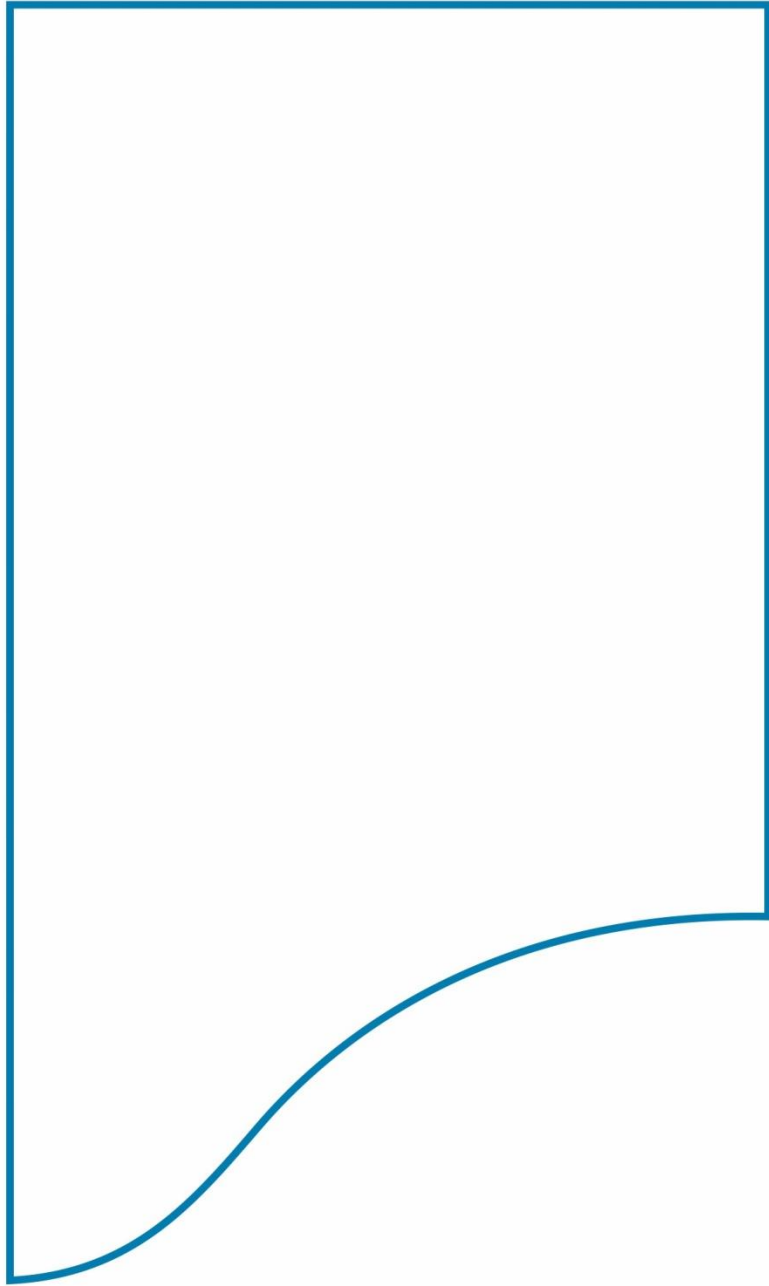




LAND ACQUISITION AND RESETTLEMENT ACTION PLAN



ODRA - VISTULA FLOOD MANAGEMENT PROJECT



Projekt Ochrony
Przeciwpowodziowej
w Dorzeczu Odry i Wisły



Państwowe
Gospodarstwo Wodne
Wody Polskie



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP



CEB
COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE



LAND ACQUISITION AND RESETTLEMENT ACTION PLAN

FINAL DOCUMENT

ODRA-VISTULA FLOOD MANAGEMENT PROJECT

THE LAND ACQUISITION AND RESETTLEMENT ACTION PLAN IS PREPARED FOR THE WORKS CONTRACT IMPLEMENTED BY THE STATE WATER HOLDING POLISH WATERS REGIONAL WATER MANAGEMENT AUTHORITY IN CRACOW

COMPONENT 3:

FLOOD PROTECTION OF THE UPPER VISTULA

SUB-COMPONENT 3A:

PROTECTION OF UPPER VISTULA TOWNS AND CRACOW

CONTRACT 3A.2:

Flood Protection in Serafa Valley

WORKS CONTRACT 3A.2/3

Flood Protection in Serafa Valley
– Malinówka 3 Reservoir

ISSUE	DATE	AUTHORS	VERIFIED BY	CLIENT'S APPROVAL	DESCRIPTION
I	01/27/2021	<i>Marta Rak Aneta Stasiak Tomasz Misarko</i>	<i>Jarosław Hernik Tomasz Jankowski</i>	<i>Monika Piszczek Aleksandra Macek Rafał Sionko</i>	

Cracow – January 2021

PROJECT IMPLEMENTATION OFFICE:

Państwowe Gospodarstwo Wodne Wody Polskie [State Water Holding Polish Waters]

Director of the State Water Holding Polish Waters

Regionalny Zarząd Gospodarki Wodnej w Krakowie [Regional Water Management Authority in Cracow].

seated at 22. Marszałka Józefa Piłsudskiego Street, 31-109 Cracow

DOCUMENT ELABORATED BY:

Państwowe Gospodarstwo Wodne Wody Polskie [State Water Holding Polish Waters]

Regionalny Zarząd Gospodarki Wodnej w Krakowie [Regional Water Management Authority in Cracow]

PIU OVFMP

Technical Assistance Consultant – AECOM Polska Sp. z o.o.

ODRA-VISTULA FLOOD MANAGEMENT PROJECT CO-FINANCED BY:

World Bank (WB), Loan Agreement no. 8524 PL

Council of Europe Development Bank (CEB), Frame Loan Agreement no. LD 1866

European Union's Cohesion Fund (OPIE 2014-2020)

State Budget

Table of Contents

1	Summary	7
2	List of abbreviations applied in this paper	12
3	Key definitions	15
4	Introduction.....	18
4.1	Description of the Works Contract	19
4.2	Contract Implementation Area	21
4.3	Land Use (according to site visit and available data)	22
4.4	Issued Administrative Decisions.....	23
4.5	Legal Changes Related to the Investor’s Status	24
5	Primary Principles Adopted in the LA&RAP	26
6	Impact Mitigation	29
6.1	Social Impact.....	29
6.2	Mitigation Measures.....	40
7	Socio-economic Survey.....	45
7.1	Sources and Methodology	45
7.1.1	Problems	45
7.1.2	Summary of and conclusions on the socio-economic study’s results	46
7.2	Social and Economic Data.....	49
7.2.1	Land use	49
7.2.2	Public services.....	49
7.2.3	Cultural and historic object	49
7.2.4	Gender Equality	49
7.3	Specificity of the PAP	50
7.4	The Need for Updating the Socio-economic Study.....	54
8	The Binding Provisions of Law and Valuation Methodologies	55
8.1	Obligations Arising from OP 4.12	55
8.2	Polish Legal Requirements.....	56
8.2.1	Real property acquisition under the Special Flood Act	56
8.2.2	Establishing permanent restriction and temporary restriction in managing real properties	58
8.2.3	Special Procedures.....	59
8.2.4	Purchase of “remnants”	59
8.2.5	EU subsidies	60
8.2.6	Properties resources according to the PMA	62
8.3	Adopted Mechanisms of Acquisition of Rights to Real Properties.....	64
8.4	Valuation Principles	66
8.4.1	Real property valuation.....	68
8.4.2	Valuation of plantings and crops	68
9	Eligibility Criteria and Catalogue of Beneficiaries	70
9.1	Eligibility Criteria.....	70

9.2	Catalogue of Beneficiaries	70
9.3	Eligibility Matrix	73
10	Stakeholders.....	77
11	Public consultations and public participation.....	80
12	The Complaint Management Mechanism	84
12.1	The General Complaint and Motion Management Mechanism	84
12.2	Special Complaint and Motion Management mechanisms	85
12.3	The Submission Mechanism for Claim and Motions Corning Implementation of the Works Contract.....	88
12.3.1	Places where complaints and motions may be submitted	88
12.3.2	Time for consideration of complaints and motions	89
12.3.3	Persons responsible for consideration of complaints and motions	89
12.3.4	Audits and independent appeal mechanism	89
12.4	Personal Data Protection Policy for the Contract	89
12.4.1	Who is the personal data administrator?	89
12.4.2	Contact details for the Personal Data Inspector	90
12.4.3	Legal basis for processing	90
12.4.4	What personal data may be collected and for what purpose?	90
12.4.5	What personal data was obtained in a way different than from a person being its subject and from which source/sources?	90
12.4.6	To whom the personal data may be made available?	91
12.4.7	Rights of the person to whom data applies.....	91
12.4.8	Contact to supervising authorities considering complaints.....	91
12.4.9	Contact person at PGW WP RZGW in Cracow for data protection policy	92
12.4.10	Time of keeping the personal data	92
13	Institutional Structure and Implementation Team	93
14	Monitoring and Evaluation	96
15	Costs and Budget.....	100
16	LA&RAP Implementation Schedule.....	101
17	Appendices	105
17.1	Real Property Acquisition Progress Monitoring Table	105
17.2	Table – List of Real Properties, Owners, and Impact	105
17.3	Real property Purchase Schedule	105
17.4	Investment Location Plan	105
17.5	Socio-Economic Study.....	105
17.6	Form of Submitting Complaints to the Consultant (Base upon WB Guidelines)	105
17.7	Report on Public Consultations.....	105
17.8	Information Brochure	105
17.9	Template of Agreement on Temporary Acquisition.....	106
17.10	Maps with Projects of Plots Divisions	106

1 Summary

This document presents the Land Acquisition and Resettlement Action Plan (LA&RAP) for Works Contract 3A.2/3 *Flood Protection in Serafa Valley - Malinówka 3 Reservoir* implemented under Contract 3A.2 *Flood Protection in Serafa Valley*. Contract 3A.2 shall comprise development of 4 small dry flood storage reservoirs (Malinówka 1, Malinówka 2, Malinówka 3, and Serafa 2) and was divided into the following Works contracts:

- Works Contract 3A.2/1 - Flood Protection in Serafa Valley - Malinówka 1 Reservoir
- Works Contract 3A.2/2 - Flood Protection in Serafa Valley - Malinówka 2 Reservoir
- Works Contract 3A.2/3 - Flood Protection in Serafa Valley - Malinówka 3 Reservoir
- Works Contract 3A.2/4 - Flood Protection in Serafa Valley - Serafa 2 Reservoir

to be constructed under the *Odra-Vistula Flood Management Project (OVFMP)*. Construction of the reservoirs shall be co-funded using resources of the International Bank for Reconstruction and Development (World Bank) (lease agreement dated September 10, 2015), the Council of Europe Development Bank (CEB) (frame lease agreement dated May 24, 2016), and the State Budget.

On the day of developing this document a construction design was ready as well as maps containing property splitting designs. Data on areas of properties acquisition given in the property splitting designs remain a basis for identification of the range of permanent acquisition of properties. These maps are pending approval by the appropriate authority. The basis for the identification of the scope of restrictions in the use – both: permanent, as ones resulting from the obligation to redevelop the colliding utilities are the design maps.

This LA&RAP has been developed prior to obtaining a legal title by the Investor to properties. In case of the Works Contract 3A.2/3 it is planned to obtain one IPIP decision, and technical documentation necessary for submission of an application on the issuance of that decision is being developed.

The currently planned range of acquiring the properties and of restricting the use of properties – resulting from the planned construction works – is presented in the table below**:

	Total volume of hectares	Total number of plots	Public plots	%	Private plots	%	Physical resettlement	Economic resettlement
Permanent acquisition*	3.7242	42	10	23.8	32	76.2	0	0
Permanent restriction in use	0.0444	9	6	66.7	3	33.3	0	0
Obligation to redevelop the existing land utilities	0.1163	8	2	25.0	6	75.0	–	–
Disposal rights to properties for construction purposes	0.7717	1	1	100	0	0	–	–
Summary	4.6566	60	19	31.7	41	68.3	0	0

* along with plots owned by the State Treasury – 2 properties.

** a summary of properties – areas of permanent acquisition and types of restrictions in the use of properties have been determined based upon documentation available on the stage of developing the construction design. The final scope of permanent acquisition and restrictions in the use of properties shall be determined in the issued IPIP decision.

The performance site covers the area of 4.6566 ha and shall cover 60 properties. After obtaining the final IPIP decision:

- permanent acquisition shall be applied for 42 properties, including:

- 2 properties, which are currently owned by the State Treasury, both properties within the resources of Starost – Mayor of Cracow in that case (holder/administrator of one of the aforementioned properties of MPWiK S.A. – company of the Municipality of Cracow),
- 5 properties owned by the local authorities – Municipality of Cracow, under administration of the City of Cracow Road Authorities,
- 3 plots owned by MPWiK S.A. (company of the Municipality of Cracow),
- 32 properties being ownership of 244¹ natural persons and 2 legal persons (246 PAPs).

Properties given in bullets two, three, and four shall be legally transferred to the State Treasury, and compensation shall be paid by the Investor in accordance with a procedure described under item 8.2.1,

- permanent restriction shall be applied for 9 properties including the following:

- 2 plots owned by the Commune of Wieliczka - permanent administration by the Communal Road Authorities in Wieliczka,
- 1 plot owned by the Municipality of Cracow – administered by: City of Cracow Road Authorities,
- 3 plots owned by MPWiK S.A. (commercial company owned in 100% by the Municipality of Cracow), and
- 3 plots owned by 8 natural persons,

in case of those properties their use shall be restricted due to modification of land management.

- 8 properties will be temporarily restricted in the use due to necessary redevelopment of the existing land utilities (colliding with the planned flood storage reservoir); 6 of which are property owned by 183² natural persons and 1 legal person, 1 plot owned by MPWiK S.A. (commercial company owned in 100% by the Municipality of Cracow), and 1 plot owned by the Commune of Wieliczka, under permanent administration by the Communal Road Authorities in Wieliczka; compensation for temporary restriction in the use shall be paid based upon rules described under item 9.2.

- 1 property owned by the State Treasury, which shall be subject to disposal rights to properties for construction purposes (in that case a representative for the resources is the State Water Holding Polish Waters RZGW in Cracow).

¹ The number of PAPs includes inhabitants of the Secesja Estate (at 55. and 59. Modrzewiowa Street), where – in case of an undeveloped plot no. 986/2 with an area of 559 m² – there are 175 persons (56 marriages, 63 natural persons) and 1 legal person acting as co-owners. The co-owners form a tenants' association, which manages the estate.

² The number of PAPs includes inhabitants of the Secesja Estate (at 55 Modrzewiowa Street), where – in case of a developed plot no. 187/50 – there are 175 persons (56 marriages, 63 natural persons) and 1 legal person acting as co-owners.

Among 60 of the aforementioned properties, 41 plots are owned by private persons, and 19 plots are public plots, 3 of which are owned by the State Treasury (resource management The Mayor of the City of Cracow – 2 plots, and PGW WP RZGW in Cracow – 1 plot) and 16 by the Local Authorities (Municipality of Cracow, including MPWiK S.A. – company of the Municipality of Cracow, and Commune of Wieliczka).

The planned Works Contract 3A.2/3 refers to the construction of a dry small storage reservoir – Malinówka 3 – at the Malinówka Stream. That reservoir shall operate within a cascade of five small storage reservoirs within the Serafa River Basin: two on the River Serafa (the existing Bieżańów reservoir and the planned Serafa 2 reservoir), and three on the Malinówka Stream (planned reservoirs: Malinówka 1, Malinówka 2, and Malinówka 3).

For the purpose of Contract implementation areas of private plots shall be acquired – from 10 m² to 8881 m². That area does not form a basis for existence of household (at such areas it is not possible to execute profitable farming by the PAPs, which would allow for upkeeping the households). In case of the most of private plots, which would be taken over on behalf of the State Treasury (total of 32 plots), the area of permanent acquisition is from 1 to 1000 m² (21 plots). Acquisition in the range of 1001-2000 m² refers to 6 plots, and in case of 5 plots permanent acquisition shall exceed the area of 2000 m². Plot with area of 0.8881 ha belongs to 2 legal persons (2 limited liability companies limited partnerships).

The properties acquired have not been applied for farming, and their acquisition has insignificant or minor impact on the income of analyzed households, what partially results from the information obtained from PAP during the survey, and partly from the on-site inspection, hence the acquisition of 100% of the property area indicated in the table (Appendix No. 2 to the LA&RAP) was classified as insignificant impacts. Households with EU subsidies were not identified during the socio-economic research.

A property with multi-family residential buildings (it refers to the tenants' association at Secesja Estate at 59. Modrzewiowa Street) is subject to permanent acquisition (within the area of 29 m², what does not limit the possibility of its use, and does not provide necessary demolition).

There also are other land properties developed with multi-family buildings (it refers to a tenants' association of the Secesja Estate at 55. Modrzewiowa Street) in the immediate vicinity of the investment area.

Persons considered as belonging to vulnerable groups were not identified as of the day of developing the final LA&RAP.

Although the investment implementation has been planned in such a way as not to cause any disturbances in the daily functioning of these households, the local community's concerns are related to the very fact of building a dry flood protection reservoir, its functioning and the safety of the housing estate. Additionally, the public perception of the investment is overlapped by issues related to the developer's promise who built this housing estate, and declared that the land that will be eventually acquired for the reservoir's bowl will be allocated by the developer to a recreational area for residents. These plans were/are under a big question mark in the light of the fact that the developer has started activities related to obtaining a building permit for further multi-family buildings in this area; thus, it is doubtful that it intends to use it for recreational development. However, it significantly complicates the situation. The Investor – while considering/including expectations notified by residents of the Secesja Estate and sentiments of the local society - as part of minimizing and compensating measures

– planned provision of the dry polder's areas as a leisure and recreation site through additional measures, including development of a playground for children will be built, which is strongly requested by young families living in the Secesja housing estate (these issues are described in more detail in the further part of the LA&RAP i.e. chapters 6.1 and 6.2 describing the mitigation measures and compensation packages).

In case of Works Contract 3A.2/3 there are no physical and economic resettlements. The performance shall not in any way affect the limitation of access for the plot owners to service, cultural and historic objects. Among the Project Affected Persons entitled to the payment of compensation the following were identified for the day of developing the LA&RAP: owners, holders, and persons/units with limited property rights (it refers to e.g. mortgage units).

Due to implementation of the Contract, at mitigation measures and a compensation packet planned by the Investor, there are no significant impacts on the PAPs. It was stated in all cases that the impacts associated with implementation of the Contract shall be insignificant.

Except for communes from the Secesja Estate, the PAPs referred to the contract implementation positively, as it would increase flood safety in Cracow (especially in case of Stary Bieżanów District, which was flooded six times at the flood of 2010) and in the District of Wieliczka, in the Municipality of Wieliczka. During the public consultations and during additional meetings with residents of the Secesja Estate (e.g. teleconference of 11/12/2020), the investment was accepted by that group after establishing a packet of compensation measures.

During the public consultations residents of Bieżanów, which is located in the upstream reach of the River Serafa, where one of the reservoirs has already been developed, became active; it is a society, which is affected by Serafa flooding in the most severe way; thus, it is interested in the soonest possible development of the entire complex of 5 flood storage reservoirs, including Malinówka 3 Reservoir. Within 21 days of consultations the Investor received over 25 e-mails supporting the development of Malinówka 3 Reservoir, the Consultant was contacted by 12 people supporting the investment by phone. The Consultant has also conducted some discussions with an Alderwoman, who has indicated that already in 2018 or in 2019 the residents of Bieżanów provided the Polish Waters with a petition supporting development of the reservoirs – it was signed by over 500 people living in that area.

A PAP was identified during the public consultations, who informed a fact that the development of the reservoir disabled his investment plans. There were two meetings with the PAP, including one with the PAP and his legal representatives. Unfortunately, despite oral declarations, no documents confirming information stated during the meetings were provided. The case shall undergo further analyses (currently the documents that would prove the oral declarations of the PAP in reference to his investment are missing). If the documents would be provided, they shall be analyzed in reference to potential mitigation measures and/or compensation measures. If it would be necessary to provide that PAP with a compensation packet, the LA&RAP shall be updated.

During the socio-economic survey most of the respondents declared that they are satisfied with the planned contract and that they support its implementation. However, there were statements that despite the satisfaction with implementation of the Contract, in the personal situation of PAPs their quality of life would be deteriorated – in the owner has indicated that he is sorry that he will lose a property. In other case the PAP has also informed that within the property to be expropriated he planned construction of a detached house and obtained a development consent – details referring to that construction assignment have not been collected and in the light of documents provided it is an

agricultural property without a without the right to build. The PAP was not active during the consultations and he did not provide new information on the status of his plans.

Due to performance of the works it may be necessary to the Contractor to acquire the properties temporarily, beyond the range resulting from the IPIP, for the purpose of Investment implementation (e.g. acquisition for site facilities, machine base, and storage of soil and other construction materials). The Contractor shall be responsible for obtainment of consents from owners/holders for the aforementioned temporary acquisition . The scope and the target location of temporary acquisition are currently unknown, and they shall be determined by the Contractor selected in a bidding proceeding. Such properties shall be obtained by the Contractor on its own and at its own cost. Temporary acquisition of properties is feasible only based upon a written, voluntary consent of the property owner, and based upon the rules determined in the agreement providing that consent. Temporary acquisition shall – as a rule – be compensated in cash through payment of amounts corresponding to market prices of lease or tenancy of properties, and the acquisition conditions shall be determined under the agreement concluded in writing (template of the agreement is given under Appendix no. 9 to the LA&RAP).

Any property acquisition – both: permanent, as well as temporary – shall be implemented in accordance with procedures determined in the Polish Law, in the Bank’s operational policy OP 4.12 and in the LARPF, which has been described in this LA&RAP.

2 List of abbreviations applied in this paper

Act on public finances	Act of August 27, 2009 on the public finances (uniformed text: OJ of 2019, item 869, as amended)
AP	Affected Population
ARMA	Agency for Restructuring and Modernization of Agriculture
CAP	The Law of June 14, 1960 – Code of Administrative Procedure (consolidated text: Journal of Laws of 2020, item 256, as amended)
CC	The Law of April 23, 1964 – Civil Code (consolidated text: Journal of Laws of 2020, item 1740, as amended)
CEB	Council of Europe Development Bank
Civil Engineering Law	Act of July 7, 1994, Civil Engineering Law (consolidated text: OJ of 2020, item 1333, as amended)
Constitution	Constitution of the Republic of Poland of April 2, 1997 (OJ of 1997 no. 78, item 483, as amended)
Consultant	A company or a legal persons providing services for the Investor Technical Assistance Consultant for the OVFM Project – AECOM Polska Sp. z o.o.
Contract / Contract 3A.2	CONTRACT 3A.2 - Flood Protection in Serafa Valley comprising four Works Contracts: 3A.2/1 and 3A.2/2, 3A.2/3 and 3A.2/4
Contractor	An entrepreneur implementing the Works Contract
CSO	Central Statistical Office of Poland
ED	Decision on Environmental Conditions
EGiB	Register of Land and Buildings – a register containing data forming e.g. a basis for economic planning, spatial planning, taxes and fees, marking of properties in mortgage registers, register of farms
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
Engineer	See: Consultant
EU	European Union
GIS	Geographic Information System – a terrain information system consisting of a terrain database concerning a given area as well as procedures and techniques of systematic collection, updating and providing access to data.
GZD	Communal Roads Authority in Wieliczka

HSL or MaxSL	Highest Storage Level or Maximum Storage Level
Investor/Employer/PIU (until 12/31/2017)	Marshal in the name of which Małopolski Board of Amelioration and Hydraulic Structures in Cracow operates– <i>Odra-Vistula Flood Management Project</i> (OVFMP) Implementation Unit
Investor/Employer/PIU (from 01/01/2018)	State Water Holding Polish Waters – Regional Water Management Authority in Cracow – <i>Odra-Vistula Flood Management Project</i> (OVFMP) Implementation Unit
IPIP	Investment Project Implementation Permit for flood defenses
LA&RAP	Land Acquisition and Resettlement Action Plan
LARPF	Resettlement Policy Framework
LS Regulation	Regulation of the Minister of Internal Affairs and Administration and of the Minister of Agriculture and Food Management of April 14, 1999 on the land splitting (OJ of 1999, no. 45, item 453)
LSDP	Local Spatial Development Plan
MPWiK	Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji [Municipal Water-Pipes and Sewerage Enterprise] S.A. in Cracow (commercial company owned in 100% by the Municipality of Cracow)
MZMiUW	Małopolski Board of Amelioration and Hydraulic Structures in Cracow
NBP	National Bank of Poland
NSL or MaxPP	Normal Storage Level or Maximum Damming Level
NGO	Nongovernmental Organization
OP 4.12	The symbol of a document containing the principles of conducting involuntary resettlement required for Contract co-financing with a World Bank loan: Operational Policy 4.12 – Involuntary Resettlement
PAP	Project Affected Person(s)
PCU	Project Coordination Unit (PCU acting within the structure of the State Water Management Authority of the State Water Holding Polish Waters)
PGiK	Act of May 17, 1989 – Geodetic and Cartographic Law (consolidated text: OJ 2020, item 276, as amended)
PGW WP RZGW in Cracow	State Water Holding Polish Waters – Regional Water Management Authority in Cracow
PIO	Project Implementation Office formed within the PIU, a separate organizational unit responsible for implementation of the Contract / Works Contract
PMA	The Law of August 21, 1997 on the Properties Management (consolidated text: Journal of Laws of 2020, item 1990, as amended)

POM	Project Operation Manual
PR	Permanent restriction in the use of properties
Project / OVFM Project / OVFMFP	<i>Odra-Vistula Flood Management Project</i>
RAC	Regional Administrative Court
RDOŚ	Regional Director for Environmental Protection
RDP	Rural Development Programme
Regulation on land registers	Regulation of the Minister of Regional Development and Civil Engineering on the register of land and buildings (OJ of 2019, item 393, as amended)
Regulation on the evaluation	Regulation of the Council of Ministers of September 21, 2004 on the evaluation of properties and development of estimated (OJ of 2004 no. 207, item 2109, as amended) and Regulation of the Council of Ministers of July 14, 2011 modifying the regulation on evaluation of properties and development of estimated (consolidated text: OJ of 2011 no. 165, item 985)
SAC	Supreme Administrative Court
Special Flood Act	The Law of July 8, 2010 on specific terms of preparing for implementation of projects in the scope of flood protection facilities (consolidated text: Journal of Laws of 2019, item 933, as amended)
Valuer / expert	A natural person possessing state professional qualifications in the scope of real property valuation
Water Law	Act of July 20, 2017 – Water Law (consolidated text: OJ 2020, item 310, as amended)
Works Contract 3A.2/1 / Task 3A.2/1	WORKS CONTRACT 3A.2/1 - Flood Protection in Serafa Valley - Malinówka 1 Reservoir
Works Contract 3A.2/2 / Task 3A.2/2	WORKS CONTRACT 3A.2/2 - Flood Protection in Serafa Valley - Malinówka 2 Reservoir
Works Contract 3A.2/3 / Task 3A.2/3	WORKS CONTRACT 3A.2/3 - Flood Protection in Serafa Valley - Malinówka 3 Reservoir
Works Contract 3A.2/4 / Task 3A.2/4	WORKS CONTRACT 3A.2/4 - Flood Protection in Serafa Valley - Serafa 2 Reservoir
World Bank or WB	International Bank for Reconstruction and Development (IBRD)
ZDMK	City of Cracow Road Authorities

3 Key definitions

This document uses the following key definitions:

Real property price – an amount negotiated with the property owner to its benefit for a respective property or any part thereof, based on the value of the said property estimated by an authorised property valuer. The compensation amount for the property shall not be lower than the replacement cost for lost component of assets without depreciation of assets resulting from the age, condition, or other features associated with the assets.

