

LAND ACQUISITION AND
RESETTLEMENT ACTION PLAN

FINAL REPORT on the
implementation of the
activities indicated in
LARAP
WORKS CONTRACT 3A.5

ODRA-VISTULA FLOOD
MANAGEMENT PROJECT





FINAL REPORT ON THE IMPLEMENTATION OF THE ACTIVITIES INDICATED IN THE LAND ACQUISITION AND RESETTLEMENT ACTION PLAN

FINAL VERSION -----

ODRA-VISTULA FLOOD MANAGEMENT PROJECT

FINAL REPORT ON IMPLEMENTATION OF THE LAND ACQUISITION AND RESETTLEMENT PLAN FOR
WORKS CONTRACT IMPLEMENTED BY THE STATE WATER HOLDING POLISH WATERS - REGIONAL
WATER MANAGEMENT AUTHORITY IN CRACOW

COMPONENT 3:

FLOOD PROTECTION OF THE UPPER VISTULA

SUBCOMPONENT 3A:

Flood Protection of Cracow and Wieliczka

WORKS CONTRACT 3A.5

Development of a flood gate at the left flood embankment in the area of water
intakes for the Sendzimira Steel Mill in Cracow

ISSUED ON	DATE	AUTHORS	REVIEWED BY	CLIENT'S APPROVAL	DESCRIPTION
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Regional Water Management Authority in Cracow
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ODRA-VISTULA FLOOD

MANAGEMENT PROJECT CO-FINANCED BY:

World Bank, Loan Agreement no. 8524 PL
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Table of contents

1.	LIST OF ABBREVIATIONS USED IN THE DOCUMENT.....	8
2.	INTRODUCTION	10
3.	SUMMARY OF MAIN ACTIVITIES EXECUTED UNDER THE CONTRACT	14
3.1.	Description of the operation of property acquisition procedures	14
3.2.	Public consultation	14
3.3.	Administrative decisions obtained	17
3.4.	Occupation of properties	18
3.5.	Compensation and mitigation measures, impacts of the Contract	19
3.5.1.	Permanent restriction to the manner of property use	19
3.5.2.	Summary of socio-economic studies and status of PAPs after payment of compensation	21
3.5.3.	Issues remaining after the implementation of the LARAP and after preparing the Final Report on LARAP implementation	24
3.5.3.1.	PIU's strategy for court deposits.....	24
3.5.4.	Right to use the property for construction purposes.....	25
3.5.5.	Contractor's temporary occupation	26
3.5.6.	Purchase of properties subject to permanent restrictions (PR).....	26
4.	FUNCTIONING OF THE GRIEVANCE REDRESS MECHANISM (GRM).....	27
4.1.	General grievance redress mechanism	27
4.2.	Summary of complaints and applications	28
4.3.	Conclusions – summary of GRM’s effectiveness.....	28
5.	MONITORING OF LARAP IMPLEMENTATION	29
5.1.	Description of methodology.....	29
5.2.	Impact of the project on PAPs and local community	30
5.3.	Case study – specific experience connected with contract implementation.....	31
5.4.	Evaluation of actions taken and achievement of the objective defined in the LARAP – recommendations	31
6.	CONCLUSIONS AND SUMMARY.....	32
7.	APPENDICES.....	35

SUMMARY

Subject of the Contract:	Under the Works Contract 3A.5, the construction of a flood gate in the port channel of the Kujawy Port was implemented together with connecting it to the existing left-bank embankments of the Vistula River in Cracow and reconstruction of the adjacent embankments along three working sections (W1 – 58m, W2 – 64m and W3 – 59m) located within the area of the City of Cracow, Poviát of Cracow, Małopolskie Province.
Completion date of Investment implementation (of completion of works)	September 22, 2023
Date of awarding “NO” for the LARAP:	June 17, 2021
Number and category of PAPs:	3 (2 natural persons, joint stock company)
Sum of compensations disbursed to PAPs:	PLN 53,587.00 – cash compensation for temporary restriction in the use of properties – sum from column N in Appendix 4)
Number of properties and ownership class:	<p>Permanent occupation: none</p> <p>Permanent restriction in property use:</p> <p>3 properties, including 1 municipal property, 1 State Treasury property with perpetual user – Joint Stock Company, 1 with property unsettled legal status (State Treasury and 2 natural persons (settlement of legal status is necessary))</p> <p>Disposal rights to the properties for construction purposes:</p> <p>4 properties, including 3 properties of the State Treasury represented by SWH PW and 1 property of the State Treasury in possession of RZGW in Cracow and public entities not existing any more (unsettled legal status– settlement is necessary)</p>
Key issues:	<ul style="list-style-type: none">— in connection with the permanent restriction in the use of properties, payment of compensation in the amount of loss in the value of land due to the restriction,— in connection with temporary occupation of properties acquired by the Contractor, settling the issue of using such properties, monitoring of the manner of use and time of occupation and clarifying the status after finishing the use— in connection with the right to use a property for construction purposes, performance of works and tidying up the properties (this type of occupation is free of charge)

Key achievements:

- compensation was paid to the former owners/co-owners for permanent restriction to property use wherever it was possible (in 1 out of 3 cases of PR) *(for detailed description – see chapter 3.5.1 Permanent restrictions in use)*,
- 1 compensation relating to permanent restriction in the use of the property was placed to the court deposit due to an unsettled legal status *(for detailed description – see chapter 3.5.1 Permanent restrictions in use)*,
- The Contractor has finished to use the temporarily occupied properties; this use has taken place in accordance with the provisions of the signed agreements. There were no objections as to the condition of the properties after the end of temporary occupation and all obligations were fulfilled – compensation paid *(for a detailed – see chapter 3.5.5)*

Unresolved issues and negative impacts of Task implementation:

- in 1 case, compensation - in the absence of the entitled person (owner or co-owner) - was directed to a court deposit – the PIO's strategy for payment of compensation from the deposit is described in *chapter 3.5.3*
 - settlement of ownership issues for plot 293.
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1. LIST OF ABBREVIATIONS USED IN THE DOCUMENT

AP	Affected Population
World Bank (WB)	International Bank for Reconstruction and Development (IBRD)
PCU	Project Coordination Unit operating within the structures of the National Water Management Authority of the State Water Holding Polish Waters
CEB	Council of Europe Development Bank (CEB)
DEC	Decision on environmental conditions
RLB	Register of land and buildings – a register containing data, which e.g. remain a basis for business planning, spatial planning, assessment of tax and benefits, marking of properties in a mortgage register, register of farms
Investor/Employer/PIU	SWH Polish Waters – Regional Water Management Authority in Cracow - Odra-Vistula Flood Management Project Implementation Unit (OVFMP)
Engineer	See <i>Consultant</i>
PIO	Project Implementation Office formed within the PIU; a separate organisational unit responsible for implementation of the Contract/Investment
Consultant/Engineer/Contract Engineer	Company or legal person providing services for the Investor Technical Assistance Consultant for the OVFM Project – AECOM Polska Sp. z o.o.
Project/Contract/Works Contract/Investment	WORKS CONTRACT 3A.5 Development of a flood gate at the left flood embankment in the area of water intakes for the Sendzimir Steel Mill
C.C.	Act of April 23, 1964 – Civil Code,
CAP	Act of June 14, 1960 – Code of Administrative Procedure,
LARPF or RPF	Resettlement Policy Framework
LARAP	Land Acquisition & Resettlement Action Plan
OP 4.12	Designation of the document which contains the principles for involuntary resettlements required for World Bank financing for Task with the World Bank's loan: Operational Policy 4.12 - Involuntary Resettlements.
EIA	Environmental Impact Assessment
PAP	Project Affected Person(s)

