

LAND ACQUISITION AND  
RESETTLEMENT ACTION PLAN

INTERIM REPORT on  
the implementation  
of the activities  
indicated in LARAP  
WORKS CONTRACT  
3A.2/3

ODRA-VISTULA FLOOD  
MANAGEMENT PROJECT



Projekt Ochrony  
Przeciwpowodziowej  
w Dorzeczu Odry i Wisły



Państwowe  
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# INTERIM REPORT ON THE IMPLEMENTATION OF THE ACTIVITIES INDICATED IN THE LAND ACQUISITION AND RESETTLEMENT ACTION PLAN

**FINAL VERSION**

## ODRA-VISTULA FLOOD MANAGEMENT PROJECT

INTERIM 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

### CONTRACT 3A.2:

Flood protection in Serafa Valley

### WORKS CONTRACT 3A.2/3

Flood protection in Serafa Valley  
– Malinówka 3 reservoir

ISSUED ON	DATE	AUTHORS	REVIEWED BY	CLIENT'S APPROVAL	DESCRIPTION
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**THE DOCUMENT PREPARED BY:**

State Water Holding Polish Waters  
Regional Water Management Authority in Cracow  
Odra-Vistula Flood Management Project Implementation Office  
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**ODRA-VISTULA FLOOD MANAGEMENT PROJECT CO-FINANCED BY:**

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Council of Europe Development Bank (CEB), Framework Loan Agreement no. LD 1866  
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## SUMMARY

**Subject of the Contract:**

The construction of the Malinówka 3 dry flood protection reservoir, with a capacity of 56,000 m<sup>3</sup> and the area of 3.1 ha, was implemented under Works Contract 3A.2/3. The reservoir is located on the Malinówka stream in Małopolskie Province, in the area of the City of Cracow (Poviat of the City of Cracow, Municipality of Cracow) and the City of Wieliczka (Poviat of Wieliczka, Municipality of Wieliczka), at the border of the City of Cracow and City of Wieliczka, within the cadastral units: 126104\_9 Podgórze 99 and 121905\_4 Wieliczka 3. The reservoir was constructed in the natural valley of the Malinówka stream (south of the Krzyszkowicki Forest, above the Malinówka 2 dry reservoir), from the north it adjoins the Secesja housing estate located at Modrzewiowa Street in Wieliczka, and from the south –Hoborskiego Street and Koszutki Street in Cracow.

**Completion date of  
Investment implementation  
(of completion of works):**

April 25, 2025

**Date of awarding “NO” for  
LARAP :**

March 30, 2021

**Date of awarding “NO” for  
supplement to LARAP**

July 25, 2022

**Number and category of  
PAPs:**

263 natural persons and Municipality of Cracow

**Sum of compensations**

PLN 6,887,039.81 – monetary compensations in the amount of the replacement value of assets lost by PAPs (permanent occupation and the obligation to reconstruct the network – the sum from column R in Appendix 4), including:

PLN 6,777,418.99 – compensations paid to PAPs

PLN 109,620.82 – compensations paid to court deposit

PLN 989.00 – amount of compensations for the ORN to be disbursed

**Number of properties and  
ownership class<sup>1</sup>:**

Permanent occupation/expropriation:

41 properties: 34 - private properties, 5 - municipal properties, 2 - State Treasury properties,

Permanent restriction in property use (PR):

<sup>1</sup> A total of 60 properties subject to various forms of occupation were indicated in the IPIP (prepared before the IPIP decision was issued): 42 properties subject to permanent occupation (occupation of 1 property was abandoned); 9 properties were subject to PR (the number of properties subject to PR was minimised), 8 properties were subject to ORN (the number of properties subject to ORN was minimised), 1 property was subject to PDDG (right to use a property for construction purposes) (no change).

2 municipal properties: no permanent restriction in use had to be imposed on these properties due to design changes

Obligation to reconstruct the network (ORN):

6 properties: 5 private properties, 1 State Treasury property

Right to use a property for construction purposes (PDDG):

1 State Treasury property

**Key issues:**

- in connection with expropriations, payments of compensations for land and constituent components in the amount of the replacement value,
- in connection with the obligation to reconstruct the network, the payment of compensation in an amount depending on the time of occupation of the property and putting its condition into order after completion of network reconstruction,
- 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 putting the condition into order after finishing the use and payment of compensations

**Key achievements:**

- compensations were paid to the former owners/co-owners for the land and for all components and plantings, and if the legal status was unsettled, compensation was placed to the court deposit (*for a detailed description – see chapter 3.5.1 Permanent occupation*),
- 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 and related to public properties),
- 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, and compensation paid (*for a detailed description – see chapter 3.5.5*)

**Grievance redress mechanism:**

- 10 complaints were received for Contract 3A.2/3. 10 complaints were investigated and finally concluded. 3 applications were received. All the applications were considered (details are described in chapter 4.3).

**Remnants:**

7 applications were submitted to purchase the “remnants” for 8 properties under Contract 3A.2/3. Four applications were considered positively, two applications were refused. The PAPs whose applications were refused were informed of the legal opportunities how to act in this regard, but did not exercise this right (details are described in chapter 3.5.8). In the case of one application, although it was not possible to consider the plot as a “remnant”, a special procedure based on Operational Policy OP 4.12 was applied and the PAP was compensated for

	<p>this plot despite the fact that the property itself was not purchased (details are described in chapter 5.3).</p>
<p><b>Unresolved issues and negative impacts of Task implementation:</b></p>	<ul style="list-style-type: none"> <li>— in 6 cases, compensations - in the absence of an entitled person (owner or co-owner) - were directed to a court deposit – the PIO's strategy for payment of compensation from the deposit is described in chapter 3.5.3,</li> <li>— compensation remains to be paid for 5 properties that were covered by the obligation to reconstruct the network, <b>the issue will be described in the supplement which, together with this Interim Report, will constitute the Final Report on LARAP Implementation.</b></li> </ul>
<p><b>Post Project Closure Action Plan (PCAP)</b></p>	<ul style="list-style-type: none"> <li>— in the case of 6 court deposits, additional measures will be taken to entrust the payment of compensation due from the deposit to the entitled persons - the PIO's strategy regarding the payment of compensation from the deposit is described in chapter 3.5.3.</li> </ul>



## 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 (OVFMP) Implementation Unit
Engineer	See Consultant
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.2/4 Flood protection in Serafa Valley – Serafa 2 reservoir
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	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 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 structures
POM	Project Operations Manual
Project / OVFP	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
Valuer / 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 special rules for preparation for the implementation of investments in flood protection structures
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
ORN	Obligation to reconstruct the network
PDDG	Right to use property for construction purposes
RPM	Act of August 21, 1997 on real estate management
PAC	Provincial Administrative Court
SAC	Supreme Administrative Court
Contractor	<p>Entity executing the Works Contract, in this case the Joint Venture of the firms:</p> <p>Przedsiębiorstwo Budownictwa Wodno – Inżynieryjnego w Krakowie sp. z o.o. – Consortium Leader with the registered office in 32-020 Wieliczka, 17. Bogucka St.,</p> <p>HAMER POLSKA Spółka z Ograniczoną Odpowiedzialnością Spółka Komandytowa – Partner of the Consortium with the registered office at 66. Gromadzka St., 30-719 Cracow</p>