Cut-off date – a date when an inventory of assets and a register of project affected persons were completed. Persons living in the area, where the Project shall be implemented, do not have a right to compensation or any other form of support after the cut-off date. Similarly, the compensation shall not be paid for fixed assets (such as buildings, plants, fruit trees, and woodlots) after the completion date for the inventory or – alternatively – after the agreed date.

Economic resettlement – loss of >20% of arable land in case the revenue of the Project Affected Person (PAP) bases upon farming mainly.

Physical resettlement – loss of a place of living or such commercial objects as shops or workshops, or objects necessary to generate income.

Groups requiring special assistance – people whose sex, belonging to an ethnic group, age, being physically or mentally handicapped, difficult financial situation or difficult social position makes them more exposed to negative effects of resettlement than other groups and who may have a limited possibility of submitting claims, receiving resettlement assistance or participating in the benefits related to the investment.

Resettlement cost – the extent of compensation for lost goods/properties covering a replacement value of such goods/properties as well as the cost of resettlement and actions related to the resettlement.

Land property, ground – a part of land surface, which forms a separate ownership unit. The ground is a type of property and simultaneously a thing, as stated in the Civil Code. A land property shall be understood as ground with integral parts, except for buildings and rooms, if they form a separate element of ownership.

Substitute terms used in the LA&RAP: **land – property – plot – ground**, depending on the context the terms are applied in accordance with the following legal acts:

- CC – land, property;
- PMA Law – property, ground plot;
- Regulation on land register – land, register plot (short version applied in the LA&RAP: plot); and
- Operational Policy 4.12 – land.

Social impact – in the light of OP 4.12 any direct loss – economic and social – resulting from expropriation of properties, permanent restriction of the previous use manner, or access to the properties shall be deemed as a social impact associated with expropriation.

Compensation – paid in cash or in the form of a property which is a replacement for the properties and assets acquired or affected by the Project. Such compensation is paid out at the time when the

respective property must be released by the owner to the investor. Pursuant to Polish law, compensation can be paid out from the time when expropriation decision, as a rule, becomes final and in all the cases – prior to taking over of such property or its acquisition for construction purpose.

OP 4.12 Involuntary Resettlement – an operational policy containing the main principles and procedures which constitute the basis for the IBRD approach to involuntary resettlement related to investment projects.

Project Affected Person (PAP) – every person who, as a result of Project implementation, loses the right of ownership or other benefits related to the owned inhabited (residential, agricultural or breeding) infrastructure; annual or perennial yield and produce or other related or movable assets – in whole or in part, permanently or temporarily. Members of a local society or other persons affected by investment actions may be deemed as the PAPs.

Natural person – legal term for a person in civil law – from the moment of birth until death.

Legal person – the legal persons are the State Treasury and organization units granted with legal personality by particular provisions.

Income – any money received i.e. pensions, job salaries, etc. as well as property increment obtained as a result of business activities or agricultural activities from the real estate, including the sale of such real estate.

Involuntary resettlement – a resettlement is involuntary when it is carried out without the consent of a person being resettled (against his/her/their will) or as a result of expressing such consent involuntarily (without a possibility of expressing its objections towards resettlement), e.g. through expropriation.

Land Acquisition and Resettlement Policy Framework (LARPF/RPF) – a document approved by the World Bank, on the basis of which this Land Acquisition and Resettlement Action Plan is being developed. Based on the LARPF, a formal Project framework for land acquisition was defined.

Any acquisition of properties – both: permanent, as well as temporary – shall be implemented in accordance with procedures determined under the Polish Law, the Bank's operational policy OP 4.12, and the LARPF available on the website:

http://odrapcu2019.odrapcu.pl/doc/OVFMP/Resettlement_Policy_Framework.pdf

Limited Partnership (Sp. k.) – partnership (without a legal personality) aiming at running an enterprise as an own company, in which at least one associate is liable without limits towards creditors for liabilities of the company (working partner), and liabilities of at least one associate (limited partner) are limited. Sp. z o.o. Limited Partnership discussed in Appendix no. 2 is a limited partnership, in which a limited liability company is a working partner.

Limited Liability Company (Sp. z o.o.) – a corporation, it has a legal personality, and it may be formed by one or more persons for any legally permissible purpose, but it cannot be formed only by other one-man limited liability company. Associates shall only be liable for performance determined under the association agreement. The associates are not responsible for liabilities of the company.

Value of expenditures – amount due to the user for expenses born as negotiated with the party bearing expenditures, or an amount basing on the value of expenditures determined by the certified assessor.

Replacement value – Compensation for the loss of assets based upon their replacement / market value increased by any transaction costs (for example: taxes and registration fees) and its objective is for the compensation to be enough to effectively replace the Project affected assets (replacement value). Replacement value is an amount needed to replace lost assets without depreciation of asset for reasons of age, condition, or other factor associated with assets.

Expropriation — it comprises bereaving a determined person/persons of the ownership right to the particular property based upon an individual legal act, or restricting that right.

Purchase/voluntary sale – acquisition of the rights to the property from its owner / possessor for a mutually agreed price in a situation where such an owner has the right to refuse such a transaction (i.e. willing buyer/willing seller). In the event of an expropriation, such a purchase is not deemed voluntary.

Real estate assets (according to the PMA) - public properties sanctioned by the legislator in Article 20 of the PMA. Assets have been divided according to the ownership. State Treasury properties (Art. 21 and 21a of the PMA) and assets of different types of local government units - Commune (Art. 24 of the PMA), District (Art. 25a of PMA) and Province (Art. 25c of the PMA) have been distinguished. The provision of Art. 20 of the PMA does not apply to real estate assets of the owners other than those mentioned herewith.

4 Introduction

The most urgent flood protection tasks within selected areas of the Odra and Vistula River Basins were expected for implementation under the *Odra-Vistula Flood Management Project*.

5 Components were considered under the Project, and they cover actions associated with improvement of flood protection.

Component 1 covers various actions implemented within an extensive section of Odra over a total length of about 440 km (so-called free-flow Odra).

All of the necessary works have been divided within that area into three Subcomponents:

- 1A – Flood protection of areas in Zachodniopomorskie Province,
- 1B – Protection of the Middle and Lower Odra,
- 1C – Flood Protection of Słubice City.

Component 2 of the Project shall be implemented within the Kotlina Kłodzka, which covers mountainous and highland sections of the Nysa Kłodzka River Basin. 2 Subcomponents are implemented under Component 2, i.e.:

- 2A – Active Protection (includes construction of four dry flood storage reservoirs),
- 2B – Passive Protection (includes flood protection for the areas located along four main rivers of Kotlina Kłodzka).

The objective of Component 3 – Flood Protection of the Upper Vistula – is implementation of measures to limit the hazard associated with flood risk within the selected areas under successive improvements to flood safety within the Upper Vistula River Basin.

Component 3 is divided into the following Subcomponents:

- Subcomponent 3A – Protection of Upper Vistula Towns and Cracow,
- Subcomponent 3B – Protection of Sandomierz and Tarnobrzeg,
- Subcomponent 3C – Passive and Active Protection in Raba Sub-basin,
- Subcomponent 3D – Passive and Active Protection in San Basin.

Component 4 Institutional Strengthening and Enhanced Forecasting,

Component 5 Project Management and Studies.

Land Acquisition and Resettlement Action Plan (LA&RAP) is presented in this paper for Works Contract 3A.2/3 under Contract 3A.2 – *Flood Protection in Serafa Valley*, to be implemented under Component 3 - *Flood Protection of the Upper Vistula*, Subcomponent 3A – *Flood Protection of Upper Vistula and Cracow* as one of the investment elements under the *Odra-Vistula Flood Management Project* (OVFMP).

Contract 3A.2 – *Flood Protection in Serafa Valley* shall finally comprise development of four small dry flood storage reservoirs, including 3 reservoirs at the Malinówka Stream (Malinówka 1, Malinówka 2, and Malinówka 3) and 1 reservoir at the River Serafa (Serafa 2):

- Works Contract 3A.2/1 - Flood Protection in Serafa Valley – Malinówka 1 Reservoir,
- Works Contract 3A.2/2 - Flood Protection in Serafa Valley – Malinówka 2 Reservoir,
- Works Contract 3A.2/3 - Flood Protection in Serafa Valley – Malinówka 3 Reservoir,
- Works Contract 3A.2/4 - Flood Protection in Serafa Valley – Serafa 2 Reservoir.

A separate IPIP decision shall be obtained for each Works Contract.

The OVFMP Project is implemented using financial resources provided by international financing institutions, including the International Bank for Reconstruction and Development (World Bank) (Loan Agreement no. 8524 PL dated September 10, 2015), Council of Europe Development Bank (CEB) (Framework Loan Agreement No. LD 1866 dated May 24, 2016), European Union Cohesion Fund (IEOP 2014 – 2020) (not applicable for Contract 3A.2), and the State Budget.

The objective of the OVFMP Project is to protect people living within selected areas of the Odra River Basin and of the Upper Vistula River Basin against floods and to improve institutional ability of public administration to be more efficient in limiting effects of floods. Flood management infrastructure shall be developed as a result of Project implementation, along with related technical measures within three separate areas of Poland: (i) Middle and Lower Odra River Basin; (ii) Kotlina Kłodzka (Nysa Kłodzka River Basin); and (iii) Upper Vistula River Basin.

In terms of acquiring the properties, formal frames of the Project are determined in the Resettlement Policy Framework available at:

http://odrapcu2019.odrapcu.pl/doc/OVFMP/Resettlement_Policy_Framework.pdf

A hard copy may be obtained upon request for review or may be reviewed in the following locations:

- Local PIO office at: PGW WP RZGW in Cracow, 22. Marsz. Józefa Piłsudskiego Str., 31-109 Cracow;
- Office of PCU at: 8. Karkonoska Street, Building BF (2nd floor), 53-015 Wrocław, and 5. Morawskiego Str., 30-102 Cracow;
- directly in the main Project Office, which would remain a consultation point: AECOM Polska Sp. z o.o., *Odra-Vistula Flood Management Project Office*, 1. Pokoju Al., Building K1 – 4th floor, Cracow 31-548.

Additionally, due to the fact of co-funding the OVFMP by the World Bank, it is necessary to develop a Land Acquisition and Resettlement Action Plan for that Contract and to obtain the “World Bank’s No Objection” for that document, in accordance with operational policy OP 4.12.

4.1 DESCRIPTION OF THE WORKS CONTRACT

The Works Contract 3A.2/3 under this LA&RAP shall be implemented under the *Odra-Vistula Flood Management Project*, Contract 3A.2 – *Flood Protection in Serafa Valley*, as the Works Contract 3A.2/3 titled *Flood Protection in Serafa Valley - Malinówka 3 Reservoir*. Three other Works Contract shall also be implemented under Contract 3A.2 – marked as 3A.2/1, 3A.2/2, and 3A.2/4 – but they have been given in separate LA&RAPs.

In case of the entire Works Contract 3A.2/3 it is planned to obtain one IPIP decision.

The planned works comprise construction of a small storage reservoir Malinówka 3 at the Malinówka Stream, in Małopolskie Province, in the District of the City of Cracow and in the District of Wieliczka, in Municipality of Wieliczka.

The Malinówka 3 reservoir shall be one of reservoirs operating within a cascade formed by five flood storage reservoirs in the Serafa River Basin: two on the River Serafa (the existing Biezanów reservoir

and the planned Serafa 2 reservoir – not included under this LA&RAP) and three on the Malinówka Stream (planned reservoirs: Malinówka 1, Malinówka 2, and Malinówka 3 – the Malinówka 1 and Malinówka 2 reservoirs are included in a separate LA&RAP).

The purpose of developing the reservoir in question is a direct improvement of flood protection for areas located downstream, whereas the purpose of developing the entire cascade of five reservoirs is enhancement of flood protection in the Serafa River Valley, and especially for the Stary Bieżanów Estate in Cracow, where the citizens suffered the most severe effects of flood – they were flooded six times during the flood of 2010.

Actions requiring the purchase of land

ACTIONS REQUIRING THE PURCHASE OF LAND	# of private plots ³	# of public plots ³
Construction of the front dam - a damming structure at km 2+990 of the Malinówka stream, together with sealing of the dam body and its base	3	1
Execution of landslide protection on the right bank of the reservoir in the area of the access road to the dam crest and the turning bay	2	0
Construction of a reinforced-concrete overflow-sluice structure, together with a stilling basin	1	0
Construction of a pedestrian-road traffic footbridge over the overflow-sluice facilities	1	0
Construction of a service road with turning yards and exits to the reservoir	9	8
Development of the reservoir bowl by grading	22	10
Extraction of soil from the reservoir bowl for use for construction of the front dam and service roads	14	8
Relocation of the Malinówka riverbed along the total length of about 435m in the area of overflow-sluice facilities and the reservoir bowl	3	3
Reconstruction of the ditches within the reservoir bowl	6	1
Construction of measuring points for the water table at the inlet and outlet of the reservoir	2	0
Demolition and reconstruction of existing fences around the reservoir facilities and construction of new ones	7	2
Construction of retaining walls to protect already built-up areas	4	0
Demolition of existing concrete and steel elements within the reservoir bowl	8	1

A three-meter-long technological belt was designed around the reservoir and its bowl for the proper operation of the reservoir and the structures (the area will also be covered by separating lines and expropriated to the State Treasury). The technological belt will not be hardened, after completion of the works it will be topsoiled and sown with a mixture of grasses.

³ The number of plots does not total, as some elements of facilities are developed within the same properties.

Actions not requiring the purchase of land

- execution of the exit from the public road on the plot no. 442/1 which is owned by the State Treasury and managed by the General Directorate for Roads and Motorways, Cracow branch;
- demolition of existing culverts together with the construction of new ones on the inflow ditch on the right bank of the stream in the backwater area of the reservoir;
- reconstruction or protection of the colliding land development network within the reservoir bowl, in the scope of water supply systems, sanitary sewage system, rainwater drainage system, LV and MV power lines and teletechnical lines;
- construction of a temporary bed of the Malinówka stream together with culverts that will enable access to the right bank of the reservoir's bowl.

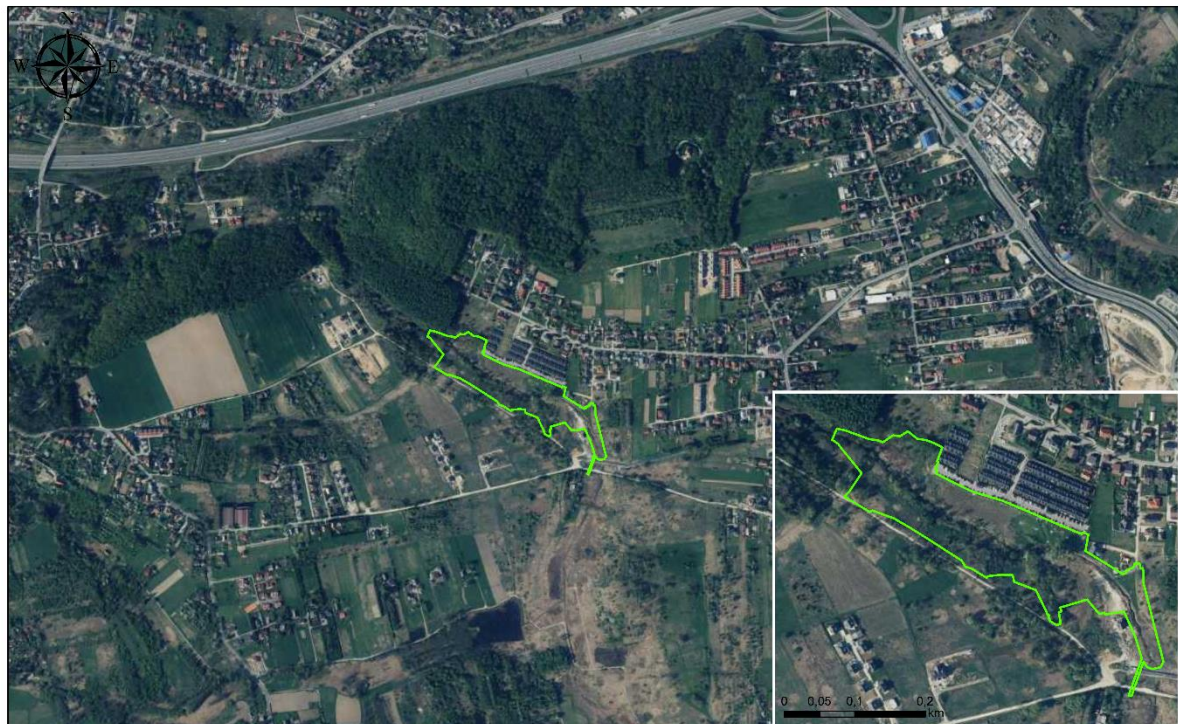
The Project Implementation Unit (PIU) for the entire Contract 3A.2, including the Works Contract 3A.2/3, is PGW Polish Waters – Regional Water Management Authority in Cracow.

4.2 CONTRACT IMPLEMENTATION AREA

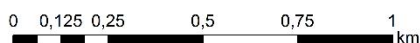
The planned Works Contract 3A.2/3 is located in Małopolskie Province, within the City of Cracow (District of the City of Cracow, Municipality of Cracow) and within the town of Wieliczka (District of Wieliczka, Municipality of Wieliczka). Detailed information on the location of Works Contract 3A.2/3 – remaining the subjects of this LA&RAP – are given below.

The planned Works Contract is located partly in Podgórze district of the city of Cracow (Podgórze 99 cadastral unit), partly in the city of Wieliczka (Wieliczka 3 cadastral unit). The planned reservoir ends from the north at the height of Antoniego Hoborskiego Street's turn, and from the south it is limited by Koszutki Street.

Location of the Works Contract 3A.2/3 is presented on a drawing given below.



Location of the Works Contract 3A.2/3 - Malinówka 3 Reservoir



Legend

— The boundary of the planned investment

Figure 1. Location of the Works Contract 3A.2/3 – Malinówka 3 Reservoir

(source: own materials)

4.3 LAND USE (ACCORDING TO SITE VISIT AND AVAILABLE DATA)

The area acquired for the investment is predominantly unused agricultural land covered with grasses, shrubs and self-seeding trees. Moreover, there is a valley and bed of the Malinówka stream in the investment area as well as public roads (bituminous and dirt roads), ditches and other infrastructure related to the urbanization which is developing in this area.

There are MV and LV power lines in the area of the Malinówka 3 reservoir, drainage outlets from the Raba 1 and Raba 2 mains, rainwater drainage outlets and drainage ditches with culverts.

There are terraced houses within the Krzyszkowice estate in Wieliczka (the so-called Secesja Housing Estate) outside the reservoir area, on the right bank of the Malinówka stream, and a car park, a playground for children and 2 properties built up with single-family houses, which will border the reservoir after its construction.

Rainwater is drained from the area of the Secesja estate through the existing ditches to the Malinówka stream. As part of the investment, it will be necessary to reconstruct or remove collisions with existing networks for the rainwater drainage system, LV and MV power lines, teletechnical lines and existing infrastructure.

The use of the land acquired for the investment according to EGİB is presented in the table below, which was confirmed by a site visit.

Use type - Malinówka 3	Area [%]
W, Wp – flowing water, grounds covered with water	21.35%
R - arable land	27.80%
B – residential areas,	0.58%
Bi – other construction-purpose land	0.54%
ł – permanent meadows	39.47%
W- łIV – grounds underneath ditches	0.07%
Ps – permanent pastures	7.22%
dr - roads	2.98%
Total	100.00%

4.4 ISSUED ADMINISTRATIVE DECISIONS

- Decision of the Regional Director for Environmental Protection in Cracow on environmental conditions dated October 29, 2012 (ref. no.: OO.4233.13.2012.BM) for the planned construction of five dry small retention reservoirs in the Serafa river-basin (reservoirs: Bieżanów, Serafa 2, Malinówka 1, Malinówka 2, and Malinówka 3), including the Malinówka 3 Reservoir, which is the subject of this LA&RAP;
- Resolution of the Regional Director for Environmental Protection in Cracow dated October 3, 2018 (ref. no.: OO.4220.5.10.2018.BM) on the implementation stages for the Investment and on the absence of changes in conditions for its implementation (in reference to the Serafa 2 Reservoir);
- Resolution of the Regional Director for Environmental Protection in Cracow dated September 12, 2019 (ref. no.: OO.4220.5.28.2019.BM) on the modification of chainage for the Malinówka 1 Reservoir and the Malinówka 2 Reservoir, which does not require modification of the decision on environmental conditions (in reference to the Malinówka 1 Reservoir and the Malinówka 2 Reservoir);
- Resolution of the Regional Director for Environmental Protection in Cracow dated September 16, 2019 (ref. no.: OO.4220.5.29.2019.BM) on the HV power line in the area of the Malinówka 1 Reservoir (in reference to the Malinówka 1 Reservoir);
- Resolution of the Regional Director for Environmental Protection in Cracow dated December 5, 2019 (ref. no.: OO.4220.5.44.2019.BM) on the modification of parameters for the total flood storage capacity and for the area of flooding in reference to 5 reservoirs (in reference to all of the reservoirs);

- Resolution of the Regional Director for Environmental Protection in Cracow dated May 28, 2020 (ref. no.: OO.420.4.3.2019.BM) on the modification of investment names in reference to the Serafa 2 Reservoir and the Malinówka 3 Reservoir, which are subject to the decision on environmental conditions (in reference to the Serafa 2 Reservoir and the Malinówka 3 Reservoir);
- Resolution of the Regional Director for Environmental Protection in Cracow dated August 17, 2020 (ref. no.: OO.4220.5.27.2020.BM) on the redevelopment of a colliding power line within the area of the Malinówka 1 Reservoir (in reference to the Malinówka 1 Reservoir);
- Decision amending the decision on Environmental conditions dated October 29, 2012, ref. no.: OO.4233.13.2012.BM, as issued by the Regional Director for Environmental Protection in Cracow on September 18, 2020 (ref. no.: OO.420.4.3.2019.BM), including the Malinówka 3 Reservoir, which is the subject of this LA&RAP.

The decision on Environmental conditions dated 2012 has been issued for the previous Investor, i.e. the Marshal of Małopolskie Province, in the name and on behalf of whom the Małopolski Board of Amelioration and Water Structures in Cracow acted. From January 1, 2018 – based upon the Act of July 20, 2017, Water Law, the rights and the liabilities associated with implementation of the Contract in question were taken over by the State Water Holding Polish Waters Water Management Authority in Cracow. Further decisions/resolutions have been obtained on behalf of the final Investor implementing the subject Investment.

4.5 LEGAL CHANGES RELATED TO THE INVESTOR'S STATUS

The act of July 20, 2017 Water Law came into force on January 1, 2018, and it modified e.g. the previous structure of units, and water management rules. New provisions were enacted mainly to fully implement the Water Framework Directive into the Polish legislation. State Water Holding Polish Waters, which shall completely manage widely understood issues associated with water resources of Poland, including investments, was created to replace the previous governmental administration structures, which were formed by the National Water Management Authority and subordinate regional water management authorities remaining territorial units, and by Provincial Boards of Amelioration and Hydraulic Structures placed within the local authorities' structure. The Polish Waters remain a state legal person according to Article 9 (14) of the Act of August 27, 2009 on the public finances.

The Polish Waters comprise the following organizational units: National Water Management Authority with its office in Warsaw, regional water management authorities, catchment boards, and water supervision units. A detailed catalogue of liabilities and rights, including competences between individual units mentioned above, has been determined under Article 240 of the Water Law Act.

The legislator regulated in Article 536 of the Act of July 20, 2017 Water Law issues related to transferring the rights and liabilities under agreements (including agreement financed or co-financed by resources coming from foreign sources) and decisions associated with contracts to be

implemented on public waters owned by the State Treasury and with basic amelioration facilities priorly developed by regional water management authorities, provinces, province marshals or proper provincial organizational units, to the Polish Waters. It shall be indicated that all of the dues, liabilities, rights and obligations of the former State Water Management Authority and of regional water management authorities became dues, liabilities, rights and obligations of the Polish Waters. There was therefore a general succession from former regional authorities to the Polish Waters.

Conceptual designs and works on the obtainment of a decision on environmental conditions were implemented until 12/31/2017 by the Małopolski Board of Amelioration and Hydraulic Structures in Cracow, and from 01/01/2018 they shall be implemented by the State Water Holding Polish Waters, which – as indicated above – has a legal personality and executes ownership rights in the name and on behalf of the State Treasury. The Regional Water Management Authority in Cracow remains an internal organization unit of the Polish Waters, and acts in the name and on behalf of PGW WP as Project Implementation Office for the Task in question.