SWH PW RZGW in Cracow	State Water Holding Polish Waters - Regional Water Management Authority in Cracow
IPIP	Investment Project Implementation Permit in the scope of flood protection facilities
POM	Project Operations Manual
Project / OVFMP	Odra-Vistula Flood Management Project
Construction Law	Act of July 7, 1994, Construction Law
Water Law	Act of July 20, 2017 – Water Law
EMP	Environmental Management Plan
Appraiser/expert	Natural person with state professional qualifications within the scope of property valuations
RDOŚ	Regional Director for Environmental Protection
Special Flood Act	Act of July 8, 2010 on specific terms of preparing for implementation of projects in the scope of flood protection facilities
Special Decision	Decision on the Investment Project Implementation Permit (IPIP) issued based upon the Special Flood Act
PR	Permanent restriction to the manner of property use
EU	European Union
RPM	Act of August 21, 1997 on the real property management
PAC	Provincial Administrative Court
Contractor	PORR S.A. 123. Hołubcowa St., 02-854 Warsaw

2. INTRODUCTION

The execution of Works Contract 3A.5 ended on September 22, 2023 and all civil works have been implemented. The Land Acquisition and Resettlement Plan (LARAP) for *Works Contract 3A.5 Development of a flood gate at the left flood embankment in the area of water intakes for the Sendzimira Steel Mill* has been implemented. The aim of the Final Report on Implementation of the Land Acquisition and Resettlement Plan (LARAP FR), prepared in accordance with the requirements of the *Project Operations Manual* and the *Land Acquisition and Resettlement Policy Framework* (including 2 RPF updates: *Amendment No. 1 – Resettlement Policy Framework (June 2022)* and *Amendment No. 2 – Resettlement Policy Framework (November 2023)*)¹, is to document the process of land acquisition and to assess if it meets the requirements under OP 4.12, or whether there are any corrective actions that still need to be taken. For the Contract 3A.5, as outlined in the next chapters of this Report, this aim has been achieved and corrective measures are no longer required. An ex-post evaluation of the LARAP was conducted after the LARAP had been fully implemented and its objectives had been achieved.

In line with the assumptions made in the Land Acquisition and Resettlement Action Plan, an ex-post evaluation was made after full implementation of the LARAP and the evaluation confirms that the mitigation measures have been implemented and properly documented. **It is concluded that all the measures described in the LARAP have been implemented and that each entity affected by the project (family, individuals, legal entities) has obtained compensation and their standard of living has improved or at least been restored with the exception of 1 case, in which compensation was paid to a court deposit due to the unregulated legal status of the property. The PIO has established a strategy that will be applied to facilitate eligible persons to withdraw the deposited compensations.**

This Report presents an account of the implementation of the measures planned in the LARAP for *Works Contract 3A.5 Development of a flood gate at the left flood embankment in the area of water intakes for the Sendzimira Steel Mill* implemented as part of the *Odra-Vistula Flood Management Project (OVFMP)* co-financed by the International Bank for Reconstruction and Development (World Bank or WB), Council of Europe Development Bank (CEB), and the State Budget.

The task was executed on the area of the City of Cracow in the left-bank part of the city – the district of Nowa Huta. The scope of Works under Contract 3A.5 has not changed and remains the same as described in Chapter 4.1 of the LARAP.

Location of the Task is presented on an attached general drawing (**Appendix no. 1** to this document).

Key Contract performance dates:

Date of signing the Contract:	01/27/2022
Date of handing over the Construction Site:	03/08/2022
Commencement date of Works:	03/16/2022
Completion date of Works:	09/22/2023

¹ <https://odrapcu.pl/projekt-opdow/dokumenty-opdow>

End date of the Quality Guarantee and Warranty Period: 12/19/2028

The implemented Contract 3A.5. has improved the flood safety of **180 residents of Cracow** (applies to direct protection of residential houses) and **protection of the area covering over 3 km², developed with strategic facilities of municipal infrastructure and industrial plants, including in particular Kujawy wastewater treatment plant, Płaszów wastewater treatment plant, Thermal Waste Treatment Plant (serving all residents of the approx. 800,000 population of the city of Cracow)**, part of the technological facilities of Arcelor Mittal Steel Mill.

No properties had to be permanently acquired/expropriated to implement the Task which is of the spot nature, i.e. construction of a fully automated flood gate including a control room building and connecting it to the already existing sections of embankments (181 m of the existing embankments were reconstructed and modernised), and did not result in the physical or economic resettlement of households.

Table 1. Area and number of properties acquired and impacts of Contract 3A.5.

	Total number of hectares	Total number of plots	State Treasury plots	%	Private plots	%	Municipal plots	%	Legal status unresolved	%	Number of PAPs	Physical resettlement	Economic resettlement
Permanent occupation/expropriation	NO PERMANENT OCCUPATION – NO EXPROPRIATION												
Permanent restrictions to manner of property use (PR)	0.1866	3	0	0	1	33.3	1	33.3	1	33.4	4*	0	0
Disposal right to properties for construction purposes (PDDG)	1.5181	4	3	75.0	0	0.0	0	0.0	1	25.0	1**	0	0
Temporary occupation***	1.7401	4	0	0	4	100	0	0.0	0	0	2	–	–

* 2 natural persons, 1 Joint Stock Company and the Municipality of Cracow

** State Treasury

*** temporary occupation of plots acquired by the Works Contractor upon the rule of voluntariness in leasing the plot by the land owner, the occupation process being subject to monitoring by the Contract Engineer.

No properties were expropriated under Contract 3A.5. The Contract was implemented on the plots which, in accordance with Article 258 of the Act of July 20, 2017, Water Law constituted the State Treasury's property.

Construction works were performed on 4 properties on the basis of the right to dispose of the property for construction purposes (these are properties belonging to the State Treasury, in the case of 3 properties, the representative is SWH PW, and in one case it was indicated that it is used by RZGW in

Cracow and by 4 no longer existent public entities, hence the property was qualified as a property with an unsettled legal status - a mortgage unit). In the case of properties on which works were executed based on the right to dispose of the property for construction purposes, the Investor has submitted declarations to the Province Governor on the right to perform construction works on these plots. As a general rule, properties (other than that of the State Treasury) are disposed of for construction purposes based on obtaining the voluntary written consents of the owners and holders to occupy the property free of charge and to perform the planned construction works.

In addition, 3 properties were subject to permanent restriction in use (1 from the resources of the Municipality of Cracow, 1 from the resources of the State Treasury in perpetual usufruct of the Joint Stock Company and 1 with an unregulated legal status - mortgage unit).

There was no physical or economic resettlement for Contract 3A.5. All impacts were minor, with no impacts identified in any case in terms of, inter alia, loss of sources of income, jobs, accessibility to infrastructure, loss of farming opportunities, loss of enjoyment of natural assets/access to parks, reserves, access to educational institutions, cultural facilities, etc.

There are developed land properties in the neighbourhood of the Contract area, but the implementation of the investment did not result in disturbances in the daily functioning of PAPs on such properties.

Due to the objections raised by one of the PAPs who participated in the public consultation process, it was resigned to interfere with this person's plot (i.e. to route an underground power line through the corner of the plot) and ultimately the property was not subject to any form of occupation or temporary restriction. The route of the power line was modified, without changing the technical solutions of this Contract.

The properties subject to the permanent restriction in use were not in agricultural use, nor were they developed with residential or farm buildings in the part subject to the PR.

When socio-economic studies were held, the PAPs did not indicate that EU subsidies are collected for the properties, nor was the presence of Family Allotment Gardens in the investment area identified. No persons belonging to vulnerable groups were identified, either.

The implemented Task has had a positive social impact, as the city's strategic infrastructure facilities, including, inter alia Kujawy wastewater treatment plant, Płaszów wastewater treatment plant and Thermal Waste Treatment Plant, as well as workplaces (part of the technological facilities of Arcelor Mittal Steel Mill) are protected from the disastrous impact of flood.

