OPTIONS TO SUPPORT WORKERS THROUGH A TRANSITION AWAY FROM COAL IN EASTERN WIELKOPOLSKA

BACKGROUND

Eastern Wielkopolska is an area that is economically heavily dependent on coal and energy production (it generates 5 percent of Poland’s electricity) and is characterized by the presence of the most polluting plants in the region: greenhouse gas (GHG) emissions in the Eastern Wielkopolska amounted to 7.62 million Mg in 2019, about 62 percent of all emissions in Wielkopolska. The energy poverty and the challenge of changing the heating structure of both private and public buildings are pressing.¹ The ZE PAK Capital Group is the biggest employer in the region and the largest private energy group in Poland, consisting of entities acting in the field of lignite extraction, power generation from conventional and renewable sources, heat production, and electricity trading. Lignite mining activities are planned to shut down in KWB Konin (operating in the area of Konin and Kola) by 2030 and in three power plants operated by the ZE PAK Capital Group by 2024.² The region’s ambition is to transition out of coal-based energy production toward green energy as part of the regional smart specialization of the Greater Poland voivodeship and of the Konin subregion: renewable energy sources (RES) and modern energy technologies, including hydrogen.

The European Union (EU) committed to global climate policies including those declared in the Paris Agreement (2015) and the European Green Deal (EGD), a growth strategy aimed at achieving carbon neutrality by 2050 in the EU. The intermediate target is to reduce GHG emissions by 55 percent (compared to 1990 levels) by 2030, in line with the EU’s Nationally Determined Contribution (NDC).³ The Just Transition Mechanism (JTM) will help mobilize about €100 billion of investments over 2021–2027 to support Member States achieve the ambitious targets set under the EGD. The Just Transition Fund (JTF)—pillar 1 of the JTM—represents a key financial instrument for mitigating the social and employment impacts of the coal transition of carbon-intensive regions. The Konin subregion in Eastern Wielkopolska is identified as one of the coal regions eligible for JTF support.⁴ Coal regions may access and disburse JTF resources on the basis of their Territorial Just Transition Plan (TJTP).

According to the Partnership Agreement 2021–2027 adopted on November 30, 2021, yet to be agreed with the European Commission (EC), the Ministry of Funds and Regional Policy is the Managing Authority of the

¹ According to Climate Neutrality Strategy of Eastern Wielkopolska (2021) about 100,000 buildings need renovation in Eastern Wielkopolska and an estimated 20,000 families are energy poor, consuming more than 10 percent of their income on energy.
² The KWB Adamów completed the operations in February 2021.
³ (EC 2019). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, the European Green Deal, COM/2019/640.
⁴ Only projects in eligible JTF regions at NUTS 3 level qualify.
The JTF national program and the regional administrations (Marshal Offices) act as intermediary bodies. The eligibility criteria of potential projects and the timeline for disbursement are not yet defined. Eligible beneficiaries are not strictly defined in dedicated JTF regulation. In principle, therefore, any type of public or private law entity, as defined in the Common Provisions Regulation, qualifies, although large enterprises (that is, other than small and medium enterprises [SMEs]) can receive JTF support for productive investments only in limited cases. Eligible activities include (a) those directly linked to addressing the social, employment, economic, and environmental impacts of the transition to carbon neutrality targets and (b) those that contribute to the implementation of the TJTP. In terms of social protection and labor, eligible JTF interventions include (a) upskilling and reskilling of workers and jobseekers, (b) job search assistance to jobseekers, (c) labor market inclusion of jobseekers, and (d) other activities to promote social inclusion. The JTF cannot finance early retirement schemes or compensation schemes for workers who have been laid off.

The draft TJTP for Eastern Wielkopolska for 2021–2027 (October 2021 version) states three objectives: (1) building a zero-emission, dynamic circular economy; (2) ensuring an integrated, high-quality environment and economic space; and (3) promoting an active society through access to social services and awareness of green and just transition. The TJTP proposed interventions to achieve objective 1 including outplacement services for workers at risk of losing their job because of the transition; support for business start-up, research and development (R&D), and for existing SMEs to adapt to changing technologies and create new jobs; and investment in education institutions from early childhood to higher education. The TJTP (and therefore JTF-supported interventions) is envisioned as part of the Regional Operational Program 2021–2027 for Wielkopolska.

The World Bank is providing analytical and advisory services to improve the capacity of Polish coal regions to manage the clean energy transition as part of the Support Polish Coal Regions in Transition technical assistance (TA) with support from EC DG Energy. The TA supports medium- to long-term interventions to ensure a ‘just transition’ away from coal—such as a national approach to reclamation and repurposing of both former mining lands and physical assets and development of regional economic diversification strategies in some cases, the establishment of governance structures to implement the transition over the coming decades, and the development of strategies to help affected workers transition to new employment opportunities. With respect to labor aspects, the TA generated new knowledge on the profile of workers at risk of losing their job due to the mine closures, an assessment of the potential indirect effects of mine closure on their supply chains to inform employment, technical and vocational education and training (TVET) and social policies to manage the reallocation and reskilling of workers in each of the three coal regions (Silesia, Lower Silesia and Eastern Wielkopolska). Finally, the TA supports the design of pilot projects eligible to be financed through EC financing instruments and their readiness for implementation. This policy note is prepared in the context of Component 3 of the TA to assist Konin Agency for Regional Development (ARR) to review, assess, and exploit synergies across alternative draft project proposals and to develop a comprehensive ‘outplacement program’ for workers of the ZE PAK Capital Group and other workers indirectly affected by the transition in partnership with key stakeholders.

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5 Based on the Partnership Agreement adopted by the Cabinet of Ministers on November 30, 2021, the implementation of the JTF will take place within the framework of a national program and will include actions of a national and regional nature. Each region will have its own priority axis in alignment with objectives identified in TJTPs. The Ministry of Funds and Regional Policy is the Managing Authority of the national program and regional administrations (Marshal Offices) act as intermediary bodies. The role of the regions would go beyond a typical mandate of an intermediate body as they would be de facto in charge of the entire decision-making process (related to their priority axis): starting with project selection, contracting of projects, and overall financial management. The ministry would play a coordinating role and be responsible for the implementation of the horizontal priority axis financed from the national envelope. In early 2022, it was decided that the implementation of JTF regional envelopes will be managed by regional authorities as an integral part of their Regional Operational Programs 2021–2027.
In October 2021, Konin ARR submitted to the World Bank three draft project fiches\(^6\) for the implementation of outplacement support under the TJTP\(^7\) with a specific request to review them, identify complementarities, and provide recommendations on a coordinated approach to manage the transition of affected workers.\(^8\) Given the overlaps across the three proposals in objectives, target population, and proposed outplacement interventions, the World Bank was requested to recommend design options based on international best practice and to propose feasible implementation arrangements for a single outplacement program managed by a single authority responsible for the coordination with other key stakeholders and accountable for results.

The objective of this policy note is to provide an overview of the three draft project proposals and to recommend key design principles and implementation arrangement options for a coordinated outplacement program in the Eastern Wielkopolska region that would provide a package of services to motivate and help affected workers find suitable jobs in alignment with the TJTP. The focus of the note is on interventions supporting the social and labor transition in Eastern Wielkopolska, rather than the economic, spatial, and energy transformations which are also part of the JTM Pillar 1. Efforts to promote local economic development and environmental rehabilitation of affected subregions as well as to develop stakeholder engagement and public communication strategies are beyond the scope of this note.

The policy note is based on the draft project fiches submitted to the World Bank and on bilateral and multilateral consultations held between mid-October 2021 and mid-March 2022 with Konin ARR and the authors of the fiches including the heads of several ZE PAK Capital Group trade unions, the ZE PAK CEO adviser, representatives of the Association for Social Cooperatives, the chairman of the Employee Council of PAK KWB ‘Konin’, the Institute of the Green Future in Konin, representative of Jobs First, and the Regional Labor Office (LO) in Poznań (Annex 1).

### CONTEXT

#### Local labor markets

The subregion of Eastern Wielkopolska, where most of the region’s mining activity is concentrated, has been identified as an area particularly vulnerable to the clean energy transition. The five largest mining companies account for about half of the total employment and more than 75 percent of revenues. The employees of these companies will be directly affected by the transition toward climate neutrality. The economic and social consequences of the energy transformation are expected to be highest in the following five counties (powiats): Konin, Koninński, Kolski, Ślupecki, and Turek. They have the heaviest dependence on fossil fuel exploitation and high-emission processes.\(^9\)

While population dynamics in Wielkopolska have remained pretty stable over the past twenty years, with a stable level of working-age population, demographic patterns in the Eastern Wielkopolska subregion\(^10\) are changing. The working-age population, 274,000 people in 2020, has been shrinking due to both ageing and outmigration. The depopulation has been particularly large in Konin, the largest municipality in the subregion, where the overall population dropped by 12 percent in the past twenty years.\(^11\) The rising unemployment in the Konin municipality was the main push factor causing the outflow of residents to find employment in other regions or abroad.

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6 Prepared by (a) ZE PAK Capital Group together with ZE PAK trade unions (outplacement project); (b) Employees’ Council (representing ZE PAK employees of the of PAK KWB Konin S.A. plant) and an NGO Institute of the Green Future (outplacement project); and (c) Association for Social Cooperatives (Green Solidarity Social Cooperatives project).

7 With the exception of the one prepared by ZE PAK trade unions assigned to the National Just Transition Plan (NJTP).

8 Including workers who were laid off since the beginning of 2018 and are still unemployed.

9 Churski, Perdal, and Burchard 2021.

10 Eastern Wielkopolska has about 430,000, 12 percent of the Greater Poland region.

11 There were 82,640 residents in the Konin municipality in 2000 and 72,539 in 2020 (GUS).
In fact, while regional (Greater Poland) labor market indicators compare quite favorably with EU-27 averages, the Eastern Wielkopolska subregion is lagging behind. The registered unemployment rate in Eastern Wielkopolska in 2020 was 6.9 percent (and as high as 9.7 percent in Konin county) compared to 3.7 percent in Greater Poland and 6.3 percent in Poland; the labor force participation is only 49.5 percent compared to 57 percent in Greater Poland and 56 percent in Poland; the employment rate in Eastern Wielkopolska in 2020 was 45 percent, significantly lower compared to 54 percent in Greater Poland (based on Główny Urząd Statystyczny [GUS] data).