## 2. INTRODUCTION

The execution of Works Contract 3A.2/3 was finished on April 25, 2025 and all civil works have been implemented. The Land Acquisition and Resettlement Action Plan (LARAP) for *Works Contract 3A.2/3 Flood protection in Serafa Valley – Malinówka 3 reservoir* has been implemented except for 6 cases where the compensation amount was placed with the court deposit and 5 cases where compensation should be paid for temporary land occupation related to network reconstruction. The aim of the *Interim Report on Implementation of the Land Acquisition and Resettlement Plan (LARAP IR)*, prepared in accordance with the requirements of the *Project Operations Manual* and the *Land Acquisition and Resettlement Policy Framework* (together with 2 RPF updates: *Update no. 1 - Resettlement Policy Framework (June 2022)* and *Update no. 2 – Resettlement Policy Framework (November 2023)*)<sup>2</sup>, 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 measures that still need to be taken. For the Contract 3A.2/3, as outlined in the next chapters of this Report, this aim has been achieved and corrective measures are no longer required. There is still compensation remains to be paid for five properties subject to the ORN, which will allow for the full implementation of the LARAP and the achievement of its objectives. These cases, when completed, will be described and appraised for compliance with OP 4.12 in the supplement which, together with this Report, will constitute Final Report on LARAP implementation.

In line with the assumptions made in the Land Acquisition and Resettlement Action Plan, an ex-post evaluation was made after the 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 known entity affected by the project (family, individuals, legal entities) has obtained compensation and their standard of living has improved or at least been restored, excluding 5 cases where compensation will still be paid for temporary land occupation related to network reconstruction. In 6 cases compensations were paid to a court deposit. The PIO has established a strategy that will be applied to facilitate eligible persons to withdraw the deposited compensations. It is necessary to agree upon and disburse 5 compensations connected with the obligation to reconstruct the network (as indicated above).**

This Report presents therefore an account of the implementation of the measures planned in the LARAP for *Works Contract 3A.2/3 Flood protection in Serafa Valley – Malinówka 3 reservoir* 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 within the area of the City of Cracow and the Municipality of Wieliczka in the Małopolskie Province. The scope of Works under Contract 3A.2/3 has not changed and remains the same as described in chapter 4.1 of the LARAP.

The Task location is presented on the attached general drawing (**Appendix no. 1** to this document).

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<sup>2</sup> <https://odrapcu.pl/projekt-opdow/dokumenty-opdow>

Key Contract implementation dates:

Date of signing the Agreement (KELLER Polska Sp. z o.o.): 02/11/2022

Date of Agreement termination: 11/24/2022

*The Employer withdrew from the Agreement of 02/11/2022 for the execution of Contract 3A.2/3 for reasons attributable to the Contractor in respect of the unperformed part of the agreement, i.e. the Contractor's refusal to perform its contractual obligations and failure to execute the works.*

Date of signing the Agreement (PBWI Sp. z o.o. – Consortium Leader, Hamer Polska Sp. z o.o. Sp. K. – Consortium Partner): 12/18/2023

Date of handing over the Construction Site: 01/24/2024

Commencement date of Works: 02/01/2024

Completion date of Works: 04/25/2025

End date of the Quality Guarantee and Warranty Period: 60 months from the date of Acceptance of the formal and legal documentation together with the legally binding unconditional occupancy permit.

NOTE: the change of Contractor did not affect the implementation of the LARAP.

The implemented construction of the Malinówka 3 reservoir has provided flood protection for the areas downstream of the reservoir located in the Serafa valley, the tributary of which is the Malinówka stream. The lack of a reservoir posed a significant risk of flooding and inundation of surrounding areas during heavy rainfall events while the water table in the Serafa River was high. The Malinówka 3 Reservoir is one of five reservoirs working in what is known as a cascade, which provide flood protection for around **2,400 residents and more than 50 business entities** located in an area of around **216 ha**.

Properties had to be acquired to implement the Task which is local in nature (construction of the reservoir bowl and associated infrastructure) using the natural river valley, but did not result in the physical or economic resettlement of households.

**Table 1.** Area and number of properties acquired and impacts of Contract 3A.2/3.

	Total number of hectares	Total number of plots	State Treasury plots	%	Natural persons	%	Municipality	%	Number of PAPs	Number of deposits	Physical resettlement	Economic resettlement
Permanent occupation/expropriation	3.7230	41	2	4.88	34	82.93	5	12.20	263	6	0	0
Permanent restrictions to the manner of property use (PR)*	0.0162	2	0	0.00	0	0.00	2	100.0	0	0	-	-

	Total number of hectares	Total number of plots	State Treasury plots	%	Natural persons	%	Municipality	%	Number of PAPs	Number of deposits	Physical resettlement	Economic resettlement
<b>Obligation to reconstruct the network (ORN)</b>	0.0372	6	1	16.67	5	83.33	0	0.00	200***	0	-	-
<b>Right to use property for construction purposes (PDDG)</b>	1.4493	1	1	100.0	0	0.00	0	0.00	0	-	-	-
<b>Temporary occupation**</b>	2.1512	4	0	0.00	4	100.0	0	0.00	3	0	-	-
<b>TOTAL</b>	7.3769	54	4	—	43	—	7	—	266	6	—	—

\* due to design changes, no permanent restriction to use 2 properties took place.

\*\* 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.

\*\*\* the same group of PAPs whose properties were subject to permanent occupation

41 properties were subject to permanent occupation/expropriation for the benefit of the State Treasury under Contract 3A.2/3; small parts of properties were occupied with the area ranging from 15 m<sup>2</sup> to 8,869 m<sup>2</sup> (including, for 40 cases, the occupation area of up to 2,752 m<sup>2</sup>, the area of occupation exceeded 0.5 ha in one case only). The area of permanent occupation did not exceed 1 ha in any of the cases. The area of land being taken is small in relation to the Polish conditions of economic viability of conducting the farming activity, especially as it was not intensively farmed land, but riverside land (pastures and meadows strongly undergoing ecological succession – nearly the entire area was overgrown with bushes and self-sown trees before starting the investment).

According to the Local Development Plans for the Area, the area designated for the location of the Malinówka 3 reservoir is: Zw – uncultivated greenery land – intended for the biological restoration of natural watercourses and ditches and to a small extent the following areas: R – agricultural areas, MN – single-family residential areas and ZL – forest land.

The use of the land occupied for the investment according to the data in the Register of Land and Buildings is shown in **Table 2** presented in the chapter below.

No households that lived from farming and were covered by EU subsidies were identified during socio-economic studies.