The local community had a very positive attitude towards the implemented project during the execution of the works, because the undertaken extension of embankments, as already highlighted above, protected their workplaces and assets from the floods likely to occur in the future.

No complaints were received during the implementation of works and no application was filed for the Contract in question.

Listed below are addresses of websites where information on the implementation of this Task is published. All the implemented Tasks (implemented under OVFMP with the World Bank's co-financing) have a huge social impact by providing flood protection for this area:

- https://porr.pl/fileadmin/s_porr-pl/Medien/Presse/2022/220121_Informacja_prasowa_Huta_Sendzimira.pdf
- <https://www.kierunekwodkan.pl/arttykul,89604,wody-polskie-w-krakowie-inwestuja-34-mln-zl-w-system-zabezpieczenia-przeciwpowodziowego.html>
- <https://gazetakrakowska.pl/krakow-inwestycje-w-portach-kujawy-i-plaszow-co-sie-tam-dzieje-czy-posluzymieszkancom/ar/c1-17778747>
- <https://wody.gov.pl/aktualnosci/3330-stop-powodzi-kolejny-krok-na-drodze-do-kompleksowego-zabezpieczenia-krakowa-przed-powodzi>
- <https://www.wnp.pl/finanse/krakow-wody-polskie-zakonczyly-inwestycje-dot-ochrony-przeciwpowodziowej-za-ponad-112-mln-zl,681682.html>
- <https://www.kierunekwodkan.pl/arttykul,96591,przeciwpowodziowe-inwestycje-w-krakowie.html>
- https://www.rmf24.pl/regiony/krakow/news-w-krakowie-dobiegly-konca-inwestycje-przeciwpowodziowe,nld,6621577#crp_state=1
- <https://krknews.pl/trwa-modernizacja-walow-przeciwpowodziowych-ochronia-40-tys-mieszkancow-krakowa/>
- <https://lubie.krakow.pl/krakow-coraz-lepiej-zabezpieczony-przed-powodzi/>
- <https://www.dziennikprawny.pl/pl/a/krakow-zabezpieczony-przed-powodzi>

Information about Contract 3A.5 was also posted on the social networking site Facebook, where registered users can create networks and groups, share news and photos. Screenshots of the websites are included in **Appendix no. 2**.

3. SUMMARY OF MAIN ACTIVITIES EXECUTED UNDER THE CONTRACT

3.1. DESCRIPTION OF THE OPERATION OF PROPERTY ACQUISITION

PROCEDURES

There was no need to acquire (expropriation/permanent occupation) properties under Contract 3A.5; temporary occupation and the related permanent restrictions took place under the provisions of the Special Flood Protection Act and the Act on Real Estate Management. The Project Implementation Unit (PIU), when implementing this Task, applied for this Contract the principles resulting from the World Bank's Operational Policy OP 4.12, as well as the procedures of conduct indicated in the *Resettlement Policy Framework*² and *Land Acquisition and Resettlement Action Plan*³.

The rules arising from Polish legislation, World Bank's policy OP 4.12 and the LARAP were complied with during the execution of works. The guiding principle of the activities was to achieve the effect of improving or at least restoring PAPs' living conditions, and assuring long-time balanced use of environmental resources within that area. **This effect has been achieved, as described below.**

Property occupation procedures are described in detail in the LARAP for Works Contract 3A.5, which was awarded a "No objection" clause from the WB on 06/17/2021. There were no gaps/inconsistencies in the implementation of the LARAP that would require corrective measures.

3.2. PUBLIC CONSULTATION

Public consultation was held at every stage of the Contract's preparation and implementation. Engagement of the local community is treated as one continuous process spread out in time, the correct implementation of which should facilitate a minimisation of risks associated with the potential social conflict for the Contract. Public consultation was held at the stage of:

1. Obtaining an environmental decision,
2. Obtaining a water permit,
3. Obtaining an investment project implementation permit (IPIP),
4. Preparation for performance of construction works.

Additionally, public consultation was also conducted in connection with the preparation and public release of documents resulting from the World Bank's operational policies, i.e. the Environmental Management Plan and the Land Acquisition and Resettlement Action Plan (including during the socio-economic study). The public consultation conducted as part of the public release of the Draft Land

² <https://odrapcu.pl/en/dokumenty/resettlement-policy-framework/> - the basic document adopted and approved by the WB in April 2015, its update no. 1 approved in June 2022 and update no. 2 approved in November 2023

³ <https://odrapcu.pl/en/strona-glowna-english/> - LARAP for Contract 3A.5 adopted and approved by the WB on June 17, 2021.

Acquisition and Resettlement Action Plan is described in detail below. For more information on public consultation, see chapter 11 of the LARAP.

After the completion of works on the draft LARAP and after obtaining on its basis the World Bank's acceptance for the commencement of the public disclosure procedure, the document was subject to public consultation conducted in accordance with the requirements of the World Bank's operational policy (OP 4.12), the purpose of which was to enable individuals, institutions and all interested parties to become familiar with the content of the document and to ensure the possibility to submit any comments, questions and conclusions to its content.

In accordance with Operational Policy OP 4.12, the public disclosure of the draft Land Acquisition and Resettlement Action Plan commenced on **March 17, 2021**, when an announcement was published in Dziennik Polski and at website versions of Dziennik Polski and Gazeta Krakowska (local journals) (Appendix no. 6 to the LARAP). The announcement invited individuals, authorities and interested institutions to view the draft LARAP for the Works Contract 3A.5.

As informed in the announcement (quote): (...) DUE TO THE STATE OF EPIDEMIC THREAT IN POLAND AND CARE FOR YOUR HEALTH, THERE WILL BE NO CONSULTATION MEETING IN THE FORM OF A PUBLIC DEBATE, BUT IN ORDER TO PROVIDE YOU WITH AN OPPORTUNITY TO READ THE LARAP DOCUMENT AND TO MAKE PROPOSALS AND COMMENTS, IT HAS BEEN DECIDED TO HOLD CONSULTATION BY CORRESPONDENCE USING THE AVAILABLE (SECURE) COMMUNICATION CHANNELS (...)

The draft LARAP was made available at the following websites:

- SWH PW RZGW in Cracow at – <https://krakow.wody.gov.pl/aktualnosci/konsultacje>,
- City Office of Cracow at – <https://www.bip.krakow.pl/>,
- Odra-Vistula Flood Management Project Coordination Unit at – <http://odrapcu2019.odrapcu.pl/ogloszenia/>.

Each interested party could submit comments and motions referring to the DRAFT LAND ACQUISITION AND RESETTLEMENT ACTION PLAN

- in writing (i.e. by post) to the address of the PIO in Cracow: The State Water Holding Polish Waters Regional Water Management Authority in Cracow 22. Marszałka J. Piłsudskiego St., 31-109 Cracow
- or in electronic form by mail to: jrp.krakow@wody.gov.pl
- and by phone at numbers: **505 028 137, 601 824 298** (on working days from 9:00 a.m. to 5:00 p.m.)

from **03/17/2021 to 04/07/2021** inclusive (21 days). The institution competent to examine the comments and motions was SWH PW RZGW in Cracow:

Except for publishing the announcement in press as informed above (Dziennik Polski and internet version of Dziennik Polski and Gazeta Krakowska – local journals), it has also been:

- placed on information boards at SWH PW RZGW in Cracow (on the entrance door), City Office of Cracow (on the information board - unfortunately, the Offices were closed to the applicants during this period),
- published on the websites of the institutions indicated above,
- posters informing about the Works Contracts 3A.5 were placed – except for the announcements – at works performance sites.