The employment structure of Eastern Wielkopolska is characterized by a high share of workers in agriculture and a low share in services. Agriculture accounts for one-third of employment in Eastern Wielkopolska compared to 18 percent nationally; services accounts for 38 percent compared to 53 percent at the national level and industry accounts for 29 percent of workers, mostly in mining and energy (Instrat 2021). Jobs in the services sector have increased in the past years (with the exception of the Konin municipality). Within industry, the construction and industrial processing sectors, especially the furniture, metal, and food industries, have also exhibited strong job growth in the region (IBS 2021).

The structure of the Eastern Wielkopolska economy reflects a high degree of specialization in coal-based extractive and energy industries. Mining and energy sector activity has led to the development of other economic activities directly related to mining and energy production (in their supply chain) and indirectly related to services. The discontinuation of mining activities in KWB Konin within the ZE PAK Capital Group is expected to result in job losses and possibly further outmigration, in addition to local economic slowdown. Negative social and employment impacts in the subregion are expected to affect workers and their families both directly (ZE PAK direct workers) and indirectly (workers and SMEs in sectors with high dependency on coal-based power generation and lignite mining production technologies and services related to these employees at risk of losing their job).

The ZE PAK Capital Group has a key role to play in the social and labor transition (in addition to the energy and economic transition) as many jobs will be lost and new ones created. The ZE PAK Capital Group is the biggest employer in Eastern Wielkopolska. ZE PAK Capital Group employed 8,700 workers in 2011 and 3,593 as of October 2021. ZE PAK Capital Group employment declined by 21 percent (about 1,000 workers) in the past two years (Figure 1) and downsizing is expected to continue over the next five years.

ZE PAK Capital Group workers account for 1.2 percent of the entire working-age population in the Konin subregion as of end of 2021; they represent a large percentage of working-age population especially in the municipalities of Turek (close to 6 percent) and Kleczew and Kazimierz Biskupi (close to 5 percent) and of total employment, especially in Kazimierz Biskupi (close to 40 percent) and Wilczyn or Wierzbinek (about 30 percent). The share of the unemployed registered with LOs in the working-age population is also highest in those last two municipalities, around 6 percent (Figure 2).

ZE PAK Capital Group workers are less educated than the average education attainment in the region. As of the end of 2019, nearly 40 percent of the ZE PAK Capital Group workforce had either primary or vocational education (as compared to 34 percent and 28 percent in Greater Poland and Poland, respectively), 38 percent had secondary education, and 22 percent higher education, based on ZE PAK Capital Group employment data.

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12 Wielkopolska.

13 Regional labor market indicators based on LFS survey (which does not provide representative statistics at the subregional level) are comparable to national and EU-27 averages: the employment rate was 71 percent in Greater Poland and 69 percent nationwide, against an EU-27 average of 69 percent (Eurostat, lfs_r_lfe2emprt); the unemployment rate in Greater Poland was 1.8 percent and 3.2 percent in Poland, lower than the EU-27 average of 6.3 percent in 2020 (Eurostat, lfs_r_lfur2gan); and the labor force participation in Greater Poland is 72 percent and 71 percent in Poland, compared to 73 percent average in EU-27 (Eurostat, lfs_r_lfp2actrtn).

14 The mining and energy sector in Greater Poland is vertically integrated, and most activities are carried out by the ZE PAK Capital Group or two subsidiaries directly integrated in the ZE PAK Capital Group (PAK Górnictvo and PAK Serwis) which employ about 2,200 people (IBS 2021).
Figure 1
ZE PAK Capital Group employment decline in the past two years

Figure 2
ZE PAK Capital Group workers as a share of total employment and share of registered unemployed, by municipality of residence

Source: ZE PAK Capital Group.

Source: World Bank team based on ZE PAK Capital Group data and GUS.
Options to support workers through a transition away from coal in Eastern Wielkopolska

administrative data. ZE PAK Capital Group workers are mostly men (91 percent). Most are older workers, with 41 percent ages between 41 and 50 and 35 percent older than 50. It is estimated that one-third of the workforce (1,200 employees) will have pension rights by 2025 and more than half of the workforce (55 percent) will have earned their retirement rights by 2030, coinciding with the end of the coal-based operations (Instrat Foundation 2021).

Earnings in ZE PAK are about 30 percent higher than the average wage in Wielkopolska region and have been rising over time. The average gross monthly salary in the ZE PAK Capital Group between 2013 and 2019 increased from almost PLN 4,800 to PLN 5,500, about 8 percent higher than the regional and national average remuneration (Instrat Foundation 2021). Generally, coal hourly wages tend to be substantially higher than hourly wages in other sectors. The high mining wage distorts the labor market by impeding labor reallocation to other sectors. In the context of coal phase out, the high wages of mine workers drive up their reservation wages, potentially reducing their willingness to take other jobs.

The ZE PAK Capital Group is expected to downsize to 1,500 employees in net terms by the end of 2024; some workers will be retrained while new jobs will be created in the new renewable energy projects ZE PAK Capital Group is investing on. However, the employment reduction in the ZE PAK Capital Group by 2024 as a result of scaling down the operation of lignite mines and power plants will be faster than the rate of normal retirement of employees and than the speed at which new jobs will be created. ZE PAK estimates that 2,356 workers will lose their job in the next three years (Figure 3). After the liquidation of KWB Adamów lignite mine in 2021, two out of three mining opencasts operating in KWB Konin lignite mine will close and about two-thirds of installed capacity in the power plant will be discontinued and, after 2025, the potentially continued operation of Pałtnów II Power Plant will require a much smaller workforce pool.

The job losses are expected to be spatially concentrated in the municipalities where most ZE PAK Capital Group workers live (Kazimierz Biskupi, Wierzbiniek, Kleczew, Wilczyn, Konin, and Turek municipalities), which overlap showing weak labor market indicators. In fact, almost all (98 percent) ZE PAK Capital Group employees live in Eastern Wielkopolska, 30 percent of whom commute from the municipality of Konin where the registered unemployment rate was already about twice as high as in the entire voivodship. In Turek, with the closure of Adamów plant, the layoff process was terminated.

The ZE PAK Capital Group estimates that 511 new jobs will be created as part of the investments in three new projects15 under their new green strategy. The new jobs would require the upskilling and reskilling of some of the workers expected to remain employed in the ZE PAK Capital Group; in other words, existing workers who are willing to continue to work in the ZE PAK Capital Group will either transition to other occupations or perform different tasks within the same occupation within the ZE PAK Capital Group. The timeline for the implementation of the three new projects remains clear; a mismatch could arise between the timing of dismissals and when the new jobs are created.

To date no estimates are available on how many workers will be needed to carry out activities related to the closure of mines and reclamation of land during the next three years. However, when the process of closing the Adamów plant started in July 2020 there were 130 employees, in July 2021 there were 113 employees, as of December 2021 there were 10 employees, and in 2022 there will be no employees. Employees were needed to prepare the embankment, lead the machines out of the pit, dismantle some parts, and secure these machines. About 150–160 employees of PAK Górnictwo were dealing in particular with reclamation, drainage, and electricity supply, they were 90 as of December 2021 and in 2022 about 60–65 employees will deal with the completion of the reclamation process.

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15 Based on the draft proposal submitted to the World Bank. In October 2020, the ZE PAK Capital Group published a new strategy to radically change the direction of the group’s development, in which it declared the gradual closure of existing lignite discoveries, the abandonment of new coal-fired power plants, and the closure of coal-fired power plants by 2030. The new direction includes the development of Poland’s first technologically advanced electrolyze manufacturing plant (a TPC cooler module factory and heat pump competence center), the development of a manufacturing line for serial production of a Polish hydrogen bus for passenger urban transport, and the production of green hydrogen using post-coal infrastructure of Pałtnów-Adamów-Konin Power Plant Complex.
Preliminary findings of a Preference and Skills Survey conducted by the World Bank team with ZE PAK Capital Group workers in October 2021\(^\text{16}\) and consultations with ZE PAK trade unions indicate that workers at risk of losing their job are predominantly men, have lived mainly in small towns, are relatively more tenured and production oriented, and have high wages. One in four of ZE PAK Capital Group surveyed workers reported that ZE PAK salary is the only source of income in his family. For the majority of ZE PAK Capital Group workers, the ZE PAK Capital Group was their only employer throughout their working lives, and few workers are accustomed and prepared for job-to-job transitions.\(^\text{17}\) Critically, when asked about their aspirations for future job pathways, no specific answer was provided on what would be a viable and desirable job transition. Workers had not yet weighted their preferences on their future as workers. The results of the survey show strong resistance among residents of affected municipalities and ZE PAK workers to commute or relocate elsewhere in Poland for work. Unwillingness to relocate, reluctance to change job (especially among the older) and a ‘wait to retire’ mindset prevail. However, almost two-thirds of ZE PAK Capital Group workers were willing to be upskilled and reskilled for a new job based on the survey. Preferred future jobs include those that would match their competences and experience, with a preference to the renewable energy sector, especially among higher educated and younger workers. About one-third of ZE PAK Capital Group workers expressed willingness to be self-employed (while self-employment accounts for 15 percent of employment in the four most affected municipalities where ZE PAK Capital Group workers live).