In summary, as shown by the socio-economic studies conducted and the site visit, permanent occupation of properties had an insignificant or negligible impact on the incomes of the households

analysed. In no case were built-up parts of properties subject to occupation (e.g. residential buildings, farm buildings or other buildings in use). No vulnerable groups were identified during the studies.

All impacts were insignificant, 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.

The implemented Task has had a positive social impact, as assets, jobs and, in the extreme case, the lives of PAPs are protected from the disastrous impact of flood.

The local community had a very negative view of the planned investment before the works started (this issue is described in more detail in chapters 3.4 and 5.3), but thanks to extensive public consultation, a social consensus was developed and a package of compensatory measures (notably the construction of a playground) was offered to the local community. Owing to the relationships and communication channels developed, the local community was being very positively disposed towards the implemented project, as the construction of the reservoir, together with the design changes made, offers them a large recreational area in the future and improves the landscape values. On the other hand, flood safety is provided for the population living downstream of the reservoirs.

10 complaints were received and 3 applications were submitted when preparing the investment and executing the works. All the applications were considered in full; 10 complaints were investigated and finally concluded.

Listed below are addresses of websites where information on Task implementation 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://krakow.tvp.pl/86360623/zakonczono-budowe-zbiornika-malinowka-3-krakow-i-wieliczka-lepiej-chronione-przed-powodzią>

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[https://inzynieria.com/geoinzynieria/zabezpieczenia\\_przeciwpowodziowe/wiadomosci/67735,krakow-kaskada-pieciu-zbiornikow-rusza-budowa-ostatniego](https://inzynieria.com/geoinzynieria/zabezpieczenia_przeciwpowodziowe/wiadomosci/67735,krakow-kaskada-pieciu-zbiornikow-rusza-budowa-ostatniego)

- <https://www.youtube.com/watch?v=OaTIEubO3RY>

- <https://www.portalsamorzadowy.pl/inwestycje/wybudowali-piec-zapor-maja-ogromne-znaczenie-dla-bezpieczenstwa-miast,608894.html?mp=promo>

- <https://bip.malopolska.pl/muw,a,2052074,budowa-zbiornika-malej-retencji-zbiornik-malinowka-3-na-potoku-malinowka-w-ramach-zadania-inwestycji.html>

- <https://gazetakrakowska.pl/krakow-rzeka-serafa-i-potok-malinowka-zbiorniki-retencyjne-gotowe/ar/c1-17895201>

- <https://inzynieria.com/wodyopadowe/wiadomosci/67131,krakow-koniec-budowy-trzech-zbiornikow-retencyjnych>

- <https://www.kierunekwodkan.pl/artykul,96591,przeciwpowodziowe-inwestycje-w-krakowie.html>

- <https://www.skanska.pl/oferta/realizacje/277802/Zbiorniki-Malinowka-1-i-2-w-Krakowie>
- [https://lovekrakow.pl/aktualnosci/powstaja-dwa-zbiorniki-przeciwpowodziowe-bedzie-mozna-tam-poisc-na-spacer\\_43534.html](https://lovekrakow.pl/aktualnosci/powstaja-dwa-zbiorniki-przeciwpowodziowe-bedzie-mozna-tam-pojsc-na-spacer_43534.html)
- <https://www.malopolska.uw.gov.pl/PressArticlePage.aspx?id=15114>
- <https://www.dziennikprawny.pl/pl/a/krakow-zabezpieczony-przed-powodzią>
- <https://www.portalsamorzadowy.pl/finanse/zakonczyla-sie-budowa-trzech-zbiornikow-przeciwpowodziowych-w-krakowskiej-dolinie-serafy,489224.html>
- [https://www.rmfm24.pl/regiony/krakow/news-zbiorniki-przeciwpowodziowe-w-dolinie-serafy-gotowe,nld,7027919#crp\\_state=1](https://www.rmfm24.pl/regiony/krakow/news-zbiorniki-przeciwpowodziowe-w-dolinie-serafy-gotowe,nld,7027919#crp_state=1)
- <https://wodociagowiec.pl/szczegoly-artykułu/bezpieczniej-w-dolinie-rzeki-serafy/>
- <https://www.malopolska.uw.gov.pl/PressArticlePage.aspx?id=15363>
- <https://www.gov.pl/web/infrastruktura/wieksze-bezpieczenstwo-przeciwpowodziowe-w-krakowie>
- <https://investmap.pl/inwestycja/zbiornik-retencyjny-serafa,5769.html>
- <https://portalkomunalny.pl/krakow-zbiornik-retencyjny-na-serafie-oddany-do-uzytku-324946/>
- <https://wiadomosciopodgorze.pl/trwa-ujarzmianie-serafy/>
- [https://lovekrakow.pl/aktualnosci/co-z-budowa-zbiornikow-dla-biezanowa-jeden-wciaz-stwarza-problemy\\_49524.html](https://lovekrakow.pl/aktualnosci/co-z-budowa-zbiornikow-dla-biezanowa-jeden-wciaz-stwarza-problemy_49524.html)

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

### 3. SUMMARY OF MAIN ACTIVITIES EXECUTED UNDER THE CONTRACT

#### 3.1. DESCRIPTION OF THE OPERATION OF PROPERTY ACQUISITION

##### PROCEDURES

The properties were acquired under the provisions of the Special Flood Act and the Act on Real Estate Management. The Project Implementation Unit (PIU), when implementing this Task, also applied all 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 (RPF) and in its 2 updates*<sup>3</sup> and in the *Land Acquisition and Resettlement Action Plan*<sup>4</sup>.

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 is described below.**

**Procedures for the acquisition of properties are described in detail in the LARAP for Works Contract 3A.2/3, which was awarded a "No objection" clause from the WB on 03/30/2021. Considering a complaint by one of the PAP - PAP2<sup>5</sup> - a Supplement to the LARAP was prepared, where the activities undertaken were summarised and an additional compensation package dedicated to PAP2 was described. The document received the WB's No objection on 07/25/2022.**

**There were no gaps/inconsistencies in the implementation of the LARAP that would require corrective measures. In 6 cases in which compensation was paid into a court deposit, additional measures were introduced to make it easier for those concerned to collect funds from the deposit (described in chapter 3.5.3 below). In 5 cases it is necessary to agree upon and disburse compensations connected with network reconstruction; when the proceedings are concluded, a short supplement summarizing this issue will be prepared. This supplement with Interim Report will create Final Report on LARAP implementation.**

#### 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

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<sup>3</sup> <https://odrapcu.pl/dokumenty/ramowy-dokument-dotyczacy-przesiedlen-i-pozyskiwania-nieruchomosci/> - 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 Page | 16

<sup>4</sup> <https://odrapcu.pl/projekt-opdow/dokumenty-opdow/> - LARAP for Contract 3A.2/3 was adopted and approved by the WB on 03/30/2021.

<sup>5</sup> In the Report, the same person is consistently described as PAP2.