At the same time, every owner of the property subject to permanent restrictions was sent an information packet – to the address of the place of residence/correspondence address or to the address given in the land and buildings register – by the Polish Post, with priority registered mail with electronic confirmation of receipt, concerning the Draft LARAP, which comprised the following:

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

After 10 days from providing the documents, a process of direct telephone discussions with PAPs was commenced, aimed at presenting effects of the investment on their situation and at providing information on the properties permanently restricted for the purpose of Task implementation, as well as at clarifying potential doubts related to contents of the LARAP.

None of the PAPs (persons covered by correspondence) requested to send the LARAP by mail, and such a possibility was proposed to persons without access to the Internet.

Publication of the Draft LARAP commenced officially on **March 17, 2021**, and was completed after 21 days on **April 7, 2021**.

A webinar was held on **April 8, 2021 from 5.00 p.m. to 7.00 p.m.** as part of public consultation, during which the Consultant's LARAP representative gave a multimedia presentation with the Designer's support. In particular, the presentation comprised the following information:

1. The objective and funding for the OVFMP was briefly discussed.
2. It was explained why the draft LARAP was developed and what the procedure for making it public was.
3. The issue of changing the investor was discussed, i.e. liquidation as of 12/31/2017, the Małopolskie Board of Amelioration and Water Structures in Cracow and appointing a new entity on 01/01/2018 - State Water Holding Polish Waters, which entered into the rights and obligations of the liquidated entity.
4. Information on Works Contract 3A.5 (technical scope related to permanent restriction in property use and activities that will not require the land occupation) was presented.
5. Information was conveyed on the number of properties subject to permanent restrictions in use by property category.
6. Legal basis for implementation of the LARAP was indicated.

7. Minimising measures were discussed, with particular emphasis on the issue of purchasing, at the owner's request, properties on which a permanent restriction in use was imposed (PR).
8. Most attention was paid to legal regulations concerning the procedure of issuing the IPIP decision, payment of compensations for PR, submission of appeals and such conc. redress and grievance mechanism.
9. Information on temporary occupation was presented.

After the end of the presentation, the webinar host answered the questions that were received during the publication period of the Draft LARAP.

Seven persons participated in the webinar.

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

- 5 telephone discussions were made;
- 1 letter with questions was sent;
- interest in the document was also noted; downloads of files from the websites given in the announcement was observed.

Remarks and motions provided during the debate were analysed in terms of necessary correction to the final version of the document. Considering the nature of comments, applications, and questions asked during consultation by the public in the publication period for the Draft LARAP to Contract 3A.5, the authors of the document concluded that its contents do not require modifications/corrections resulting from the publication procedure. The Consultant prepared and sent a written response to the questions raised.

The final LARAP document, after obtaining the WB's no-objection on 06/17/2021, was made available to interested parties, i.e. posted on the website and remained there until the completion of Contract execution.

Activities in the area of public consultation were carried out in accordance with the provisions of the LARAP. There were no gaps/inconsistencies in the implementation of the LARAP that would require corrective measures.

3.3. ADMINISTRATIVE DECISIONS OBTAINED

For the Task in question, the Investor has obtained the following decisions in the area of environmental protection, water management and construction law:

- Decisions on environmental conditions:
 - Decision of the Regional Director for Environmental Protection in Cracow of March 24, 2020 on environmental conditions (ref.: OO.420.4.2.2019.BM), final as of 06/16/2021.
 - Decision of the Regional Director for Environmental Protection in Cracow of May 28, 2020

concerning the notification of activities pursuant to Article 118 of the Nature Conservation Act (ref.: OP-II.670.118.2020.AO/RK).

- Decision of the Regional Director for Environmental Protection in Cracow of July 2, 2020 for permit for derogations from certain activities prohibited for protected species of animals (ref.: OP-I.6401.204.2020.GZ).
- Decision of the Regional Director for Environmental Protection in Cracow, ref.: OP-I.6401.160.2021.GZ.2 of June 15, 2021 amending the decision of the Regional Director for Environmental Protection in Cracow, ref.: OP-I.6401.204.2020.GZ of July 02, 2020 for permit for derogations from certain activities prohibited for protected species of animals
- Decision of the Regional Director for Environmental Protection in Cracow, ref.: OP-I.6401.44.2022.GZ of February 15, 2022 amending the decision of the Regional Director for Environmental Protection in Cracow, ref.: OP-I.6401.204.2020.GZ of July 02, 2020 for permit for derogations from certain activities prohibited for protected species of animals
- Decision of the Regional Director for Environmental Protection in Cracow, ref.: OO-420.4.4.2021.BM of March 08, 2022 amending the decision on environmental conditions, ref.: OO.420.4.2.2019.BM, issued by the Regional Director for Environmental Protection in Cracow on March 24, 2020. The decision became finally valid on 04/07/2022.
- Water permit:
 - Water permit decision issued by the Minister of Maritime Economy and Inland Navigation in Warsaw on September 23, 2020, ref.: DOK.DOK3.9700.30.2020.MM, the decision became finally valid on 10/15/2020.
- Decision on the investment project implementation permit (IPIP);
 - Decision of the Province Governor of Małopolskie no. 06/2021 of 07/09/2021, ref.: WI-VI.7840.1.4.2021.JCh. The decision became final on 09/02/2021.
- Decision on the building structure occupancy permit:
 - The application to the WINB was submitted on 12/23/2023; an inspection by representatives of WINB took place on 05/16/2024, and the decision on the occupancy permit for the building is pending.

The administrative decisions were awarded in accordance with Polish law in compliance with the operational policy OP 4.12 and in accordance with the rules laid down in the LARPF and LARAP. There were no deviations in the implementation of the LARAP.

3.4 OCCUPATION OF PROPERTIES

There was no need under Contract 3A.5 to hold a process of expropriation of properties/acquisition of properties to the benefit of the State Treasury.

The planned investment comprised parts of 7 plots, including:

- 3 properties were covered by a permanent restriction in use (1 property from the resources of the Municipality of Cracow, 1 property from the resources of the State Treasury in perpetual usufruct of the Joint Stock Company and 1 with an unregulated legal status - a mortgage unit).

- construction works were performed by the Investor on 4 properties on the basis of the right to dispose of the property for construction purposes (these are properties belonging to the State Treasury, in the case of 3 properties, the representative is SWH PW, and in one case it was indicated that it is used by RZGW in Cracow and by different no longer existent public entities, all with the share of 1/1/, hence the property was qualified as a property with an unsettled legal status - a mortgage unit).

3.5 COMPENSATION AND MITIGATION MEASURES, IMPACTS OF THE CONTRACT

3.5.1. Permanent restriction to the manner of property use

A permanent restriction to the manner of property use as per the provisions of the IPIP decision was imposed on 3 properties, i.e.:

- plot 39/1 located within the precinct of 42 Nowa Huta (area of the city of Cracow). The total area of the plot is 111.5908 ha and the permanent restriction covers 0.1802 ha, i.e. **0.16%** of its total area.

- plot 69 located within the precinct of 42 Nowa Huta (area of the city of Cracow). The total area of the plot is 5.1134 ha and the permanent restriction covers 0.0026 ha, i.e. **0.05%** of its total area.

- plot 351/8 located within the precinct of 40 Nowa Huta (area of the city of Cracow). The total area of the plot is 30.5182 ha and the permanent restriction covers 0.0038 ha, i.e. **0.01%** of its total area.

In relation to the total areas of the plots, their restriction - expressed in per milles - is negligible. The plots are industrial land and roads. One of the plots is in the State Treasury's resources with a perpetual user, which is a large Joint Stock Company. Another plot is in the municipal resources. The third of the plots is a mortgage unit. The co-owners, to the knowledge of the Investor, are the State Treasury and two individuals (deceased), and the managing entity is the Roads Management Board of the City of Cracow.