In addition to direct coal jobs, many jobs in the region are indirectly related to the mining sector through their associated supply chains and through the broader demand for services in the community (restaurant, food, entertainment, and so on). The ZE PAK Capital Group supply chain includes inputs such as machinery and processing equipment as well as the goods and

\[^{16}\text{The Preference and Skills Survey sampling strategy draws on both ZE PAK Capital Group workers and working-age people in the four most-affected municipalities. The final sample includes 524 ZE PAK employees and 482 working-age adults in four most affected municipalities.}\]

\[^{17}\text{About 8 percent of surveyed ZE PAK Capital Group workers reported to have been looking for a job and 30 percent considered to change jobs in the past 12 months (World Bank Preference Survey 2021).}\]
services associated with the use of coal, for example, transportation to the coal-fired power plants and other end-user points. Mine closures reduce demand for these goods and services along the supply chain creating indirect job losses. They are also expected to induce job losses among the businesses that produce goods consumed by coal mine employees and their families. Estimating indirect and induced impacts is difficult and there is a range of different estimates for the job multiplier effects depending on the methodology used. For example, an assessment of publicly tendered contractors (six in total) providing the ZE PAK Capital Group repair service and companies enabling the management of combustion byproducts and restoration of degraded land concludes that 1,200 mining-related jobs are connected with the ZE PAK Capital Group Complex and potentially induced losses, 250 of which are located in Greater Poland (IBS 2021), resulting in a multiplier of about 0.1. This is a lower bound for the potential indirect effects as the six subcontractors represent only a small share of ZE PAK’s existing supply chain. Based on a very different methodology (based on input-output matrix), it is estimated that the job multiplier in the Greater Poland region is about 2.2, meaning that for every job lost in the mining sector there will be two jobs lost due to both intraregional and interregional trade (equivalent to about 8,000 jobs) (JRC 2018). Overall, in Poland, every coal mining job would generate between 0.6 and 1.4 additional jobs (equivalent to 79,000 to 130,000 jobs, respectively) (JRC 2018).

Public employment services

The voivodeship (regional) LO is located in Poznań; it has four subregional branch offices in Konin, Kalisz, Leszno, and Pila. The regional LO supervises, funds, and coordinates the powiat LOs for the entire voivodeship, monitors and produces research and analytics (job barometer) and an annual publication on labor market trends in the region, and is responsible for training powiat office staff and maintaining the registry of vocational training providers in the region partnering with powiat LOs. Regional LOs provide information and career guidance services directly to citizens in their offices through the Career Information and Planning Center. The regional LO manages both EU and national funds (the Labor Fund, Guaranteed Employee Benefits Fund) and determines the distribution of funds across counties considering the directions and priorities set out in the regional action plan for employment. The regional LO has experience in managing regional and national programs funded by the European Social Fund (ESP) and by the European Globalization Adjustment Fund. The regional LO and the Turek LO had helped manage the transition of workers laid off in KWB Adamów plant in February 2021 with support from the national Labor Fund.

At the powiat level, there are 31 powiat level LOs (PUP) in Greater Poland, 4 of which are in Eastern Wielkopolska. Powiat LOs provide employment services to registered unemployed, jobseekers, and workers at risk of losing their jobs declared redundant.

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18 The same methodology based on public tendered contracts in Silesia yielded more comprehensive results (IBS 2021).
19 These estimates of the indirect impact of the transition relied on data from EURACOAL 2015, and include power generation, equipment supply, services, and R&D.
20 There is a competitive market of private companies operating in Greater Poland that ZE PAK workers trust more than the LOs, as reported by ZE PAK Trade Unions to the World Bank.
21 The center offers meetings and consultations covering, among others, the following issues: getting to know yourself and your professional potential, building a professional image, recruitment challenges faced by a job candidate, effective search for employment, time management, communication assertiveness, coping with stress, and entrepreneurship. Career counselors provide individual counseling free of charge. For those interested in group activities, participation in workshops, information meetings, webinars is offered to facilitate exchange of ideas, information, and experiences, help strengthen confidence in own abilities and strengths, and develop soft skills and gain reliable knowledge.
22 The Poznań regional LO is one of three intermediary bodies of the Regional Operational Programs, specifically in the implementation of two ESF-funded priority axes of labor markets and social inclusion. The budget of measures managed by regional LO as the intermediary body is EUR 227.4 million. The regional LO was the intermediary body for the Program Knowledge-Education-Development 2014–2020.
23 It was used to manage the transition of workers laid off in the Cegielski company in Poznań in 2011.
24 Konin, Turek, Słupca, and Koło.
by their employers. Powiat LOs conduct interviews and prepare individual action plans (IAPs) tailored to the individual needs and capabilities, considering their education, work experience, and the possibility of taking up a job or business activity. Based on jobseekers’ profile, powiat LOs provide a wide menu of employment services and programs including job search assistance; job matching; career counseling; identifying, organizing, and financing of vocational training; internships and scholarships; initiating and subsidizing of additional job creation (wage subsidies), and payment of unemployment benefits. In Greater Poland, about 46,000 unemployed were registered with LOs (out of about 61,000 unemployed in the region as per GUS data), less than half of the registered unemployed (19,542) participated in active labor market programs (ALMPs), and 73 percent of participants (14,289) found a job in 2019. The most common ALMP is the six-month subsidized internship mostly targeted at youth, followed by professional training. The employment effectiveness of ALMPs in Greater Poland (that is, those completing the program find employment) is 81.7 percent, which is slightly below the national level of 85.5 percent. However, ALMPs in Greater Poland are more efficient than the country average: the overall cost-effectiveness index is PLN 9,491, compared to the national level of PLN 10,154. Professional training, wage subsidies, and internships are the most cost-effective (Table 1).

The quality and scale of labor market programs provided by local LOs may not address the needs of mine workers at-risk of being dismissed. Given the large number of workers at-risk of unemployment in the local labor market (more than 2,000 workers according to ZE PAK estimates), the LO’s implementation capacity is further challenged. The quality of job search assistance, profiling and referral to vocational training performed by job counselors in LOs is already compromised by their high case load. As a result, local LOs may not be able to provide the intensive and individualized assistance that affected workers would need for a successful job transition. Many affected coal workers are mid-age, worked with one employer only, are reluctant to move, and have high reservation wages and lower foundational skills.

Table 1
Coverage and job placement effectiveness of ALMPs in Greater Poland (2019)

<table>
<thead>
<tr>
<th></th>
<th>All ALMPs</th>
<th>Internship</th>
<th>Professional training</th>
<th>Business start-up grants</th>
<th>Wage subsidy</th>
<th>Public works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants</td>
<td>19,542</td>
<td>6,620</td>
<td>4,765</td>
<td>3,063</td>
<td>1,882</td>
<td>625</td>
</tr>
<tr>
<td>Completed the program</td>
<td>17,497</td>
<td>5,805</td>
<td>4,272</td>
<td>3,320</td>
<td>1,687</td>
<td>577</td>
</tr>
<tr>
<td>Found a job</td>
<td>14,289</td>
<td>5,090</td>
<td>2,314</td>
<td>3,186</td>
<td>1,528</td>
<td>524</td>
</tr>
<tr>
<td>Employment effectiveness [%]</td>
<td>81.7</td>
<td>87.7</td>
<td>54.2</td>
<td>96.0</td>
<td>90.6</td>
<td>90.8</td>
</tr>
<tr>
<td>Cost-effectiveness index [PLN]</td>
<td>9,491</td>
<td>7,583</td>
<td>4,883</td>
<td>17,360</td>
<td>4,485</td>
<td>11,543</td>
</tr>
</tbody>
</table>

Source: Powiat LOs in Greater Poland.

25 For massive layoffs, the employer is required by law to notify the powiat LO and ‘register’ affected workers who will then become eligible for outplacement services.

26 Defined as the ratio of the amount of the labor fund expenses incurred by powiat self-governments for financing basic forms of professional activation to the number of people who during or after participation in ALMPs were employed.
Options to support workers through a transition away from coal in Eastern Wielkopolska

Relevant employment protection law and social protection entitlements

According to the Labor Code, the employer must notify the representative trade union in case of dismissal of a worker with a regular contract. If the employee is not protected by the union, the employer does not have to consult with the union about the dismissal. The length of notice period depends on the tenure duration and is maximum of three and half months for longer tenures. In cases of collective dismissals, there are additional notification requirements: the employer must notify the employee representative (trade unions) 20 days before implementation and also the local (powiat) LO before the start of notice period. Alternatives to redundancy should be considered and an agreement should be reached with trade unions on the employer’s layoff program and best ways to mitigate the effects. The parties should hold consultations with the intention of reaching an agreement. If consensus over the content of the agreement cannot be reached, the employer must prepare regulations defining the procedure for mass layoffs with special regard to agreements with the company trade unions in the course of the negotiations.

The Act on Employment Promotion and Labor Market Institutions stipulates the obligations for employers initiating mass layoffs procedures. An employer who intends to dismiss at least 50 employees within a period of three months is obliged to agree with the competent powiat LO on the scope and forms of assistance for the dismissed employees, in particular regarding job placement and vocational counseling and training. In the case of mass layoff, the employer is obliged to provide labor market services implemented in the form of a program to employees who are either under dismissal notice or within six months after termination of their contracts. Such a program may be implemented by either a powiat LO or an employment agency or a training institution.

According to the Polish Employment Protection Law, employees in companies with less than 20 employees are not entitled to severance pay. Severance payments are mandated for employers with at least 20 employees if the termination of employment is based on collective dismissal and if the termination of individual employment is due to reasons not attributable to the employee. The severance pay is paid by employers when the employment contract is terminated in collective redundancies due to reasons not attributable to employees by notice or mutual agreement. The day after notice periods ends, employees are entitled to a severance payment equal to (a) a one-month pay for employee who has been employed for less than two years, (b) a two-month pay if the employee has been employed for 2–8 years, (c) a three-month pay if the employee has been employed for more than 8 years.

Early retirement is a possible alternative, available exclusively to the Polish mining sector (both coal and lignite miners). Early retirement incentivizes workers to remain in the sector until pension eligibility age. The regular retirement age for men is 65 (and 60 for women), whereas underground miners can retire up to 15 years earlier. Specifically, miners can retire at age of 50 if they have worked at least 25 years, including at least 15 years underground and at the age of 55 if

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27 Article 4 of the Act of Employment Promotion on specific terms and conditions for terminating employment relationships with employees for reasons not related to the employees.