The legal changes described above do not affect existing provisions concerning the acquisition of properties, determining the form and amount of compensation and the payment of compensation.

The acquisition of properties is based on the provisions of the Special Flood Act and the Act on Property Management.

Instruments correcting inconsistencies between OP4.12 and Polish law are described in detail in Chapter 8.3 Adopted mechanisms for acquiring rights to properties`.

5 Primary Principles Adopted in the LA&RAP

This LA&RAP is to document the process of obtaining the properties and to assess if it meets the requirements under OP 4.12 or if there are any gaps that need to be filled.

In accordance with the World Bank policy, unless necessary mitigating and preventive measures are planned and implemented, real property acquisition may create and strengthen social inequalities, cause social exclusion and result in permanent environmental damage. Therefore, the principles below have to be followed in the design and implementation of the land acquisition and resettlement process:

1. Permanent real property acquisition shall be minimized or avoided where possible. Where permanent acquisition is unavoidable, one shall follow the procedures and requirements outlined in this LA&RAP which concern mitigating the impact of real property acquisition on the affected parties.
2. The expropriation procedures shall improve the people's living conditions, and shall at least restore them to the level present prior to implementation of the contract.
3. All Project Affected Persons shall participate in social consultations on equal terms and the needs of particularly vulnerable groups shall be taken into account. They shall also be offered a possibility of participation in the Contract development process and access to grievance redress mechanisms. Public consultations shall include the needs of particularly vulnerable groups, as well as those resulting from sexual identity of participants.
4. Project Affected Persons have access to honest, fair and inexpensive proceedings of their appeal to an independent authority or court without intentional delay if enforced.
5. All cases of real property acquisition, either permanent or temporary, shall undergo procedures based on Polish law and OP 4.12. LA&RAP is in compliance with RPF (see: http://odrapcu2019.odrapcu.pl/doc/OVFMP/Resettlement_Policy_Framework.pdf).
6. The LA&RAP is related to permanent or temporary acquisition of real properties, and also to permanent or temporary restriction of use of the properties, especially resulting in the loss (temporary or full) of income sources or in deterioration of life standards.
7. The implementation of the LA&RAP shall be monitored and reported and, after its completion, evaluated by the World Bank.
8. The process of social participation as well as protective and mitigating measures shall be carried out in accordance with the necessity of fair treatment regardless of age, ethnic origins, sex or disability of Project Affected Persons. Particular attention shall be paid to the households with members/member belonging to particularly vulnerable groups.
9. The LA&RAP and acquisition of properties are planned and implemented as an integral part of the Works Contract. All costs connected with the necessity of planning and implementing the compensation measures shall be included in the budget as well as the benefits of the Contract.
10. Compensation for Economically Affected Persons by the Project, and especially expropriated persons, on whom the Contract has an economic impact shall be paid prior to starting the construction works on the real property undergoing expropriation.

11. Within the framework of compensation measures, in accordance with World Bank policies, priority shall be the “land-for-land” compensation through allocation of properties with an equivalent productive potential and location.

Payment of cash compensation for lost assets may be appropriate where livelihoods are land-based but the land acquired for the Contract constitutes a small fraction⁴ of the affected asset and the remainder is economically viable or PAPs’ livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost on local markets.

Cash compensation will also apply wherever persons economically affected by the effects of the Project are willing to receive cash compensation and where there is no appropriate replacement property.

Socio-economic studies done show that acquisition has mostly insignificant or negligible impact on revenue of households of owners of the acquired properties.

12. Project Affected Persons mostly informed during the socio-economic survey a will of receiving cash compensation, due to small area of acquired properties, lack of their agricultural and non-agricultural use or lack of impact on income of households.
13. For the persons who have indicated a form of "land for land" compensation, an attempt will be made to obtain suitable replacement properties.
14. The Contractor shall, if necessary, obtain the land for temporary acquisition on its own and at its own cost, in a range wider than given in the IPIP, and – while negotiating the temporary acquisition conditions for the properties – it shall observe the rules determined under this LA&RAP (the process will be monitored by the PIO and by the Consultant and shall be performed on a voluntary basis and in accordance with rules specified in the agreement concluded between the property owner and the Contractor for works). Template of an agreement is given in Appendix no. 9.
15. The Contractor shall agree and provide the Investor with information related to all agreements concluded for temporary acquisition. Temporary acquisition of properties for implementation of the Contract is possible only with voluntary consent of the property owner. Prior to the temporary acquisition of the property, the Contractor shall perform a detailed inventory and shall develop photo documentation for the aforementioned property, and after its completion it shall restore the properties to their original state or to the one established under the agreement, and it shall return them in a good condition so as to enable the owners or users to use them in the same manner as before Contract implementation.
16. Permanent restrictions in the use of the properties, as indicated in the IPIP decision, will, as a rule, be compensated in cash. The amount of compensation will take into account the loss of market value of the property. At the request of PAPs, the property on which a permanent restriction in use will be imposed will be purchased, and PAPs will receive compensation on the terms specified for permanent loss of the property.
17. The agreed obligation to reconstruct the existing land development network, as set out in the IPIP Decision (**temporary** restriction in use), will, in principle, be compensated in the form of cash. The basis for determining the amount of such compensation will be valuation

⁴ As a general principle, it may be applied if the land acquired constitutes less than 20% of the total productive area.

reports prepared by independent experts acting at the Investor's expense, payment of such compensation will be made on the basis of a written agreement between the Investor and PAPs. If there is no consensus between the parties as to the amount of compensation, PAPs will be entitled to an appeal mechanism.

18. All PAP, without regard to the legal title to the real property, shall receive support of various types, as per the principles set out in the Matrix of Compensation Measures included in this LA&RAP. Lack of a legal title to the real property should not be a bar to receiving compensation and/or a different type of support. Detailed principles of real property acquisition, social participation and mitigating, protective, preventive and compensation measures shall be established in this LA&RAP.

The LA&RAP shall be updated as necessary when the Works Contract progresses and new factual or legal circumstances emerge.

The ex-post evaluation will be conducted six months after the LA&RAP is fully implemented and its objectives will be assessed and it shall provide documented evidence that directly impacted PAPs have successfully established a standard of living equal to, or better than, pre-contract levels.

6 Impact Mitigation

6.1 SOCIAL IMPACT

Under OP 4.12, social impact related to expropriation includes all direct economic and social losses stemming from real property expropriation as well as from permanent restriction of the former manner of use or of the access to the real property. Thus, the primary criterion of assessing the significance of social impact shall be the percentage ratio of the entire real property to its expropriated part. One shall also take into account the data obtained during a socio-economic survey.

The following criteria compliant with OP 4.12 were adopted to assess the social impact for the purposes of this LA&RAP:

– secondary impact: for farms, this is an impact exerted by an acquisition of less than 10% of the household production area or resources, without physical relocation. For other real properties, such impact is exerted by a loss of less than 20% of the land or resources, without physical relocation;

– significant impact: for farms, this is an impact exerted by a loss of more than 10% of the household production area or resources, or by a real property division line running in a manner preventing agricultural/orchard production on that real property. For wastelands and non-agricultural real properties, such impact is exerted by a loss of more than 20% of the land. Note: it does not refer to cases, when the PAPs informed in the questionnaires that the loss of more than 20% of land does not affect their living standard.

For the introduction of the division into significant and secondary impact, the value of 10% was adopted, in accordance with the World Bank Operational Policy, because for some inhabitants running agricultural farms the loss of 10% and more of the farm's production area shall result in some restriction of income from agricultural fields; it shall not, however, exert substantial impact on economic profitability of the farm due to the areal structure of the farm.

Simultaneously, local specificity of the location of expropriated real properties and method of their management should be taken into consideration.

Therefore, the socio-economic study covered those households located or owning properties in the investment area, where the acquisition covers more than 10% of the original area of the plot and more than 100 m² is acquired (areas up to 100 m² can hardly be considered as generating income that constitutes the possibility of ensuring the household sustenance).

Identified impact and its mitigation on the designing stage

In the case of areas owned by Communes and the State Treasury, the impact was considered insignificant because the acquisition of a property from these entities does not have a significant impact on their situation and functioning.

There are no impacts related to the necessity of physical relocation of households or farms for the planned Contract.

There are no significant impacts on PAPs in connection with the Contract execution, because the measures described below were implemented at the design stage. There is no physical or economic resettlement. The impacts associated with the Contract have been assessed to be insignificant in all cases.

Actions to minimize the impacts on the local community

A problem was identified at the stage of design works related to the location of the newly built multi-family housing estate (the Secesja estate - a terraced housing estate with 144 apartments administered by 4 housing communities) in close proximity to the planned investment. The scope of permanent acquisition of 2 properties (the registration number 187/50 and 986/2 precinct Wieliczka 3, area respectively 0.4552 and 0.0559 ha) belonging to the co-owners of the plots and the multi-family buildings built there, **Modrzewiowa 55** (175 natural persons and a legal person - developer) and 1 property (the registration number 986/1 precinct Wieliczka 3, area 0.2075 ha) belonging to the co-owners of the plot and the multi-family buildings built there, **Modrzewiowa 59** (36 natural persons) is small, 10 m² is subject to permanent acquisition from one plot, 65 m² from the second plot and 29 m² from the third plot, and those are undeveloped parts of those plots. However, the very fact of locating a dry flood protection reservoir in the close vicinity of the buildings and the related safety of the estate aroused these people's fear. The residents are also concerned about the decrease in the value of their apartments and shares in the property. The third issue that aroused PAPs' doubts was the possibility of fulfilling the promise made by the developer who built the estate and declared, and also indicated in the notary deeds signed upon the sale of the apartments, that the area of the adjacent 2 plots (at the moment owned by the developer), which will eventually be acquired for the reservoir's bowl, will be allocated by the developer to a recreational area for residents (2 properties with register number 187/54 and 986/3, with an area of 0.1230 ha and 0.8881 ha, respectively, to be taken over entirely by the State Treasury).

These plans were standing, already at the time of signing the notary deeds by PAPs, under a big question mark in light of the fact that:

- the provision in the Notary Deed relating to the transfer of land to the residents indicates that the developer has the right to transfer, and the residents are obliged to take over the land free of charge, at the latest by the end of 2020, only upon the developer's request.
- the developer has started activities related to obtaining a building permit for further multi-family buildings in this area (the developer prepared design documentation in 2016 and submitted an application to the Department of Construction and Real Estate Management in the Poviast Starosty Office in Wieliczka for issuing a building permit for the *Complex of terraced single-family houses at Modrzewiowa Street in Wieliczka, plot no. 187/54 in Wieliczka* – currently, the procedure is suspended at the developer's request).

Presented below is the existing status and scope of changes included in the design documentation (as part of minimization measures and the compensation package) in response to the residents' expectations addressed during direct meetings held in 2018 - 2019.

The lowest row of the Secesja housing estate's buildings is located at a distance of 15 to 28 m from the planned edge of the reservoir.



Figure 2. Existing status - the Secesja estate and the area where the bowl of Malinówka 3 reservoir will be built



Figure 3. Planned status - the Secesja estate and the area where the bowl of Malinówka 3 reservoir will be implemented

(reference: own study)

The parking lot, located between the buildings and the reservoir, is located on the ordinates from 237.04 to 237.90 a.s.l. The temporary ordinate of the maximum level of reservoir damming will be 236.50 m a.s.l.

The problems reported by PAPs with drainage of rainwater in the housing estate area have no technical connection with the planned investment.

The housing estate was built on a very steep slope in the vicinity of a large landslide area. The *Maps of landslides and areas threatened by mass movements*, prepared by the Polish Geological Institute, show that this housing estate may be located in a landslide area, what has not been proved by geotechnical research and design calculations done by the Consultant.

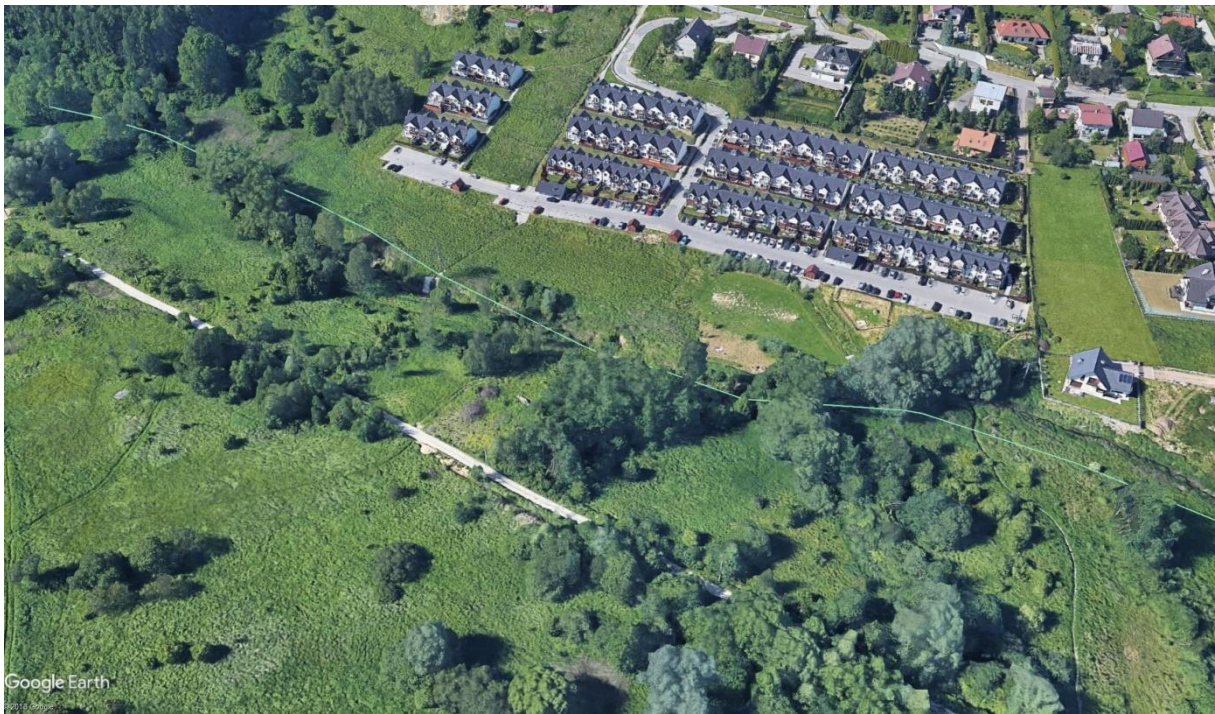


Figure 4. Existing status - the Secesja estate and the area where the bowl of Malinówka 3 reservoir will be built



Figure 5. Planned status - the Secesja estate and the area where the bowl of Malinówka 3 reservoir will be implemented

(reference: own study)

In connection with the Malinówka 3 reservoir's implementation, it is necessary:

- to acquire permanently the entire property no. 986/3 and 187/54 belonging to the developer; the total area of these properties is 1,0111 ha,
- to acquire permanently parts of properties belonging to the residents of the Secesja estate who co-own the plots of land: 187/50, 986/1 and 986/2:
 - Plot of land 187/50 (slope at the parking lot): 10 m² from the plot with the area of 4552 m²;
 - Plot of land 986/1 (slope by the buildings): 29 m² from the plot with the area of 2075 m²;
 - Plot of land 986/2: 65 m² from the plot with the area of 559 m².

Design changes

In 2018 and 2019, at an early stage of investment design, meetings were held with representatives of the residents of the Secesja estate in order to clarify any issues which aroused the local community's concern.

The estate residents are members of four housing communities. The Consultant and the Investor held talks with representatives of all four communities - at separate meetings.

The expectations of the representatives of individual communities with regard to the design solutions were convergent. The residents' comments and expectations were taken into account in the construction design.

– Ensuring availability of areas with a recreational function for the residents.

In response to the residents' needs, the area of the reservoir bowl will not be fenced off and will be accessible to people and animals. The entire area of the reservoir bowl will be levelled. The standard of reservoir maintenance by PGW WP RZGW consists in periodic mowing so that the

grass growth is not higher than 10 cm, hence the residents will be able to use green areas, regularly mowed without burdening housing communities with the costs of maintaining the area. This obligation will be taken over by the Investor, and the residents will be able to use these areas for a recreational function. This area will be much more well-kept than at present. At present, access to the riverside area is poor and unsuitable for safe recreation.



Photo 1: Area by the Malinówka stream, ultimately the Malinówka 3 reservoir's bowl – existing status



Photo 2: Area by the Malinówka stream, ultimately the Malinówka 3 reservoir's bowl – existing status



Photo 3: Example of maintenance of the Bieżańów reservoir

- **Providing a passage for the residents to the other side of the Malinówka stream.**

In response to the residents' expectations, the project ensured the possibility of leaving a passage to the other side of the Malinówka stream by constructing slope stairs in the stream bed and exits to the reservoir bowl.



Figure 6. Planned access ways to the front dam and exits to the Malinówka 3 reservoir bowl

(reference: own study)

Simultaneously, in order to prevent passing of heavy equipment for the purpose of maintaining the reservoir or of vehicles of the Contractor through the area of Secesja Estate, upon a request of the residents there is no link between the internal road running to the reservoir's dam and estate's roads. The internal road through the dam is ended with a U-turn yard.

– **Ensuring proper conditions for rainwater outflow from the housing estate from two outlets to the Malinówka stream.**

Rainwater is discharged from the estate to the Malinówka stream through two outlets located on the slope of the parking lot. The real estate is flooded as a result of insufficient capacity of the rainwater drainage system during intensive rainfall at higher levels of the housing estate.



Photo 4: Existing rainwater outlet from the housing estate to the Malinówka stream's area near the river (the outlet will be rebuilt and the capacity of the rainwater drainage system increased).

As part of the design works, it is planned to secure the outflow pipes from the housing estate with return flaps, which will protect the rainwater sewage system from delivery of water from the reservoir during water damming periods. During flood impoundments, this will not hinder the outflow from the estate area that would cause rainwater to stay and spill over the area of the housing estate.

Additionally, due to the residents' concerns, the project provides for the drainage of rainwater from the housing estate through two outlets by additional sections of rainwater drainage and discharge below the Malinówka 3 reservoir.

– **Protection of the housing estate against the collapse of buildings from a steep slope.**

Due to the fact that the housing estate was built on a steep slope, the slope protection was designed with the use of a supporting structure together with a drainage system, which will not change the groundwater level in the slope in the housing estate area, and at the same time will protect a part of the housing estate adjacent to the reservoir against displacement caused by a possible landslide. The above protection was planned in the design independently of the residents' applications and is an added value for the residents, increasing the safety of the slope's stability.



Figure 7. Planned retaining wall on the right bank of the reservoir

(reference: own study)

- **Limiting the tree felling in the reservoir bowl in order to leave shaded areas for residents.**
The felling of trees will be minimized, i.e. it shall be carried out in areas where hydrotechnical structures will be constructed and site grading done. Due to the planned construction of an elevated area intended for a playground and recreation place for residents, it is also necessary to cut down trees in this place, but after the execution of the investment, compensatory plantings will be made in places indicated by the residents. According to establishments made during the meeting of 11/12/2020, the planting shall be done on the parking lot's slope – on the reservoir's side – and within the playground.
- **Providing green areas in the immediate vicinity of the Secesja estate.**
The construction of the reservoir will protect the areas adjacent to the housing estate from further development, which is one of the expectations of the residents and the main factor affecting the value of the property. The developer plans to build five terraced houses in the reservoir bowl, and the LSDP also allows for single-family houses on the other side of the stream. The construction of a dry reservoir within the bowl area will ensure that the green areas for leisure and recreation in the immediate vicinity of the housing estate will be maintained in order. On the other hand, the resignation from the reservoir construction would result in the construction of additional terraced houses in this area, which would not only not improve the residents' living conditions and would not increase the properties' value, but would result in a significant deterioration of both these elements.
- **Providing a playground for children.**

It is planned to raise the area with dimensions of about 25 x 55 m above the maximum water level in the reservoir as part of the reservoir construction at the residents' request, at the site of the current playground for children. A professionally equipped playground will be built on this area at the Investor's expense. During the consultations the residents were proposed to participate in planning of furnishing for that ground. The communities will take over the supervision of the area and will take care of its maintenance based on the agreement signed with the Investor. The local residents will be able to use this playground and recreation area without restrictions.

The current, provisional playground used by the residents was erected by them on the area belonging the developer.



Photo 5: Child playground currently being used by the residents on the area belonging to the developer.



Figure 8. Area for playground planned to be separated from the reservoir bowl.

(reference: own study)

– **Flood protection in the back water effect area of the Malinówka 3 reservoir**

During the flood in May 2019, the Malinówka stream caused flood damages to the area where the bowl of the Malinówka 3 reservoir is planned, causing the washout of the slopes of three properties on the right bank. Residents reported the damage to the Investor with a request to perform protection works. As part of the Consultant’s information and consultation activities concerning the planned reservoir, the need to perform safety works was also reported to the Consultant by the local community. In order to reduce the flood risk and for orderly introduction of Malinówka waters into the reservoir, the project provided for a correction of the course of the stream and construction of a small retaining wall supporting the slope around the property, located on the right and left bank of the planned reservoir.



Figure 9. Planned retaining wall in the back water effect area on the right bank of the reservoir

(reference: own study)

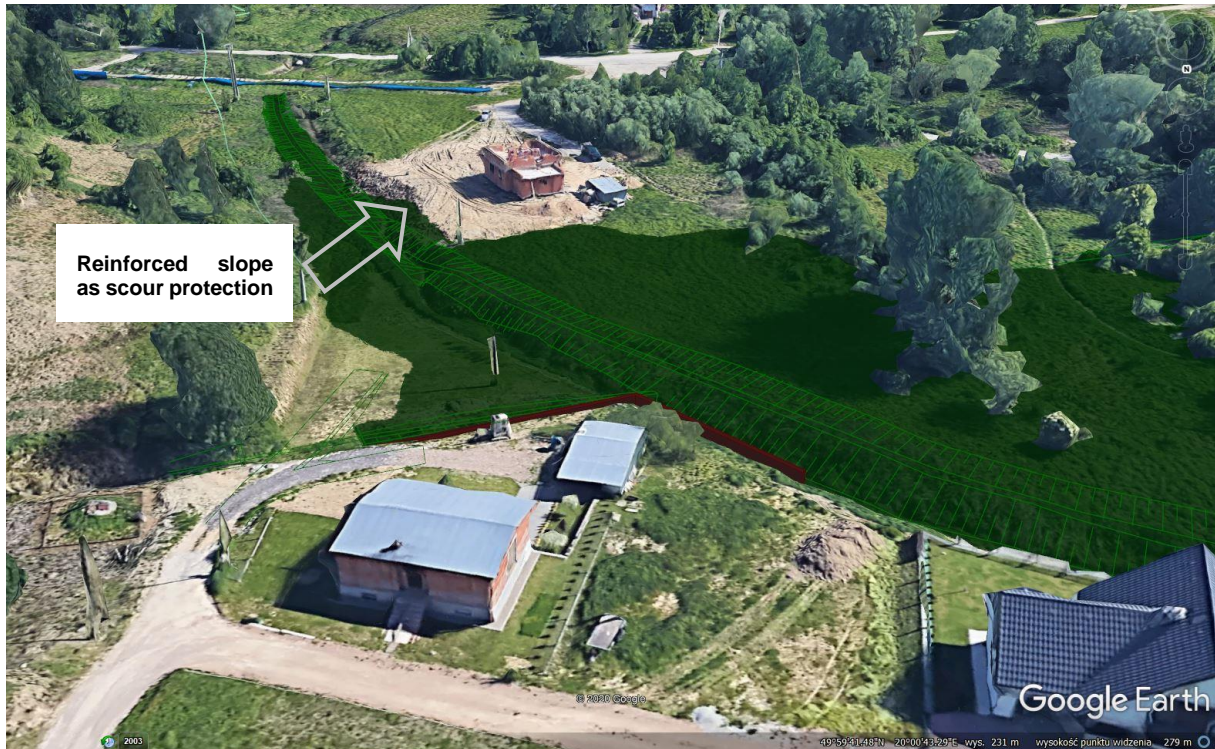


Figure 10. Designed retaining wall in the backwater range on the left bank of the reservoir

(reference: own study)

Impacts on individual households are described in Appendix 2 List of properties, owners and impacts.

6.2 MITIGATION MEASURES

1. The design works was carried out in such a way as to minimize the number of plots necessary to acquire. The design changes also included a number of additional technical safeguards, which are described in more detail in chapter 6.1 above.
2. The amount of compensation for lost properties (both cash compensation and in the form of "land for land") will be determined by agreement, based on estimates prepared by independent property valuers or by decision of the Governor of the Malopolska Region. The valuation constituting the basis for determining the amount of compensation will be reliable, objective and independent, so that the current owner receives a price for the property corresponding to the actual loss, and thus minimizes the negative impact of the loss of property ownership on their financial situation. The amount of compensation will be determined according to the definition of the property price.
3. Priority within the framework of compensatory measures will be given to compensation on the basis of "land for land" by granting a property of the similar production potential and location. Cash compensation will be applied where the property acquisition or part of it does not affect the possibility of using the property for existing purposes, as well as where the person economically affected by the Contract is willing to receive cash compensation, and in cases where there is no property on the market with similar production potential and market value, which makes it impossible to make compensation on the basis of the "land for land" principle.