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 a water permit,
2. Obtaining an environmental decision,
3. Obtaining an investment project implementation permit,
4. Establishing the compensation and 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 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 adherence with Operational Policy OP 4.12, the public disclosure of the draft Land Acquisition and Resettlement Action Plan commenced on **November 5, 2020**, when an announcement was published in *Dziennik Polski* and at website versions of *Dziennik Polski* and *Gazeta Krakowska* (local journals). The announcement invited natural persons, authorities and interested institutions to inspect the Draft LARAP for the Works Contract 3A.2/3.

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 LA&RAP DOCUMENT AND TO MAKE PROPOSALS AND COMMENTS, IT HAS BEEN DECIDED TO HOLD A 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/>,
- City Office of Cracow at – <https://www.bip.krakow.pl/>,
- Town and Municipal Office of Wieliczka at – <https://bip.malopolska.pl/umigwieliczka>,
- Powiat Starosty in Wieliczka at - <https://www.powiatwielicki.pl/aktualności>,
- 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
- in electronic form by email to: **jr.p.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 **11/05/2020 to 11/26/2020** 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 was also:

- placed on information boards at SWH PW RZGW in Cracow (on the entrance door), the Cracow City Office, Office of the Powiat Starosty in Wieliczka and the Office of the Town and Municipal Office of Wieliczka (on the information board – unfortunately, the Offices were closed to the applicants during this period),
- published at the websites of the institutions indicated above,
- displayed at the Secesja Housing Estate in Wieliczka and placed at works performance sites. Moreover, posters informing about the Works Contracts 3A.2/3 were additionally placed – except for the announcement – at works performance sites.

Every owner of the property subject to permanent occupation or permanent and temporary restrictions in use was sent an information packet concerning the Draft LARAP – 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, which comprised the following:

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

An e-mail with an announcement (e-mail is already the usual way of contact between the managers of the communities and the residents of the estate) was also sent in addition to a letter notification to each owner of an apartment located on the Secesja Estate, through the managers of the 4 housing communities operating within the housing estate.

Independently of the webinar, a dedicated meeting – an online teleconference – was prepared and held for the residents of the Secesja Estate on **11/12/2020** to discuss the minimisation measures introduced into the construction design, as resulting from the arrangements with PAPs carried out since 2018.

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 acquired for the purpose of Task implementation, as well as at clarifying potential doubts related to contents of the LARAP.

None of the PAPs 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 was officially started on **November 5, 2020**, and was completed after 21 days, on **November 26, 2020**.

As indicated above, due to the great controversy among the residents of the Secesja estate in relation to the investment plans, and in order to present, to as many residents as possible, detailed information on the introduced minimisation measures concerning both technical solutions applied in the construction design aimed at ensuring the housing estate's safety, and additional compensation measures for the local community, e.g. construction of a playground for children, the Investor - SWH Polish Waters RZGW in Cracow decided to organise an additional on-line information meeting for the local community. For this purpose, a **teleconference was arranged on 11/12/2020**, to which all residents of the Secesja estate were invited via individual emails sent to each household by the managers of the 4 communities. The meeting was organised in the MS Teams interactive application and concerned the minimisation measures under Works Contract 3A.2/3 dedicated to the Secession estate community:

- Preparing the site where a professionally equipped playground for children will be built at the Investor's expense;
- Providing a crossing for the residents to the other side of the Malinówka stream;
- Providing access to the reservoir bowl's area which will also be used for leisure - in the form of ordered green areas;
- Protection of the housing estate against vehicles entering the dam;
- Slope protection with the use of a retaining wall together with a drainage system, which will secure a part of the housing estate adjacent to the reservoir against water filtration and will ensure soil stabilisation;
- Creating the proper conditions for rainwater outflow from the housing estate from two outlets to the Malinówka stream (diverting rainwater from the housing estate below the dam);
- Flood protection in the backwater effect area of the Malinówka 3 reservoir.

The meeting was attended **by 23 persons** (of the invited approximately 150 PAPs).

During the meeting, the residents were invited to plan together the equipment to be installed in the children's playground, and the residents brought up an additional initiative to plant bushes on the slope of the car park on the side of the planned flood protection reservoir (this idea was ultimately dropped for technical reasons – lack of space and a threat to the executed drainage system along the car park slope to collect rainwater. Bushes were planted in the playground).

Regardless of the above, the inhabitants of Bieżanów (the part of Cracow's city district located upstream of the Serafa river, where one of the reservoirs has already been built) became active during public consultation – a community that has been most severely affected by flooding from the Serafa river, hence their interest in seeing the entire complex of 5 dry flood reservoirs, including Malinówka 3 reservoir, to be built as soon as possible. Over the 21-day consultation period, the Investor also received 25 emails supporting the erection of the Malinówka 3 reservoir, 12 persons called the Consultant to offer in a telephone call their support for the investment. The Consultant also had several conversations with a Councillor of the City of Cracow, who recalled that back in 2018, the residents of Bieżanów submitted a petition to the Polish Waters in support of constructing the reservoirs, signed by more than 500 residents of the area.

A webinar was held on **November 27, 2020 from 5.00 p.m. to 7.00 p.m.** as part of public consultation for the draft LARAP, during which the Consultant's Representative gave a multimedia presentation:

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 the Works Contract 3A.2/3 was presented (technical scope related to permanent occupation of properties and activities that will not require occupation of the land).
5. Information was conveyed on the number of properties subject to permanent occupation and restrictions in use by property category.
6. Legal basis for implementation of the LARAP was indicated.
7. Minimisation measures were discussed, with particular emphasis on the issue of purchasing the remnants, notifying the ARMA of the reduction of the area of land for crops and taking advantage of the possibility of using an additional 5% compensation.
8. Most attention was paid to legal regulations concerning the procedure of issuing the IPIP decision, payment of compensations, compensation agreement procedures, submission of appeals and redress and grievance mechanism.
9. The meeting participants were informed about the possibility of filing an application for payment of an undisputed part of compensation and, in the case of failure to agree on the amount of compensation at the stage of negotiations with the Investor, about payment of 70% of the compensation from the amount indicated in the appraisal report.
10. Information on temporary occupation was presented.
11. Information was provided on minimisation measures in relation to comments made by residents of the Secession Estate.

After the end of the presentation, the webinar leader answered questions that were received during the period of publication of the Draft LARAP, and then the questions submitted during telephone discussions with PAPs.

The webinar was attended by **25 people** (most of them participated anonymously).

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

- 12 telephone conversations were conducted with residents of Biezanów. The residents called to make their voice heard in support of the planned construction of 4 dry flood control reservoirs, including Malinówka 3 reservoir. More than 25 people gave their vote of support via email;
- 22 telephone calls were made with residents of the Secesja estate and nearby single-family homes;

- 2 questions/applications were received via e-mail;
- interest in the document was also noted; downloads of files from websites given in the announcement were 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.2/3, the authors of the document concluded that its contents do not require modifications/corrections resulting from the publication procedure. Changes were made to the final version of the LARAP concerning, inter alia, the clarification of the scope/elements of the investment (properties occupation), mitigation measures and compensation packages. In all cases where changes took place in occupying the plots of private persons, the Consultant has prepared and sent the relevant correspondence with information on the occupation and changes in the occupation area.