28 The agreement or employer’s layoff program should cover at least reasons for the intended collective layoff, the number of the employees and occupational groups to which these employees belong, the occupational groups to which the employees to be laid off belong, the period in which the employees will be laid off, proposed criteria of selecting the employees to be laid off under the collective layoff program, the sequence of laying the employees off, proposed resolution of employee issues related to the intended collective layoff, and if these issues include pecuniary benefits, the employer shall additionally present the methods for determining their amounts (Article 2 of the Act on specific terms and conditions for terminating employment relationships with employees for reasons not related to the employees).

29 Collective dismissals are defined as 10 workers in firms with 20–99 employees and 10 percent in firms with less than 300 employees and 30 workers in firms with 300 or more employees (Article 1 of the Act on specific terms and conditions for terminating employment relationships with employees for reasons not related to the employees).

30 Article 92 of the Labor Code, Article 8 of the Act on specific terms and conditions for terminating employment relationships with employees for reasons not related to the employees.
they have worked at least 25 years, including at least 10 years underground.\textsuperscript{31}

An unemployed person is entitled to unemployment benefits if able and ready to work full time and is registered with powiat-level LOs. Eligibility conditions include being in working age (18 years to retirement age, which is 60 for women and 65 for men), having worked at least 180 days in the previous year, and not possessing agricultural land of more than 2 ha. The duration of the unemployment benefit is for a maximum of 12 months and the benefit amount is calculated based on employees’ tenure.\textsuperscript{32} Workers who are dismissed in group layoffs are entitled to 75 percent of their previous earnings. Benefits are fully indexed to inflation on an annual basis.

Unemployed people not eligible for unemployment benefits can claim means-tested social assistance benefits and family allowances.\textsuperscript{33} The social assistance benefit amount is calculated as a flat rate of 28 percent of the national average wage in the previous quarter. Family allowances provide between PLN 95 and PLN 135 per month per qualifying dependent (depending on his/her age).

In the context of the ZE PAK Capital Group, its workers are entitled to severance payments, unemployment

\begin{table}
\centering
\begin{tabular}{|c|c|c|}
\hline
\textbf{SP general entitlements} & \textbf{SP entitlements for coal sector workers} & \textbf{Active labor market programs in GP} \\
\hline
Severance up to 3 months’ pay for employees in large (>20 employees) companies & Unemployment benefits up to 75% of previous earnings for mass layoffs & \textbf{46,000 unemployed registered in PUPs (2019)} \\
Unemployment benefits up to 12 months & Early retirement is possible for mining sector workers & Internships
Beneficiaries: 6,620
Job placement: 88% \\
Means tested Social assistance benefits & Social Agreement (2021) for hard coal miners & Professional training
Beneficiaries: 4,765
Job placement: 54.2% \\
\hline
\end{tabular}
\end{table}

\textbf{Source: World Bank.}

\textsuperscript{31} Early retirement options for sectors other than mining are limited in Poland. The so-called bridging pension system introduced in 2008 allows workers in 51 occupations that involve working in hazardous jobs to retire at the age of 55 (women) or 60 (men). Unlike mining pensions, bridging pensions are financed with revenue from a dedicated contribution (IBS 2018).

\textsuperscript{32} The amount of unemployment benefits is determined in accordance with the applicable Act on the Promotion of Employment and Labor Market Institutions.

\textsuperscript{33} The amount of unemployment benefits is determined in accordance with the applicable Act on the Promotion of Employment and Labor Market Institutions.
benefits upon registration with the local LO, and outplacement services as agreed with the employer and trade unions. The Social Agreement signed in May 2021 provides entitlements to new social protection benefits for hard coal miners, thus is not applicable to the ZE PAK Capital Group lignite coal miners and power plant workers and in general to the Wielkopolska region as there is no hard coal mining.

OVERVIEW OF THE DRAFT PROJECT PROPOSALS TO SUPPORT COAL WORKERS UNDER THE TJTP

Three draft outplacement project proposals have been developed to mitigate the social and labor impacts of Eastern Wielkopolska's transition out of lignite extraction and lignite-based power generation. The three proposals were prepared by (a) the ZE PAK Capital Group together with ZE PAK trade unions, (b) the ZE PAK Employees’ Council together with the NGO Institute of the Green Future, and (c) the Association for Social Cooperatives. The Association for Social Cooperatives is a nongovernmental organization (NGO) currently supporting 300 social cooperatives. The proposed outplacement project proposals were prepared during the elaboration of the TJTPs for Eastern Wielkopolska to be funded by the JTF once it is operational. Meanwhile, two small pilot initiatives are planned to take place in 2022: individualized job counseling and job search assistance performed by Jobs First with ZE PAK financing and the Smooth Transition Project under the Regional Operational Program 2014–2020 (Box 1).

All three proposals share the same objective to provide social and employment assistance to ensure a smooth transition of affected workers. While there is some degree of overlap on the target beneficiaries and types of proposed interventions, the implementation arrangements, expected coverage, and results differ across the three proposals. Table 2 provides an overview of the main design and implementation characteristics based on the draft proposals submitted to the World Bank between October and November 2021.

Some of the interventions proposed by the first two proposals such as short-term vocational training, job search assistance, career guidance, wage subsidies, and support for business start-up are also provided by powiat LOs. Nonetheless, the quality of job search assistance, profiling, and referral to vocational training performed by LOs’ job counselors is compromised by their high case load, which would not allow LO job counselors to provide individualized assistance with the intensity required by this target group. Other measures such as the mobility assistance and preretirement assistance are not currently provided to these workers, while support to green neutral social cooperatives would build and expand the existing assistance to social cooperatives provided by the association.

Specifically, the Association for Social Cooperative project proposes to promote new and existing social cooperatives focusing on the readaptation of buildings (insulation and other improvements to increase the energy efficiency) of energy-poor families, tapping on the skills and expertise of ZE PAK Capital Group workers. The proposed project would complement existing government programs meant to subsidize the cost of replacing energy sources in residential building to achieve energy efficiency. The association tested an approach based on social enterprises, including local government social cooperatives, and municipal companies and administration in municipalities as an outplacement pathway for ZE PAK Capital Group workers in two municipalities (Kazimierz Biskupi and Rychwał), though evidence is scant to gauge whether

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34 Workers in the hard coal mining industry are entitled to (a) a monthly social benefit equal to 75 percent (80 percent) of the monthly remuneration for employees who have been granted the right to take a leave before December 1, 2021 (after December 1, 2021) for up to four years, provided it allows them to acquire the right to the pension before January 1, 2028 and up to three years, provided it allows them to acquire the right to the pension before January 1, 2027; (b) one-time severance pay of PLN 120,000 for employees who do not have the right to mining leave; and (c) equivalent payment to receive free coal.

35 ‘Outplacement program’ refers to a set of services and activities meant to mitigate the social and labor impacts of affected workers including job search assistance, intermediation services, training, wage subsidies, support to self-employment, mobility assistance, early retirement, and other types of income support.

36 The Employees’ Council represents only staff of PAK KWK Konin S.A. plant.

37 The STOP SMOG program implemented by municipalities.
joining social cooperatives is a viable pathway for miners. Out of the twenty workers who were offered to either start a social cooperative, or accept a job in the municipality administration, or a job in a municipal entity at the same salary they were receiving in the ZE PAK Capital Group, only five expressed interest and only three ultimately accepted to join existing social cooperatives and units dependent on municipalities, based on anecdotal evidence. The main reason for the low take-up was the unwillingness among ZE PAK Capital Group workers to accept a job in a different occupation and the belief that their workplace in the ZE PAK Capital Group will be maintained and there will be no collective redundancies. It is worth noting that the demand for workers being dismissed by ZE PAK Capital Group is high among municipalities, especially the demand for mechanics and maintenance workers.

Table 2
Overview of the design and implementation features

<table>
<thead>
<tr>
<th>Target beneficiaries</th>
<th>Proposed interventions</th>
<th>Expected results/targets</th>
<th>Duration</th>
<th>Cost</th>
<th>Leading agency</th>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers in the ZE PAK Group and from lignite value chain companies in Eastern Wielkopolska and from extractive and energy industry, declared redundant and laid off since 2018</td>
<td>Individualized counseling, job search assistance within and outside ZE PAK, upskilling and reskilling and relocation support</td>
<td>2,200 ZE PAK laid off workers (304 youth and 1,657 above 54 y.o.)</td>
<td>Until 2025</td>
<td>Euro 48 to 73 million (PLN 220–330 million)</td>
<td>GK ZE PAK Management Board and Trade Unions</td>
<td>Regional and powiat LOs, Social economy and solidarity economy actors, Outplacement consultants, Business support institutions</td>
</tr>
<tr>
<td>Workers from the Employment Support Center</td>
<td>Training vouchers for upskilling and reskilling; technical and financial support to start and run a business; career guidance, job matching, wage subsidies; social inclusion services; pre-retirement income support</td>
<td>n/a</td>
<td>Until 2029</td>
<td>n/a</td>
<td>n/a</td>
<td>ZE PAK employee council, the Regional Center for Social Assistance, Powiat LOs, representatives of NGOs, representatives of business support institutions</td>
</tr>
<tr>
<td>Green Social Cooperatives for Solidarity</td>
<td>Motivational and mobilization meetings, profiling, vocational training, grants and bridge finding instruments to facilitate creation of green jobs in new and existing social cooperatives, business training and job incubation plan for new and existing social cooperatives</td>
<td>1,000 new jobs created and 100 new green social cooperatives</td>
<td>Until 2026</td>
<td>Euro 20 million</td>
<td>Social Cooperative Promotion Association</td>
<td>ZE PAK S.A. Group, Instrat Foundation, selected municipalities</td>
</tr>
</tbody>
</table>

Source: An elaboration of information included in the three draft proposals.
The second proposal prepared by ZE PAK trade unions raises concerns on its eligibility (see Box 2). ZE PAK (as a large private company) would qualify as beneficiary of the JTF only if outplacement services represent a minor share of a bigger productive investment. On the other hand, ZE PAK trade unions could potentially be the eligible beneficiary of the outplacement project—as the eligible beneficiaries of the JTF have not been precisely defined in the JTF regulation, thus in principle, any type of public or private legal entity, as defined in the Common Provisions Regulation, qualifies. However, the capacity of such an entity to perform envisaged tasks within the outplacement project and effectively manage EU funds should be thoroughly assessed and it will have to meet requirements defined in the relevant project selection criteria (Jaspers 2021).

