rican economic stimulus fund.

“Desarrollo para el Pueblo will be an instrument to develop new entrepreneurs in order to promote employment and boost economic development in those regions or municipalities where the unemployment rate is 20 percent or higher. Along with promoting employment and self-employment, Desarrollo para el Pueblo seeks to boost the creation of small and midsize businesses, contribute to the development of commerce in municipal urban areas and promote Puerto Rican products,” García said.

Desarrollo para el Pueblo has a goal of impacting 38 municipalities during the next two years. The first municipalities will be Loíza, Orocovis, Yabucoa, Comerío, Maunabo, Barceloneta and Manatí. Visits to these seven municipalities, and the work with future entrepreneurs in these first towns, will take place from September to December 2010. During 2011, the program will be brought to 21 additional municipalities and, in the first semester of 2012, another 10 municipalities will be impacted.

Both Mayor Héctor O’Neill, President of the Mayors Federation, and Mayor Josian Santiago, President of the Mayors Association, were present at the launching of the program.

“We celebrate this Government Development Bank initiative and will support the efforts of Desarrollo para el Pueblo. This initiative will reactivate economic activity in municipalities that need job creation and reactivation in their downtown areas,” Héctor O’Neill said.

Josian Santiago added: *“In times of economic crisis, we have to unite forces behind innovative strategies and initiatives. If Desarrollo para el Pueblo can help us as a real option for promoting new businesses, we the municipalities need to collaborate.”*

The work plans for each municipality are designed to meet the needs of each municipality. Business opportunities and needs in the municipalities are identified through individual visits to mayors, data gathered on the municipalities and analysis of Labor Department statistics.

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After entrepreneurs and viable businesses have been identified in a municipality, the future businesspersons will receive training in the basics of accounting, marketing, budget preparation, and development of a business plan. In turn, the *Desarrollo para el Pueblo* team will provide consulting and managing services to help entrepreneurs obtain financing and permits to start their businesses.

Economic Development Bank President Lizzie Rosso-Tridas emphasized that the Economic Development Bank has the developmental tool, in the form of loans for micro entrepreneurs, for those interested in starting a new business in the municipalities participating in the *Desarrollo para el Pueblo* program. *"We have created a flexible credit product that will allow many to begin their self-management process; the important thing is that they take the step. At the Economic Development Bank we are going to consider their cases, even if they don't have a credit history, through this product in particular,"* Rosso-Tridas stated.

In addition, municipal or state structures will be identified in these municipalities or in the regions in order to have them refurbished into small commerce centers where new business owners can get established. These commerce centers, which have been called **Servicios Urbanos Empresariales (SUBE)**, or Urban Entrepreneurial Service centers will be located in the downtown areas in order to promote economic activity at the SUBE centers, as well as in the nearby areas. The SUBE centers will operate like Bayamón's El Mercado, the setting for the launching, where different small entrepreneurs are doing business and working towards their collective and individual success.

In addition, through the creation of the SUBE centers, the merchants will reduce their business startup costs and their operational expenses because these will be divided among all tenants. Moreover, through federal programs and incentives, the municipalities may provide assistance in the maintenance of the centers.

Small businesspersons who have home-based businesses or are self-employed will have the opportunity to formalize their businesses and, consequently, obtain greater benefits, through access to loans and incentives, among others, that will bring about the success of their microenterprises. In addition, the *Desarrollo para el Pueblo* team will be providing them assistance with their business plans, financial transactions, permits, and training.

The Government Development Bank will act as the program manager and, in addition, will team up with several agencies and groups, such as: the Department of Labor and Human Resources; the Department of Economic Development and Commerce and its agencies (PRIDCO, Puerto Rico Trade Company and the Tourism Company); the Economic Development Bank; the Agriculture Department; the Office of the Commissioner for Municipal Affairs; the Socio-Economic Development Administration; the Mayors Federation and the Mayors Association.

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“We are providing all the resources of the Department of Economic Development and Commerce that are necessary to ensure that this important and novel initiative addresses immediate development and job creation needs in the regions that need them the most. We are confident that we will be able to make a positive impact on the lives of many people, helping them improve their life situations through the training offered by the Puerto Rico Trade Company and through PRIDCO, with our Immediate Plan for Municipal Economic Development,” Department of Economic Development Secretary José Pérez-Riera said.

On a separate note, Labor Secretary Miguel Romero stated, *“We are mainly interested in providing displaced workers with an opportunity to become self-employed and start their own businesses, thus becoming their own bosses, through the creation of small and midsize businesses, which are much needed in our economy.”*

“Through this Desarrollo para el Pueblo project, we will be working together to offer all participants all the incentives available from the Labor Department and its components,” Romero concluded.

“Desarrollo para el Pueblo will serve to identify and centralize the different assistance, incentive and loan programs available from the different government agencies. The workteam will act as a liaison between the government agencies and the entrepreneurs to help them make their business dreams come true, and to help reactivate the economy of Puerto Rico through small and midsize businesses,” García concluded.

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