The final LARAP document, after obtaining the WB's no-objection on 03/30/2021, 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 on environmental conditions of the Regional Director for Environmental Protection in Cracow of 10/29/2012, ref.: OO423.13.2012.BM for implementing a project consisting in the construction of reservoirs on the Serafa and Malinówka, final as of 12/03/2012.
  - Decision of the Regional Director for Environmental Protection in Cracow of 09/18/2020 (ref.: OO.420.4.3.2019.BM) amending the decision on environmental conditions of 10/29/2012 for construction of the Serafa 2 and Malinówka 3 reservoirs, final as of 10/21/2021.
  - Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP.6400.31.2020.KW) of 12/15/2020 for permit for derogations from certain activities prohibited for protected species of plants.
  - Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP-I.6401.404.2020.GZ) of 12/18/2020 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.6401.12.2021.GZ) of 01/22/2021 amending the decision of RDOŚ in Cracow of 12/18/2020 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.420.4.2.2021.BM) of 09/15/2021 amending the conditions for the project that was awarded the decision ref. OO.4233.13.2012.BM of 10/29/2012.
- The decision was revoked (revocation decision of 05/31/2022, ref: DOOŚ-WDŚZoo.420.70.2021.SP.PCh.10 of the General Director for Environmental Protection).
- On 08/22/2022, GDOŚ notified that the complaint of 07/11/2022 against the decision of GDOŚ of 05/31/2022 ref.: DOOŚ-WDŚZoo.420.70.2021.SP.PCh.10 was forwarded to the Provincial Administrative Court in Warsaw.
- The Provincial Administrative Court considered the case from the complaint of Mr XXX (PAP2) at a hearing held in Warsaw on 01/27/2023 and a copy of the judgement with justification was sent to the Parties on 03/14/2023 (file reference IV SA/Wa 1770/22). The decision of GDOŚ of 05/31/2022, ref. DOOŚ-WDŚZOO.420.70.2021.SP.PCh.10, was revoked and the General Director for Environmental Protection was ordered to pay to the applicant, Mr XXX, the amount of PLN 714.00 as reimbursement of the costs of court proceedings.
- On 04/14/2023, the Proxy of SWH PW RZGW in Cracow filed a cassation appeal with the Supreme Administrative Court in Warsaw regarding the PAC's judgement of January 21, 2022 overturning GDOŚ's decision of May 31, 2022 pertaining to the environmental decision for the construction of the reservoirs.
- On 04/14/2023, GDOŚ also filed a cassation appeal with the SAC and was requested to supplement its cassation appeal.
- On 06/01/2022, an application was filed for amending the decision on environmental conditions of 10/29/2012, ref. OO.4233.13.2012.BM in the scope of changing a condition (of a non-investment nature) of the aforementioned decision concerning the deadline and conditions for works related to the removal of topsoil (point I.1.2, subpoint n of the decision) and the deadline for felling trees and bushes (point I.1.2, subpoint r of the decision).
- On 07/06/2022, the Proxy filed a motion to waive notice to the parties pursuant to par. 10 of the CAP and to impose the order of immediate enforceability.
- On 07/20/2022, the Regional Director for Environmental Protection issued a decision ref.: OO.420.4.2.2022.BM.8 amending the decision on environmental conditions ref. OO.4233.13.2012.BM of 10/29/2012 (amendment of non-investment conditions I.1(1.2)(n) and I.1(1.2)(r)). The decision bears an order of immediate enforceability.
- On 10/07/2022, RDOŚ in Cracow, in connection with the filed appeal against the DEC of 07/20/2022, forwarded the case documentation to GDOŚ (ref. OO.420.4.2.2022.BM.13).
- On 01/12/2023 GDOŚ, after considering the complaint of Mr.XXX of 08/17/2022 to suspend the immediate implementation of the decision of RDOŚ in Cracow of 07/20/2022, under the decision ref. DOOŚ-WDŚZOO.420.42.2022.PCh.4, refused to suspend the immediate implementation of the decision of RDOŚ in Cracow of 07/20/2022, ref. OO.420.4.2.2022.BM.8.
- On 04/11/2023, GDOŚ upheld the decision of RDOŚ in Cracow of 07/20/2022 (decision ref. GDOŚ DOOŚ-WDŚZOO.420.42.2022.PCh.7).
- On 05/25/2023, Mr XXX filed an appeal to the PAC in Warsaw, through GDOŚ, against the decision of the General Director for Environmental Protection of 04/11/2023 , ref.: DOOŚ-WDŚZOO.420.42.2022.PCh.7.
- On 12/12/2023, a hearing was held, at which, having considered a case from the appeal brought by Mr XXX against the decision of the General Director for Environmental

Protection of April 11, 2023 no. DOOŚ-WDŚZOO.420.42.2022.PCh.7 on amending the decision on the determination of environmental conditions for the project, the Court dismissed the complaint.

- On 02/19/2024, Mr XXX filed a cassation appeal against the judgement of the PAC of 12/12/2023.
- Legal water permit:
  - The decision of 08/20/2021, ref. GM-DOK-3.7700.13.2021.AZ on granting a water permit for the Malinówka 3 reservoir. The Decision became finally valid as of 12/29/2021.
- Decision on the investment project implementation permit (IPIP);
  - Decision No. 01/2022 of 01/24/2022, case ref. WI-VI.7840.1.8.2022.JCh, for the investment project implementation permit for the Malinówka 3 reservoir.

On February 22, 2022, Mr XXX's appeal was filed with the Province Governor of Małopolskie against the IPIP decision. A letter from MRiT of 04/15/2022 was received on 04/26/2022 stating that the application would be considered by June 15, 2022 as the case was being examined.

On the same day, a letter was received for information from MRiT of 04/15/2022 directed to the Province Governor of Małopolskie with a request for providing information whether the decision of RDOŚ in Cracow of 09/15/2021, ref. OO.420.4.2.2021.BM, defining environmental conditions for the implemented project, which had been awarded the DEC of 10/29/2012, ref. OO.4233.12.2012.BM, is final and if so, to send a certified copy of the decision.

The TAC prepared a draft of SWH PW's position in the appeal case - the Proxy's position was sent on 05/13/2022 to MRiT.

On 05/18/2022, MRiT requested SWH PW's Proxy to provide clarifications. SWH PW's Proxy sent clarifications on 05/27/2022.

On 06/24/2022, MRiT issued an order in which it refused to suspend the immediate enforcement of the IPIP decision.

On 06/24/2022, the Decision was awarded (case ref. DLI-III.7621.14.2022.KM.6) issued by the Minister of Development and Technology. In the decision, MRiT:

- specified the release date of the property as the 30th day from the date the IPIP decision of 01/24/2022, ref. WI-VI.7840.1.8.2021.JCh, becomes final.
- revoked a number of provisions in the IPIP decision, including the provisions concerning the decision amending the conditions of the DEC cancelled by GDOŚ.
- upheld the IPIP decision of 01/24/2022, ref. WI-VI.7840.1.8.2021.JCh. in the remaining scope.