All project proposals outline social and labor interventions to tackle the employment issues at the core of transition-related challenge faced by the ZE PAK Capital Group and the broader entire Eastern Wielkopolska. The Employment Support Center (ESC) has a strong participatory approach and puts forth the concept of a one-stop-shop (the ESC) for social and employment support interventions offered under the program. The Green Social Cooperative meets the dual objective of supporting affected workers and promoting energy efficiency for energy-poor families in the subregion. The ZE PAK Capital Group proposal has a strong result-based approach, building on the pilot that is about to be implemented. A contract with Jobs First has recently been signed to pilot individualized counseling and job matching services, starting January 2022, for 100 employees who have been notified as redundant.38 The pilot is funded by ZE PAK Capital Group own funds using a performance-based contract with disbursement linked to results (job placements). The strengths and weaknesses of each of the three proposals are outlined in table 3.

Table 3
Strengths and weaknesses of each proposal

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upskilling, reskilling, and activation of ZE PAK Capital Group affected workers</strong></td>
<td></td>
</tr>
<tr>
<td>Focus on tailored, individualized counseling</td>
<td>Main focus is on ZE PAK direct workers; outreach to affected workers (indirect and induced) is not discussed nor budgeted</td>
</tr>
<tr>
<td>ZE PAK Capital Group knows its workers and needs better; ZE PAK Capital Group may better prepare and help identify workers who can transition to the new RES jobs created by the group</td>
<td>Limited sustainability. Once all ZE PAK Capital Group workers are outplaced, the program is over. Should beneficiaries be placed in temporary employment and become unemployed again, they would not be eligible</td>
</tr>
<tr>
<td>Strong commitment as shown by the pilot, and plans to build on its results</td>
<td>Main focus of the pilot is to provide an employee with a new job rather than skills development per se</td>
</tr>
<tr>
<td></td>
<td>Limited capacity to coordinate with training providers; overall, the capacity of the Trade Unions as project beneficiary would need to be assessed</td>
</tr>
<tr>
<td></td>
<td>Some proposed measures may not be eligible under the JTF</td>
</tr>
</tbody>
</table>

38 Jobs First has already implemented programs to find jobs for about 5,000 unemployed workers in Poland and about 500,000 in UK, mostly long-term unemployed. They are specialized in finding suitable employment. The placement rate in their previous experience with the Polish Government is 70 percent. The average time of employment in the existing Jobs First programs is 3.5–4.5 months, while the time of participation in the program for one participant in the pilot is a maximum of 9 months.
Options to support workers through a transition away from coal in Eastern Wielkopolska

### Strengths and Weaknesses

<table>
<thead>
<tr>
<th><strong>Employment Support Center (ESC)</strong></th>
<th><strong>Weaknesses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence of the proposed ESC compared to its own employer</td>
<td>Main focus is on ZE PAK Capital Group direct workers</td>
</tr>
<tr>
<td>Principle of the one-stop-shop for client-oriented services</td>
<td>Implementation arrangements are not developed, the proposal lacks an implementation plan and costing</td>
</tr>
<tr>
<td>Comprehensive set of interventions also focusing on entrepreneurial prospects</td>
<td>Some activities are not eligible under the JTF [retirement bonus and subsidies]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Green Social Solidarity cooperatives</strong></th>
<th><strong>Weaknesses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on a broader target group and dual objectives [addressing energy efficiency and job losses]</td>
<td>Unclear implementation arrangements for the provision of vocational and business training</td>
</tr>
<tr>
<td>Established experience to support green social cooperatives</td>
<td>Expected limited take-up</td>
</tr>
<tr>
<td>Multisectoral cooperation [public, private, social]</td>
<td>Limited scalability</td>
</tr>
</tbody>
</table>

Source: An elaboration of information included in the three draft proposals.

### BOX 1: ‘SMOTH TRANSITION’ OUTPLACEMENT INITIATIVE FOR AFFECTED WORKERS IN EASTERN WIELKOPOLSKA IMPLEMENTED UNDER THE GREATER POLAND REGIONAL OPERATIONAL PROGRAM 2014–2020

The lack of readily available JTF resources to finance the implementation of a comprehensive outplacement project for affected workers continues to be a major concern for all stakeholders, with ZE PAK trade unions continuously appealing for launching support measures as soon as possible. In the absence of a social contract for the lignite and energy sectors, the lack of funds from ReactEU and the JTF, as well as the growing socioeconomic crisis resulting from the war in Ukraine, dismissed workers face a difficult situation and urgent measures to support them are necessary. The issue of availability of the JTF is beyond the region’s remit and depends on the course and effects of Partnership Agreement 2021–2027 negotiations between the Government and the EC, which are still ongoing.

In parallel to the pilot program for 100 ZE PAK employees [funded by ZE PAK and implemented by Jobs First], another pilot outplacement program [the ‘Smooth Transition’ program], implemented by Gift of Education Foundation, was launched in January 2022 with support of the Regional Operational Program 2014–2020 targeting about 250 workers either at risk of dismissal or planned to be dismissed or dismissed for reasons not related to the employee but in the context of limiting the extraction and use of lignite [as a result of restructuring, adaptation, and modernization processes of the enterprise]. Worker eligibility is also set based on territorial residence for those who work or live in the following powiats: Kolski, Koninski, Slupecki, Turek, and the city of Konin. The objective of the project is that minimum of 124 people will take up or continue employment, as a result of participation in the project. Project end date is June 30, 2023.

Each project participant will be provided with comprehensive support considering the full offer of support covering all forms of assistance possible to implement as part of the project, which will be identified by the participant. Envisaged support activities include the following:
1. Diagnosis of professional competence in the field of running a business and assessment of candidates’ predispositions to run a business [1 hour/person]

2. Preparation and implementation of IAP [6 hours/person]

3. Career counseling [1 hour/person]

4. Vocational training for 198 people. Thematic scope developed on the basis of IAP in accordance with the participant’s professional and health predispositions and the needs of the labor market. The average cost of training with the exam is PLN 2,500.

5. Job placement [6 hours/person, for 198 people]

6. Group training and advisory support in the field of preparation for running a business [56 hours/group, for 50 people]

7. Individual training and advisory support in the preparation of a business plan [8 hours/person]

8. Subsidy for opening a business in the amount of PLN 23,050 [for 40 people]

9. Financial bridging support for a period of 12 months in the amount of PLN 2,670.00 for 40 people who will receive a grant.

As of end of April 2022, there was no application to this program and only five workers benefited from ZE PAK pilot. The uncertainty on the layoff schedule, hence the lack of program take-up, delays the evaluation plans for the existing two initiatives in Eastern Wielkopolska.

Source: Gift of Education Foundation (http://daredukacji.pl/plynne-przejscie); Jobs First.

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**BOX 2: ZE PAK CAPITAL GROUP MANAGEMENT BOARD ELIGIBILITY UNDER THE OUTPLACEMENT PROJECT**

Concerns were raised on the eligibility of the ZE PAK Capital Group Management Board as a partner of the outplacement project. In line with the provisions of JTF Regulation, the ZE PAK Capital Group Management Board—being a large company—could be an eligible financial partner [responsible for the implementation of selected activities] for outplacement services under the JTF only if such ‘soft investments’ [retraining and upskilling] accompany (as a minor share) the ZE PAK Capital Group’s productive investments, leading to job generation to offset job losses resulting from the transition. In such circumstances, the ZE PAK Capital Group Management Board could serve as a financial partner of a comprehensive outplacement project responsible for the pre-layoff provision of reskilling, upskilling, and on-the-job training of ZE PAK Capital Group workers declared redundant, to help them move to the new jobs created under the ZE PAK Capital Group’s three renewable energy line of business services, as recommended in the World Bank note.

In line with the stipulations of draft Polish Implementing Act, the ZE PAK Management Board could not be included in the consortium as a ‘non-financial partner’ [not incurring any expenditures and only providing in-kind contributions such as making the company’s premises available to conduct training for workers participating in the outplacement program, and so on] as the draft regulation states that the participation of partners in the partnership project cannot consist solely in contributing resources for other partners.
**INTERNATIONAL GOOD PRACTICES FOR A SUCCESSFUL TRANSITION OF AFFECTED WORKERS**

Mitigating the social and employment impacts of coal mine closures requires adopting systemic and coordinated measures, in accordance with the principles of a just transition, that is, to concentrate on geographic areas, industry sectors, and employees confronted with the greatest problems. Outplacement programs include both passive and active measures that are sequenced and coordinated to protect income, encourage reemployment, and build human capital. The precise design of a support package for mitigating social and labor impacts of the coal transition depends on the local context, including the local economy and local labor demand, availability of fiscal resources, the state of the social protection system, and the dynamics of the coal transition whether rapid or gradual transition (Cunningham and Schmillen 2021).

It has to be noted that labor policies that support the transition of displaced workers to new jobs are necessary but not sufficient to sustain a successful transition, as labor demand needs to be there in sectors and types of occupations that may absorb the job losses. An economic development strategy including an industrial restructuring process should be prepared and implemented in advance to mine closure and layoffs to boost the local demand, especially in remote and lagging regions. Efforts to promote, diversify, and plan local economic development as well as environmental rehabilitation should start as soon as possible before the closure of mines. Improving the business environment and fostering entrepreneurship can increase profitability and attract new firms. Investment in physical infrastructure and physical and digital connectivity will enhance the appeal for investors by reducing transport and other operational costs. Experience from earlier transition episodes illustrates that local governments and institutions cannot manage alone, requiring regional and sometimes national support—with planning, policy coordination, and financing—as well as the cooperation and expertise of NGOs (for example, charitable organizations, cultural and academic institutions, and partners in the private sector—Ruppert Bulmer et al. 2021).