A restriction in the use of a fragment of the above-mentioned property relates to the route of the power cable line constructed under Contract 3A.5 and made in conduits.

Prior to the commencement of the investment, it was agreed with the owners/holders of the land, including the Joint Stock Company, Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji (Water Supply and Sewage Disposal Company) - a commercial company 100% owned by the Municipality of Cracow, the Roads Management Board of the City of Cracow that compensation would be paid upon completion of the investment.

In accordance with these arrangements, after the end of the works, appraisal reports were drawn up by an independent appraiser **with full knowledge of the time of occupation and any damage**. Compensation was agreed and paid for two plots of land on this basis.

One of the plots of land is, as already indicated above, a mortgage unit⁴ i.e. made up of many fragments belonging to different owners (including 2 natural persons - deceased). As the rightful successors of the deceased co-owners could not be found, the matter of determining the compensation was therefore referred to the Province Governor, who ruled that it was a property with an undetermined legal status, and once the decision became final, the compensation was paid into the deposit.

The measures for a permanent restriction in use required under the LARAP have been implemented.

The land acquisition process, with a particular focus on the payment of compensation, was monitored from the moment the IPIP decision was issued until the completion of works and when the temporarily occupied properties were returned. Below, the table lists the range of indicators monitored and the values achieved.

Table 2. Summary of monitoring indicators used in the implementation of Contract 3A.5 implemented by SWH PW RZGW in Cracow

Indicator	Information source	Frequency of monitoring	Progress indicator	Value
Assumed parameters				
People exposed to flood	Data from model tests	Once at the investment preparation stage	Number	180 persons (direct protection); municipal infrastructure serving approx. 800,000 inhabitants of Cracow
Number of hectares of land at risk of flooding	Data from model tests	Once at the investment preparation stage	Quantity [ha]	Approx. 303 ha (3.0 km ²)
Number of properties subject to permanent occupation (see Table 1)	IPIP decision	Once after decision is issued	Quantity (pcs.)	0
Number of properties subject to permanent restriction in use (see Table 1 and Appendix 4)	IPIP decision	Once after decision is issued	Number (pcs.)	3

⁴ **Mortgage unit** is a historical legacy, originating from the Austrian property cadastre. By this term we mean a real estate consisting of one or more land (building) parcels disclosed in a single mortgage list of the land register maintained for a given cadastral municipality (the equivalent of the modern land register, although based on a slightly different systematics). The land parcel (also a building parcel) corresponded to a contemporary registered plot. Problems arose when creating a modern land registration system, when situations occurred where, for example, three land parcels, belonging to three different owners, were combined into one registration parcel. At present, when regulating ownership matters, these fragments (plots) are subject to separation into separate plots according to individual owners.

Indicator	Information source	Frequency of monitoring	Progress indicator	Value
Number of project affected persons (PAP)	Land and mortgage registers, extracts from land registers, IPIP decision	Once after decision is issued, ongoing update during the process of disbursing compensations	Number	3
Number of acquired properties	Consultant's registers	Monthly/Quarterly	Number (pcs.)	0
Achieved parameters				
Number of people protected against flood	RZGW/ Consultant's registers	One time after Contract execution	Number	180 persons
Number of hectares protected from flood	RZGW/ Consultant's registers	One time after Contract execution	Quantity [ha]	Approx. 303 ha (3.0 km ²)
Amount of all expenses for compensations (actual)	Investor's financial registers Appendix no. 4	Monthly/Quarterly	PLN	53,587.00
Number of acquired properties	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	0
Performance indicators				
Number of complaints	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	0
Number of complaints handled	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	0
Disbursed compensations, miscellaneous	Financial registers of RZGW	Monthly/Quarterly	%	100*
Compensations directed to court deposit	Financial registers of RZGW Appendix no. 8	Monthly/Quarterly	PLN	5,327.00

* 9.9% of the total amount of compensation for permanent restriction in property use was placed to the court deposit due to unresolved legal status, which according to Polish regulations and the RPF is equivalent to the execution of the payment obligation. This compensation has not actually been paid to PAPs, but it can be paid at any time and will be available to PAPs for a period of 10 years from the date the compensation is deposited with the court.

3.5.2 Summary of socio-economic studies and status of PAPs after payment of compensation

A socio-economic study was conducted by the Consultant's team in February 2020. The primary source of information on the development and use of the occupied properties is the analysis of GIS data, information obtained from Geoportal, as well as verification on the Contract implementation site. The legal titles or claims to the occupied properties were established on the basis of data from the land

and building register, land registers, other documents available during the preparation of the LARAP. The presence of infrastructure was confirmed by analysing GIS data, design documentation (including maps for design purposes).

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

Attempts were made to conduct interviews with private owners (2 co-owners of plot 69) and a perpetual user - Joint Stock Company (for plot 39/1). The basic problem revealed within the period devoted to the implementation of the study was the lack of possibility of contact with PAPs within the time allowed for the task. In the case of 2 individuals, co-owners of plot 69, it was not possible to make contact with these individuals. In one case, correspondence was returned with a note that the building was demolished at the indicated address (then the correctness of information was verified in the field). The address of the other co-owner is not known. The Joint Stock Company declined to complete the survey.

Moreover, 2 meetings were held with the owner of plot no. 175 (natural person) regarding the planned investment. The plot was intended to be permanently restricted. Meetings were held on 02/20/2020 and 03/04/2020. During the meetings, the property owner acknowledged receiving an information letter about the socio-economic studies planned to be held for Contract 3A.5, but declined to complete the survey. The Consultant explained in detail the objective of conducted studies connected with preparing a LARAP document and to identify the status of the households affected by the Project implementation. The Consultant informed about the scope and type of the planned structures, as well as about the scope of works and route of the power cable. The works were then thoroughly discussed for connecting the power cable supplying the flood gate structure to the buried MV line running through the property no. 175, precinct 40 Nowa Huta, owned by the PAP. The owner was informed that the project is in the incipient phase of design and before discipline agreements with the owner of the network belonging to Tauron Polska Energia. The owner was also informed that the Consultant has the conditions, issued by the above-mentioned company, for connecting the said MV network, but the connection agreement between Tauron Polska Energia and the investor, the State Water Holding Polish Waters, has not yet been signed. The property owner expressed their concerns about the connection on their land - including concerns about the health and privacy. Any occupation of property number 175 was abandoned due to the objections raised by the PAP, and the routing of the power line that feeds the Kujawy Port gate was redesigned. Therefore, PAP's expectations were met and it was very satisfied with this solution. His plot has not been subject to any form of occupation.

Results of survey studies after the completion of Contract 3A.5

Survey studies were conducted after the completion of Contract 3A.5 (in March to April 2024) among representatives of the Joint Stock Company and MPWiK.

The survey began by sending out letters and emails to those covered by the Contract, informing them of the fact that the works had been completed and asking them to complete and return the questionnaires. A telephone number was also provided to a representative of the Technical Assistance Consultant should the people wish to obtain additional information or complete the questionnaire

during a telephone call. Only representatives of MPWiK used this method of communication. Representatives of the Joint Stock Company refused to complete the survey. KWT was unable to establish contact details for the 2 co-owners of plot 69 (there have been no changes to the land and building register since the socio-economic study was prepared).

A sample questionnaire addressed to the PAPs is included in **Appendix no. 7**.

The completed questionnaire was archived by the PIO. It can be made available for review by those interested, as the questionnaire was filled out anonymously.

The respondent answered only part of the questions, and indicated that MPWiK as the owner of plot 351/8, which was permanently restricted in 0.01% of the acreage, did not suffer any damage and that the rules for compensation were agreed before the start of the project and compensation was paid in accordance with these agreements.