Hence, the IPIP decision of 01/24/2022, ref. WI-VI.7840.1.8.2021.JCh, became final on **06/24/2022**.

- On 07/21/2022, SWH PW's Proxy filed an application to resume the proceeding to amend the final decision of the Minister of Development and Technology of June 24, 2022 - in scope of the changes introduced to the environmental decision of October 29, 2012, ref.: OO.4233.13.2012.BM - with RDOŚ decision of July 20, 2022
- On 07/22/2022, the Minister of Development and Technology resumed a proceeding concluded with MRiT's decision of 06/22/2022.



On 07/25/2022, SWH PW's Proxy filed an application that the decision in question was made immediately enforceable and to withdraw from the administrative authority's obligation providing that - before the decision is issued - the parties are enabled to express their opinion on the evidence and materials collected and on the submitted requests.

On 08/11/2022, the Minister issued a decision to dismiss - in the decision of the Minister of Development and Technology of June 24, 2022 - the provisions concerning the date of tree felling and topsoil removal as per the DEC of 10/29/2022, ref. OO.4233.13.2012.BM and to rule on the new provisions resulting from the decision of RDOŚ in Cracow of 07/20/2022 amending the DEC of 10/29/2012, ref. OO.4233.13.2012.BM. The decision bears the order of immediate enforceability.

This decision was challenged by Mr XXX, represented by a professional Legal Representative.

In accordance with the announcement of the Minister of Development and Technology of 08/22/2022, it was advised that an appeal was filed with the PAC in Warsaw together with a response to the appeal against the decision of the Minister of Development and Technology of 06/24/2022, ref.: DLI-III.7621.14.2022.KM.6, revoking in part and ruling in this regard on the merits of the case, and in the remaining part upholding the validity of the decision of the Province Governor of Małopolskie no. 01/2022 of January 24, 2022, ref. WI-VI.7840.1.8.2021.JCH. With the letter of 02/27/2023, files ref. VII SA/Wa 1671/22, a copy was delivered of a cassation appeal of February 17, 2023 lodged by the PAP against the ruling of November 24, 2022 referring to the appeal against the decision of the Minister of Development and Technology of June 24, 2022, ref. DLI-III.7621.14.2022.KM.6, pertaining to a project implementation permit for a flood protection structure.

- After considering on 07/05/2023 - at a hearing at the General Administrative Chamber - a case brought under the cessation appeal of Mr XXX against the judgement of the Provincial Administrative Court in Warsaw of 11/24/2022, files ref. VII SA/Wa 1671/22, pertaining to a project implementation permit for a flood protection structure, the Supreme Administrative Court dismissed the cassation appeal (files ref. II OSK 499/23). SWH PW RZGW in Cracow received a copy of the judgement on 08/22/2023.
- Decision on the building structure occupancy permit:
  - Decision of the Małopolskie Province Construction Supervision Inspector in Cracow no. 333/2025 of June 23, 2025, ref.: WIB.7712.82.2025.ACIE issued in favour of SWH Polish Waters on the building structure occupancy permit.

**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. REGISTER OF EXPROPRIATIONS (ACQUISITION OF PROPERTIES) – DATA ANALYSIS

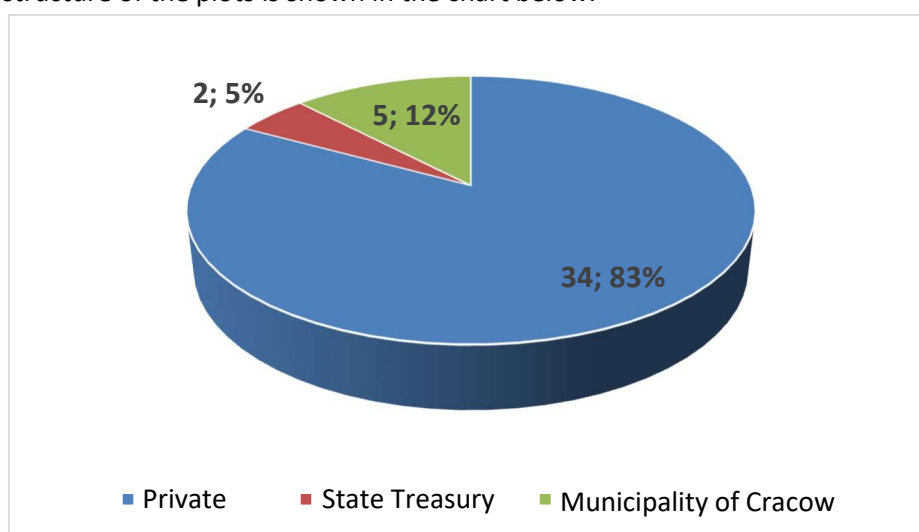
IPIP decision no. 01/2022 of 01/24/2022, case ref. WI-VI.7840.1.8.2022.JCh, identified the properties subject to permanent occupation and necessary for investment implementation: a total of **41** plots were identified with the area of **3.7230 ha** (see **Appendix no. 4**).

A site visit conducted at the stage of preparing the socio-economic study and the examination of registration documents revealed that the areas taken over for the purpose of investment implementation from the existing owners include green areas, mainly wooded land, located in the valley of the Malinówka stream.

**Table 2.** Land use – Malinówka 3

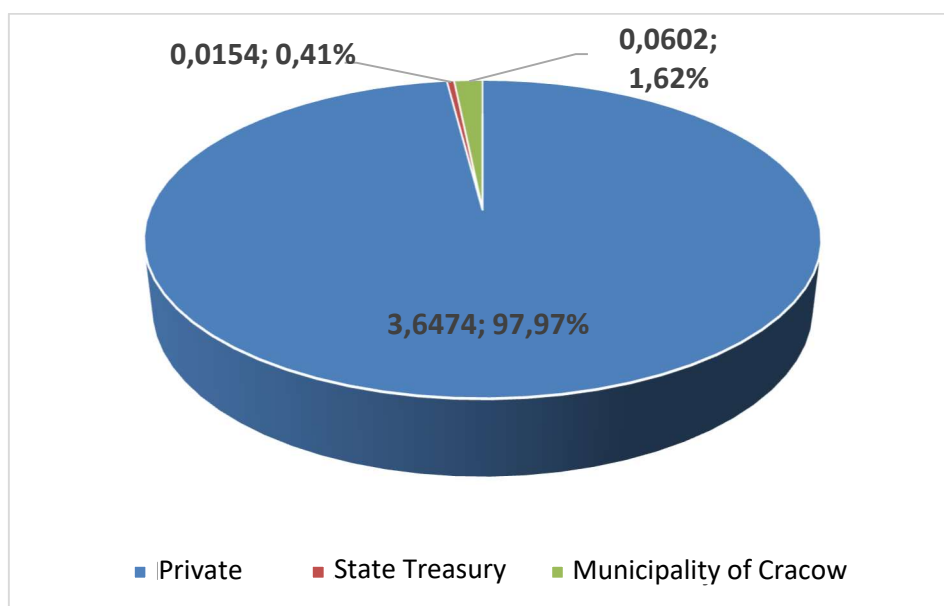
Type of use - Malinówka 3	Area [%]
W, Wp - flowing water, land covered with water	21.35%
R - arable land	27.80%
B - residential land, Bi - other construction land	1.12%
Ł - permanent meadows	39.47%
W- ŁIV - land under ditches	0.07%
Ps - permanent pastures	7.22%
dr - roads	2.98%
<b>Total</b>	<b>100.00%</b>

Ownership structure of the plots is shown in the chart below.



