

PROJECT SUMMARY

PANAMÁ

GO-ON BOSS: TOWARDS A DIGNIFIED, DIVERSE, AND GREEN LAST-MILE DELIVERY SECTOR

(PN-T1320, PN-G1011)

COVID-19 took a heavy toll on the labor market and economy of Panama. In 2020, the country's unemployment rate rose to a historic 25%, with a 55% increase in informal employment. Yet the closure of businesses and enterprises due to lockdown measures also led to an unprecedented opportunity: **the accelerated growth of a digital platform economy**, to which more than 10,000 enterprises and businesses turned to sell their goods and services online.

This digitalization of the economy also produced a growing demand for independent workers who began to offer last-mile delivery services for home delivery of this market's goods and services. As a case in point, since March 2020, delivery services for online food purchases in Panama have attained year-on-year growth of 17.85%. Although this phenomenon has represented a valuable and vital labor and economic inclusion opportunity, **the sector still has high barriers to entry for the vulnerable, low-income migrant population, along with complex environmental and social challenges that need to be addressed.**

From a **transportation and environmental standpoint**, the accelerated increase in kilometers traveled (particularly using gas-powered motorcycles) to service this market creates an urban mobility challenge and has a drastic impact on pollution levels and increased emissions in Panama City. From a **social standpoint**, this market presents significant challenges related to the precarious job conditions for these workers, who face long workdays exposed to the elements and marked gender exclusion in the sector.

In response to these challenges, the **objective of the project** is to promote GO-ON Boss, an innovative model that creates labor inclusion opportunities for the vulnerable, low-income local and migrant population in the last-mile delivery services sector in Panama, produces decent labor and road safety conditions for workers, incentivizes gender inclusion, and reduces environmental impacts through electric mobility technology. The model proposes **three pillars of action**: (i) promote electric mobility by offering access to, and incentivizing the use of, electric motorcycles that reduce the sector's carbon emissions and delivery drivers' costs; (ii) promote improvement of the sector's labor conditions and incentivize gender inclusion; and (iii) promote the use of data to mitigate the impact on urban mobility and optimize operation logistics.

The project, with the Panamanian startup GO-ON as its executing agency, **will directly impact 900 independent workers (20% women)** engaged in last-mile delivery services in Panama City who currently work for online businesses and/or platforms and the majority of whom are migrants.

The project plans to contribute US\$547,500 as a contingent recovery investment grant and US\$115,000 as nonreimbursable technical cooperation funding. The GO-ON partner will make a counterpart contribution of US\$670,336, for a total budget of US\$1,325,000. This proposal is aligned with the national priority of decarbonization of transportation in Panama.