4. The package of compensation measures included the construction of a playground for the local community and the execution of additional safeguards included in the project and described in chapter 6.1.
5. Any cost associated with implementation of measures mitigating and compensating adverse impact are included in the OVFM Project cost as eligible expenses.
6. The Investor has prepared an information brochure, which is attached as Appendix No. 8. Its aim is to provide PAPs with the most important information on the rules of purchasing the properties for the purposes of Contract implementation, on the rules of determining and paying compensation for the expropriated properties and on the possibilities of lodging complaints, comments and motions in connection with the planned Contract implementation.
7. Within the information campaign, PAP shall also be informed (information leaflet forming Appendix no. 8) about the possibility of applying for purchase of the remaining part of the real property, i.e. the so called "remnant", if the remaining part is not fit for use for its former purposes after real property division and acquisition of its part for the Contract implementation (under Article 23 (2) of the Special Flood Act). During the socio-economic research the owners, who were interested in purchasing a part of properties left after expropriation, were informed about a procedure for the purchase of "remnants", as described under this LA&RAP in Clause 8.2.4. Where parts of properties left after the expropriation would not allow for use for previous aims in accordance with the purpose of properties (so-called "remnants"), the Investor – after completing an analysis in that scope – shall purchase those properties through a civil law agreement, in accordance with a procedure described under this LA&RAP (Chapter 8.2.4).
8. As part of the information campaign conducted during the course of the socio-economic study, PAPs were informed (in accordance with the right under Article 21 (7) of the Special Flood Act) that for the existing owner or perpetual usufructuary of the property covered by IPIP who releases the property not later than within 30 days from the date of delivery of the IPIP notification, the amount of compensation is increased by an amount equal to 5% of the value of the property or the value of the right of perpetual usufruct, on the terms specified in the Special Flood Act. In addition, the Investor will provide PAPs with the forms of the property release protocols and will provide necessary explanations in this respect.
9. Property owners benefiting from EU financial support (direct subsidies and agri-environmental schemes) were informed about the obligation to report the reduction of the area of land on which they farm. This fact should be reported to the District ARMA Office Manager in writing together with relevant evidence (in the analyzed case it will be a copy of the IPIP decision) within 15 working days counted from the day on which he/she or a person authorized by him/her is able to perform this action (in the case of RDP 2007-2013 and 2014-2020 this period is 10 working days) about the occurrence of force majeure and change in the subsidized area. This information is also contained in a brochure addressed to PAPs prepared as part of the information campaign (Appendix no. 8).
10. The Investor, if necessary, will provide assistance to PAPs in preparing applications to the ARMA concerning the occurrence of "force majeure" in the event of expropriation of

properties covered by the subsidies (depending on the needs, preparation of applications, preparation of attachments).

11. The Investor, if necessary, will provide assistance to PAPs in preparing map attachments to the applications for purchase of "remnants".
12. Due to implementation of the Contract it may be necessary for the Contractor to temporarily acquire real properties (with its own effort and upon its own cost), in a range wider than given in the IPIP (e.g. acquisition for construction backyard and for storage of soil and other construction materials). The scope and target locations of temporary acquisition shall be determined after selection of the Contractor. The Contractor – while negotiating the conditions for temporary acquisition of properties – shall observe the rules determined under this LA&RAP (the process shall be voluntary). The negotiations and agreements between the Contractor and the property owner referring to the temporary acquisition shall be monitored by the PIO and by the Consultant to assure fairness of the agreement and favorable nature for the landowner. A template agreement form is given under Appendix no. 9 to the LA&RAP.
13. The construction facilities will be located in a way that will have the least possible impact on the quality of life of the residents, if possible within the splitting lines of the Contract area. Additional areas considered as working areas which are located outside the construction site will require agreement with the Investor.
14. Prior to the commencement of works, the Investor will conduct a broad information campaign about the planned execution of the Contract and launching an consultation point for persons affected by the Contract impact, where they will be able to submit their applications and comments to the performed construction works and planned acquisition. An information brochure will be prepared and sent to all persons covered by the impact of the contract, including information on the possibility of lodging complaints (in accordance with the provisions of LA&RAP) and providing the contact details.
15. PAPs will be notified about the physical commencement of works by the Investor in advance, which will allow the completion of properties' management, but not less than 30 days. The Investor may agree to extend the deadline if the change does not collide with the Works implementation schedule.
16. In the case of plots on which agricultural activity is carried out, the plots will be released after the harvesting period of the current crops in the given growing year for the given crop. If the crops are not harvested, the cash equivalent will be paid.
17. In case negotiations between the Investor and the former owner/perpetual user of properties, referring to the compensation amount, fail, in accordance with Article 20 (2) of the Special Flood Act the case is transferred to the Governor, who shall establish the compensation amount in a decision. Regardless of that, the Investor shall propose the PAP payment of compensation for the expropriated property in the amount of 70% of the property value, as determined in the estimate study developed upon the Investor's order, irrespective of the administrative procedure implemented to establish the compensation amount. Payment of that undisputable portion of compensation shall be done based upon an agreement between the PAP and the Investor. If the value of compensation established

under the administrative decision would be higher than the compensation proposed by the Investor, the remaining portion of the compensation (up to the amount established in the decision) shall be accounted and paid to the PAP after the decision becomes final. It is important that accepting the part of compensation proposed by the Investor shall not mean accepting the compensation amount given in the estimate study developed upon the Investor's order, and it shall not have any effect on the proceeding in progress in reference to establishment of the compensation amount for the expropriated property.

18. In case the PAP would not accept the value of compensation indicated by the Governor, the PAP is entitled to claim against that decision to the Minister responsible for civil engineering (as at the date of the final LA&RAP preparation, the Minister of Development, Labour and Technology), and at the written request of a party to payment of undisputable portion of the compensation, i.e. the amount indicated under the discussed decision of the Governor (Article 21 (11) of the Special Flood Act).
19. Any expropriated person will be entitled to use the land in its current manner free of charge until the compensation is obtained or (in case of failure to reach agreement on the amount of compensation) its undisputed part.
20. For the duration of the works, investment supervision will be provided in consultation with the owners of the infrastructure network. The owners of these networks will be notified in advance by the Contractor of the date of commencement of the works.
21. Prior to the temporary acquisition of the property, the Contractor shall perform a detailed inventory and shall develop photo documentation for the aforementioned property.
22. The properties to be temporarily acquired shall be restored to their original condition or to the one established under the agreement after completion of the works and returned in a good condition in order to allow their owners or holders to use those properties in a way they did prior to implementation of the Works Contract or in accordance with a statement of agreement. The PIO and the Consultant shall monitor the reinstatement of the site to its good condition or a contractually agreed temporary acquisition to ensure that the Contractor complies with this requirement.
23. Previous access to all land properties formed after splitting shall not be deteriorated during the works associated with the development of dry flood storage reservoir.
24. On leaving the construction site, stands for washing of car wheels and wheels of machines leaving the construction site will be provided. The works Contractor is obliged to remove periodically the pollutants produced on roads as a result of the traffic of vehicles and machines connected with the planned construction. This will reduce the impact on road infrastructure.
25. Permanent restrictions on the use of the property have been imposed on public roads, being the resources of the Wieliczka Municipality.
26. A wider description of measures mitigating and minimizing adverse impact, including ones referring to valuable environmental resources, is given in the document titled: Environmental Management Plan for part of Contract 3A.2 – Flood Protection in Serafa

Valley, including Works Contract 3A.2/3 Flood Protection in Serafa Valley – Malinówka 3 Reservoir.

7 Socio-economic Survey

7.1 SOURCES AND METHODOLOGY

The socio-economic survey was conducted by the legal, properties and procurement team located in the structure of the Consultant responsible for developing this LA&RAP.

The basic source of information on the development and use of the real properties to be acquired is the analysis of GIS data, written extracts and outlines from the land and building register, maps for designing purposes, mortgage register data, information obtained from Geoportal, as well as verification on the Contract implementation site. Legal titles or claims related to acquired properties were identified based upon data taken from EGIB, land and mortgage registers, and other documents available at the development of LA&RAP. The presence of the infrastructure was established on the basis of the analysis of GIS data and design documentation (including maps for design purposes).

In case of social impact the basic data source were data obtained based upon available registers (e.g. business register, National Court Register), and data obtained based upon visits on Contract implementation site.

The main source of data in this analysis is the results of field test done by the Consultant from September to November 2019 among representatives of households owning properties located within the Contract area. The study covered all households located or having properties in the Contract area, in case of which more than 10% of the original plot area is to be taken over and the acquisition exceeds 100 m² (it is difficult to consider areas of up to 100 m² as generating income and being able to ensure the existence of a household), as well as residents and communities within the Secesja Estate in Wieliczka.

A summary of households comprised by the socio-economic survey was determined based upon criteria resulting from the World Bank's policy OP 4.12. Additionally, the survey covered those households, which own several properties to be expropriated.

The survey also included data obtained based upon visits at the Contract site and statistic data provided by the CSO and materials published in the Internet.

Standardized questionnaire interviews constituted the data gathering method. Answers to all questions were taken down and they were used to prepare this analysis.

The survey questionnaire was developed based on the guidelines of the World Bank's operational policy OP 4.12 and included a request to indicate and discuss in detail all the socio-economic costs associated with development of the Malinówka 3 Reservoir by the representatives of the households.

7.1.1 Problems

Two categories of issues, which effected in disability to collect complex data from representatives of households affected by the Works Contract, were identified during the site survey. All of them were discussed below.

Interview completed without answering vulnerable questions. Most of representatives refused to take part in full questionnaire interview, and informed inadequacy of that interview in their case as a reason. The respondents did not see a reason for provision of information on the number of people in their households, age, education and professional activities, and particularly income. In the opinion of respondents that information did not have any relation with expropriation procedure and payment of compensation. However, those people provided the most information on the character and method of using the plots covered with expropriation procedure, which were sufficient for the purpose of analysis.

Interview not completed, along with obtaining information on the current use of the property. Some of the respondents listed in the land and building register (hereafter - EGiB) as owners of the properties to be expropriated, do not live at the indicated addresses. In such cases, the interviewers, on the basis of a site visit to the investment area, obtained information about the current use of the properties and did not conduct an interview.

7.1.2 Summary of and conclusions on the socio-economic study's results

Socio-economic studies began with the presentation to PAPs of the proposed divisions of the properties owned by them with indicating the parts and areas taken over. The rules of taking over the properties and the procedure of determining the amount of compensation were discussed. It was also informed that it was possible to obtain additional 5% compensation for the release of the property in due time.

It was additionally advised that any expropriated person will be entitled to use the land in its current manner free of charge until the compensation is obtained or (in case of failure to reach agreement on the amount of compensation) its undisputed part.

In each case questions related to effects of the planned expropriation on the standard of living and on functioning of the household and on main income sources for the PAP (with special consideration of a the fact if it is farming) were asked. None of the property owners indicated during the survey that financial support in the form of EU subsidies is applied.

Questions arose during site surveys and accompanying consultations about the purchase of the remaining parts of properties, which were not planned to be taken over by the State Treasury, and those which would be unfit for further use due to their small size.

Respondents also asked about the properties directly adjacent to the future construction site, but not included by the expropriation procedure.

In connection with the questions referred to above (4 cases), the Consultant explained the procedure of purchasing "remnants", acquiring properties in the scope of temporary acquisition by the Contractor, including the need to restore these plots of land after the completion of the works to the original state or the state specified in the contract and return them in good condition.

During the survey, most of the respondents declared that they are satisfied with the planned investment and support its implementation. On the other hand, there were statements that despite the general satisfaction with the investment implementation, in PAPs' personal situation, their quality of life will deteriorate. Those persons indicated that:

- In one case the owner stated that he, as a rule, regrets losing the property.

- In one case a PAP also indicated that he planned to build a single-family house on the property to be expropriated and that he allegedly obtained a building permit - no details of this building project were obtained and, in the light of the documents available, it is an agricultural property without the right of development.

A separate group that was covered by the survey were the residents of the Secesja estate located in Wieliczka, with whom in 2018, 2019 and 2020, the Consultant conducted individual and group meetings. Information was obtained as a result of the meetings that the vast majority of the property owners are not satisfied with the construction of the reservoir near their multi-family buildings. This is mainly due to the lack of parking spaces and a playground for children, promised to the residents by the developer when purchasing the apartments (these issues are described in more detail in chapter 6.1).

In 2018, the meetings between representatives of the estate and the design and legal team mainly concerned the presentation of plans for the proposed reservoir, as well as legal aspects of notary deeds signed by the residents with the developer.

A meeting of the Consultant and PIO was held on 09/24/2019 with representatives of the management board of the housing estate's housing communities. Maps with the location of the designed reservoir were presented, a general outline of the investment and the planned works were described. The estate representatives expressed their doubts and expectations towards the Consultant and the Investor in connection with the investment:

- a. The dry polder will result in a decrease in the value of the apartments and land located directly by the reservoir;
- b. Felling of the trees located in the reservoir bowl's area will cause a negative change in the landscape around the settlement – some trees were asked to be left;
- c. Assistance was requested to obtain a statement from the developer (who is the owner of neighboring properties expropriated for the reservoir) to transfer the properties to the estate's residents;
- d. The Investor was asked to finance the new playground in the housing estate as a compensation;
- e. Concerns were raised about blocking the drainage of the existing car park and residential buildings (rainwater pipes will be sunk under the water table);
- f. It was proposed to increase the capacity of the remaining 3 planned reservoirs and to abandon the construction of the Malinówka 3 reservoir;
- g. It was proposed not to fence off the reservoir's bowl area (only its initial part);

The representatives of the Consultant and the Investor explained the aspects of the planned investment to the residents of the Secesja housing estate, assured that the flood protection of the area will be increased, that the reservoir will not have a negative impact on the existing drainage of the estate, that the number of trees necessary for removal will be analysed with the possibility of replacement plantings. It was explained that it is not possible for the Investor's representatives to enforce, on behalf of the estate's residents, the developer's obligation to transfer the land to them. The mitigation measures implemented in the project are described in chapter 6.1.

The next series of information meetings was planned for March 2020, these meetings were to take place in the community's place of residence on Modrzewiowa Street, in one of the blocks, from 03/09/2020 to 03/20/2020 i.e. four times a week – on Mondays, Wednesdays and Fridays from 5.00 pm to 7.00 pm and on Tuesdays from 10.00 am to 12.00 pm. The "Plan of Information

Activities” was prepared for the purpose of these meetings, together with an additional information leaflet, questionnaire and poster, which was posted in the housing estate area (Appendix no. 8a). Several talks were held during the two meetings that took place with the residents and a larger meeting with the residents’ representatives was scheduled for 03/11/2020. Unfortunately, in connection with the existing epidemic threat situation of COVID-19 in the country, on 03/11/2020, for the sake of health security of the PAPs as well as the Consultant’s employees, it was decided to suspend further direct meetings. However, e-mail and telephone communication is available all the time. Leaflets with contact details to the Investor’s representatives were made available to the residents. Additionally, a teleconference was also organized on 11/12/2020, and all residents of the Secesja Estate were invited through individual e-mails submitted to every household by 4 association administrators. The meeting was held using an interactive application – MS Teams – and was referring to mitigation measures for the Works Contract 3A.2/3 dedicated to the society living at the Secesja Estate.

There has also been an exchange of correspondence between the Consultant and the residents as well as the Investor since 2018. The main objections raised by the residents to the planned construction of the dry flood protection reservoir concern, as already indicated above, loss of safety and deterioration of living conditions, decrease in the value of the properties, blocking the possibility of the estate development, including recreation, lack of information on the planned reservoir in the LSDP in Wieliczka and the negative impact on green areas, including the fear of tree felling.

The Consultant explains the residents’ doubts on an ongoing basis, being in constant telephone and e-mail contact with their representatives, and sends technical information with a description of design solutions that guarantee safety and minimize interference with the environment. Reservations and expectations of the residents are taken into account in technical aspects of the design documentation being developed.

Residents of the Secesja Estate currently cooperate with the Consultant at designing of solutions for the playground for children and in the range of planting of shrubs and trees within the estate.

Owner of one of the plots to be permanently acquired was identified during the consultations, and he agrees for the acquisition, but simultaneously reveals his expectations referring to the range of compensation for the planned investment actions – as of the day of developing the final LA&RAP those however are oral declarations only, without proving them with documents.

7.2 SOCIAL AND ECONOMIC DATA

7.2.1 Land use

The Contract area covering approximately 4.7⁵ ha is located on 60 plots of land located within two communes, i.e.: Cracow – city on district rights (register unit Podgórze – area no. 99), and the town of Wieliczka (register unit Wieliczka 3).

The area designated for the investment related to the construction of a dry flood protection reservoir are riverside areas, unused agricultural properties (meadows, pastures) and, in a small part, areas designated for housing development (only 0.58%). In the immediate vicinity of the investment area to the north and west there is agricultural land, while to the east and south there are developed land properties and such intended for housing development. In the east the planned contract area border upon a residential estate, which will most experience the troublesome construction works, noise and other related factors, however, due to the application of measures mitigating and minimizing (described in the EMP) adverse impacts, the implementation of the Contract will not cause disturbances in the daily functioning of these households.

7.2.2 Public services

The Contract area runs along the Malinówka Stream in Cracow in the district of Podgórze up to the town of Wieliczka. The contract site is located in vicinity of residential areas, as well as farmland and riverside areas, and in vicinity of a residential estate at Modrzewiowa Street (Secesja Estate).

In the area to be acquired, as well as in its direct vicinity, there are no public utility objects.

Due to the lack of physical and economic resettlement of households of owners whose properties will be transferred to the State Treasury, the performance of works does not in any way limit the access of plot owners to public utility facilities.

7.2.3 Cultural and historic object

There are no cultural or historic objects in the area to be acquired or in its direct vicinity.

Due to the lack of physical and economic resettlement of households of owners whose properties will be transferred to the State Treasury, the performance does not in any way limit the access of plot owners to cultural and historic objects.

7.2.4 Gender Equality

Discrimination is legally banned in Poland, and it is determined in the Constitution of 1997. Article 32 states that no one shall be discriminated against in political, social or economic life for any reason whatsoever. Discrimination against women shall mean any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of

⁵ The final scope of permanent acquisition and restriction in the use of properties shall be determined in IPIP decisions.

equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field (Article 1 of the Convention on the Elimination of All Forms of Discrimination against Women of 1979).

While willing to become a member of the European Union, Poland needed to adapt its law to valid EU regulations, also in the scope of gender equality. It mainly resulted in adjustments to the labour codex, but also in modification of politicians' and public administration's attitude.

In accordance with the Human Development Index (HDI) of the United Nations Development Programme (UNDP) for 2012 Poland is amongst the countries with a very high social development index. It is on 39 place in the ranking of 187 countries, i.e. above the average of countries in EBOR action area, and on a similar level to the average for countries of Central Europe and Baltic States. The Human Development Index covers three elements: health, education, and standard of living. In terms of UNDP Gender Inequality Index (GII) Poland is even higher – it is 24 in the world ranking. The Gender Inequality Index is a rate, which reflects the loss of development possibilities within the area of a given country due to unequal treatment of sex, and it covers three elements under appraisal, i.e.: reproductive health, empowerment, and labor market participation.

In case of participation of women in public life, the share of women in make-up of public units formed as a result of elections is small. In those terms the following are indicated, e.g.: low percentage of women present in the Sejm and in the Senate. Similar negative trends are characterizing other units formed as a result of elections, e.g.: commune councils, district councils, or provincial seyms (women are about ¼ of all councilors). It shall be emphasized that a minor percentage of women is for many years noticeable amongst village mayors, city managers, or mayors. However, an increasing number of women holding the position of village administrators draws attention, and that function is one of the most important ones in the context of civilian activities and development of social capital. Experience also indicates that women are equal participants of public hearings, and their engagement in local activities often results in their leading role in consultations. Finally, it shall be stated that for the purpose of promoting women and increasing their representation in decision-making and managing groups in business, numerous civil actions, declarations of political parties, and popularization of other countries' examples are implemented, and the European Commission undertakes its own initiatives ex officio, etc., which should result in the enhancement of equality of women and men in participation in the labour market or in decision-making groups. The analysis of survey results for last 10 years proves the progress in that field.

7.3 SPECIFICITY OF THE PAP⁶

Among the households covered by permanent acquisition no such were identified requiring physical or economic resettlement in connection with the implemented Contract and which would be significantly affected by the Works Contract. Due to the way in which the land intended for embankment expansion is used by its owners, the land was classified into the following groups:

- Households located in the immediate vicinity of the Contract area;

⁶ The list of properties, the area of permanent acquisition and the type of restrictions in the property use were determined on the basis of the available documentation at the stage of preparation of the application for IPIP decision. The final scope of permanent acquisitions and restrictions in the use of properties will be determined by the IPIP decision.

- Households located outside the Contract area:
 - ✓ Households using the properties covered by permanent acquisition or by restricted use,
 - ✓ Households not using the properties covered by permanent acquisition or by restricted use,

Despite the incomplete nature of the data, resulting from the inability to reach the owners of certain properties or the unregulated legal status, it was possible to determine the actual manner of using the land designated for the Contract implementation.

Detailed PAP characterization is included in the Socio-economic Study constituting Annex No. 5 to this LA&RAP. Due to the requirements concerning personal data protection, the Study shall not be revealed to the public.

The area intended for the development of flood storage reservoir Malinówka 3 is diversified in terms of the ownership structure. The diagram given below shows a percentage share for individual categories of plot owners under the analysis.

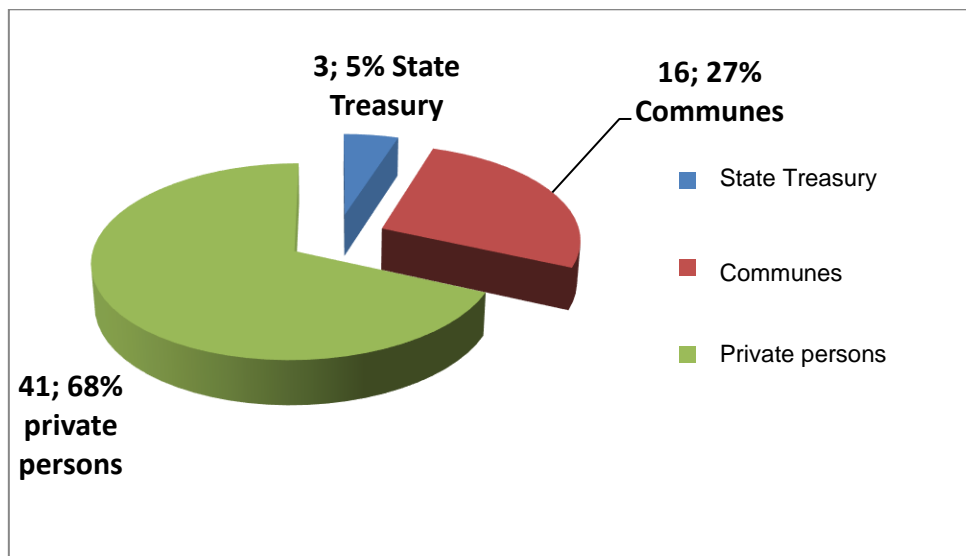


Chart no. 1: Ownership structure of the plots covered by the Contract (permanent acquisition, permanent restriction in use, properties subject to the obligation to redevelop the existing network)

The share of plots belonging to private persons is 68 % (41 plots), the plots within the State Treasury's assets account for 5 % (3 plots), the plots from the resources of Local Government Units (Municipality of Cracow and Municipality of Wieliczka) account for 27 % (16 plots).

Cases of perpetual usufruct have not been identified.

In reference to the properties, in case of which limited property rights were established, Article 20 (4) of the Special Flood Act shall be applied, provision of which states that if limited property rights have been established for the property, those rights expire on the day when the investment project implementation permit for the Contract becomes final.

The entire performance area covers 60 plots.

After obtaining the final IPIP decision:

- The permanent acquisition will cover 42 properties. The ownership structure of permanent acquisition is shown in the chart below.

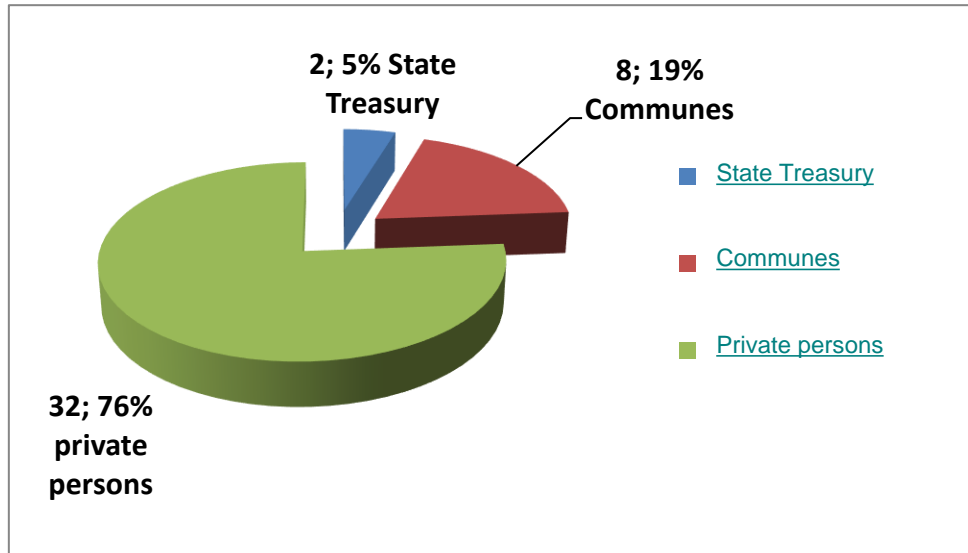


Chart no. 2: Ownership structure of plots subject to permanent acquisition

76 % (32) of plots under the contract – in the range of permanent acquisition – is owned by 246 private owners (244 natural persons – 30 plots, and 2 legal persons – 2 plots: limited liability limited partnership companies). Over 5% (2 plots) of the plots subject to permanent acquisition is in the State Treasury's resources. Local government units (Municipality of Cracow and Municipality of Wieliczka) hold 19% (8) of the properties subject to permanent restrictions, including 3 plots owned by a communal company of the Municipality of Cracow.

- A permanent restriction in use will cover 9 properties.