**Fig. 1.** Ownership structure by number of plots and percentage share (%)

An analogous analysis was also made for the plots acquired for investment implementation, but for the permanently occupied land according to ownership.



**Fig. 2.** Ownership structure by area of plots (ha) and percentage share (%)

41 properties were covered by permanent occupation, including 34 plots in the category of private properties (3.6474 ha), 5 plots of the Municipality of Cracow (0.0602 ha) and 2 plots of the State Treasury (0.0154 ha).

In all cases concerning private plots, these plots were not used for agricultural purposes, in fact they were mostly meadows and pastures overgrown with self-sown trees and bushes (ecological succession). No farming activity, being the source of household's livelihood, was conducted on any of the properties according to the findings of the site visit conducted at the stage of preparing the socio-economic study.

The areas subject to expropriation cannot be considered as generating any income that is an opportunity to ensure the existence of a household. In no case were built-up parts of properties (e.g. built up with residential, farm or other buildings) subject to occupation.

Three cases of permanent occupation deserve to be listed in detail as regards their situation before the start of investment execution:

1. Plot number 187/54 with the area of 0.8869 ha (expropriated entirely) - this was a plot owned 100% by a developer acting as 2 limited partnerships who built the Secesja estate (a housing estate consisting of 12 multi-family buildings located near the Malinówka 3 reservoir). The developer promised the estate residents that the plot would have been used for the expansion of the car park and the construction of a children's playground and would have served the residents of the multi-family buildings already sold by this developer. This was stipulated in the deeds for the purchase of the flats, but the provision was worded in a way that in practice proved unenforceable in law. When preparations to implement the Investment began, the developer made parallel efforts to develop this plot with more buildings, without taking into

account the promises made to the residents (a building permit application was submitted to the locally competent building authority, from which it was clear that the developer did not intend to build any car park and playground). The amount of compensation proposed to the developer for this property was satisfactory and, without hesitation, the developer signed a protocol agreeing the amount of compensation, but this caused great dissatisfaction among the estate residents. Discussions were therefore held and mitigation measures dedicated to this community were designed (more on this in chapter 5.3) to gain community acceptance for the planned Investment.

2. Plot number 187/16, 0.2526 hectares, i.e. ca. 42% of its original area, was scheduled for expropriation – this plot was owned by PAP2<sup>6</sup>, who contacted the Technical Assistance Consultant at the public consultation stage. The PAP2 indicated during the discussions conducted with him that he was in the process of executing an investment involving the construction of a complex of terraced houses, i.e. 4 rows of terraced houses of 4 segments each and one single-family house, but at no stage did he substantiate his claims other than to provide a 3-page concept containing an outline plan of the layout of the buildings. PAP2's interests were presented by a Law Firm. PAP2 lodged a complaint with the Bank (within the framework of GRM system in 2021) and filed appeals against every administrative decision obtained for the construction of the Malinówka 3 flood protection reservoir. The matter of permanent occupation of part of the property 187/16 was examined in great detail, and an additional compensation package was prepared for PAP2, as described in the Supplement to the LARAP. This document was adopted by the Bank and obtained a NO clause on 07/25/2022 (this issue was discussed in more detail in chapter 5.3, the case of PAP2's complaints is described in chapter 4.2).
3. Plots 178/6 (24 m<sup>2</sup>), 178/7 (64 m<sup>2</sup>) and 178/11 (2210 m<sup>2</sup>) belonging to a natural person and planned to be wholly expropriated, i.e. with a total area of 0.2298 m<sup>2</sup>. The above plots were identified at an early stage of design works where the owner had started construction of a single-family house. By the time this matter was identified, the topsoil had been removed and the excavation for the foundations had begun. The PAP was contacted and presented with plans for the construction of the reservoir. The PAP, in the light of the facts presented by the Consultant, decided to stop further works for house construction and asked for compensation to be determined and paid as soon as possible in order to buy another plot that was for sale in the same area, but in a far better location. The PAP signed a protocol agreeing the amount of compensation, as the amount was satisfactory to the PAP and he is now living in the house he built on the plot he purchased not far from the expropriated plots. Additionally, a mitigation measure in line with OP 4.12 was implemented for the PAP and compensation was paid for the shares of the plot that fell outside the investment separation lines (this issue is discussed in more detail in chapter 5.3).

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<sup>6</sup> In the Report, the same person is consistently described as PAP2.



**Phot. 1** Status of PAP's single-family house construction started (February 2022).

Detailed information on the number of plots, their area and ownership is included in the summary table attached as **Appendix no. 4**.

### 3.5 COMPENSATION AND MITIGATION MEASURES, IMPACTS OF THE CONTRACT

#### 3.5.1. Permanent occupation

Compensation was paid for all properties that were subject to compensation payments, i.e. 39 out of 41<sup>7</sup> properties (34 properties of natural persons and 5 municipal properties), and in 6 cases the compensation for shares in the ownership title of properties of natural persons was directed to a court deposit (in the amount of PLN 109,620.82). A total of PLN 6,887,039.81 was disbursed for 39 properties.

The compensations paid to the former owners of properties consisted of the following amounts (**Appendix no. 4**):

- for land in all 39 cases (total amount of PLN 6,520,424.61);

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<sup>7</sup> 2 State Treasury properties were not subject to compensation payments.

- for plantings – 26 cases (total amount of PLN 41,774.00);
- for construction components – 3 cases (amount of PLN 48,659.00 – parts of the fence).

In 23 cases (conc. properties of natural persons), the compensation was increased by a bonus, i.e. an additional 5%, for a total amount of PLN 276,182.20. This concerned the cases where the owners released the property within 30 days counting from the date of receiving a notice of awarding the IPIP decision. The basis and regulation for the right to increase the remuneration in connection with the release of a property is governed by the provisions of the Special Flood Act.

Payments were mainly effected by transfers to designated bank accounts and, in 1 case, by postal orders (postal order fee of PLN 9.70 was covered as part of the costs of implementing the LARAP).

As indicated above, in 6 cases compensation for permanent occupation (expropriated properties), in the amount of PLN 109,620.82, was directed to a court deposit (**Appendix no. 8**). Payment into the deposit was made due to unresolved ownership issues of properties belonging to natural persons.

All compensations collected in the deposit are available all the time to those who settle ownership issues and submit an appropriate application to the court (**Appendix no. 9**).