Compensation for permanent restrictions in the use of properties was paid under Contract 3A.5. In the absence of expropriations, or economic and physical resettlement, there was no need to pay compensation related to resettlement or loss of sources of income for PAPs.

Details for payment of compensation are presented in **Appendix no. 4** of the Final Report.

Table 3. Summary of the costs of implementing the LARAP.

Item	Quantity	Amount
Compensation for permanent occupation, including plantings and infrastructure elements	0 ha	PLN 0.00
Compensation for permanent restriction in property use, including:	3	PLN 53,587.00
– compensation for permanent restriction in property use paid to PAP	2	PLN 48,260.00
– compensation for permanent restriction in property use directed to a deposit	1	PLN 5,327.00
Purchase of remnants	Not applicable	PLN 0.00
Court costs	Not applicable	PLN 0.00
Other implementation costs of LARAP	Not applicable	PLN 0.00
TOTAL	-	PLN 53,587.00

The source of funding for the costs indicated above were the World Bank loan (IBRD, BRE, accompanying measures) and others.

Compensation was paid by SWH PW RZGW by transfer from the account to the PAP's indicated bank account or to the court's deposit account.

The measures required under the LARAP have been implemented (it was shown in the document that in the event of an unresolved legal status, compensations will be paid into a court deposit and no further steps are planned). There were no deviations in the implementation of the LARAP.

3.5.3 Issues remaining after the implementation of the LARAP and after preparing the Final Report on LARAP implementation

In line with the Land Acquisition and Resettlement Framework, payment of compensation to the court deposit according to an administrative decision of the Province Governor is equivalent to fulfilling the obligation. However, in order to facilitate the collection of funds (compensation) from the court deposit by the entitled persons, additional measures to minimise / support PAPs were introduced during the development of the Final Report on the implementation of the LARAP.

According to Polish law, it is the responsibility of the court to inform potential beneficiaries of the submitted deposit.

If the person entitled to receive the deposit is unknown or his or her place of residence is unknown, the court orders to post a notice on the permission for placing the subject of the performance in the court deposit at the court's website and the notice board in the court building, as well as on the notice boards and websites of the municipal and poviát offices of the last place of residence of such person, if known. If the value of the subject of the performance deposited with the court exceeds five thousand zlotys, the court also orders that an announcement be placed in the press.

Furthermore, if the person entitled to receive the deposit is unknown or his or her place of residence is unknown, the court appoints a curator. A trial curator is appointed to undertake procedural actions for a designated civil case within the limits of the powers granted to him or her. The role of the curator is to safeguard the procedural interests of a party who cannot take care of this himself or herself.

3.5.3.1 PIU's strategy for court deposits

Compensation was deposited with the court in one case (this issue is described in detail in chapter 3.5.1). In order to publicise the information on the deposits and to assist the entitled persons in taking up the compensation paid from the deposit, the PIU has taken the following actions:

1. A detailed list of all properties was prepared with a description of their legal situation and the reasons known to the PIU as a result of which compensation was directed to the deposit (Appendix no. 8).
2. Full information was obtained from the Province Governor conc. the administrative proceedings he or she has carried out which have resulted in compensation for permanent restriction being directed

into the deposit. This allowed to complete the PIU's knowledge of the legal situation of the given property.

4. The following procedure was applied - the department of the Municipality responsible for the assessment of property taxes was contacted; the background to the case was presented and it was agreed that the Municipality would inform any person who makes contact with the Municipality about property no. 69 about the court deposit with the contact being forwarded to the PIU (to the person who will be able to provide full information about the deposit and assist the PAP in taking the funds from the deposit);

3.5.4 Right to use the property for construction purposes

For 4 properties, construction works were performed by the Investor on the basis of the right to dispose of the property for construction purposes (these are properties belonging to the State Treasury, in the case of 3 properties, the representative is SWH PW, and in case of one property the following entities were indicated as having the right to the property (owner/holder):

1. State Treasury – share of 1/1
2. RZGW in Cracow – share of 1/1
3. Fund for the Embankment of the Left Bank of the Vistula from the Mouth of the Białucha River to the Kościelnicki Stream – share of 1/1,
4. Public Good of Water – share of 1/1,
5. Inventory of Public Roads – share of 1/1,
6. Kujawy Settlement – share of 1/1

The entities indicated in points 3 to 6 are public entities that no longer exist, but which are still shown in the documents, hence this property was classified in the category of plots of land with an unsettled legal status - mortgage unit. The ownership of this property ultimately needs to be sorted out, i.e. a decision of the Province Governor confirming the representation and the establishment of a Land and Mortgage Register, from which it will be unequivocally clear that in fact this is State Treasury property, for which SWH PW is the representative.

In the case of all 4 properties on which works were executed based on the right to dispose of the property for construction purposes, the Investor has submitted declarations to the Governor on the right to perform construction works on these plots. As a general rule, properties (others than that of the State Treasury) are disposed of for construction purposes based on obtaining the voluntary written consents of the owners and holders to occupy the property free of charge and to perform the planned construction works.

3.5.5 Contractor's temporary occupation

The Contractor temporarily occupied (rented) 4 properties belonging to two Joint Stock Companies by its own efforts and at its own cost. Detailed data for temporary occupation is shown in **Appendix no. 5**. This process was implemented based upon the rule of voluntariness and the rules of occupation were negotiated between the property owner and the Works Contractor. This process was monitored by the Contract Engineer and the Investor, starting from the time of acquisition of such properties to their return.

The Contractor was obliged to notify the Engineer of the planned occupation and, after giving a positive opinion on the possibility of occupying such a plot, to sign an agreement with the property owner according to a sample agreement for temporary occupation, which was attached to the Bidding Documentation. During the use of the property, the issue of occupation and the regulation of contractual obligations was discussed at the Site Meetings every month, and upon completion of the occupation, the Contractor was obliged to provide the Engineer with a statement from the owner that he had cleaned up the plot and has settled all contractual obligations.

The properties temporarily occupied by the Contractor were restored to their original state after the completion of works to enable their owners to use them in the same manner as before Project implementation or to the state agreed with the property owner according to the property occupation agreement.

The measures concerning the temporary occupation of properties, as required under the LARAP, have been implemented. There were no deviations in the implementation of the LARAP.

3.5.6 Purchase of properties subject to permanent restrictions (PR)

No applications for the purchase of properties subject to permanent restrictions in use were filed under Contract 3A.5.

The measures concerning the purchase of properties covered by permanent occupation, as required under the LARAP, have been implemented. There were no deviations in the implementation of the LARAP.

4. FUNCTIONING OF THE GRIEVANCE REDRESS MECHANISM (GRM)

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

4.1 GENERAL GRIEVANCE REDRESS MECHANISM

The mechanism for submitting complaints and applications pertaining to any matters connected with the implementation of Contract 3A.5 was implemented at the beginning of the whole process and was binding throughout the entire period of implementation, functioning and closure of the Contract.

Any interested party was entitled to lodge a complaint or application at one of three locations:

1. Directly in the Project's main office, which operated as a consultation point:
AECOM Polska Sp. z o.o., Odra-Vistula Flood Management Project Office, 1. Pokoju Alley, K1 Building, Cracow 31-548,
Ms Marta Rak, tel. +48 601 824 298 (Senior Support Expert for Properties and Technical Assistance for the Client, AECOM Polska Sp. z o.o.),
Mr Tomasz Jankowski, tel. +48 505 028 137 (Property Specialist, AECOM Polska Sp. z o.o.).
2. Directly at the Employer's office:
SWH PW RZGW in Cracow
22. Marsz. Józefa Piłsudskiego St.
31-109 Cracow
+48 (12) 62-84-209 (Ms Aleksandra Macek SWH PW RZGW in Cracow, Senior Specialist, Mr Rafał Sionko SWH PW RZGW in Cracow, Specialist).
3. Directly in the office on the construction site (the address of this office was given on the Investor's website within month before the start of works).