A review of international experience points to some lessons for designing outplacement services (ALMPs and temporary income support measures) be provided before and after the layoffs.

**The timeliness of action is key to prepare redundant workers before layoffs.** It is important to act early and provide the information regarding outplacement assistance options when the worker receives the notice of redundancy/dismissal. The main lesson learned from the Russian coal transition in the 1990s was that, ideally, the design and institutional and regulatory framework to implement the outplacement programs (the Local Development Programs39) should be in place before the large-scale layoffs take place. Instead, mine closure started in 1993 while the Local Development Programs were introduced only in 1996. As a result, only few of the former coal workers found jobs or self-employment through outplacement programs compared to the number of layoffs.

The transition experience in Germany (Ruhr Valley) and more recently of the government of Alberta, Canada, through its Climate Leadership Plan40 show that the provision of job-search services should begin as soon as the workers receive notice or even before in order to improve the effectiveness of such measures (OECD, 2018).

**Eligibility criteria to select beneficiaries of outplacement services should be clear and inclusive of both directly and indirectly affected workers, formal and informal workers.** It is important to clearly identify who is at risk of losing a job because of a mine and power plant closure and define eligibility determination and verification criteria for outplacement services. The coal transition experience in the Appalachian region (US) shows that workers indirectly employed in coal supply chains or near the mines should be considered when defining the beneficiary selection rules of assistance programs, in addition to direct mine workers. And in settings where mines...

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39 The Local Development Programs were meant to be used for pre-redundancy consultations, professional retraining, temporary public works programs, small business support, job creation programs, and relocation assistance.

40 The Plan introduced an accelerated phasing-out of coal-fired power generators and the introduction of a carbon price.
employ both formal and informal workers, such as in India, informal mine workers are at greater risk than their formal counterparts for several reasons: they lack severance rights and other basic labor protections such as advanced notice of layoff; they are ineligible for social insurance programs such as unemployment benefits; and they earn much lower incomes and are therefore less able to weather income shocks. Informal and temporary work may be significant in the mining companies and their suppliers and in other local sectors that are indirectly associated with coal mines employees. The displacement of informal workers whose income depends on the coal sector is particularly concerning in poorer families (Ruppert Bulmer et al. 2021).

It is critical that workers are clearly informed of the options and services they may be provided and procedures to follow, well before the actual layoff occurs. Pre-layoff assistance is intended to prepare workers for impending layoffs. Typical services implemented as part of pre-layoff assistance include the following: (a) establish strong communication with workers to determine their expectations and priorities and assess interest in temporary income support and active labor market policies; (b) worker profiling and skill assessments to provide each worker with a clear understanding of their skills and assistance needs; and (c) provision of initial in-plant job counseling and placement services. Pre-layoff assistance should involve the Government, workers, and the employer with the objective of starting services for workers before they even leave the mine/plant (Cunningham and Schmillen 2021). For example, Canada’s Industrial Adjustment Services of labor market information, information on employment program, services to firms and communities facing large-scale job displacements were effective in reducing the period of unemployment. Critical success factors included a focus on the most vulnerable workers and the involvement of local stakeholders (Fretwell 2017).

Active measures should be responsive and coordinated with local investment in economic and business development, and hence with the type of occupations and skills that will be in demand in the short and medium term. The job counseling, job search assistance, and the referral system should be informed by the analysis of labor market demand in terms of skills and occupations. Education and training programs can assist labor redeployment at moderate costs per beneficiary when they are demand driven. The provision of training could be delivered in class and on the job, directly by hiring employers. In the case of class-based short-term vocational training, it will be important to align the selection of courses to the occupation in higher demand and in high productivity sectors.

Employment services and education and training programs are likely to have little impact when local labor markets are highly dependent on mining-related economic activities and job opportunities are limited in the affected area. In such contexts, the most promising strategy might be to tilt the balance of outplacement programs toward temporary passive income support to manage long transition periods coupled with mobility assistance to facilitate access to other labor markets. Mobility assistance reimbursing the cost of moving to a different region based on a job offer (as implemented in Romania) could be more cost-effective than investments in employment services and training in the region. As not everybody is willing to move and mobility constraints are higher among older miners, it is generally worth targeting it to specific groups, for instance younger coal miners.

The right balance between income support measures and re-employment services depends on the local labor demand as well as the workers’ characteristics. Temporary income support should be considered when there is insufficient labor demand in remote or lagging regions. Formal workers dismissed in mass layoffs are eligible for the one-time severance by law (see previous section) and unemployment benefits if eligibility conditions are met. However, these existing instruments may not provide enough protection in case of longer-term unemployment spells typical of labor displacement in the coal sector. Temporary income support can take the form of wage supplements and unemployment benefit top-ups and/or training stipends. For example, the US Trade Adjustment Assistance Program provides a variety of reemployment services including training and job searching assistance and benefits to workers who have been adversely affected by foreign trade, import competition, and offshore outsourcing. Under the 2021 revision, the main benefits include (a) trade readjustment allowances (TRA) in addition to
Options to support workers through a transition away from coal in Eastern Wielkopolska

Regular unemployment insurance of cash payments up to 117 weeks for beneficiaries participating full time; (b) training in different modalities including classroom training, on-the-job training, customized training designed to meet the needs of a specific employer or group of employers, apprenticeship programs, post-secondary education, or remedial education; (c) the alternative trade adjustment assistance for workers ages 50 and over, and earning less than US$50,000 per year in reemployment, provides a wage supplement equal to 50 percent of the difference between a worker's reemployment wage and the worker's certified job wage with a maximum benefit of US$10,000 over a period of up to two years (workers must be reemployed within 26 weeks); (d) job search assistance allowance to cover necessary expenses incurred while seeking employment outside normal commuting area; and (e) relocation allowances to reimburse for approved expenses when moving to a new area to earn family sustaining wages in employment outside of normal commuting area.

Income support measures for mass layoffs should be coordinated to maximize protection while minimizing job search disincentives. Different forms of income support (severance, unemployment benefits, last resort social assistance, and early retirement benefits) should be deployed in a sequential fashion and not overlap. For example, in countries with a strong unemployment insurance system, social assistance benefits would be provided once unemployment benefits terminate. When income support packages are too generous, the risk of creating work disincentives is high as shown in the 1990s mine closure in Poland (Ruppert Bulmer et al. 2021). Early retirement benefits, if not well targeted, are costly solutions that may have the adverse impact of pushing out of the labor force people, who would otherwise work. This was particularly problematic in the case of aging societies, as it happened in Spain during the privatization of state-owned enterprises (SOEs) in the 1980s (Cunningham and Schmillen 2021).

Outplacement programs should be designed to avoid potential displacement effects on other ‘regular’ unemployed, notably youth and long-term unemployed. Alignment with existing social protection and labor programs has to be carefully considered when designing complementary social protection measures for sector-specific displaced workers, as coal workers. For instance, the design of regular social assistance or unemployment benefit systems should directly influence the features and generosity of temporary income support and active labor policies offered to laid-off coal workers to incentivize job search. In addition, social protection and labor benefits should be harmonized across categories of coal workers. Complementary social protection measures for coal workers are introduced as regular employment services may not be adequate for the special needs of coal workers, may not be responsive enough, or for political reasons. Nonetheless, it will be critical to avoid exacerbating labor market distortions through generous outplacement packages to mine workers who already benefit from higher wages compared to workers in other sectors, widening existing labor market distortions risks and slowing the pace of adjustment and local economic recovery.

Worker profiling and individualized support tailored to the needs of affected workers are key determinants of success. International good practice shows that individualized counseling and sophisticated tools to profile and assess the skills, preferences and constraints of affected workers are key determinants of success in supporting job-to-job transitions of coal workers. For example, not all employees were willing to move to the renewable energy sectors. The RES training project experience shows that few employees were willing to move from mining to solar energy: only 20 percent of reskilled employees ultimately accepted job offers (Box 3). A proper evaluation of the RES training was not conducted, though consultations with the ZE PAK Capital Group and their trade unions point to the distance, mobility constraints, older age, and the perception that jobs in the photovoltaic are not long term as main reasons for limited take-up. Despite the communication, information, and training services provided and the fact that the offered wage was similar (slightly less) as previous wage by the ZE PAK Capital Group, only a few ZE PAK Capital Group workers accepted to take up jobs of installing solar panels.

The maximum duration of the outplacement program should be defined to ensure workers are placed in sustainable jobs. Placements in short-term and temporary employment would not solve the unemployment challenge, beneficiaries may become

19
unemployed again and in need of additional support. Beneficiaries should be eligible to benefit from program services within the program duration. In China, the Xiagang reemployment program was introduced to manage the mass labor layoffs in the late 1990s. It required SOEs to provide temporary income support and reemployment services for up to three years to workers who had been laid off. Those who still lacked a job after three years could claim unemployment insurance benefits for a maximum of two years.

**Strong public-private partnerships and direct dialogue across different levels of government, the private sector, trade unions, NGOs, and the civil society organizations (CSOs) are key elements of success to mitigate the social labor impacts of the coal transition.** The best approach is regular and up-front involvement of different stakeholders in general and labor representatives in particular in the design of the response. If the capacity on the ground of local governments is limited, including because of high case load of job counselors or limited skills to provide individualized vocational counseling in public employment services offices, outsourcing to private service providers (employment agencies and training providers) should be considered. In Poland, LOs have increasingly relied on outsourcing of counseling services for the unemployed to private companies. A rigorous impact evaluation assessed the effectiveness of counseling services in the Małopolskie Voivodeship outsourced to private providers compared to public delivery through LOs based on a random assignment of the registered unemployed (Gajderowicz and Jakubowski 2019). Results show that the unemployed receiving counseling services from private providers have shorter unemployment spells, by one month on average, than those served by LO counselors and the impact tends to diminish over time. The short-term impact is significantly higher for older workers.

A strong monitoring and evaluation system should be planned in advance and implemented throughout the program to allow for continuous learning and program adaptation. In the case of employment services for ZE PAK Capital Group workers, it will be important to monitor and evaluate the individualized counseling and job search assistance services piloted by Jobs First for 100 ZE PAK Capital Group workers to finalize the design of a broader outplacement services. The World Bank Preference Survey and the existing qualitative evidence on workers’ perspectives will also provide useful inputs to the design of pre-and post-layoff outplacement services.