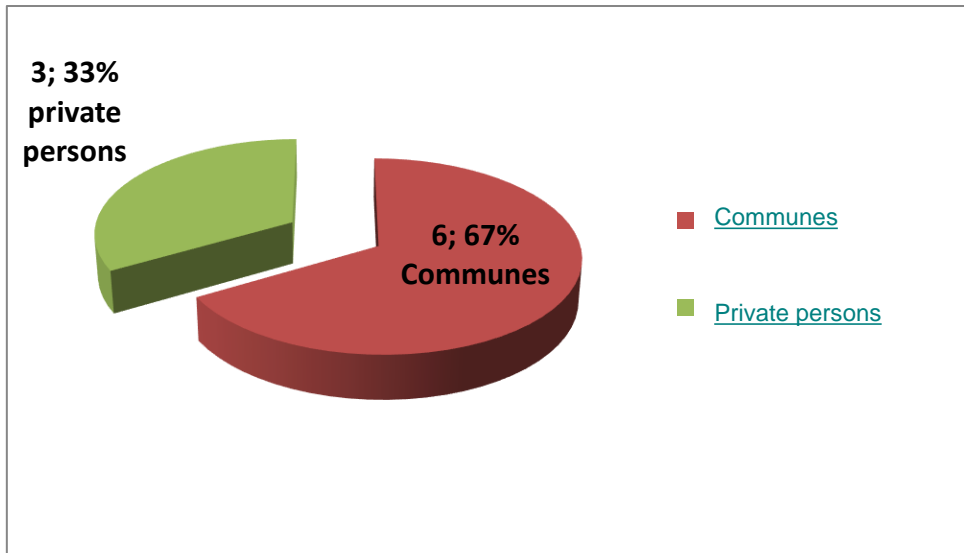


Chart no. 3: Ownership structure for plots with obligation of redevelopment for the existing land utilities

Permanent restriction in the use of properties shall be applied in case of 3 plots of natural persons (8 PAP) and 6 communal plots (2 of the Commune of Wieliczka, and 4 of the Municipality of Cracow, including 3 plots owned by the communal company of the Municipality of Cracow), which – due to separate regulations – cannot be covered by splitting lines for the contract site or cannot undergo splitting in administrative proceedings (detailed legal regulations on permanent restriction were described in Chapter 8.2.2).

- The obligation to redevelop the existing land utilities will be established for 8 properties. The ownership structure of the above-mentioned plots is presented in the chart below.

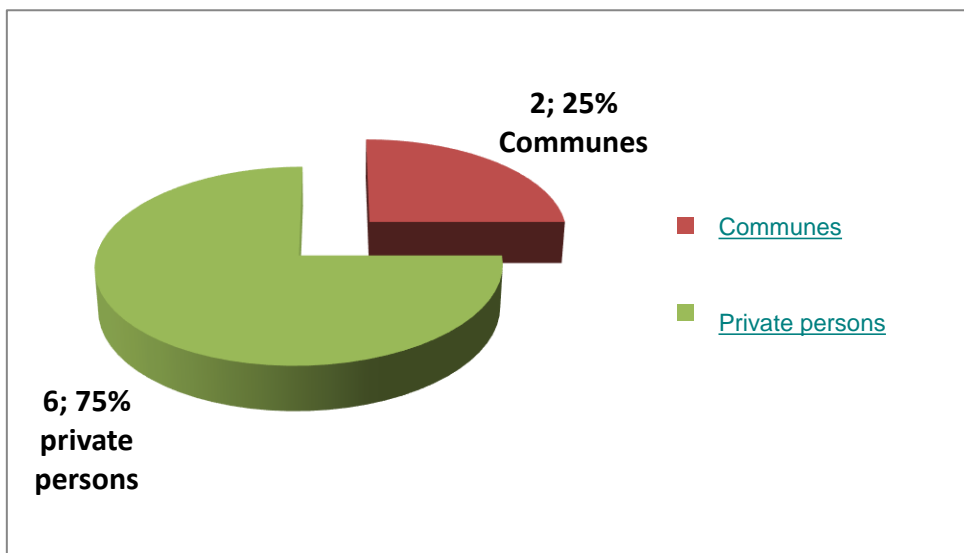


Chart no. 4: Ownership structure of the plots subject to the obligation to redevelop the existing land utilities

75% (6) of plots is owned by natural persons. The Local Authorities own 25% - 2 plots (one of the Commune of Wieliczka and one of the Municipality of Cracow).

The obligation to redevelop the existing land utilities refers to:

- ✓ redevelopment, construction and protection of water network,
 - ✓ redevelopment, construction and protection of power lines,
 - ✓ redevelopment of a ditch.
- In case of one of the properties owned by the State Treasury (the resources represented by PGW WP RZGW in Cracow), the construction works shall be done based upon disposal rights to the properties for construction purposes.

7.4 THE NEED FOR UPDATING THE SOCIO-ECONOMIC STUDY

Due to the permanent nature of data such as the kind, the method of land use or the presence of developments on the land, it may be assumed that data gathered in the field test shall remain valid for a long time.

8 The Binding Provisions of Law and Valuation Methodologies

This LA&RAP for part of the Contract 3A.2 – *Flood Protection in Serafa Valley*, i.e. Works Contract 3A.2/3 *Flood Protection in Serafa Valley - Malinówka 3 Reservoir*, is based on the provisions of Polish law, as well as, due to funding from the resources of the World Bank, on the World Bank's Operational Policy 4.12 – Involuntary Resettlement.

The Loan Agreement between Poland and the World Bank is an act governed by international law and by concluding the agreement, Poland obliges to apply the World Bank's policies.

In case of discrepancies between Polish law and WB policies, the provisions which are more beneficial to the affected population are applied, while keeping WB standards with reservation of corrective instruments determined under Clause 8.3.

8.1 OBLIGATIONS ARISING FROM OP 4.12⁷

OP 4.12 is applied whenever the implementation of the Contract requires:

- a) involuntary real property acquisition resulting in:
 - a. relocation or loss of shelter;
 - b. loss of assets or access to assets;
 - c. loss of income⁸ sources or lowering the standard of quality of life
- b) involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the quality of life of Project Affected Persons.

The following obligations stem from OP 4.12:

- Involuntary resettlement should be avoided where feasible by exploring all viable alternative contracts, and if it is not feasible to avoid resettlement, its range and impact should be minimized;
- Resettlement should be conceived and executed as development activities providing sufficient measures and resources that will enable people affected by resettlement to participate in the benefits of the implemented Works Contract. Assistance should be given to social groups affected by the resettlement process in order to improve their state of the economy, income and standard of living, or at least restore the status from before the Contract implementation;
- Resettled persons should be given full compensation before resettlement in an amount equal to the restoration costs, assistance in relocation and assistance and support during the transition period;
- Lack of a legal title to the land should not be a bar to receiving compensation;
- Particular attention should be paid to vulnerable social groups and individuals (e.g. single mothers, the handicapped, the poor);
- Communities should be given opportunity to participate in planning, implementation and monitoring of the resettlement process;
- The resettled persons should be assisted in the integration with the host commune;

⁷ Chapter acc. to LARPF

⁸ In Polish economy understood as revenue.

- Resettlement should be closely linked with the Contract implementation schedule so that the resettled persons could obtain the compensation before starting the construction or before other activities of the Works Contract;
- Monitoring of resettlement shall be performed as well as its evaluation;
- As regards rural or farming lands, even when it is possible to apply financial compensation, "land-for-land" compensation is particularly recommended, if economically feasible. Farms that lost their fixed assets entirely and became entirely unprofitable should receive compensation in the amount equal to the value of the entire farm;
- For losses valuation or monetary compensation of which is complicated, for example, access to public services, access to customers or suppliers, fishing areas, access to pasture and forest areas, efforts should be made to establish access to equivalent and culturally appropriate resources and income opportunities.

8.2 POLISH LEGAL REQUIREMENTS

The most important normative acts concerning acquisition of rights to real properties necessary for Contract implementation are:

- Constitution of the Republic of Poland of April 2, 1997 (Journal of Laws no. 78 item 483 as amended),
- CC,
- Special Flood Act,
- PMA,
- Water Law Act,
- Regulation on the evaluation.

The Civil Code governs legal relationships between natural and legal persons, including those concerning conclusion of real property sale agreements. A binding principle here is the freedom of drafting agreement content and deciding if and with whom one wishes to conclude the agreement. Unanimous declarations of the parties determine agreement conclusion. The Civil Code provides for a special form of concluding agreements whose subject is the transfer of ownership of property. They should be concluded as a notary deed in order to be valid.

The mechanisms of compulsory acquisition of rights to property is included in the Special Flood Act and in the PMA.

8.2.1 Real property acquisition under the Special Flood Act

According to the Special Flood Act the expropriation of real estate or parts thereof, as well as permanent and temporary restriction of the use of property or part of it takes place in IPIP issued by the Governor. Expropriation occurs at the moment in which IPIP becomes final.

With the transfer of the property in favor of the State Treasury or of local government units, the property owner or the holder of perpetual leasehold rights or a person with limited property rights to that property is entitled to compensation. The compensation may be paid in cash or in the form of "land-for-land". The Special Flood Act does not indicate any preference for the "land-for-land" compensation; financial compensation allowing for purchasing a similar real property at a market price is rather assumed.

The amount of compensation is determined on the basis of an independent and objective valuation of the appraiser, having the relevant qualifications, separately for each property.

The amount of compensation is determined in the condition as of the date of issuing the IPIP, but with reference to real property value as of the date on which the amount of compensation is determined.

In case the Investor and the expropriated party (owner and/or holder of perpetual rights and/or holder of limited property rights) reach an agreement as regards the amount of compensation, a written agreement is concluded, determining the amount of compensation, and time and manner of payment.

However, if the agreement is not reached within 2 months of the date of issuing the final IPIP, the amount of compensation is determined by the Governor in a decision. Before issuing a decision, the Governor appoints an independent expert – a valuer. The party has also the right to property valuation prepared by a valuer in the proceedings before the Governor. In such case the Governor has to account for the opinion presented by the affected party in the decision determining the amount of compensation. In the case in which the party makes any comments and proposals in the proceedings before the Governor, the Governor has to refer essentially to these comments and proposals at the stage of the proceedings, and then in the issued compensation decision.

Compensation inherent to the previous owner or holder of perpetual usufruct rights shall be reduced by an amount of limited property rights established for the properties (e.g. use rights, easement, lien, cooperative member's ownership right to residential premises, or mortgage). The amount shall be evaluated by an independent assessor in accordance with the rules determined in the regulation of the Council of Ministers on the evaluation of properties and on the development of an estimate. The compensation referred to above shall be credited towards the repayment of the principal claim secured by the mortgage, together with interest. This compensation is paid to those who were entitled to these rights.

The decision issued by the Governor may be appealed against to an authority of higher level i.e. to the relevant Minister (for the day of developing the final LA&RAP it was the Minister of Development, Labour and Technology).

In case of an appeal against the decision establishing the amount of compensation, the expropriated party may file a motion for paying the compensation in the amount stated in the contested decision. In such case the compensation is paid as stated, which does not influence the appeal proceedings.

The decision issued in the appeal proceedings can be appealed to the Regional Administrative Court within thirty days of the decision delivery to the applicant. In turn, the party has the right to lodge an appeal in cassation against the judgment of the Regional Administrative Court to the Supreme Administrative Court within thirty days of the delivery of the copy of the judgment with the justification to the party.

8.2.2 Establishing permanent restriction and temporary restriction in managing real properties

The initiation of proceedings for the issuance of such IPIP requires a motion from the Investor, which is required to identify, among others, real property or parts thereof that are part of the Works Contract necessary for its functioning, which does not become the property of the State Treasury or the local government unit, but to which the use is permanently restricted (hereinafter referred to as the PR). Such a motion has to be considered and, depending on the administrative authority's arrangements, disclosed in an IPIP decision issued by the Governor (Article 9 (5b) of the Special Flood Act).

Another PR category stemming from the IPIP, but not necessarily from the Investor's motion, covers areas exposed to direct flooding risk and areas exposed to potential flooding risk, or areas exposed to particular flooding risk if designated (Article 9 (8) letter f) of the Special Flood Act). Such real properties shall not be subject to a permanent change of the manner of managing them and, as a rule, shall be able to be used by the owner (the holder of perpetual leasehold rights) like before Works Contract implementation, but after Contract implementation always with certain functional restrictions.

PR imposed under the Special Flood Act and the inconveniences related to them as well as restrictions of the economic and market potential of the real property (e.g. a construction ban, a ban on planting trees, a ban on running the agricultural activity) negatively affect the real property market value and have to be made up for by a due compensation. In an extreme case of the property loss of usefulness for the owner (holder of perpetual leasehold rights) they can demand its redemption on civil law making the request in this regard in accordance with Article 22 (2) of the Special Flood Act (redemption cannot be claimed by the owner of the property, which includes public roads, i.e. a local government or the State Treasury). In the case of non-use of this procedure, an administrative course remains establishing appropriate compensation.

The Special Flood Act does not define PR or indicate the administrative authority competent in the subject matter of determining such compensation in administrative proceedings. Such condition, i.e. the lack of an explicit provision of law indicating the subject matter (competence) of an authority, is caused by an obvious legal loophole and authorizes one to apply in the administrative proceedings on the issuance of IPIP the premises fixed by the CIRDO and defined in the Judgement of the Supreme Administrative Court in Warsaw of November 9, 2012 (ref. no.: I OW 142/12). The Court states unambiguously that *"the competent authority to determine the compensation is the authority that issued the decision on consent for implementation of a road development (...) because the legislator cannot separate the competence to determine the compensation for the results of the same decision depending on the subject of that compensation"*.

It should also be assumed that there may be a necessity for applying Article 30 of the Special Flood Act, according to which *"the provisions of the Real Estate Management shall apply respectively"* to the extent not regulated in these Acts and realizing that instruction based on the of PMA.

As a consequence, in reference to established compensation due to provision of PR, the Governor issuing the IPIP shall be the unit responsible, and the compensation itself may be established based upon the rules given in this LA&RAP.

Another category of restrictions will consist of a temporary restriction in the use of properties covered by the IPIP Decision, and associated with necessary redevelopment of colliding facilities, compensation for which shall be paid out by the Investor.

That is land acquisition, apart from those which are independently determined by the Contractor for the needs of the functioning of the construction facilities during the performance of works (construction site, storage of materials, temporary roads, etc.).

Temporary restrictions in use will be associated with among others:

- redevelopment of the existing overhead power lines;
- redevelopment of the existing outlet of the storm canalization;
- redevelopment of the existing canalization networks;
- removal or redevelopment of parts of ditches or a water-course's channel.

The properties intended for temporary restriction in use, on which the above-mentioned works will be conducted, do not need to be taken over for the benefit of the State Treasury (they are not necessary for the implementation of the Contract) nor do they need to be covered by a permanent restriction in use. After the completion of the works described above, the existing owners will be able to use these properties in the existing manner, due to the lack of changes or removal of existing facilities.

Therefore, in the design documentation, these properties were covered only by the border of the planned Contract area. The final scope of permanent acquisition and permanent and temporary restrictions in the use of properties will be determined after the conclusion of the administrative proceedings and after the issuance of the IPIP decision.

8.2.3 Special Procedures

Under Article 133 of the PMA, the Investor shall submit the amount of compensation to a court deposit in accordance with the decision of the Governor requiring the Investor to pay compensation for the court deposit, which is equivalent to the fulfilment of performance. It takes place only in two cases:

- 1) when the person entitled refuses to accept compensation or the payment thereof encounters impediments difficult to overcome (lack of legal capacity of the creditor, his prolonged absence in the country in the absence of the establishment of a proxy, natural disasters, martial law), and
- 2) if the compensation for expropriation applies to properties with unsettled legal status.

Submission of a court deposit sit has the same effect as the fulfilment of performance and – in accordance with OP 4.12 – the project affected person does not bear any cost in that scope.

8.2.4 Purchase of “remnants”

If a part of a real property is acquired and the remaining part is not fit for use for its former purposes (so-called “remnant”), the Investor is obliged to purchase that remaining part of the real property if its owner or holder of perpetual leasehold rights submits a relevant motion (under Article 23 (1) of the Special Flood Act).

The motion concerning the purchase of “remnants” may be submitted before issuing the IPIP, but the real property purchase may take place only after issuing the IPIP.

The “remnants” for the Works Contract 3A.2/3 shall be purchased by concluding civil law agreements in accordance with the following procedure:

1. The real property owner/holder of perpetual leasehold rights submits a motion containing:
 - a. a justification indicating why the remaining part of the real property after the acquisition is not fit for use for its former purposes,
 - b. marking of the remaining part of the real property on the copy of the property allotment map or on the site map or on the property splitting map as attached to the application.
2. Assessment of the submitted motion by committee appointed by the Investor. The committee composition shall include the representative of the team for monitoring and implementation of LA&RAP and specialists for technical matters and for the real property management. A representative of the LA&RAP Consultant may participate in commission meetings as an advisor.
3. A decision about purchase or refusal to purchase is made promptly but not before issuing the IPIP decision. A condition for efficient consideration of the application is its completeness.
4. The motion submitter is notified of the decision about purchase or refusal to purchase of the “remnants”.
5. Development of a study by a valuer determining the value of the “remnants”.
6. Negotiations are conducted with the real property owner/holder of perpetual leasehold rights concerning the amount of compensation.
7. A real property purchase contract (purchase of the “remnants”) is concluded as a notary deed.
8. The compensation is paid.
9. If a property is not qualified for purchase as a “remnant”, the owner is entitled to file for purchase to a court of general jurisdiction.

8.2.5 EU subsidies

Among the properties expropriated for the purpose of Works Contract implementation there may be agricultural/forest properties covered by support programs, i.e. ones for which the owners/holders receive subsidies or for which support is provided.

Expropriation of that land shall result in the lack of possibility to fulfil liabilities under particular programs, as adopted by the farmer in agreements with a certified state payment agency, i.e. Agency of Restructuring and Modernization of Agriculture (ARMA). This in turn may be associated with determined consequences, including a necessity of returning payments done, as well as with administrative fines. (ATTENTION: there will be no need to return the subsidies or pay fines if the farmer reports the fact of expropriation to the ARMA).

In order to enable farmers to comply properly with their contractual obligations and not to be exposed to related losses, it is necessary to provide for identification, mitigation and compensation measures.

The properties which were identified at the stage of preparing the construction design will be subject to expropriation for the benefit of the State Treasury. Due to the fact that a significant part of these properties is land for agricultural purposes, a brochure was prepared and will be sent to PAPs, in which information on the steps to be taken to avoid reimbursement of subsidies is presented. In addition, as part of preparing the draft LA&RAP, one of the essential parts of which is a socio-economic survey, aimed at, among others, identification of the socio-economic situation of PAPs, a questionnaire was prepared in which questions were included concerning subsidies/support to which the expropriated properties are eligible.

Mitigation measures to avoid farmers having to reimburse the subsidies:

- carrying out an extensive information campaign, also during the questionnaire surveys (among all PAPs), what steps should be taken to avoid the return of collected subsidies.
- carrying out an information campaign addressed, inter alia, to a group of identified farmers (distribution of brochures), who reported in their surveys that they had received subsidies at the stage of an administrative procedure conducted by the Governor for the issuance of the IPIP. The aim of the action will be to remind the need to report to the ARMA the fact of expropriation and/or permanent restriction in the manner of property use. This information will also be provided to PAPs during the public consultations of the draft LA&RAP.
- monetary compensation - the agricultural producer will receive compensation for the expropriated property and can purchase (lease) the property with similar production potential for the received funds and report it for subsidy/support (if possible, within the framework of the given measure).
- the amount of compensation (cash compensation) for the expropriated property will be determined by an independent property valuer. The valuation of the property will take into account, among others, the value of the expropriated property, which is based on the possibility of receiving subsidies/support.

A solution for this issue is implementation of a special mechanism and a definition of so-called force majeure - on the level of European Union's regulation, which would obviously disable a farmer from fulfilling contractual liabilities. Those provisions contain an opened catalogue of cases, when we deal with force majeure. That catalogue comprises the following circumstances of force majeure, e.g. expropriation of properties. In order to apply that mode initiative of the farmer/beneficiary is however necessary. He/she needs to notify the occurrence of force majeure (in this case: expropriation and/or permanent restriction of the use method for the property) to the District ARMA Office Manager in writing, along with relevant evidence (in the analyzed case those would be a copy of IPIP decision), within 15 working days counted from the day when he or a person authorized by him would be able to perform that action (in case of RDP 2007-2013 and 2014-2020 this deadline amounts to 10 working days).

The District ARMA Office Manager runs a relevant administrative proceeding and identifies whether force majeure occurred through a decision.

Consequences of issuing a decision confirming the occurrence of force majeure are as follows:

- for RDP 2007-2013 and 2014-2020 (long-term liabilities and payments): the farmer/beneficiary does not need to return a part of support awarded for the previous years or its whole, subsidies may be reduced for the year when force majeure occurred, liabilities or payments are continued in accordance with the original duration (if eligibility parameters are met, e.g. minimum area), and furthermore – administrative penalties are not implemented in the scope of so-called cross-compliance;
- for direct subsidies: the support granted is not returned, the beneficiary keeps the right to payments within the framework of direct support systems in reference to the area or to animals, which were eligible at the moment force majeure occurred, for payments within the framework of direct support systems.

It shall be stated that one would also face force majeure in case of properties or their parts remaining an element of Works Contract, which would be necessary for its functioning, and which do not become a property of the State Treasury, but their use is permanently limited (so-called permanent restriction in the use of property), and in case of so-called “remnants” (properties purchased based upon an application of the party in case a part of the property is taken over under the IPIP, and the remaining part cannot be properly used for previous purposes).

The time for notifying about the occurrence of force majeure of that type and an evidence of that occurrence – similarly as in case of expropriation – shall be given in the IPIP decision. In this case force majeure also results from expropriation of properties, but it does not bereave the property of this particular part of property, but it causes the lack of possibility to use it for previous purposes (e.g. farming). A similar case occurs for permanent restrictions, if they obviously caused the lack of possibilities to apply the property in accordance with liabilities accepted by the farmer.

Persons granted with subsidies have not been identified for the day of developing the LA&RAP.

8.2.6 Properties resources according to the PMA

The PMA Act regulates aspects referring to the properties management, and especially the rules for:

1. Managing the properties owned by the State Treasury and by the local authorities;
2. Types of the properties;
3. Merging and splitting of the properties;
4. Pre-empting the properties;
5. Expropriating the properties and returning the expropriated properties;
6. Participating in costs of developing the technical facilities;
7. Evaluating the properties;
8. Professional activities related to the properties management.

The Act defines in Chapter 2 the public properties resources, which were broken down by the legislator according to the ownership status (according to Article 20 of the PMA). The following were distinguished:

1. State Treasury’s properties resources;

2. Communal properties resources;
3. District properties resources;
4. Provincial properties resources.

The State Treasury's properties resources include those properties, which are owned by the State Treasury and have not been transferred for perpetual usufruct, and those properties, which are subject to perpetual usufruct by the State Treasury (according to Article 21 of the PMA). Those resources are administered by Prefects.

The communal properties resources include those properties, which are owned by communes and have not been transferred for perpetual usufruct, and those properties, which are subject to perpetual usufruct by communes (according to Article 24 of the PMA). The communal properties resources are administered by village mayors, town clerks, and mayors.

The district properties resources include those properties, which are owned by districts and have not been transferred for perpetual usufruct, and those properties, which are subject to perpetual usufruct by districts (according to Article 25a of the PMA). The district properties resources are administered by district boards.

The provincial properties resources include those properties, which are owned by provinces and have not been transferred for perpetual usufruct, and those properties, which are subject to perpetual usufruct by provinces (according to Article 25c of the PMA). The provincial properties resources are administered by provincial boards.

Provisions under the PMA do not refer to the properties resources of other owners than the ones listed above.

Public assets remain a special type of assets included within the boundaries of the Republic of Poland, and due to their specificity – assets used for implementation of tasks by the: State Treasury, communes, districts, and provincial authorities – they are subject to particular legal restrictions determined under the PMA and many other legal acts⁹.

⁹ Excerpt - reference: Resources of public properties - p. I, Marian Wolanin, Nieruchomości 9/2000 (<https://czasopisma.beck.pl/nieruchomosci/artukul/zasoby-nieruchomosci-publicznych-cz-i/>)

8.3 ADOPTED MECHANISMS OF ACQUISITION OF RIGHTS TO REAL PROPERTIES¹⁰

The LARPF indicates a number of inconsistencies between OP 4.12 and Polish law: OP 4.12	Polish law	Corrective measures
<p>Lack of a legal title to the land should not be a bar to receiving compensation/compensation payment. Persons without a legal title are eligible for compensation.</p>	<p>The Polish legal system does not account for the right to compensation of landowners/users that do not hold legal title to it (except for persons who acquired the title by usucaption, i.a. a method by which ownership can be gained by uninterrupted possession of the real property for a period indicated in the CC act).</p>	<p>Each case of a Contract Affected Person without a legal title to the real property shall be analyzed individually for the possibility of applying general mechanisms from the Civil Code to achieve the objectives of OP 4.12.</p> <p>As per OP 4.12, Project Affected Persons without a legal title to the real property are not eligible to receive cash compensation for the real property. However, they are eligible for compensation for any facilities, plantings or improvements to the real property that were done before the cut-off date and for receiving adequate solutions in cases where they have to be physically or economically displaced. In those cases, additional mitigating measures shall also be applied.</p>
<p>WB policy requires compensation for loss of income¹¹ (e.g. from business or agriculture, etc.) resulting from real property acquisition for the purposes of implementation of the planned Works Contract.</p>	<p>Provisions of Polish law do not provide for compensation for the loss of income resulting from Contract implementation.</p>	<p>Persons who lost the income or employment shall receive support (health insurance, professional trainings etc.) from employment offices.</p> <p>In case of entrepreneurs, it is possible to apply general mechanisms from the Civil Code (covering the loss suffered and the expected profits which were lost).</p>
<p>Particular attention should be paid to the needs of vulnerable social groups, such as the poor, the elderly, single mothers, children or ethnic minorities.</p>	<p>Polish law does not require planning specific measures aimed at providing additional assistance to vulnerable social groups (the elderly, the handicapped, the poor and other groups which may have special needs).</p>	<p>The expropriated persons shall receive all the necessary help in obtaining assistance provided to citizens by offices and institutions.</p> <p>Additional measures shall also be implemented as needed to ensure that the objectives of OP 4.12 are met.</p>

¹⁰ Table included in this chapter is compliant with the LARPF.

¹¹ In Polish economy understood as revenue.