Additionally, complaints and applications could be submitted:

- Via conventional post to the above address or

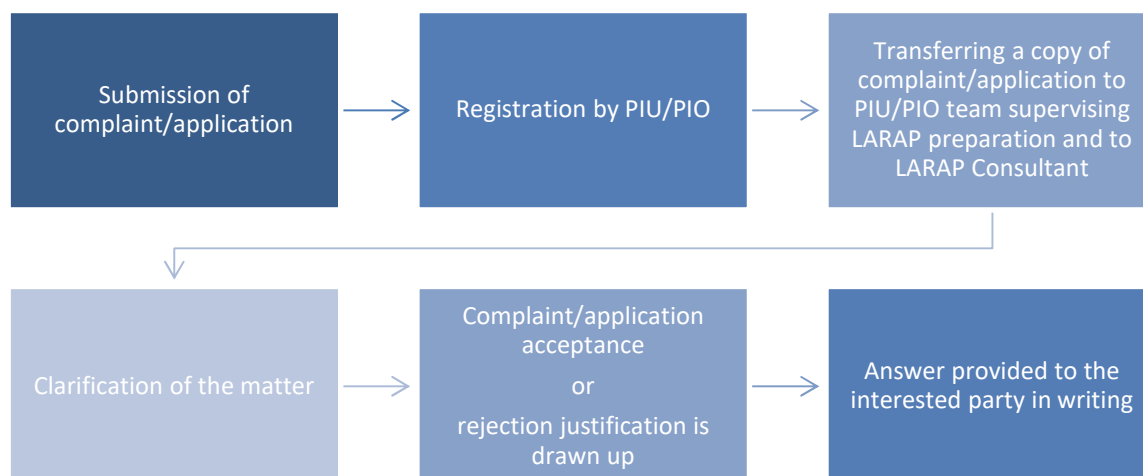
- Via the Internet:

website <http://www.krakow.wody.gov.pl>;

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

A diagram of the general grievance redress mechanism is shown below:

Figure 1 - Diagram of general grievance redress mechanism



The grievance redress mechanism was detailed in the LARAP and its objectives have been met. There were no deviations or gaps in the implementation of the GRM throughout the preparation and implementation period of Contract 3A.5.

4.2 SUMMARY OF COMPLAINTS AND APPLICATIONS

No complaints or requests for changes or modifications to the project were received during the execution of the Contract. Questions were received about the execution time of works or the completion of the contract, confirming that knowledge on the possibility of obtaining information about Contract 3A.5 was widespread among PAPs.

Even before the execution of the Contract (at the design stage), during socio-economic study, PAP (during the survey) verbally raised concerns about the planned route of an underground power line through his property. Due to PAP's concerns, the occupation of this property was abandoned.

4.3 CONCLUSIONS – SUMMARY OF GRM'S EFFECTIVENESS

It should be highlighted that the planned grievance redress mechanism was implemented and operated throughout the entire period of Contract performance. The measures required under the LARAP have been implemented.

5. MONITORING OF LARAP IMPLEMENTATION

5.1 DESCRIPTION OF METHODOLOGY

The monitoring and evaluation of LARAP implementation is described in chapter 14 of the LARAP. In line with the assumptions made, monitoring was conducted for the entire implementation period of Contract 3A.5, and the methodology was based on a standardised approach to properties acquisition to address emerging issues. Tools were used for monitoring the implementation of the Contract for the purpose of monitoring of LARAP implementation, i.e.:

- roadmap updated on a monthly basis;
- monthly and quarterly reports from the Works Contractors and the Engineer – Consultant;
- Consultant’s action plan and schedules;
- Special and ad hoc reports;
- Project meetings;
- Procedures, records and continuous reporting on acquisition of properties and payments of compensations.

It was crucial for LARAP implementation monitoring that the Consultant and the PIU registered events and facts, in particular via a correspondence register, a register of progress in obtaining titles to use properties for construction purposes and a compensation payment progress register. The data contained in those registers were used for preparing a set of data on the number of acquired properties and the amount and type of compensations disbursed.

All changes were recorded in the registers. Based on the aforementioned registers the following parameters were monitored:

- a) number of properties to be expropriated and expropriated (there were no such cases for Works Contract 3A.5),
- b) number of people requiring resettlement and already resettled (there were no such cases for Works Contract 3A.5),
- c) quantity of properties for temporary occupation (planned and actual),
- d) amount of all expenses for the implementation of LARAP process (planned and actual),
- e) compensations disbursed for loss of legal title to properties (there were no such cases for Works Contract 3A.5),
- f) compensations disbursed for loss of income sources (there were no such cases for Works Contract 3A.5),
- g) acquired and awarded replacement properties (there were no such cases for Works Contract 3A.5),

- h) implementation degree and status of protective actions,
- i) number of complaints,
- j) number of considered complaints.

The so created monitoring system of LARAP implementation allows for quick reactions in case of problems and for efficient reporting within the existing Contract management systems to funding agencies and to provide regular information on the problems, fortuitous events and irregularities.

The data collected continuously during implementation was also the basis for preparing the Final Report on the implementation of the LARAP.

5.2 IMPACT OF THE PROJECT ON PAPs AND LOCAL COMMUNITY

The works contract 3A.5 was implemented on the State Treasury's land, and there was no need to acquire properties for permanent occupation as part of this investment. The areas on which the Contract was implemented is industrial land. The area subject to permanent restrictions was not used for agriculture and operated as wasteland. Due to concerns raised by a PAP, it was abandoned to occupy one plot of a natural person for permanent restriction at the time of preparing for investment implementation (mitigation measure). A permanent restriction in use for 3 plots covered very small areas (0.01%, 0.05%, 0.16% of their total acreage). Given the area and layout, it did not affect the ability to use these properties, nor did it change their owners' sources of income.

By implementing the Works Contract 3A.5:

- a fully automated floodgate was built in the Kujawy port channel together with a control room building, filling a gap in Cracow's flood protection system;
- a technical and functional link was established between the gate facility and the modernised flood protection embankments with a total length of 181m;
- the safety of 180 Cracow residents has been increased (concerning direct protection against flooding of homes and assets);
- protection of an area of more than 3 km² has been increased;
- security was improved for strategic facilities of the municipal infrastructure and industrial plants, including in particular Kujawy wastewater treatment plant, Thermal Waste Treatment Plant (serving all residents of the approx. 800,000 population of the city of Cracow), part of the technological facilities of Arcelor Mittal Steel Mill.

Positive social impacts of Works Contract 3A.5, i.e. benefits for the local community that relate directly to the investment objectives:

- reducing/eliminating the risk of flood and associated land contamination by sewage or waste;
- protection of land and private and public assets, including strategic public facilities such as a wastewater treatment plant and waste treatment plant for the whole of Cracow;
- protection of jobs for plants that have been secured from flood (notably Arcelor Mittal Steel Mill);

- increased attractiveness of the flood-protected area for new economic/investment projects in the area.

5.3 CASE STUDY – SPECIFIC EXPERIENCE CONNECTED WITH CONTRACT IMPLEMENTATION

In the case of Works Contract 3A.5, there were no specific events or cases of people influenced by the Project's impact that would trigger special procedures and actions to mitigate and compensate for impacts.

5.4 EVALUATION OF ACTIONS TAKEN AND ACHIEVEMENT OF THE OBJECTIVE DEFINED IN THE LARAP – RECOMMENDATIONS

The assumptions of the Land Acquisition and Resettlement Action Plan were put into life in line with the planned activities and procedures adopted for the Contract. The key aim of the LARAP was achieved; the properties necessary to implement the Contract were occupied (occupied temporarily or the manner of use was restricted with the complete absence of permanent occupation) in accordance with the Polish law and with the World Bank's policy OP 4.12 in a way which minimised adverse impact on project affected persons, and did not result in the physical or economic resettlement of households.