It is important to mobilize the necessary financing up front before the process/outplacement program is made public. The mitigation of social and employment impact of the coal transition has both short-term and long-term costs that should be considered and budgeted early on. As EU Member State, Poland could tap the following funding sources: the JTF (JTM pillar 1) not yet ready to be deployed, the ESF under 2014–2020 and 2021–2027 Regional Operational Programs (ESF and ERDF), EIB loans to the public sector under pillar 3 of the JTM, the European Globalization Adjustment Fund, and the second tranche of the ReactEU fund to complement national state budget from the Labor Fund and the Guaranteed Employee Benefits Fund.

Carefully managed communication is critical for ensuring the coal transition is correctly understood and well received and to avoid public perception of unfairness that could undermine the reform process. The communication around the outplacement options for workers in mass layoffs and those at risk of losing their jobs through indirect and induced effects needs to be carefully managed. A communication plan on the outplacement options for redundant workers should be prepared and implemented in affected municipalities once the outplacement program is set and funds secured.

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41 Private companies were paid a success fee and were free to decide what kind of services to provide to each unemployed person, while beneficiaries were given a profile by the LO. The program was designed for unemployed people who were to some extent disadvantaged in the labor market.
Options to support workers through a transition away from coal in Eastern Wielkopolska

MARCH 2022

BOX 3: THE RES TRAINING PROJECT IN KONIN

In 2020, the process of collective redundancies began in three companies KWB Konin S.A., KWB Adąmów S.A., and PAK Górnictwo for the liquidation of the Adąmów open pit and the suspension of coal mining in the Drzewce open pit. To facilitate the transition of their workers to new jobs, the ZE PAK Capital Group, with the support of the Konin ARR, organized two three-day specialized vocational trainings in October 2020 to equip workers with new qualifications for photovoltaic installation fitter. The trainings were delivered by RES training center and ended with an exam after which the participants received a certificate confirming that they have completed the course ‘Photovoltaic installation fitter completed with a state exam’ and qualification certificates to deal with the operation of equipment, installations, and networks at the type D and E supervision post issued by the Association of Electricians Konin Branch. All participants passed the exam. The trainings were financed by granting each employee a loan from the company’s funds in the amount of PLN 2,400, 90 percent of which was subsidized by the ARR.

After the training was completed, a meeting was organized by representatives of Esoleo inviting all training participants. At the meeting, Esoleo presented the required qualifications and characteristics of their job offers and invited interested candidates for individual interviews. Most of the training participants joined the organizational meeting and took part in individual recruitment interviews.

Of the 50 employees who were trained, 33 participated in the joint meeting with Esoleo, 21 were interviewed, and 14 ended up accepting the job offers and are now employed: 5 as electricians of photovoltaic systems, 6 as photovoltaic installers in the Brudzewo Farm, and 3 as construction engineers. Despite the quality of training being high, only 11 people were interested in stationary work in the construction of a photovoltaic farm in Brudzewo and 10 people initially expressed interest in working as an installer. Part of the reason why the installer job offers were not appealing is because of the long distance [up to 120 km from Konin] to reach the photovoltaic installations every day. Second, trained employees were too old to work as installers in a photovoltaic farm. Finally, the photovoltaic sector does not offer long-term sustainable job opportunities: job demand is high at the beginning to build the infrastructure, then the market and job demand disappears.

Table B3.1
Employment status of participants in the employer-driven RES training

<table>
<thead>
<tr>
<th>Employer</th>
<th>Number of employees whose employment contracts were terminated in 2020</th>
<th>Number of laid off employees who participated in the training</th>
<th>Number of employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>KWB Konin S.A.</td>
<td>74</td>
<td>26</td>
<td>7</td>
</tr>
<tr>
<td>KWB Adąmów S.A.</td>
<td>61</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>PAK Górnictwo Sp. z o.o.</td>
<td>143</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>278</td>
<td>50</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: ZE PAK Capital Group.
PROPOSED IMPLEMENTATION ARRANGEMENTS FOR A COMPREHENSIVE PROGRAM FOR COAL-RELATED WORKERS

Given the different skills profiles, preferences, and readiness for reemployment across workers that will be directly and indirectly affected by the closure of mines and power plants, it is recommended to design a comprehensive program that would offer a package of different integrated services to be delivered across different phases of the transition with the objective of accelerating coal communities’ out-of-coal transition to alternative economic activities.

It is recommended that targeted beneficiaries include not only ZE PAK Capital Group workers directly affected by mine and power plants closure but also affected workers in the ZE PAK Capital Group contracted companies and formal and informal workers in services related to ZE PAK Capital Group workers. Clear and specific eligibility criteria need to be further defined in alignment with a clear demarcation line between JTF and ESF+ beneficiary projects. It is important to mitigate potential risks stemming from the potential exclusion of workers in companies highly dependent on the ZE PAK Capital Group who are indirectly affected. In line with the stipulations of the JTF regulation, JTF eligibility applies to all affected workers in sectors vulnerable to the energy transition as identified in the TJTP. Therefore, it is critical that the TJTP clearly identifies which workers ‘who lost jobs due to the transition’ are included in the proposed plans. Affected workers as identified in the TJTP will be automatically eligible for support under the JTF.

The proposed implementation arrangement for a single outplacement program as a partnership project rests on the following principles: (a) minimize potential exclusion among affected workers; (b) avoid the potential costs associated with fragmentation and overlapping programs; (c) exploit each stakeholder’s comparative advantage in delivering services; and (d) ensure the sustainability of the program during the energy transition process as impacts on the community can continue after the ZE PAK Capital Group layoffs are completed. It is critical to ensure that adequate implementation capacity needs to be in place for each partner to deliver outplacement services at the expected scale and that every stakeholder has sufficient confidence and trust in each other.

Before layoff, the outplacement program would provide the following integrated services to beneficiaries:

- Group communication, raise awareness of the program, and outreach to potential beneficiaries

  Potential implementing partners: ZE PAK Capital Group trade unions, powiat LOs (by law).

- Outreach to potential employers who would be interested in ZE PAK Capital Group redundant employees

  Potential implementing partners: ZE PAK Capital Group trade unions and private employment agency company.

- Individualized counseling as first step interaction to motivate workers to continue to work, help them promote the reemployment of all affected workers, it is proposed to implement the outplacement program for Eastern Wielkopolska as a consortium project with the regional LO as leading agency (main project beneficiary) in partnership with the ZE PAK Capital Group, ZE PAK Capital Group trade unions, a private company providing individualized counseling, and powiat LOs in close coordination with representatives of secondary industries that supply the mining industry and municipalities.

Based on the regional LO’s previous experience to manage EU-funded projects and its legal mandate to
understand their preference, and raise awareness on potential job transition pathways that would be viable and on occupations and jobs that are in demand in the local labor market and which are the steps that they would need to follow to transition to another occupation or job task and raise awareness on the types of interventions that are provided as part of the comprehensive outplacement, including joining social cooperatives and/or partnering in establishing a new one. Jobs First company was selected by the ZE PAK Capital Group Management Board to pilot individualized counseling.

**Potential implementing partners:** Private employment agency, the ZE PAK Capital Group premises could be considered to deliver these services.

- **Skills assessment and worker profiling** as a result of individualized counseling to assess (a) the overall mindset, attitudes, aspirations; (b) the technical and socioemotional skills as well as the willingness to be trained in different tasks in the same occupations and/or in different occupations; (c) the reservation wages; and (d) attitude to entrepreneurship, business start-up.

**Potential implementing partner:** A private employment agency could perform the skills assessment and profiling service to targeted beneficiaries (ZE PAK Capital Group workers and workers indirectly affected) in partnership with powiat LOs.

- **A referral system** would need to be developed to lay out the pathways of outplacement services based on the worker's profile categorization (skills, attitudes, and readiness to work). As a result of the individualized counseling and profiling, an individual employment plan would be developed by the private employment agency partner. Beneficiaries would be accordingly oriented/referred by the private agency job counselors to post-layoff services, including continued job search assistance, skills training courses to meet the requirement of potential suitable jobs, support services to either join or start social cooperatives, incentives to business start-up, other ALMPs offered by LOs, and complementary services as psychological services and social assistance income support offered by municipalities.

**Potential implementing partner:** A private employment agency.

- **Job search assistance and job matching**

  **Potential implementing partners:** Private employment agency in partnership with powiat LOs and ZE PAK Capital Group space/premises could be considered to deliver these services.

- **Reskilling, upskilling, and on-the-job training** to help some of the existing workers move to the new jobs created under the ZE PAK Capital Group three renewable energy line of business.**43**

  **Potential implementing partner:** The ZE PAK Capital Group would provide these services for workers identified as suitable to transition to the new jobs already before the layoff.

- **Registration of notified redundant workers as unemployed.**

  **Potential implementing partner:** Powiat LOs (by law).

**After layoff** the services to be provided should include the following:

- **Continued individualized counseling (aptitude and interest assessment) and updated profiles**

  **Potential implementing partners:** Private employment agency.

- **Employment search assistance and job matching**

  **Potential implementing partners:** Private employment agency in partnership with powiat LOs.

- **Upskilling and reskilling training** through external qualified training providers and on-the-job training with hiring employer. The challenge is to train and motivate people to transition from lignite production to other forms of energy production and beyond to other occupations in demand that represent viable pathways for lignite mine workers. Based on

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43 It should be noted that in line with the information shared by the ZE PAK Capital Group in February 2022, only one out of three RES-based investments—originally planned to be supported from the JTF in Eastern Greater Poland—will eventually be implemented in the region, with the other two being moved to Lubelskie and Pomorskie regions.
the World Bank Skills and Preference Survey 2021, desired pathways include jobs in the renewable energy sector as well as occupations matching ZE PAK workers’ skills and work experience. In the context of Wielkopolska it has to be noted that solar and modular nuclear energy would not offer enough and sustainable job opportunities. So, the provision of upskilling and reskilling training needs to be carefully tailored to identified viable job offers, possibly together with the prospective employer when the job offer is matched.