<p>The LARPF indicates a number of inconsistencies between OP 4.12 and Polish law: OP 4.12</p>	<p>Polish law</p>	<p>Corrective measures</p>
<p>WB Policy requires additional compensation for the expenses incurred by the PAP as a result of physical relocation (e.g. transport of materials) and assistance in implementing the resettlement.</p>	<p>Assistance regarding incurring the costs of relocation and other similar costs resulting from the necessity to move to a new location by citizens and enterprises is not provided in the law.</p>	<p>In order to cover the costs of relocation and other similar costs, it is possible to apply general mechanisms from the Civil Code in a manner that achieves the objectives of OP 4.12.</p>
<p>The compensation should be paid prior to physical acquisition of the land for the purposes of Contract implementation.</p>	<p>The Special Flood Act allows for acquiring the land and commencing works before the compensation is paid.</p>	<p>In all cases, no works shall begin until it is confirmed that the Project Affected Person has been informed about the commencement of works in advance, compensation has been paid and permission to enter the land has been granted.</p> <p>The only exceptions are cases where appeal proceedings have been initiated due to negotiation failure, owner absence or the impossibility of determining the owners.</p> <p>In such a case the amount shall be transferred to the court deposit and placed on the court's deposit account.</p> <p>To minimize the risk of commencing the works before compensating for losses, the Works Contract shall plan and conduct real property acquisition in advance of the commencement of works.</p>

The LARPF indicates a number of inconsistencies between OP 4.12 and Polish law: OP 4.12	Polish law	Corrective measures
<p>Compensation for the loss of assets is based on their market value plus any transaction costs (e.g. taxes, fees) and the objective is for the compensation to be sufficient to effectively restore the lost assets (replacement value).</p>	<p>The applied methods of valuation may lead to lowering the real property value as compared to prices of similar real properties on the local market.</p>	<p>The valuation of the real property shall be conducted by an independent and experienced expert. The expert’s opinion should be verified by the PIU. The expropriated party should be granted a proper amount of time to become familiar with the expert’s opinion. Should there be any doubts regarding the sufficiency of the due amount of compensation, the value of the real property should be estimated by an independent expert in the proceedings before the Governor.</p> <p>In all cases, the valuation has to indicate the compensation value necessary to reach the replacement cost for lost assets without depreciation of assets.</p>
<p>It is required to prepare a socio-economic survey and a LA&RAP as well as to monitor compensation measures, resettlement and life quality level restoration measures and evaluate the efficiency of all the above measures.</p>	<p>Provisions of Polish law do not account for an obligation to prepare a socio-economic survey or a LA&RAP as such. There is no obligation to monitor or evaluate their implementation either.</p>	<p>Socio-economic surveys and the LA&RAP are being prepared based on the LARPF, OP 4.12 and good practices.</p>

8.4 VALUATION PRINCIPLES¹²

The owner or holder of perpetual leasehold rights to a real property or its part which is a part of a flood protection investment and is necessary for Works Contract implementation is entitled to compensation for the transfer of ownership of the real property to the State Treasury or a local government entity.

In all cases, compensation must meet the principle of a replacement value which means the amount needed to replace asset without depreciation of asset due to age, condition, or any other factor. This tends to be based on market value of the land and related assets (e.g. crops) increased by a transaction cost required to replace it, such as taxes and other fees, cost of moving to a new

¹² Contents of the chapter compliant with the LARPF.

location. Compensation is determined on the basis of a valuation by property appraiser and another team of property appraisers (e.g. agricultural property appraiser) as required.

According to OP 4.12, with regard to real properties and facilities, "replacement value" is defined as follows:

a) for agricultural lands, it is the pre-contract or pre-displacement (whichever is higher) market value corresponding to the market value of a land with a comparable productive potential or use located in the vicinity of the land acquired for the Contract, plus the cost of preparing the land for the functions similar to those of the land acquired for the Contract, plus transaction costs;

b) for real properties in urban areas, it is the pre-displacement market value or the compensation/indemnification needed to recover replacement cost for the assets lost (taking into account the benefit principle) or displacement costs (whichever is greater), corresponding to the value of a land with a comparable size and use, with similar or improved access to public infrastructure facilities and services and located in the vicinity of the acquired real property, plus transaction costs;

c) for houses and other facilities, it is the market value or displacement costs excluding devaluation (whichever is higher) or the compensation/indemnification value necessary to obtain replacement cost for lost assets (taking into account the principle of benefit) of the materials to be built in new houses and facilities replacing the project affected houses and facilities, with the amount and quality similar to or better than those of the expropriated or partially project affected houses and facilities, plus: the costs of transporting the materials to the construction site, construction employee remunerations, transaction costs, fees and taxes related to the implementation of the new facilities.

The real properties expropriated for the purposes of Contract implementation shall be governed by the principles indicated above in letters a) and b). In case of the Works Contract 3A.2/3, there are no residential buildings or outbuildings located within the lines splitting the contract area; thus, rules under letter c) are not applicable.

At determining the replacement value, depreciation of assets and value of remaining materials, as well as value of benefits coming from the Contract and deducted from evaluation of Contract affected assets are not taken into account. Where provisions of the Polish Law do not include necessary compensation corresponding with the replacement value, the compensation implemented in accordance with provisions of the Polish Law shall be supported with such additional measures assuring implementation of compensation as assistance in the interim period after expropriation providing reasonable time necessary for reinstatement of the quality of life (including maintenance sources), etc. Such a proceeding assured provision of compensation in conformity with the compensation standard according to replacement value. The compensation is vested in the amount agreed between the Investor and the former owner, perpetual user or a person, who has a limited real right to the property, from the State Treasury or a unit of local authorities, respectively.

NOTE:

The valuation methods are defined by a legal act in the form of a regulation: the Regulation of the Council of Ministers of September 21, 2004 on real property valuation and appraisal study

preparation (Journal of Laws No. 207, item 2109, as amended). This act contains details concerning methods and techniques of estimating the amount of compensation.

8.4.1 Real property valuation¹³

The market value of real property is a basis for establishing the compensation value. While ascertaining the real property market value, the following factors in particular are taken into consideration: type, location, manner of use and purpose, existing technical infrastructure, overall condition and current market prices. The real property market value is determined based on its current manner of use if the real property purpose compliant with the Contract objective does not increase the real property value. If the data from the local or regional real property market allow the valuer to ascertain the real property market value, they shall apply one of the market approaches, i.e. the sales comparison approach, the income capitalization approach or the combined approach. Should the real property purpose in accordance with the expropriation purpose increase the real property value, its market value shall be ascertained according to the alternative use resulting from that new purpose. If the data from the local or regional real property market do not allow the valuer to ascertain the real property market value, they shall ascertain the replacement value of the real property based on the cost approach.

If the previous owner or perpetual user of the property under IPIP would hand this property over or would hand the property over and empty the building and other rooms not later than 30 days from the day of:

- delivery of the notice of issuing of the IPIP decision, which was made immediately enforceable,
- delivery of decision to order immediate enforceability on the IPIP decision,
- the date on which the IPIP decision became final,

the amount of compensation shall be increased by the amount equal to 5% of the property value or value of perpetual usufruct right, based upon rules determined in the Special Flood Act.

8.4.2 Valuation of plantings and crops¹⁴

The valuation of tree stand or tree cover, if the tree stand includes usable resources, shall involve the valuation of timber in the tree stand. If the tree stand includes no usable resources or if the value of obtainable timber is exceeded by the costs of reforestation and maintenance of the tree stand, the valuation concerns the costs of reforestation and maintenance of the tree stand until the date of expropriation.

Valuation of fields of perennial plants involves the estimation of the costs of establishing the field and its maintenance until the first yield as well as lost profit in the period from the date of expropriation until the completion of the full yield. The aggregate of costs and the value of lost profits are reduced by the sum of the yearly depreciation charge resulting from the period of using the field from the first year of yield until the date of expropriation. In determining the value of

¹³ Contents of the chapter compliant with the LARPF.

¹⁴ Contents of the chapter compliant with the LARPF.

sowings, crops and other annual harvests, the value of the forecast yields at marketable prices is estimated, reducing it by the value of the inputs needed for harvesting such crops.

The valuation of crops, cultivations and other yields of annual plants involves the estimation of the expected yield according to the current market prices, reduced by the value of necessary expenditures related to the collection of the yields.

NOTE:

In the event of delay in the payment of compensation as provided for in Article 21 (12) of the Special Flood Act, the compensation shall be adjusted on the day of payment.

9 Eligibility Criteria and Catalogue of Beneficiaries

9.1 ELIGIBILITY CRITERIA¹⁵

According to the policy of the World Bank, the following groups of people are eligible for compensation and assistance in connection with real property acquisition resulting in loss of assets and (physical or economic) displacement:

- a) those who have a formal legal title to the land or other project affected assets (including customary and traditional rights);
- b) those who do not have a formal legal title at the time the census begins but have a claim to the land or assets, provided that such claims are recognized under the laws of the country or become recognized during the works on the LA&RAP;
- c) those who have no legal title or claim to the real property they are acquiring.

Persons included in paragraph (a) or (b) above should receive compensation for the land they lose, as well as other assistance. Persons included in paragraph (c) should be provided with resettlement assistance in lieu of compensation for the land they acquire, as well as other assistance, as necessary, to achieve the objectives of OP 4.12, if they acquire the Contract implementation area prior to the cut-off date (in that case it is the day when the socio-economic survey was completed – data shall be verified as of the day the IPIP was issued). Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in paragraph (a), (b) and (c) are provided with compensation for loss of assets other than land.

Thus, the lack of a legal title to the real property as such should not preclude the eligibility for compensation or other assistance offered in connection with involuntary acquisition of the real property.

Under Polish law, persons using a property without a legal title are aware of the illegality of their actions.

The manner of estimating the impact on the PAP was described in chapter 6.1. Social impact.

9.2 CATALOGUE OF BENEFICIARIES¹⁶

Eligibility for compensation and assistance shall be determined according to the following principles:

- PAP being legal possessors of real property in the Contract area shall receive full compensation with the priority given to the rule of “land for land”;
- PAP being lessees, tenants, life estate holders and other dependent possessors of real property in the Contract area shall receive full compensation for the loss of these rights (value of damages / compensation necessary to reach the replacement cost for lost assets),

¹⁵ Contents of the chapter compliant with the LARPF.

¹⁶ Chapter compliant with the LARPF.

- PAP being possessors of limited property rights in real property shall receive full compensation for the loss of these rights,
- owners of cultivations, plants, structures and other constructions related to the land shall receive compensation for those cultivations, plants, structures and constructions (value of damages / compensation necessary to reach the replacement cost for lost assets),
- PAP who lose their revenue, salaries/wages or ability to run business activity in relation to Contract implementation shall receive adequate compensation and, if necessary, a package of adequately selected protective measures – there are no situations of that kind for the Contract in question,
- PAP being illegal possessors of real property in the Contract area who have no legal title and no expectancy right to obtain a legal title to the real property shall receive no compensation for the expropriation from the real property, as that is not possible under Polish law. However, those persons shall receive compensation for plants and constructions owned by them and, if necessary, a package of specially selected protective measures to restore or improve their quality of life.

PAPs shall be entitled to receive compensation for the following categories of impact/losses:

- **Permanent loss of property** (40 plots, including 32 owned – on the day of developing the LA&RAP – by 246 PAPs, i.e. 244 natural persons and 2 legal persons: limited liability company and limited partnership; and 8 owned by the municipality) – where possible and where the PAP express such will, the loss shall be compensated in the form of “land for land” by way of granting a real property of a similar value, location and functions as the expropriated real property. If finding a real property that meets the criteria of adequate compensation is not possible, the PAP do not express their will to receive compensation in the form of “land for land”, or only a small part of the plot is subject to acquisition, the compensation shall be paid in cash and correspond to the market value of the expropriated real property or its part. In addition, for an immediate release of the real property it shall be possible to increase the compensation by an amount corresponding to 5% of the value of the expropriated real property under the terms of the Special Flood Act. PAP not being owners or holders of perpetual leasehold rights, but having a legal title to the property (e.g. lessees, tenants) shall receive compensation corresponding to the value of the expropriated rights. On the request of the PAP, the Investor may take over the entire real property and compensate for the acquisition of that real property according to the abovementioned principles. At the moment, any owner have declared willingness to buy the remnants, but related enquiries emerged during the survey. Any and all transaction costs shall be covered by the Investor. PAP being illegal possessors of real properties in the Contract area (having no legal title) shall receive no compensation for the expropriation from the real property, as that is not possible. However, those persons shall receive compensation for plants, plantings and constructions owned by them and, if necessary, a package of protective measures to restore or improve their quality of life;
- **Permanent restriction in the current use of the property** (9 plots, including 3 of natural persons (8 PAP) and 6 of the local authorities: 2 of the Commune of Wieliczka administered

by GZD, and 4 of the Municipality of Cracow, including 3 communal company MPWiK S.A. and 1 administered by ZDMK);

- **Indication in the IPIP decision of the obligation to redevelop existing development networks** (8 plots, including 6 owned by 183 natural persons and 1 legal person; and 2 by the local authorities: 1 of the Commune of Wieliczka and 1 of the Municipality of Cracow) - compensation for temporary land acquisition and possible loss of value of the property will be determined on the basis of a valuation report estimate prepared by an independent valuer;
- **Non-residential buildings and structures (fences, technical infrastructure etc.)** (such objects have not been identified at the moment) – as a rule, owners and users of these buildings and structures are compensated on the basis applicable to a permanent loss of the real property. Within the framework of protective measures, the Investor shall propose reconstruction of infrastructure networks or redevelopment of fences (and, where appropriate, of structures and buildings) at the Investor's expense;
- **Loss of plantings** – compensation for lost plant components (plantings, trees, etc.) shall be compensated in cash, taking into account the costs of planting and caring for the plantings and the value of the lost benefits between the expropriation date and the end of the complete harvest. Persons entitled to compensation for these elements of the land are both those holding a title to the property and those holding an autonomous title. These elements will be valued in estimated reports to be prepared by independent property appraisers.
- **Particularly vulnerable groups** – shall be covered by a specially selected package of protective measures adjusted to their needs within the compensation (a schedule of measure implementation in this scope shall be determined individually after identifying such groups/persons; no person belonging to that category was identified until the LA&RAP development);
- **Temporary real property acquisition** (determined in the IPIP decision) shall be compensated in cash through the payment by the Investor of monthly amounts corresponding to market prices of tenancy or lease of the real property. Moreover, if the PAP incur a loss due to the temporary real property acquisition, the loss shall be compensated separately according to the abovementioned principles. After the completion of construction activities, all real properties shall be restored to their original state. Remaining temporary acquisition, not determined in the IPIP but (if deemed necessary by the Contractor) necessary for the Contractor to implement the technological process, shall be provided by the Contractor based upon and on conditions determined with a party providing access under a civil-law agreement;
- **Damage to houses, buildings and structures due to construction works (e.g. vibration, accidents, etc.)** shall be compensated according to their nature in order to make the restoration of the full substance of the affected object or the purchase of a new one possible. Depending on the situation, appropriate rules of compensation payment for the above impacts shall be applied.

A detailed catalogue of people entitled to compensation is included in Appendix no. 2 to this LA&RAP.

9.3 ELIGIBILITY MATRIX¹⁷

Impact / damages	Determination of PAP	Compensation
Permanent loss of land	Owners, perpetual usufruct holders, autonomous holders of properties	<ul style="list-style-type: none"> • “Land for land” compensation, • If “land for land” compensation is not feasible or not wanted then cash compensation (<i>the value of compensation/indemnification necessary to obtain replacement cost for lost assets</i>), • Coverage for all transactional costs
	Users	<ul style="list-style-type: none"> • Cash compensation for loss of right to the property, • Assistance in taking the use of a similar property
	Lessees, tenants	<ul style="list-style-type: none"> • Cash compensation for losses incurred in connection with the termination of the contract, • Coverage of transactional costs
	Illegal possessors	<ul style="list-style-type: none"> • No compensation for value of land
	Holders of limited property rights: easement, mortgage, lien upon properties	<ul style="list-style-type: none"> • Cash compensation for loss of right (e.g. easement or mortgage established on the property), • For land easement holders – support in finding a solution allowing for using their property (holding the expropriated property), for example in establishing another right of way. • Coverage for all transactional costs
	Illegal easement holders	<ul style="list-style-type: none"> • For illegal easement holders - support in finding a solution allowing for using their property (holding the expropriated property).

¹⁷ Chapter developed on the basis of the LARPF.

Impact / damages	Determination of PAP	Compensation
Permanent and temporary restriction in the use of properties	Owners, perpetual usufruct holders, autonomous holders of properties	<ul style="list-style-type: none"> • Cash compensation for losses caused by the restriction • Coverage for transactional costs, • Proposing an institutional support and advising in the scope of possibilities of other use for properties
	Users	<ul style="list-style-type: none"> • Cash compensation for loss of right caused by the restriction
	Illegal possessors	<ul style="list-style-type: none"> • Proposing an institutional support and advising in the scope of possibilities of other use for properties
	Leaseholders, legal users of properties	<ul style="list-style-type: none"> • Cash compensation caused by limitation, • Coverage for transactional costs, • Proposing an institutional support and advising in the scope of possibilities of other use for properties
	Easement holders	<ul style="list-style-type: none"> • Support in finding a solution allowing for using their property (holding the expropriated property), • Cash compensation for losses caused by limitation of use, • Coverage for transactional costs
	Illegal easement holders	<ul style="list-style-type: none"> • Support in finding a solution allowing for using their property (holding the expropriated property).
Non-residential buildings and structures (fences, technical infrastructure, etc.)	Owners, perpetual usufruct holders, autonomous holders of buildings and structures	<ul style="list-style-type: none"> • Cash compensation of the replacement value of the assets lost (the value of the compensation/indemnification necessary to obtain the replacement cost for the lost assets) • Transfer or reconstruction of lost assets.
	Users	<ul style="list-style-type: none"> • cash compensation of the replacement value of the assets lost (the value of the compensation/indemnification necessary to obtain the replacement cost for the lost assets) • transfer or reconstruction of lost assets.

Impact / damages	Determination of PAP	Compensation
	Illegal possessors of buildings and structures	<ul style="list-style-type: none"> • cash compensation of the replacement value of the assets lost (the value of the compensation/indemnification necessary to obtain the replacement cost for the lost assets), • transfer or reconstruction of lost assets.
	Lessees, tenants of buildings and structures	<ul style="list-style-type: none"> • cash compensation of the replacement value of the assets lost (the value of the compensation/indemnification necessary to obtain the replacement cost for the lost assets), • transfer or reconstruction of lost assets.
Loss of plantings and trees	Owners, perpetual usufruct holders, autonomous holders of properties	<ul style="list-style-type: none"> • Cash compensation, including costs for arranging and curing of plantings/trees and for lost crops, • Allowing for harvest
	Users	<ul style="list-style-type: none"> • Cash compensation, including costs for arranging and curing of plantings/trees and for lost crops, • Allowing for harvest
	Lessees, tenants	<ul style="list-style-type: none"> • Cash compensation, including costs for arranging and curing of plantings/trees and for lost crops, • Allowing for harvest
	Illegal possessors	<ul style="list-style-type: none"> • Allowing for harvest
Commune Assets	Commune	<ul style="list-style-type: none"> • Reconstruction or replacement of the lost structure in consultation with communes.
Temporary acquisition of properties (actions to be performed by the Contractor)	Owners, perpetual users, autonomous possessors of properties	<ul style="list-style-type: none"> • Cash compensation or other form agreed with the authorized party, • Reinstatement of the property to its previous status or to the condition indicated in the agreement.
	Illegal possessors of properties	<ul style="list-style-type: none"> • Reinstatement of the property to its previous status or to the condition indicated in the agreement.

Impact / damages	Determination of PAP	Compensation
	Leaseholders, users of properties	<ul style="list-style-type: none"> • Cash compensation or other form agreed with the authorized party, • Reinstatement of the property to its previous status or to the condition indicated in the agreement.

Details concerning the eligibility of people entitled to compensation are included in Appendix no. 2 to this LA&RAP.

10 Stakeholders

The flow of information between the investor and the stakeholders is the basis for ensuring effective consultation and social involvement in the Project, therefore the investor first took steps to identify the stakeholders.

Table 3. Initial identification of stakeholders participating in public consultations, units affecting the development and implementation of LA&RAP.

External stakeholder	Type of impact on LA&RAP	Engagement Period
Competent Minister (for the day of developing the final LA&RAP – Minister of Development, Labour, and Technology)	<ol style="list-style-type: none"> 1. Consideration of the appeal against the IPIP 2. Consideration of the appeal against the decision establishing compensation amounts 	<ol style="list-style-type: none"> 1. After the issuance of IPIP decision, in case of withdrawal. 2. After the issuance of decision on the compensation amount, in case of withdrawal.
Regional Director for Environmental Protection in Cracow	<ol style="list-style-type: none"> 1. Issuance of the ED 2. Modification of the ED. 	<ol style="list-style-type: none"> 1. 05/08/2012 – 10/29/2012, decision became final on 12/03/2012 2. 07/31/2019 – 09/18/2020
Minister of Maritime Economy and In-Land Navigation Currently the procedure is continued by the Ministry of Climate and Environment	<ol style="list-style-type: none"> 1. Issuance of a decision on the water-law permit 	<ol style="list-style-type: none"> 1. Proceeding for the decision on water-law permit in progress. 2. After the issuance of the aforementioned decision, in case of withdrawal.
Małopolski Governor of the Malopolska Region	<ol style="list-style-type: none"> 1. Issuance of the IPIP 2. Issuance of the decision establishing compensation amounts 	<ol style="list-style-type: none"> 1. Proceeding the IPIP decision in progress. 2. After the issuance of decision on the compensation amount, in case of withdrawal and re-consideration of the application.
Mayor of Cracow	<ol style="list-style-type: none"> 1. Representing the Municipality of Cracow as a unit to be expropriated 2. Support in identification of local society's needs 3. Direct participation in public consultations 	<ol style="list-style-type: none"> 1. On the stage of LA&RAP development. 2. During consultations for the Draft LA&RAP.
Head of the Town and Commune of Wieliczka	<ol style="list-style-type: none"> 1. Representation of the Commune as a unit to be expropriated 2. Informing PAPs on public consultations 3. Direct participation in public consultations 	<ol style="list-style-type: none"> 1. On the stage of LA&RAP development. 2. During consultations for the Draft LA&RAP.
City Council of Cracow and Town and Commune Council of Wieliczka	<ol style="list-style-type: none"> 1. Representation of the City/Commune of Tarnów as a unit to be expropriated 2. Informing PAPs on public consultations 	<ol style="list-style-type: none"> 1. On the stage of LA&RAP development. 2. During consultations for the Draft LA&RAP.

External stakeholder	Type of impact on LA&RAP	Engagement Period
	3. Direct participation in public consultations	
Village Administrators	1. Informing PAPs on public consultations 2. Direct participation in public consultations	1. On the stage of LA&RAP development. 2. During consultations for the Draft LA&RAP.
Units to be expropriated	1. Determination of needs and of damage suffered due to the planned expropriation 2. Selection of indemnity and compensation forms 3. Direct participation in public consultations 4. Participation in an inventory	1. On the stage of IPIP procedure, issuance of that decision and establishment of the compensation amount. 2. On the stage of LA&RAP development. 3. During consultations for the Draft LA&RAP.
Citizens of Cracow and Wieliczka	1. Direct participation in public consultations	1. On the stage of LA&RAP development. 2. During consultations for the Draft LA&RAP.

The process of informing the stakeholders indicated in Table 3 is carried out according to the following scheme:

- Informing local authorities, community leaders and local community organizations about the Project's plans at the earliest possible stage with requests for further sharing of this information,
- Presentation of institutions, project managers and people who are in constant contact with the community within the range of the expected impact of the project and mitigation measures,
- Development and provision of information on the rules for purchasing real estate for the purposes of investment implementation, rules for determining and paying compensation for expropriated real estate and about the possibility of submitting complaints, comments and motions in connection with the planned investment implementation,
- Development and regular publication of updated information on the Project.

The community can be informed about the OVFM Project and the LA&RAP public announcement as well as the planned date of the public debate on the draft of LA&RAP, and about the possibility of submitting comments and applications to the draft of LA&RAP, by:

- publishing information on the website of the State Water Holding Polish Waters - wody.gov.pl
- posting information on the website of the Odra - Vistula Flood Management Project - odrapcu2019.odrapcu.pl
- posting information on the website and notice board of the Commune where the investment will be carried out,
- placing information on the notice board at the seat of the Investor / RZGW,
- advertisements in local media,
- placing information on communal notice boards /posters/ in the localities where the investment will be carried out,
- individual invitations sent to people whose properties will be expropriated,

- a consultation point for people affected by the Contract, where you can submit your conclusions and comments on the construction works carried out and planned activities,
- information materials /leaflets, posters, information brochure - attached as Annex 8/
- social media /e.g. Facebook profile SWH Polish Waters/.

In addition, stakeholders may request information on the OVFM Project and the planned Contract to the following addresses:

Project Office
AECOM Polska Sp. z o.o.
Project Office of Odra-Vistula Flood Management Project
1. Pokoju alley, Building K1 - 4th floor
31-548 Cracow
Mrs. Marta Rak, phone +48 601 824 298
Mr. Tomasz Jankowski, phone +48 505 028 137

State Water Holding Polish Waters
Regional Water Management Authority in Cracow
OVFM Project Implementation Unit
22. Marsz. Józefa Piłsudskiego Street
31-109 Cracow
phone +48 (12) 62 8 42 09
jrp.krakow@wody.gov.pl

State Water Holding Polish Waters
State Water Management Authority
Odra-Vistula Flood Management Project Coordination Unit
8. Karkonoska Street, Building BF (2nd floor), 53-015 Wrocław
and 5. Morawskiego Street, 30-102 Cracow
phone +48 71 787 86 90
pcu@odrapcu.pl

11 Public consultations and public participation

After completing the works on the draft LA&RAP and after obtaining the World Bank's acceptance for the commencement of publication procedure, the document was subject to public consultations according to the requirements of World Bank's operational policy (OP 4.12) in order to allow for acknowledging contents of that document by natural persons, institutions, and all other interested parties, as well as to secure the possibility of filing potential remarks, enquiries, and motions referring to its contents.

The publication of the Draft Land Acquisition and Resettlement Action Plan was commenced on **November 5, 2020**, at publication of an announcement in Dziennik Polski and in internet issues of Dziennik Polski and Gazeta Krakowska (local magazines) (Appendix 2 to the Report on Consultations). The announcement invited natural persons, the authorities, and interested institutions to review the Draft LA&RAP for the Works Contract 3A.2/3.