There were no significant impacts on PAPs during the execution of the Works. By introducing the measures indicated in the LARAP, life conditions of PAPs have improved (the industrial plant and the urban infrastructure facilities that provide employment for many people are protected) and the long-term and sustainable use of natural resources within this area was ensured (the potential environmental contamination that would have resulted from the flooding of the two wastewater treatment plants and the thermal waste treatment plant was eliminated). No vulnerable groups were identified in the implementation area of Contract 3A.5, and the impact of the Contract itself did not adversely affect the enterprises. No impacts occurred in any case, inter alia, loss of sources of income, jobs, accessibility to infrastructure, loss of farming opportunities, loss of enjoyment of natural assets/access to parks, reserves, access to educational institutions, cultural facilities, etc.

It is recommended that the principle of informing the PAPs of the planned occupation as early as possible be adopted for subsequent Contracts pursued in the future, which will allow to avoid occupation of properties in the absence of consent for occupation and in the absence of the possibility of making design changes.

6. CONCLUSIONS AND SUMMARY

The main, measurable effect of implementing the Works Contract 3A.5 *Development of a flood gate at the left flood embankment in the area of water intakes for the Sendzimira Steel Mill* is to provide flood protection for an area of around 303 hectares, inhabited, admittedly, by a small number of 180 people, but built up with infrastructure facilities of strategic importance to all the residents of Cracow, such as two wastewater treatment plants and a thermal waste treatment plant, as well as an industrial plant that is one of the larger employers in the area. This has eliminated the need for incurring gigantic financial outlays for removal of flood losses. Given the climate change currently taking place, the frequency and intensity of flood events is expected to increase. A one-off investment for the implementation of the said project has therefore enabled to avoid the need to secure financial outlays in the coming years to remove the losses.

In addition to the economic aspect, the immeasurable social aspect of implementing the investment is equally important, consisting of ensuring the sense of security for the local community living in the area covered by the investment, as well as the socio-economic expectations of the local population. Hygienic and sanitary conditions in the flooded area deteriorate drastically every time as a result of flood (and particularly acute and large-scale and long-lasting environmental contamination would be caused by the washing away of sewage and sludge and accumulated waste from the wastewater treatment plant and the thermal waste treatment plant). It is necessary to evacuate people to safe areas if very high water levels occur and the threat of flooding. The plots located in areas exposed to flood are less attractive, which determines their low value on the real estate market. This situation represents also a serious barrier and an unfavourable environment for the development of local entrepreneurship and potential investors, which translates directly into a limitation of business development. All these public concerns and barriers to development were eliminated following the implementation of Works Contract 3A.5. Positive social impacts, i.e. benefits for the local community, which are directly related to the investment objectives, should also be highlighted. Long-term benefits include flood protection and the related development prospects for the area and the acquisition of new land for development of industry and municipal management, as described in detail in chapter 5.2.

It should be pointed out for the direct impact of the Project that:

The Works Contract 3A.5 did not require permanent occupation (expropriation) of properties, has not resulted in any physical or economic resettlement. No vulnerable groups were identified in the implementation area of Contract 3A.5, and the impact of the Contract itself did not adversely affect the enterprises or natural persons. No impacts occurred in scope of, inter alia, loss of sources of income, jobs, accessibility to infrastructure, loss of farming opportunities, loss of enjoyment of natural assets/access to parks, reserves, access to educational institutions, cultural facilities, etc. **The impacts should be considered negligible.**

Summarising the information presented above in the Final Report on LARAP implementation for Contract 3A.5:

- In connection with the permanent restriction in the use of small parts of properties, compensation was paid in cash, and the amount of compensation was equivalent to the effects of the restrictions.

- Compensation for permanent restrictions in the use of properties was paid in line with the rules agreed with the owners, after the end of works. In one case, compensation for a permanent restriction of a property was directed to a court deposit⁵.
- Four properties were temporarily occupied. These properties were acquired by the Works Contractor. These plots were occupied upon the rule of voluntariness in leasing the plot by the land owner, the occupation process being subject to monitoring by the Contract Engineer. The plots were tidied up and returned to their owners, and compensation was paid.
- In the absence of eligible persons (the owners were not found, documents are missing clearly showing who the plot owner is), the compensation was paid to the court deposit. This situation applies to 1 case. The PIO's strategy for assistance in payment of compensation from the deposit to those eligible is described in chapter 3.5.3.

Detailed information on the payment of compensation is provided in chapter 3.5 and in **Appendix 4** to this report.

- 3 information points where complaints and applications could be filed concerning the implementation of the Contract operated for the entire implementation period of Works Contract 3A.5.

Detailed information is described in Chapter 4.

- When the Contract was being prepared for implementation (when individual decisions were applied for), and after preparing the Draft LARAP, public consultations were conducted – this process was held in accordance with World Bank standards and Polish legislation.

Detailed information on public consultation is described in chapter 3.2.

The rules arising from Polish legislation, World Bank's policy OP 4.12, LARFP and the LARAP were complied with during the execution of works. This applied to the occupation of properties necessary to implement the Contract and to the manner of executing the works, which minimised adverse impacts on project affected persons. The guiding principle of the activities was to achieve the effect of improving or at least restoring PAPs' living conditions, and assuring long-time balanced use of environmental resources within that area.

⁵ in line with the Land Acquisition and Resettlement Framework: "(...) *Depositing the amount of compensation in a court escrow account has the same effect as the performance of a payment obligation. (...)*". This compensation has not actually been paid to PAPs, but it can be paid at any time and will be available to PAPs for a period of 10 years from the date the compensation is deposited with the court.

This objective has been achieved and, in the case of Works Contract 3A.5, there are no longer any elements/cases that have not been completed and would be envisaged under the LARAP.

After the implementation of Works Contract 3A.5, PAPs' standard of living has been restored or improved, as appropriate compensation was paid (compensating for the permanent restriction in the use of property) and everyone in the area where the Contract was implemented were protected from flooding that could threaten their assets but also cause a major environmental contamination, which may threaten PAP's lives (see Appendix no. 6 for photographic documentation of the state before, during and after the end of investment execution).

The key aim of the Land Acquisition and Resettlement Action Plan has also been achieved; the properties necessary to implement the Contract were occupied in accordance with the Polish law and with the World Bank's policy OP 4.12 in a way which minimised adverse impacts on project affected persons, and did not result in the physical or economic resettlement of households. There were no significant impacts on PAPs during the execution of the Works. By introducing the measures indicated in the LARAP, life conditions of PAPs have improved and the long-term and sustainable use of natural resources within this area was ensured.

RECOMMENDATION FOR NEXT SOCIO-ECONOMIC STUDY

The time allocated for development of a Socio-economic study must be long enough, i.e. allow sufficient time to collect all the data in the socio-economic survey, the inventory of assets etc, to ensure compliance with Project standards i.e. OP. 4.12, especially in cases where the impacts are significant.

7. APPENDICES

Appendix no. 1 – Contract Location.

Appendix no. 2 – Screenshots of websites.

Appendix no. 3 – Documentation of public consultation.

Appendix no. 4 – List of properties – permanent occupation and temporary restriction⁶.

Appendix no. 5 – List of properties – temporary occupation.

Appendix no. 6 – Photographic documentation – pre-contract and pending contract status.

Appendix no. 7 – Sample survey addressed to the PAPs after completion of Contract 3A.5.

Appendix no. 8 – List of cases where compensation was paid to the court deposit.

Appendix no. 9 – Sample application for releasing the court deposit.

⁶ The financial data presented in the document was prepared on the basis of accounting and other financial documents made available to the Final Report's authors.