**Potential implementing partners:** Regional LO through contracted high-quality training providers with selection criteria agreed by the Steering Committee in coordination with the private employment agency providing job matching services.

- **Support for business start-up through small business grants**
  **Potential implementing partners:** Powiat LOs to support beneficiary joining or start new green social cooperatives by providing business development services, incubators, advise to help comply with legal requirements, and provision of technical and business training.

- **Support to start or join an existing green social cooperative**
  **Potential implementing partners:** Association for Social Cooperatives in coordination with municipalities to identify, partner, and fund new green social cooperatives. Support would include providing business development services, providing incubators, advising to help comply with legal requirements, and providing technical and business training.

- **Wage subsidies for those recruited to new jobs extending on the scheme currently provided by LOs to the ‘regular’ registered unemployed**
  **Potential implementing partners:** Powiat LOs.

The following income support measures could be considered as part of the package of benefits of the outplacement program though they would not be eligible under the JTF: (a) temporary cash allowance (with build-in incentive to work) in addition to the 12-month unemployment benefit could be considered to manage longer unemployment spells and for informal workers who do not qualify for unemployment benefits and (b) a support system targeting preretirement employees, including bridge pension system (in conjunction with public agencies and social security).

Unionized workers already benefiting from other social packages (for example, the social package agreed for hard coal workers) would not be eligible for such temporary income support benefits. Complementary social inclusion measures such as health vouchers to support workers’ recovery, ongoing psychological counseling and support for leaving workers and their families, substance abuse and addiction counseling, and rehabilitation support.44

Additionally, mobility allowances from affected municipalities to support the cost of resettlement and relocation to other regions as well as mobility allowances to attract workers from other regions to Eastern Wielkopolska and counterbalance the outmigration trends could be considered once a new economic development plan is implemented.

A public-private partnership agreement would define roles and responsibilities across partners, the leading partner, activities that will be implemented by each partner, the expected results to be delivered, and the budget flows and other key implementation stakeholders. Training providers could be contracted through performance-based contracts with disbursement linked to results (job placements).45 The proposed governance structure to implement the comprehensive outplacement program is shown in figure 5.

A Steering Committee could be established for the overall program coordination and for key decision-making (selection rules and contracting). The Steering Committee board composition would include at least the ZE PAK managing board, ZE PAK trade unions, representatives of secondary mining-related industries, regional and powiat LOs, ARR, and selected municipalities.

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44 These measures would be provided as part of or complementing the *Support for social change in Eastern Wielkopolska* draft proposal submitted to the World Bank.

45 The possibility to introduce such contracts was confirmed with the EC.
The regional LO—as a lead project beneficiary—would be responsible and accountable for the outcomes of the program, the management of the funds flows to partners, the procurement of services and goods, the overall program monitoring and evaluation, and oversight. A Project Implementation Unit with a couple of consultants could be established to support the project implementation and management. This unit could be set up in the LO Konin subregional office to maintain strong presence on the ground.

The ZE PAK Capital Group Management Board’s responsibilities (upon formal confirmation with the EC’s legal services that it could be included as a financial partner in the consortium) would include sharing results and operational lessons from the pilot, making information on redundant employees available, identifying and training those who could be reemployed within ZE PAK Capital Group, synchronizing the stages of employment reduction with the new jobs created, collaborating to deliver pre-layoff services to its workers, and reaching out to potential other employers who could be interested in its redundant workforce. The ZE PAK Capital Group Management Board could also contribute by making available in their premises the space needed to locate the project service office.

A private employment service agency could be a partner in the consortium and responsible for delivering individualized counseling as a first point of contact with all beneficiaries and generating beneficiaries’ skills assessment, profiles, and referrals to training, business start-up, and social cooperatives based on interests and profiles. The private employment agency will be responsible for delivering job search assistance and job matching services before and after layoff, setting up a referral system to alternative outplacement pathways based on needs assessment, and developing a project operational manual laying out the procedures and build capacity in powiat LOs. The case load per job counselor should allow adequate case management depending on the job readiness and intensity of support needed by beneficiaries. Job counselors should have the skills and be trained to motivate beneficiaries and make them good candidates for employers. Finally, the private employment agency will be responsible for monitoring
and tracking the employment status of beneficiaries over time and report to the regional LO.

A methodology, operational procedures, and tools will need to be developed to profile beneficiaries, meaning to assess their skills, attitudes, interests, and constraints. A referral system would need to be developed to lay out the pathways and operational steps to access outplacement services based on the worker profile categorization. The World Bank stands ready to provide technical assistance to develop such methodology, operational manuals, and tools, for example standardized skills tests, and preference assessment and tools to identify possible occupations that would be viable and desirable (based occupation similarity scores).

The four powiat LOs in the subregion would be responsible for registering employees notified to be dismissed in mass layoffs and providing information on the current situation and changes in the local labor market, current job offers, the different measures offered, and the rights and obligations of persons registered in the powiat LO. In partnership with the private employment service partner, powiat LOs will be responsible for establishing arrangements with training providers and providing regular ALMPs (subsidies for starting a business, job placement, internships/wage subsidies) if the services are deemed suitable to affected workers to increase their chances of reemployment. Finally, powiat LOs will be responsible for monitoring and tracking the employment status of beneficiaries over time and report to the regional LO.

REFERENCES


Instrat Foundation. 2021. “Just Transition in Eastern Wielkopolska: Diagnosis and Recommendations.”

Joint Assistance to Support Projects in European Regions (Jaspers) 2021. “Guidance on Projects Allocation to the three Pillars of JTM.”


### ANNEX 1: LIST OF CONSULTATIONS

**Table A1**
List of consultations (October 2021–March 2022)

<table>
<thead>
<tr>
<th>Date of the meeting</th>
<th>Subject of the meeting</th>
<th>Participants</th>
</tr>
</thead>
</table>
| October 11, 2021    | Introductory meeting on planned support to workers directly and indirectly affected by energy transition | ARR Konin [M. Sytek, M. Rejewski]  
World Bank Team |
| October 14, 2021    | ZE PAK upskilling, reskilling, and activation of ZE PAK affected workers project fiche | ZE PAK [D. Baliński]  
ARR Konin  
World Bank Team |
| November 15, 2021   | ZE PAK upskilling, reskilling, and activation of ZE PAK affected workers project fiche | ZE PAK trade unions [M. Kaźmierczak, P. Rybiński, G. Żabierek, G. Matuszak, A. Messerszmidt, D. Zbierski, M. Markowski, G. Rauschfleisch, M. Reśkiewicz]  
ZE PAK [P. Woźni, P. Milczarek, D. Babiński]  
ARR Konin [M. Sytek, M. Rejewski]  
World Bank Team |
| November 15, 2021   | Employee Support Center project fiche | Employee Council [W. Kłosowiak]  
Green Future Institute [A. Kuźmińska]  
ARR Konin [M. Sytek, M. Rejewski]  
World Bank Team |
World Bank Team |
| November 19, 2021   | Regional LO in Poznań and its role in outplacement programs | Regional LO [B. Kwapiszewsk, R. Zaczyński]  
ARR Konin [M. Sytek, M. Rejewski]  
World Bank Team |
| November 24, 2021   | Summary of consultation meetings | ARR Konin [M. Sytek, M. Rejewski]  
World Bank Team |
World Bank Team |
<table>
<thead>
<tr>
<th>Date of the meeting</th>
<th>Subject of the meeting</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 14, 2021</td>
<td>Joint online workshop for stakeholders</td>
<td>ARR Konin, Marshall’s Office, ZE PAK trade unions, ZE PAK, Employee Council, Green Future Institute, Association for Social Cooperatives, Regional LO in Poznań, Regional Center for Social Policy, EC, World Bank Team</td>
</tr>
<tr>
<td>January 14, 2022</td>
<td>Summary of feedback received from stakeholders on the World Bank note and discussing next steps</td>
<td>ARR Konin, World Bank Team</td>
</tr>
<tr>
<td>January 25, 2022</td>
<td>Technical meeting with the EC to provide update on progress with regard to the development of the outplacement project and to discuss JTF eligibility requirements, modalities of the outplacement project, and demarcation between JTF and ESF+</td>
<td>EC (DG EMPL—K. Dzięcielak, DG Regio—P. Olechnowicz, DG Ener—A. Sobczak), World Bank Team</td>
</tr>
<tr>
<td>February 10, 2022</td>
<td>Presentation of feedback from the technical meeting with the EC and discussion about the potential implications for the design of the outplacement project</td>
<td>ARR Konin, World Bank Team</td>
</tr>
<tr>
<td>February 23, 2022</td>
<td>Project update and planning for joint meeting with stakeholders</td>
<td>ARR Konin, World Bank Team</td>
</tr>
<tr>
<td>March 10, 2022</td>
<td>Joint online meeting with stakeholders</td>
<td>ARR Konin, ZE PAK trade unions, ZE PAK Management Board representative, Employee Council, Green Future Institute, Association for Social Cooperatives, Regional LO in Poznań, Regional Center for Social Policy, EC (DG EMPL, DG Regio), World Bank Team</td>
</tr>
</tbody>
</table>
The policy note was prepared by Maddalena Honorati and Anna Banaszczyk, with inputs from Tomasz Gajderowicz and Celine Ferré. Luc Christiansen, Elizabeth Ruppert Bulmer, Rachel Bernice Perks, Lucian Bucur Pop, Manuel Salazar, Javier Sanchez, and Filip Kochan provided valuable comments to the note. The note benefited from detailed comments received from ZE PAK SA and the trade unions of the ZE PAK Capital Group, the Institute for Green Future, the Association for Social Cooperatives, the Regional Center for Social Policy, the Regional Labor Office (LO) in Poznań, the Konin Agency for Regional Development (ARR), and the Marshall's Office of Wielkopolska region.

The production and publication of this report has been made possible through financial support from the European Commission Directorate General for Energy.

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