Early Warning System

IADB-PN-T1193

Restructuring and Modernization of Public Mail Service (COTEL)

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Quick Facts

Countries	Panama
Specific Location	Colón
Financial Institutions	Inter-American Development Bank (IADB)
Status	Active
Bank Risk Rating	U
Voting Date	2018-09-18
Borrower	Government of Panama
Sectors	Infrastructure, Law and Government, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	$ 0.09 million
Project Cost (USD)	$ 0.09 million

Project Description

The Government of Panama has requested assistance from the Inter-American Development Bank (IDB) to analyze the situation of the National Postal System (COTEL) and propose a strategy for its modernization and restructuring. A feasibility study will be carried out for the modernization and restructuring of COTEL, which will include: (i) developing a comprehensive modernization strategy for the postal system, (ii) the corporate roadmap and the new business model for the (COTEL), and (iii) the start of the pilot test of modernization for the Colon Free Zone post office. The study will include: (A)Update of Initial Diagnosis (study conducted by the company Novadays contracted by the CAF (2010): Fieldwork and updating of COTEL's current situation from the point of view of: (i) target market. In what business should a COTEL be restructured and modernized to better serve the needs of end users in Panama; (ii) technological platform necessary to develop new markets; (iii) staff training; And (iv) labor liabilities. For all 4 points will be necessary to have specific estimates of investment costs. (B) Modernization of the Post Office of the Colon Free Zone. It is necessary to develop a project to modernize the Colon Post Office to enable the development of a strong, dynamic and competitive electronic commerce sector ("ecommerce") with the rest of the region's free trade zones. This component should contain the following points: (I) Potential Market Estimate (ecommerce for Colon Free Zone) (Ii) Diagnosis of the current situation of the post office of the Colon Free Zone. Required technological platform (both hardware and software) to develop this type of business. Interface with the customs offices for expedited treatment of goods (automatic postage). Estimates of investment costs. Support infrastructure for the operation (i.e., sheds, access ramps, vehicles, warehouses, lobby, parking). (Iii) Estimates of investment costs. (Iv) Training of personnel. Training needs and typology of personnel needed to manage this business for COTEL ("ecommerce") (C) COTEL Restructuring Options. The consulting firm would evaluate, estimating total investment costs and execution time for the full range of existing options for the restructuring of COTEL. The options to consider could range from the liberation of the sector allowing the entry of new bidders through the amendment of Law 69, until the corporatization of COTEL. Within the COTEL corporatization, options would be analyzed where the new corporatized company remains 100% under the control of the Government of Panama, going through options where private strategic partners are incorporated with different shareholdings. In these options the placement of shares of the new company in the stock market of Panama could even be considered in the future. One option, which for these moments would not be included in the range of options to be analyzed and funded in this study, would be the privatization of 100% of Panama's National Mail services.

Investment Description

- Inter-American Development Bank (IADB)

Contact Information

ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).

Bank Documents

- Anexo I - Carta de solicitud PN-T1193.pdf
- TC Abstract PN-T1193.pdf