As indicated in the announcement (quote): (...) **DUE TO THE EPIDEMIC STATE IN POLAND AND CARE FOR YOUR HEALTH, THERE SHALL BE NO CONSULTATION MEETING IN A FORM OF PUBLIC DEBATE; HOWEVER, FOR THE PURPOSE OF PROVIDING YOU WITH A POSSIBILITY OF REVIEWING THE LA&RAP AND A POSSIBILITY OF FILING REQUESTS AND REMARKS, IT WAS DECIDED THAT THE CONSULTATIONS SHALL BE DONE IN A CORRESPONDENCE FORMULA, WHILE USING AVAILABLE (SAFE) COMMUNICATION CHANNELS.** (...)

The Draft LA&RAP was published at the following websites:

- PGW WP RZGW in Cracow at – <https://Cracow.wody.gov.pl/aktualnosci/>,
- City Office of Cracow at – <https://www.bip.Cracow.pl/>,
- City and Commune Office of Wieliczka at – <https://bip.malopolska.pl/umigwieliczka>,
- District Starosty in Wieliczka at - <https://www.powiatwielicki.pl/aktualności>,
- Odra-Vistula Flood Management Project Coordination Unit at – <http://odrapcu2019.odrapcu.pl/ogloszenia/>.

Every interested individual was able to file remarks and motions to the DRAFT LAND ACQUISITION AND RESETTLEMENT ACTION PLAN:

- in a written form (i.e. by letter) to the following address of PIO in Cracow: State Water Holding Polish Waters Regional Water Management Authority in Cracow, 22. Marszałka J. Piłsudskiego Street, 31-109 Cracow,
- in a digital form to the following e-mail address: jrp.krakow@wody.gov.pl,
- and by phone at the following numbers: **505 028 137, 601 824 298** (on working days from 9:00 am to 5:00 pm);

on working days **from 11/05/2020 to 11/26/2020**, inclusive (21 days). An institution responsible for consideration of remarks and motions was PGW WP RZGW in Cracow.

Except for publication in the press (Dziennik Polski and internet issues of Dziennik Polski and Gazeta Krakowska – local newspapers), as indicated above, the announcement has been:

- placed on notice boards of PGW WP RZGW in Cracow (on entry doors), City Office of Cracow, District Starosty Office in Wieliczka, and City and Commune Office of Wieliczka (on notice boards – unfortunately the Offices were closed for applicants then),
- published at websites of the institutions indicated above,
- displayed at the Secesja Estate in Wieliczka and placed at performance sites. Additionally, except for announcements displayed at performance sites, posters informing about the Works Contract 3A.2/3 were also displayed.

Every owner of properties subject to permanent acquisition or permanent restrictions and temporary restrictions in the use was provided – place of residence / correspondence address given in the register of land and buildings – by Polish Post, priority registered mail with e-mail confirmation, with information packet concerning the Draft LA&RAP, which comprised the following:

1. Cover letter;
2. Announcement on the consultations;
3. Questionnaire for provision of opinions and enquiries;
4. Information brochure;
5. Presentation on the Project and on the Draft LA&RAP.

An example set of documents has been attached to this Report (Appendix no. 3 to the Report on Consultations).

Simultaneously, every owner of apartment located at the Secesja Estate was provided – through administrators of 4 homeowners associations operating within that estate – with e-mail containing the announcement (it is a common way of contact between association administrators and residents of the estate), except for the letter notification.

Regardless of the webinar, a dedicated meeting was prepared and held for residents of the Secesja Estate on 11/12/2020 – on-line teleconference regarding discussion on mitigation measures implemented to the construction design, which remained an effect of establishments made with the PAPs in 2018.

After 10 days from provision of the documents, a process of direct telephone discussions with the PAPs has been commenced, and it aimed at presenting effects of the investment on their situation and at provision of information on the properties acquired for the purpose of Task implementation, as well as at clarifying potential doubts related to contents of the LA&RAP.

None of the PAPs requested for submission of the LA&RAP by mail, and such a possibility was proposed to persons without an access to the Internet.

Publication of the Draft LA&RAP, commenced officially on **November 5, 2020**, was completed after 21 days on **November 26, 2020**.

As indicated above, due to huge controversies on the side of Secesja Estate's residents in reference to investment plans, and for the purpose of presenting detailed information on implemented mitigation measures – referring to technical solutions applied in the construction design in order to secure safety for the estate, as well as additional to compensation measures for the local society, e.g. development of a playground for children – to the widest possible group of residents, the Investor – PGW Polish Waters RZGW in Cracow – decided to organize an additional on-line information meeting for the local

society. For that purpose a **teleconference** was organized on **11/12/2020**, and all residents of the Secesja Estate were invited through individual e-mails submitted to every household by 4 association administrators. The meeting was held using an interactive application – MS Teams – and was referring to mitigation measures for the Works Contract 3A.2/3 dedicated to the society living at the Secesja Estate:

- Preparation of the area, where – on the Investor’s cost – a professionally furnished playground for children shall be developed;
- Securing the passage to the other side of the Malinówka Stream for the residents;
- Securing the access to the reservoir’s bowl, which would also provide a recreational function – ordered green areas;
- Protection of the estate against traffic of vehicles to the dam;
- Securing the slope using a retaining wall with a drainage, which would protect a part of the estate adjacent to the reservoir against filtration of flood waters, and assure ground stabilization;
- Development of proper conditions for the discharge of rainfall water from the estate using two outlets to the Malinówka Stream (discharge of rainfall water from the estate downstream of the dam);
- Flood protection in the area of Malinówka 3 Reservoir’s “backwater”.

23 people attended the meeting.

During the meeting the residents were invited to jointly plan the furnishing, which would be assembled at the playground for children, as well as the residents notified about an additional initiative associated with planting the parking lot’s slope with shrubs on the planned flood storage reservoir’s side. Discussions on details referring to both of those issues are in progress.

Notwithstanding the above, during the public consultations residents of Bieżanów (part of a district of the City of Cracow located in the upstream reach of the River Serafa, where one of the reservoirs has already been developed) became active – it is a society, which is affected by Serafa flooding in the most severe way; thus, it is interested in the soonest possible development of the entire complex of 5 flood storage reservoirs, including Malinówka 3 Reservoir. Within 21 days of consultations the Investor received over 25 e-mails supporting the development of Malinówka 3 Reservoir, the Consultant was contacted by 12 people supporting the investment by phone. The Consultant has also conducted some discussions with Alderwoman Elżbieta Matykiewicz, who has indicated that already in 2018 or in 2019 the residents of Bieżanów provided the Polish Waters with a petition supporting development of the reservoirs – it was signed by over 500 people living in that area.

A webinar was held on **November 27, 2020, from 5.00 pm to 7.00 pm**, during which Representative of the Consultant displayed a multimedia presentation:

1. The objective and funding for the OVFMP were discussed briefly.
2. It was clarified why the draft LA&RAP was developed, and how did its publication procedure look like.
3. The issue of changing the investor was discussed, i.e. liquidation of Małopolski Board of Amelioration and Water Structures in Cracow on 12/31/2017 and creation of a new unit on 01/01/2018 – State Water Holding Polish Waters, which took rights and liabilities of the liquidated unit over.

4. Information on the Works Contract 3A.2/3 were presented (technical scope associated with permanent acquisition of properties, and actions that shall not require land acquisition).
5. Number of properties to be permanently acquired and restricted in the use – in division into ownership categories – was informed.
6. Legal bases for the development of LA&RAP were indicated.
7. Mitigation measures were discussed, with special consideration of the issue of remnants' purchase, notifying the ARMA about reduction of the farming area, and about the possibility of receiving additional 5% of compensation.
8. Legal regulations referring to the issuance procedure for IPIP decision, payment of compensation and its establishment procedure, submission of appeal, and claim and grievance submission mechanism were discussed with the highest attention.
9. Attendees of the meeting were provided with information on the possibility of applying for undisputable portion of compensation and – in case the compensation amount would not be established on the stage of negotiations with the Investor – payment of 70% of compensation from the amount given in the estimate study.
10. Information on temporary acquisition was presented.
11. Information on mitigation measures corresponding with remarks notified by the residents of Secesja Estate were presented.

After completion of the presentation the webinar's lecturer answered questions, which were submitted within the publication period for the Draft LA&RAP, and questions asked during telephone discussions with the PAPs. Any notified questions/doubts/remarks were referred to. After reviewing the compensation packet the residents did not notify any additional remarks, concerns in relation to the planned implementation of Works Contract 3A.2/3.

25 people attended the webinar (the most of them attended anonymously).

During the publication process for the Draft Land Acquisitions and Resettlement Action Plan:

- 22 telephone discussions were held;
- 2 enquiries/motions were provided via e-mail;
- interest in the documents was noted; downloads of files from websites given in the announcement were observed.

Remarks and motions provided during the debate have been analyzed in terms of necessary corrections to the final version of the document. Considering the nature of remarks, requests, and questions asked during the consultations by the public in the publication period for the Draft LA&RAP to Contract 3A.2/3, authors of the document concluded that its contents require implementation of modifications/corrections resulting from the publication procedure. The final version of the LA&RAP was updated with e.g. details of the investment scope/elements (acquisition of properties), mitigation measures, and compensation packets. In all of the cases where changes in acquisition of private persons' plots were implemented, the Consultant developed and submitted relevant correspondence containing information on acquisition and change in the acquisition area.

The final LA&RAP – after obtaining the WB's "no objection" clause – shall also be made available to the interested parties, i.e. published on the website until completing implementation of the Contract. Any updates of the LA&RAP shall also be available for the interested parties on websites of the PIU and the PCU.

12 The Complaint Management Mechanism

A principle was assumed in this LA&RAP that the PIO will take all measures to amicably resolve complaints concerning the Contract (including those submitted during the design works). The Complaint management mechanism is diverse in order to integrate it into the administrative procedures of the various stages of Contract preparation.

12.1 THE GENERAL COMPLAINT AND MOTION MANAGEMENT MECHANISM

The general complaint and motion management mechanism shall be applied to the following complaints and motions:

- a) those submitted during the social consultations concerning this LA&RAP draft,
- b) submitted prior to the Investor's request for the IPIP,
- c) submitted in the course of IPIP proceedings or a decision determining the amount of compensation directly to the Investor,
- d) those submitted after issuing the decision determining the amount of compensation for the expropriated real property,
- e) submitted during the design works,
- f) filed directly to the: PIU, PCU, PGW WP or other entity acting on behalf of PAPs.

Concerning this mechanism, the primary principle adopted by the Investor is giving everyone the right to submit a complaint or motion concerning the Contract regardless of the fact if their real property, rights or assets are situated in the area intended for Contract implementation or not.

Submitting complaints or motions is not subject to fees. Furthermore, the person filing a complaint or motion may not be exposed to any damage or allegation on account of such submission.

Complaints and motions may be submitted in written, electronic and oral form to the minutes. They may be submitted directly to the headquarters of:

PGW WP RZGW in Cracow, mailed to the address (22. Marsz. Józefa Piłsudskiego Street, 31-109 Cracow)

or via e-mail to: jrp.krakow@wody.gov.pl.

Complaints and motions shall be archived by the PIO in a relevant register, with the dates of their submission, dates of providing answers and the method of resolving.

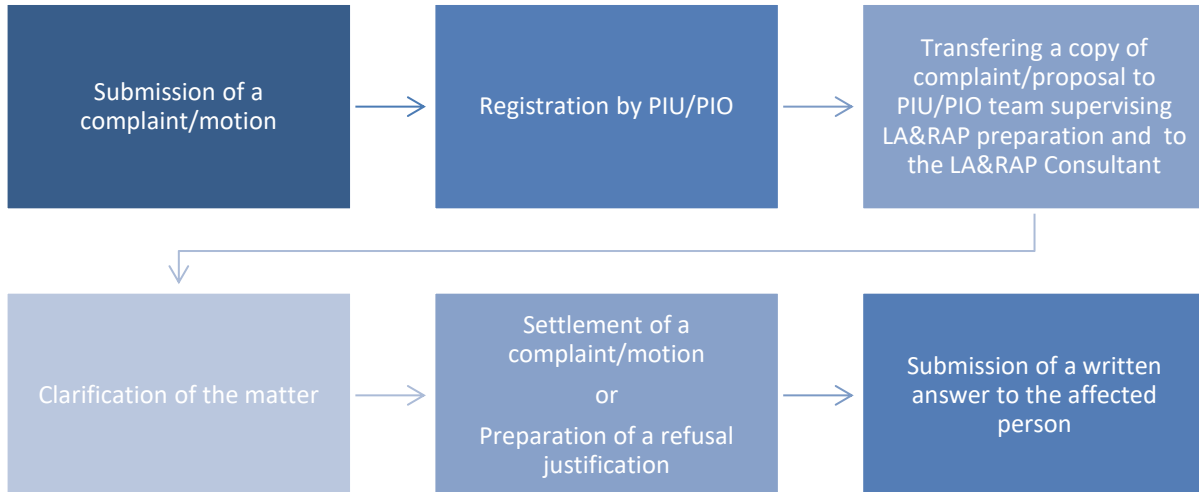
The complaint or motion will be reviewed immediately, which means that an official notice of how the complaint or request will be handled must be given to the party without undue delay. Such a notice shall include the identification of the entity from which it originates, an indication of how the complaint has been handled and a signature stating the name, surname and official position of the person authorized to handle the complaint or request.

In particularly complex cases as well as in cases where the examination of the complaint or motion requires introducing changes to the LA&RAP, the term allowed for answering a complaint or motion shall be extended to 30 days. If this term is too short, the party shall be notified of the cause for not receiving a subject matter answer to the party's complaint/motion on time; the term of providing such an answer shall also be stated.

In the case of a refusal to settle a complaint, the person submitting the complaint or motion shall be informed in an exhaustive manner about the causes for the refusal.

A diagram of the general complaint and motion management mechanism is presented below:

Figure 10 - Scheme of general mechanism for management of complaints and motions



12.2 SPECIAL COMPLAINT AND MOTION MANAGEMENT MECHANISMS

Special complaint and motion management mechanisms are directly connected with the IPIP issue proceedings as well as the determination of compensation for the lost right to the real property and related assets (e.g. civil profits, appurtenance or devices and machines unfit for use in a different location).

They shall be applied during the IPIP issuance proceeding, negotiations on compensation after the issuance of IPIP, in a proceeding on the issuance of a decision establishing the compensation amount by the Governor of the Malopolska Region, and in appealing and court proceeding on the IPIP and on the compensation amount.

Persons whose property is within the contract implementation area shall be parties to the IPIP issuance proceedings. They have the right to participate actively, free of charge, in the proceedings concerning the issuance of the IPIP, including the right to submit comments and motions directly to the Governor of the Malopolska Region. It should be noted that comments and motions submitted in the proceedings do not always require a response from the Investor. In the event that such a response is required, the Investor will immediately take a position on the matter and forward it to the Governor of the Malopolska Region. The Investor's replies will be delivered to the parties by the Governor of the Malopolska Region.

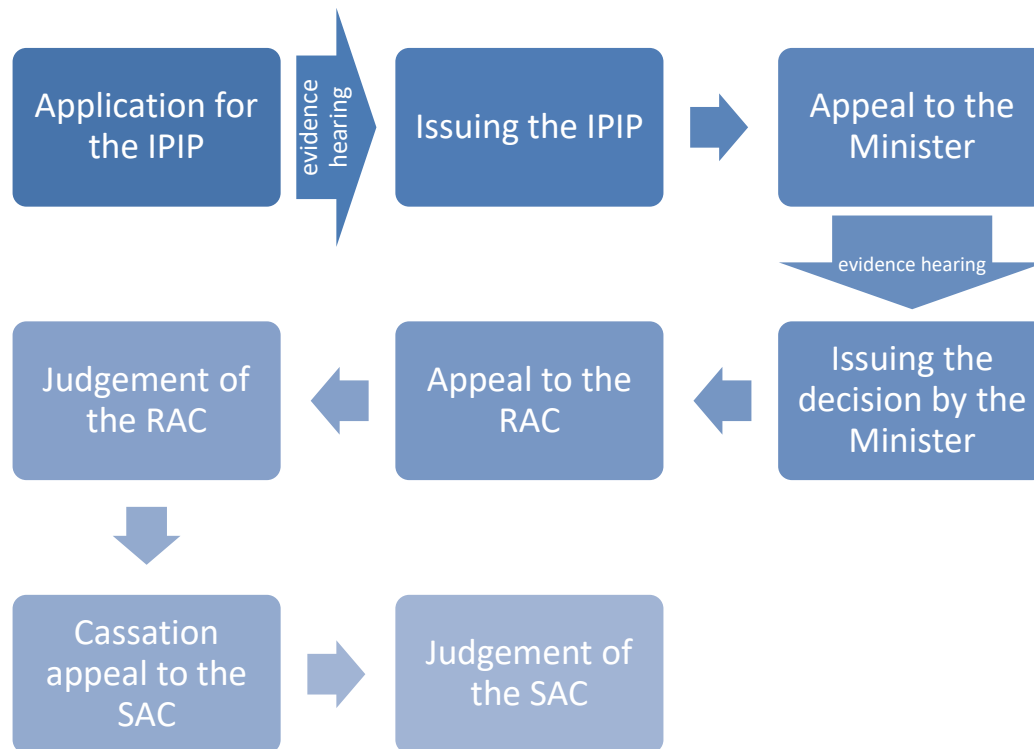
If the parties are not satisfied with the decision issued by the Governor, they will be entitled to lodge an appeal with the competent Minister (for the day of developing the final LA&RAP – the Minister of

Development, Labour and Technology). All statements, motions and evidence submitted in the proceedings before the minister will have to be considered by the minister when issuing the decision.

If the party would not be satisfied with settlements of the Minister, it may file a claim to the Regional Administrative Court in Cracow. The court shall verify, if the Governor and the Minister properly and reliably implemented the proceeding, including remarks, motions and evidence provided by the proceeding parties. In conformity with valid regulations the complaint is subject to a court fee of PLN 500. Furthermore, the losing party is obliged to pay the court proceeding cost to the other party.

In case the RAC decision would not satisfy the party, it has a right to submit a cassation appeal to the Supreme Administrative Court. That court shall verify not only the properness and legitimacy of the proceeding completed by the Governor and by the Minister, but also the RAC sentence. The cassation appeal is subject to fee of PLN 250. Furthermore, the losing party is obliged to pay the court proceeding cost to the other party.

Figure 11 – Complaint management mechanism at the IPIP stage



Once a final IPIP is obtained, negotiations will be held with persons who have lost their right to a property or asset (e.g. civil benefits, affiliations or equipment and machines that are not suitable for use in the new location), at the initiative of the Investor on the amount of compensation and the acquisition of the property. The objections raised by the Parties during the negotiation stage will be archived in the minutes of the negotiation meetings.

For properties expropriated on the basis of the IPIP, protocols and other documents sent to each other by the parties during negotiations, will be transferred to the Governor of the Malopolska Region unless

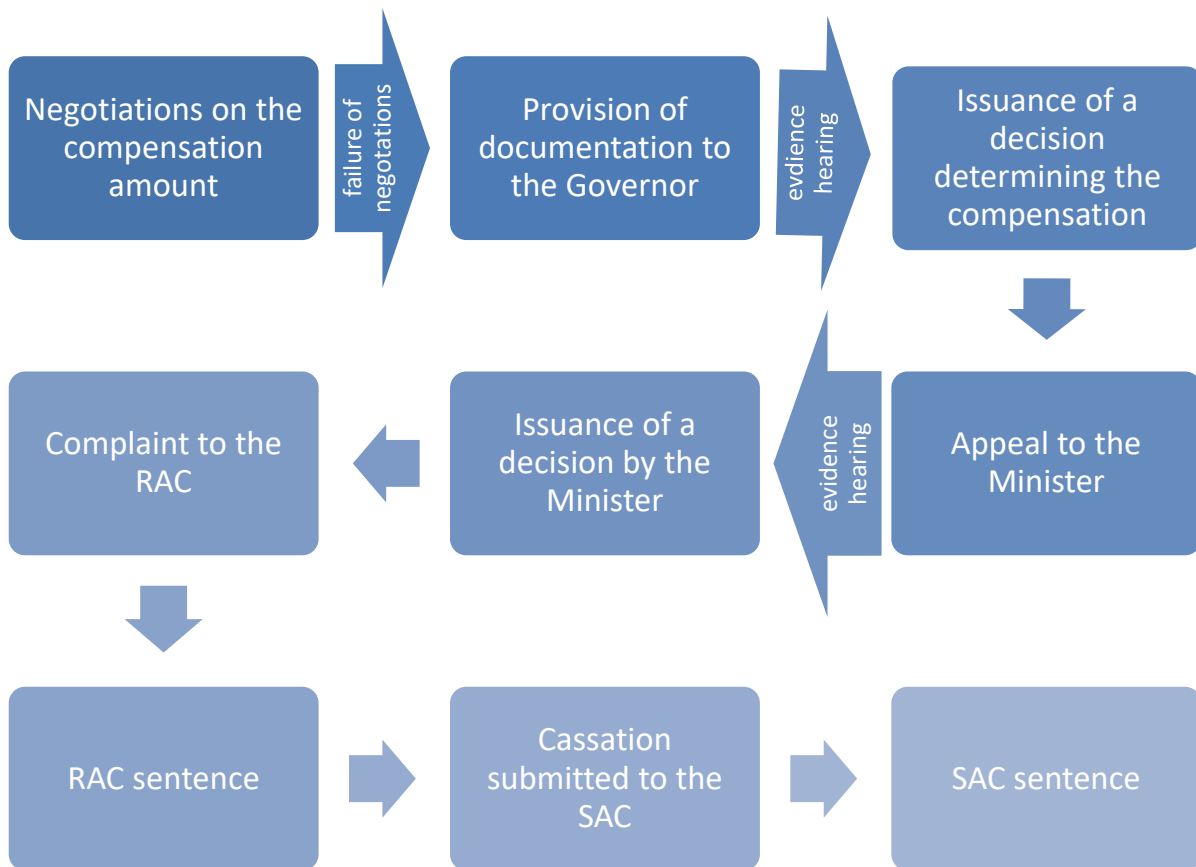
an agreement on compensation is reached. These documents, in addition to the valuation report, will constitute the basis for the decision on the amount of compensation.

PAPs' rights in the proceedings concerning the issue of the decision determining the amount of compensation are analogous to those in the IPIP proceedings. It means that the PAPs have the right to actively participate in those proceedings free of charge, submit remarks and motions, appeal against the decision issued by the Governor, and submit a complaint about the appeal decision issued by the competent Minister to the relevant Regional Administrative Court and then - to the SAC. However, unlike in the proceedings concerning the IPIP issue, a complaint to the RAC about the decision determining the amount of compensation is subject to a proportional court fee which depends on the due amount of money covered by the decision which is appealed against and equals:

1. up to PLN 10,000 – 4% of the complaint subject value, but no less than PLN 100;
2. over PLN 10,000 up to PLN 50,000 – 3% of the complaint subject value, but no less than PLN 400;
3. over PLN 50,000 up to PLN 100,000 – 2 % of the complaint subject value, but no less than PLN 1.500;
4. over PLN 100,000 – 1% of the complaint subject value, but no less than PLN 2,000 and no more than PLN 100,000.

The court fee for cassation to the SAC equals a half of the court fee for the complaint to the RAC, but no less than PLN 100. If PAP is not able to bear the cost of the trial, he/she is entitled to submit an application on releasing for the obligation of bearing the court fees.

Figure 12 - The complaint management mechanism at the stage of issuing a decision determining the compensation amount (after issuance of the IPIP and its final status)



12.3 THE SUBMISSION MECHANISM FOR CLAIM AND MOTIONS CONCERNING IMPLEMENTATION OF THE WORKS CONTRACT

The mechanism of submitting complaints and motions concerning the construction and assembly works conducted by the Contractor shall be implemented at the beginning of the whole process and shall be binding throughout the entire period of implementation, functioning and closure of the Contract.

12.3.1 Places where complaints and motions may be submitted

A complaint or motion may be submitted by the party to one of the following three places:

1. Directly to the main Project office, which shall fulfil the function of a consultation point:
 AECOM Polska Sp. z o.o., *Odra-Vistula Flood Management Project Office*, 1. Pokoju Alley, Building K1, Cracow 31-548,
 Mrs. Marta Rak, tel. +48 601 824 298 (Senior Supporting Expert for Properties and Technical Assistance for the Client, AECOM Polska Sp. z o.o.),
 Mr. Tomasz Jankowski, tel. +48 505 028 137 (Properties Specialist, AECOM Polska Sp. z o.o.).
2. Directly to the Employer’s office:

PGW WP RZGW in Cracow
22. Marsz. Józefa Piłsudskiego Street
31-109 Cracow
+48 12 62-84-209 (Mrs. Aleksandra Macek PGW WP RZGW in Cracow Senior Specialist, Mr. Rafał Sionko PGW WP RZGW in Cracow Specialist).

3. Directly to the office on the construction site (the address of this office will be announced on the website of the Investor before starting work).

In addition, complaints and motions may be submitted:

- via mail to the addresses, as above, or

- via internet:

Website: <http://www.krakow.wody.gov.pl>

e-mail: jrp.krakow@wody.gov.pl

12.3.2 Time for consideration of complaints and motions

Terms of considering complaints and motions:

- Proposed resolution: immediately, up to 30 days from receiving the complaint.

The principles referenced in Chapter 12.1 concerning the consideration of complaints and motions are also binding upon that type of complaints.

The proposed complaint registration form is presented in Appendix no. 6.

12.3.3 Persons responsible for consideration of complaints and motions

Responsibility for reviewing complaints and motions lies with PIO personnel indicated by the PIO Manager.

12.3.4 Audits and independent appeal mechanism

It is assumed that internal audits of the “complaint and motion mechanism operation” shall be conducted periodically (once in a half year) in order to assess the efficiency of the implemented system.

12.4 PERSONAL DATA PROTECTION POLICY FOR THE CONTRACT

The purpose of the rules below, applied for implementation of this Contract, is to ensure transparency, protection and safety of collection of personal data of Project Affected Persons (PAP).

12.4.1 Who is the personal data administrator?

In accordance with Article 13 (1) and (2) of the general regulation on the personal data protection dated April 27, 2016, the personal data is administered by the State Water Holding Polish Waters with

its registered office in Warsaw 00-848, 59A. Żelazna Street. It is responsible for using the data safely and in accordance with the valid law - especially in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

12.4.2 Contact details for the Personal Data Inspector

Would you have any questions about the manner and scope of processing your personal data regarding the work of the PGW WP, as well as your rights, you can contact the Personal Data Protection Inspector at PGW WP using the address iod@wody.gov.pl.

12.4.3 Legal basis for processing

The legal basis for the processing of personal data is Article 6 (1) letter e) of Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC in connection with Article 3 of the Law of July 8, 2010 on particular conditions for preparing flood management contracts for implementation.

12.4.4 What personal data may be collected and for what purpose?

Personal data is any information of personal character, allowing for identification of a particular person. **PGW WP RZGW in Cracow** collects only such data as necessary for execution of the Contract carried out by **PGW WP RZGW in Cracow** (in this case it relates to execution of the Works Contract 3A.2/3). Such data is processed solely to the extent provided for by PAPs, with their voluntary consent expressed with a relevant form and may include:

- a) data determining identity: full name and surname and date of birth,
- b) contact details: telephone number, address of registration and/or residence, e-mail address,
- c) data connected with payment of compensation for permanent acquisition of property, restrictions in use: PESEL [Personal Identification] number, series and number of the identity document, parents' names, bank account number.

The consent to store and process personal data is voluntary, lack thereof may however prevent payment of compensations or provision of information to PAPs about commencement of works and their progress.

PGW WP RZGW in Cracow stores current personal data of PAPs only, and should inform RZGW in Cracow of any changes to PAP data.

12.4.5 What personal data was obtained in a way different than from a person being its subject and from which source/sources?

In order to identify owners / perpetual users / holders of properties that will be subject to permanent acquisition or restriction in use, **PGW WP RZGW in Cracow** obtained personal data from the Register of Lands and Buildings (EGiB) and the electronic system of Land and Mortgage Registers. The obtained data is:

- a) data specifying the identity: full name and surname and parents' names (in those cases where they were indicated in the EGiB), PESEL number (in those cases where it was indicated in the Mortgage Register),
- b) contact details: registered address (in those cases where they were indicated in the EGiB).

12.4.6 To whom the personal data may be made available?

PAPs' personal data may only be disclosed to:

- a) entitled public entities for the purpose of procedures they conduct, when **PGW WP RZGW in Cracow** is so obliged under relevant regulations and documents (e.g. a court summons, injunction order or another legal procedure),
- b) the agencies involved in execution of the Works Contract 3A.2/3, only as far as necessary for performance of particular activities.
- c) postal operators, in order to inform PAPs,
- d) representatives of the Consultant and lawyers in order to support the implementation of the Works Contract and compensation payments.

Personal data will not be transferred to third countries or to international organizations.

12.4.7 Rights of the person to whom data applies

Each PAP has the right to:

- a) access his/her personal data and to update and correct it,
- b) delete his/her personal data ("right to be forgotten") or to move it to another data manager,
- c) limit the processing of one's personal data - some data may be marked as limited to processing in certain cases only,
- d) bring a complaint concerning the processing of his/her data by **PGW WP RZGW in Cracow** to a relevant body supervising personal data processing, when PAP considers, that the processing of personal data infringes on the provisions of the general Regulation on the protection of personal data of April 27, 2016 (indicated above),
- e) withdraw consent, at any time, to process his/her personal data by **PGW WP RZGW in Cracow**.

PAP data will not be subject to automated decision-making processes (profiling).

12.4.8 Contact to supervising authorities considering complaints

President of the Office for Personal Data Protection

2. Stawki Street

00-193 Warsaw

phone +48 22 531 03 00

fax +48 22 531 03 01

Office opening hours: 8.00 am – 4.00 pm

Hotline: 606-950-000 open on working days from: 10.00 am - 1.00 pm.

12.4.9 Contact person at PGW WP RZGW in Cracow for data protection policy

Data Protection Inspector at PGW WP tel.: +48 22 37 20 213 e-mail: iod@wody.gov.pl

At RZGW in Cracow - Regional Inspector of Data Protection:

Tel.: +48 12 62-84-115 (Mrs. Katarzyna Szczepanek)

E-mail: riod.krakow@wody.gov.pl

12.4.10 Time of keeping the personal data

Personal data will be kept until the day of prescription of PAPs' compensation claims.

13 Institutional Structure and Implementation Team

The institutional structure of the LA&RAP developing team is presented in the following diagram:

Figure 13 - Institutional structure of the LA&RAP developing team

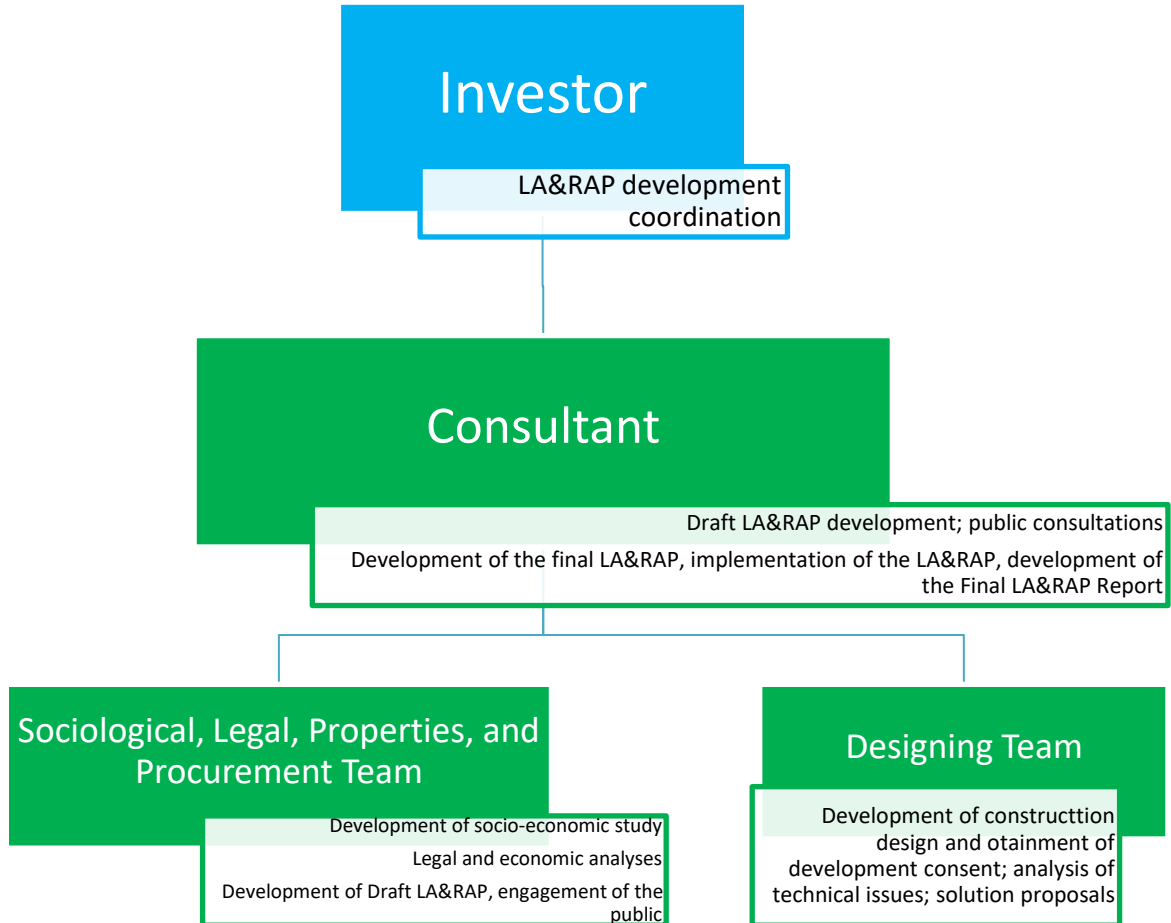
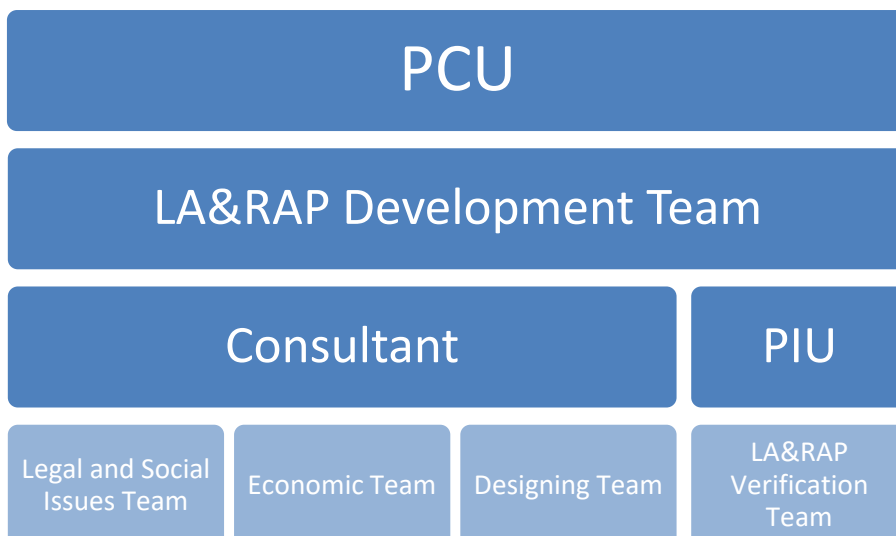


Figure 14 - Institutional structure for implementation of the LA&RAP with inclusion of the PCU within the structure.



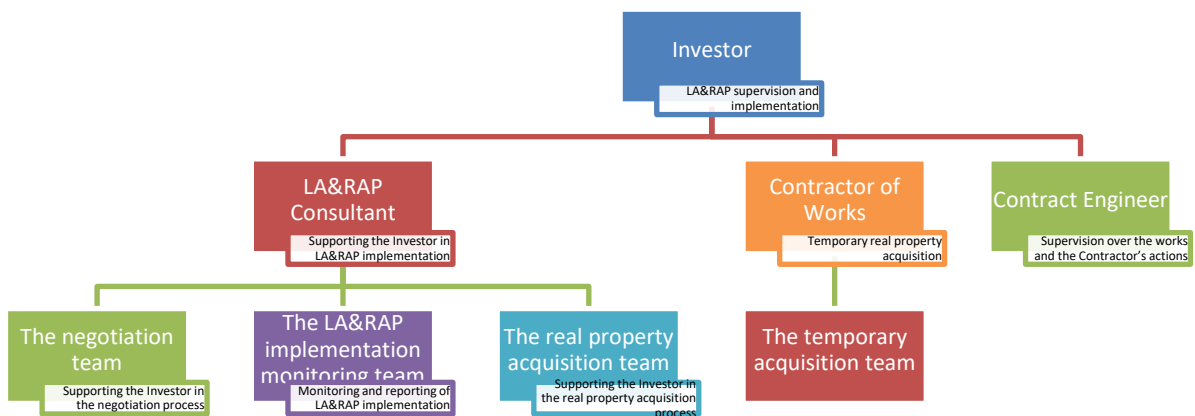
The Design and the LA&RAP Consultant for the preparation of this LA&RAP is AECOM Polska Sp. z o. o.

The scope of competence of the LA&RAP developing team is as follows:

1. The Investor – LA&RAP preparation coordination:
 - a. facilitation supervision over LA&RAP preparation;
 - b. monitoring the LA&RAP preparation process.
2. The LA&RAP Consultant – LA&RAP draft preparation:
 - a. conducting the socio-economic survey and preparation of a socio-economic study;
 - b. collection and analysis of the data on real property management and use;
 - c. performance of public hearings;
 - d. coordination of the social consultation process,
 - e. preparation of impact mitigation proposals and their technical analysis; submission of proposed changes to the construction design to the Investor;
 - f. eligibility analyses;
 - g. preparation of compensation packages,
 - h. LA&RAP draft preparation,
 - i. Development of the final LA&RAP,
 - j. Development of the construction design,
 - k. Obtainment of administrative decisions, including decisions on Environmental conditions, IPIP,
 - l. Technical analysis for the proposal of changes in the construction design, as presented by the Consultant.

The scope of competence of the LA&RAP implementation team is as follows:

Figure 15 – The scope of competence of the LA&RAP implementation team



The scope of competence of the LA&RAP implementation team is as follows:

1. Investor
 - a. facilitation supervision over LA&RAP implementation;

- b. concluding the compensation agreements;
- c. compensation payment;
- d. ensuring information flow between the Consultant-Engineer and the Contractor,
- e. ensuring the lack of impact on the properties, which have not been purchased and compensated as properties to be applied at the works,
- f. taking the properties over.

2. LA&RAP Consultant

- a. negotiation planning and participation in the negotiations;
- b. preparation of opinions and valuations by expert valuers for the purposes of negotiations with the PAP;
- c. monitoring of LA&RAP implementation by the Contractor and the Engineer;
- d. proposals of mitigation actions in case of problematic situations,
- e. supporting the Investor in taking the properties over.

3. Engineer

- a. supervision over the commencement and implementation of works;
- b. supervision over meeting the obligations by the Contractor.

3. Contractor

- a. real property obtainment for temporary acquisition;
- b. payment of compensation for real properties acquired for temporary acquisition;
- c. implementation of works on permanently acquired real properties;
- d. restoration of real properties acquired for temporary acquisition to their pre-Contract state or to the condition agreed under the contract on temporary acquisition of the properties.

4. PCU

- a. Coordination of actions undertaken by the PIO within the framework of Contract implementation, also in terms of LA&RAP implementation, including submission of the Draft LA&RAP to the World Bank for the purpose of obtaining consent for the commencement of public consultations, and subsequently – after the public consultations – re-submission of the document for the purpose of obtaining NO for the final LA&RAP.

14 Monitoring and Evaluation

LA&RAP implementation monitoring is an integral part of the Contract monitoring and management system. Therefore, the tools used for Contract implementation monitoring shall be used for the purposes of LA&RAP implementation monitoring. Its task is reporting to financing institutions and providing current information about problems, random incidents and irregularities. LA&RAP is an integral part of the investment process that allows immediate response in the event of problems or irregularities. Ensuring appropriate cooperation between the Consultant and the PIU is also of fundamental importance. Schematic flow of information within the framework of the monitoring is shown in the chart below.

General procedures of monitoring and evaluation are described in greater detail in a document entitled Land Acquisition and Resettlement Policy Framework (LARPF) available at the following address:

http://odrapcu2019.odrapcu.pl/doc/OVFMP/Resettlement_Policy_Framework.pdf.

Figure 16 – Scheme of LA&RAP implementation monitoring



It is crucial for LA&RAP implementation monitoring that the Consultant and the PIU register events and facts, in particular via a correspondence register, a register of progress in obtaining titles to use real properties for construction purposes, and a compensation payment progress register. The data contained in those registers are used for preparing a set of data on the number of acquired real properties and the amount and type of provided compensation, in accordance with Appendix no. 1.

All changes have to be recorded in the registers. The abovementioned registers are the basis for a detailed monitoring of the following parameters:

- a) the number of real properties to be expropriated and those already expropriated,
- b) the number of people requiring resettlement and already resettled,
- c) the number of real properties to be temporarily acquired (planned and achieved),
- d) the sum of all expenses of the resettlement process (planned and achieved),
- e) compensations paid for the loss of legal titles to real properties,
- f) compensations paid for loss of income sources,
- g) the implementation degree and status of protective measures,
- h) the number of complaints.

The LA&RAP implementation monitoring system shaped in this manner allows for a quick reaction to problems and for efficient reporting within the existing Contract management systems. The data shall be updated once in a quarter of a year.

The main indexes to be monitored in relation to the Contract implemented by PGW WP RZGW in Cracow are shown in the table¹⁸ below.

Index	Source of information	Frequency of monitoring	Progress indicator
Assumed parameters			
Number of persons threatened by flooding	Data from model investigations	One-off at the Works Contract preparation stage	Number
Number of hectares of land threatened by flooding	Data from model investigations	One-off at the Works Contract preparation stage	Quantity (ha)
The number of real properties subject to expropriation	IPIP decision	Once, after issuing the decision	Number (items)
The number of real properties subject to permanent restriction in the use of properties	IPIP decision	Once, after issuing the decision	Number (items)
The number of real properties subject to temporary restriction in the use of properties	IPIP decision	Once, after issuing the decision	Number (items)
Number of properties to be temporarily acquired (beyond the IPIP)	Contractor	At signing of agreements by the Contractor, Once a month during the performance After completion of the acquisition period	Number (items)

¹⁸ Since there are no physical and economic resettlements, PAP will remain in their households and impact on level of income is not anticipated.

Index	Source of information	Frequency of monitoring	Progress indicator
Number of project affected persons (PAPs)	Land and mortgage registers, written extracts from land registers, IPIP decision	Once, after issuing the decision Continuous updating during the period of agreeing on and paying the compensations	Number
The sum of all expenses of the compensations (planned)	Registers of PGW WP RZGW in Cracow/Consultant	Monthly/Quarterly	PLN
The number of acquired real properties	Registers of PGW WP RZGW in Cracow/Consultant	Monthly/Quarterly	Number (items)
Achieved parameters			
Number of persons protected against flooding	RZGW/ Consultant's records	One-off, after completion of Contract	Number
Number of hectares of land protected against flooding	RZGW/ Consultant's records	One-off, after completion of Contract	Quantity (ha)
The sum of all expenses of the compensations (expenses)	Financial registers of PGW WP RZGW in Cracow	Monthly/Quarterly	PLN
The number of acquired real properties	Registers of PGW WP RZGW in Cracow/Consultant	Monthly/Quarterly	Number (items)
Efficiency indicators			
The number of complaints	Registers of PGW WP RZGW in Cracow/Consultant	Monthly/Quarterly	Number (items)
The number of addressed claims	Registers of PGW WP RZGW in Cracow / the Consultant	Monthly / Quarterly	Number (items)
Paid compensations, others	Financial registers of PGW WP RZGW in Cracow	Monthly/Quarterly	PLN

Measures resulting from the LA&RAP will be continuously monitored, on the basis of established indicators, as well as periodically updated by the Consultant's team and by the PIO, as the works progress and new factual and legal circumstances emerge which affect the implementation of its provisions. It will allow, among others, for: provision of relevant information to Project Affected

Persons, early risk identification, and implementing the methods that allow for the risk minimization or elimination.

The monitoring results will be presented in monthly reports and in quarterly reports. The ex-post evaluation will be conducted six months after the LA&RAP is fully implemented, and its objectives will be assessed and it will provide documented evidence that directly affected PAPs have successfully established a standard of living equal to, or better than, pre-Project levels.

15 Costs and Budget

No.	Item	Unit	Price PLN/ha	Area [ha]	Total [PLN]
1	Permanent acquisition ¹⁹	Number/Hectare	No data	3.7242	No data ²⁰
2	Permanent restriction in the use ²¹	Number/Hectare	No data	0.0444	No data
3	Temporary restriction in the use of properties resulting from the necessary redevelopment of the existing network ²²	Number/Hectare	No data	0.1163	No data
4	Court costs ²³	Not applicable	No data	No data	No data
5	Costs of implementation of LA&RAP ²⁴	Not applicable	No data	No data	No data
6	Unexpected costs (+20% to the total of item no. 1)	PLN	Not applicable	Not applicable	No data
7	Protective measures (5% to item no.: 1)	PLN	Not applicable	Not applicable	No data
8	Total: (sum of the items - No.: 1-7)	PLN	Not applicable	Not applicable	No data

Information on the amount of compensation for permanent acquisition, permanent restriction in the use of properties, and for plots where obligation to redevelop the existing land utilities shall be imposed shall be supplemented after developing an evaluation by a valuer.

The compensation is paid by the Investor, i.e. by PGW WP RZGW. The funds are guaranteed by the State Treasury and transferred to the Polish Waters via the Ministry proper for consideration of issues of the Polish Waters.

PAP receive compensation from the bank account of PGW WP RZGW to an indicated bank account or, if PAP does not have a bank account, the payment will be made by postal order.

The costs of IPIP implementation will include, among others, the costs of correspondence with PAPs and the costs of remittances in case of compensation payment to persons without a bank account.

¹⁹ The final amount will be decided by the IPIP decision.

²⁰ The amount will result from appraisal reports and will be increased by 5% (in the case of the release of real estate by PAP within 30 days of the day determined in section 8.4.1 of the LA&RAP).

²¹ The final amount will be decided by the IPIP decision.

²² The final amount will be decided by the IPIP decision.

²³ The amount will include the costs of proceedings before administrative courts and common courts (costs of court entries, costs of experts, costs of legal representation, deposits and other fees related to this).

Costs before administrative courts can be estimated after obtaining the final value of the Governor's of the Malopolska Region decision determining the amount of compensation

²⁴ The amount will be determined at the stage of determining the amount of compensation with PAP.

16 LA&RAP Implementation Schedule

The individual steps necessary for the preparation and implementation of LA&RAP, according to LARPF, are shown in the table below. A detailed schedule in this regard is contained in Appendix no. 3 to this document.

LA&RAP DEVELOPMENT			
Steps	Action	Responsibility	Verification of performed actions
1	Preliminary social impact estimation for the Contract	PGW WP RZGW in Cracow – team for LA&RAP verification	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
2	Determination of the final scope of expropriation and development of a construction design	Consultant – Designing Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
3	Determination of coordination framework for LA&RAP implementation with relevant government administration authorities	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
4	Collection of written and graphic extracts from land and building registers and from spatial management plans	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
5	Socio-economic research	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
6	Assessment of Contract’s social impact	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
7	Estimation of losses and damages and their replacement value, in accordance with relevant provisions	Consultant – Economic Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
8	Verification and update of collected materials, impact analyses and economic analyses	Consultant – Legal, Properties and Procurement Team	PIO in PGW WPRZGW in Cracow – team for LA&RAP verification
9	LA&RAP draft development	Consultant – Legal, Properties and Procurement Team	PIO in PGW WPRZGW in Cracow – team for LA&RAP verification

LA&RAP DEVELOPMENT			
Steps	Action	Responsibility	Verification of performed actions
10	Public consultations on LA&RAP	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
11	In the scope resulting from taking into consideration comments and motions to the LA&RAP – implementation of changes to the construction design	Consultant – Designing Team	PIO in PGW WP RZGW in Cracow – technical team
12	In the scope resulting from taking into consideration comments and motions to the LA&RAP - verification and update of collected materials, impact analyses, and economic analyses	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
13	In the scope resulting from taking into consideration comments and motions to the LA&RAP – introduction of changes into the LA&RAP	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP verification
14	Submission of the LA&RAP to the World Bank	PGW WP RZGW in Cracow	PCU
15	No remarks from the World Bank	WB	-
16	LA&RAP publishing (also on the World Bank web page)		PIO in PGW WP RZGW in Cracow – team for LA&RAP verification

LA&RAP IMPLEMENTATION			
Steps	Action	Responsibility	Verification of performed actions
1	Determination of a detailed LA&RAP implementation schedule	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
2	Submission of a motion for the IPIP	Consultant – Designing Team (upon Investor’s authorization)	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation

LA&RAP IMPLEMENTATION			
Steps	Action	Responsibility	Verification of performed actions
3	PIU's acquisition of real properties that shall be handed over as replacement real properties	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
4	Obtaining the IPIP	Consultant – Designing Team (upon Investor's authorization)	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
5	Informing the PAP about obtaining the IPIP, its effects and the Investor's further planned actions	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
6	Valuation of real property by valuers, in line with the law in force, and valuation verification	Consultant – Legal, Properties and Procurement Team, Financial Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
7	Delivery of the appraisal studies to the expropriated persons and conducting negotiations	Consultant – Legal, Properties and Procurement Team, Financial Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
8	Should negotiations fail – obtaining a decision from the Governor on the amount of compensation	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
9	Payment of compensation or handover of replacement real properties, commencement of other compensation and protective measures stipulated in the LA&RAP	PGW WP at assistance of the Contract Engineer	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
10	Physical acquisition of expropriated real properties and commencement of works	Consultant – Legal and Properties Team / Contractor	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
11	LA&RAP implementation evaluation	Consultant – Legal, Properties and Procurement Team, Financial Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation

CYCLIC TASKS			
Steps	Action	Responsibility	Verification of performed actions
1	Permanent internal monitoring of LA&RAP implementation	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation
2	Reporting to the World Bank	PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation	PCU
3	Permanent coordination with the government and local government administration authorities	PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation	PCU
4	Permanent communication with the PAP	Consultant – Legal, Properties and Procurement Team	PIO in PGW WP RZGW in Cracow – team for LA&RAP monitoring and implementation

POST-IMPLEMENTATION TASKS			
Steps	Action	Responsibility	Verification of performed actions
1	LA&RAP implementation evaluation	Independent external auditor	-

17 Appendices

17.1 REAL PROPERTY ACQUISITION PROGRESS MONITORING TABLE

Appendix no. 1 – Table attached in an electronic version.

17.2 TABLE – LIST OF REAL PROPERTIES, OWNERS, AND IMPACT

Appendix no. 2 - Table attached in an electronic version.

17.3 REAL PROPERTY PURCHASE SCHEDULE

Appendix no. 3 - Schedule attached in an electronic version.

17.4 INVESTMENT LOCATION PLAN

Appendix no. 4 – Illustrative map attached in an electronic version.

Appendix no. 4a – Map with location of Contract elements attached in an electronic version.

17.5 SOCIO-ECONOMIC STUDY

Appendix no. 5 - Socio-Economic Study attached in an electronic version. The paper is not published due to protection of personal data in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

17.6 FORM OF SUBMITTING COMPLAINTS TO THE CONSULTANT (BASE UPON WB GUIDELINES)

Appendix no. 6 - Form attached in an electronic version.

17.7 REPORT ON PUBLIC CONSULTATIONS

Appendix no. 7 – The report attached in an electronic version.

17.8 INFORMATION BROCHURE

Appendix no. 8 – Brochure attached in an electronic version.

Appendix no. 8a - Plan of information activities for the residents of the Secesja housing estate attached in electronic version

17.9 TEMPLATE OF AGREEMENT ON TEMPORARY ACQUISITION

Appendix no. 9 –Template of agreement for provision of properties for the purpose of temporary acquisition attached in an electronic version.

17.10 MAPS WITH PROJECTS OF PLOTS DIVISIONS

Appendix no. 10 – Maps of plots division are attached in the electronic version.