The process of land acquisition and compensation payments was completed before the execution of works except for one case. The case was described in the Supplement to the LARAP, for which the WB's NO was granted (details are described in chapter 5.3).

The land acquisition process, with a particular focus on the payment of compensations, 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 3.** Summary of monitoring indicators used in the implementation of Contract 3A.2/3 implemented by SWH PW RZGW in Cracow

Indicator	Information source	Frequency of monitoring	Progress indicator	Value
<b>Assumed parameters</b>				
People exposed to flood	Data from model tests	Once at the investment preparation stage	Quantity	2,400 people and more than 50 business units
Number of hectares of land at risk of flooding	Data from model tests	Once at the investment preparation stage	Quantity [ha]	216
Number of properties subject to permanent occupation (see Table 1)	IPIP decision	Once after decision is issued	Number (pcs.)	41
Number of properties subject to permanent restriction in use (see Table 1)	IPIP decision	Once after decision is issued	Number (pcs.)	2
Number of properties subject to obligatory	IPIP decision	Once after decision is issued	Number (pcs.)	5

Indicator	Information source	Frequency of monitoring	Progress indicator	Value
network reconstruction (see Table 1)				
Number of project affected persons (PAP)	Land and mortgage registers, extracts from land registers, IPIP decision	Once after decision is issued, ongoing updates during the process of negotiating and disbursing compensations	Quantity	263*
Number of acquired properties	Consultant's registers	Monthly/Quarterly	Number (pcs.)	41
Number of properties for which compensation should be paid	Consultant's registers	Once	Quantity	39**
<b>Achieved parameters</b>				
Number of people protected against flood	RZGW/ Consultant's registers	One time after Contract execution	Quantity	2,400 people and more than 50 business units
Number of hectares protected from flood	RZGW/ Consultant's registers	One time after Contract execution	Quantity [ha]	216
Amount of compensation paid for land	RZGW/ Consultant's registers	One time after Contract execution	PLN	6,520,424.61
Amount of compensation paid for plantings	RZGW/ Consultant's registers	One time after Contract execution	PLN	41,774.00
Amount of compensation paid for land components	RZGW/ Consultant's registers	One time after Contract execution	PLN	48,659.00
Amount of all expenses for compensations (actual)	Investor's financial registers <b>Appendix no. 4</b>	Monthly/Quarterly	PLN	6,887,039.81
Number of acquired properties	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	41
Number of properties for which compensation was paid	Consultant's registers	Once	Quantity	39**
<b>Performance indicators</b>				
Number of complaints	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	10
Number of complaints positively resolved	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	10

Indicator	Information source	Frequency of monitoring	Progress indicator	Value
Disbursed compensations, miscellaneous	Financial registers of RZGW	Monthly/Quarterly	%	100 – disbursements allowing access to land; 98.41 – disbursements to PAPs***
Compensations directed to court deposit	Financial registers of RZGW <b>Appendix no. 8</b>	Monthly/Quarterly	PLN	109,620.82
Remains to be paid – compensation for ORN	Financial registers of RZGW	Monthly/Quarterly	PLN	989.00

\* all PAPs and Municipality are included in the value of 263, however, if a person or persons owned more than one property that was subject to occupation, they were counted only once, hence there are more persons in the anonymised list in Appendix 4 (column C).

\*\* other 2 cases were State Treasury plots and no compensation was due.

\*\*\* 1.59% of the total amount of compensations 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 (in line with the Land Acquisition and Resettlement Framework: "(...) *Depositing the amount of compensation in a court trust 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.

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

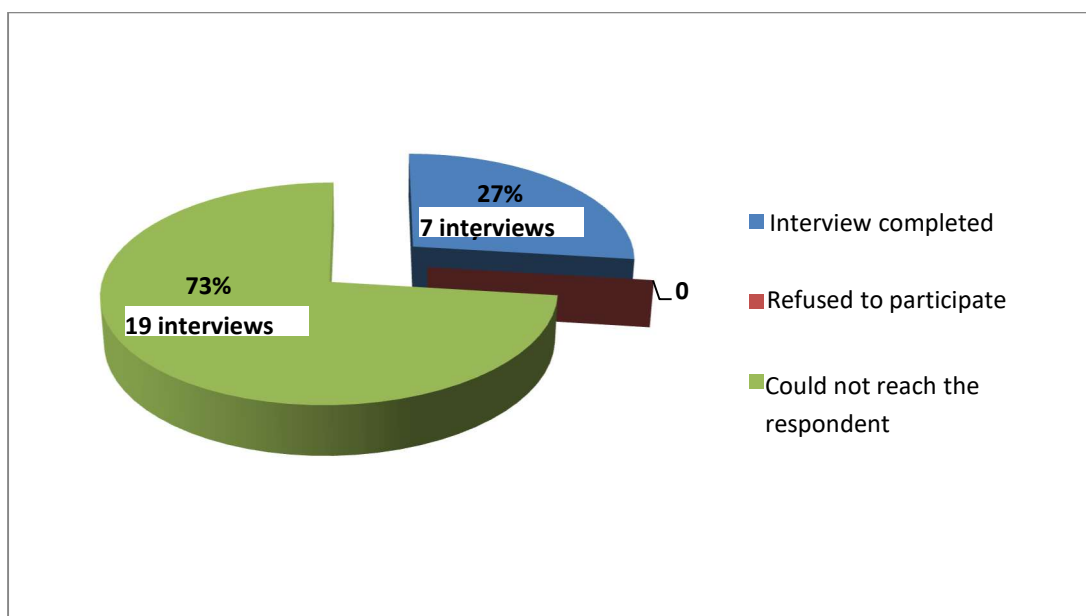
A socio-economic study was conducted by the Consultant's team in January to February 2020 (at the LARAP preparation stage). The basic source of information concerning the development and use of the properties to be acquired, apart from the information provided by PAPs, was the analysis of GIS data and written extracts and copies from the land and building register, property split maps, mortgage register data, information obtained from Geoportal, as well as by verification on the Contract implementation site. The ownership status of the properties to be acquired was established based on a record of land and buildings and based on land and mortgage registers. The presence of infrastructure was confirmed by analysing GIS data, written extracts from the land and building register, and design documentation (including construction designs), as well as by verification on the Contract implementation site.

In case of social impacts, the basic source of 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.

The main source of data in the study are the results of a population-based field survey, which aimed to reach every owner of plots located in the project area and subject to the expropriation procedure for more than 10% of the area. The survey also included data obtained during visits on the Contract implementation site, as well as CSO's statistic data and materials published on the internet.



Standardised questionnaire interviews constituted the data gathering method. Responses to all questions were recorded. Interviews were partially carried out over the phone; this relates mainly to cases when direct contact with plot owners was impossible or very difficult.



**Fig.3.** Summary of results of questionnaire studies

Among the households covered by the expropriation procedure, no such were identified requiring physical and economic resettlement in connection with the conducted investment and which would be significantly affected by the investment.

As already indicated, the construction of the Malinówka 3 reservoir did not necessitate the resettlement of households. The area earmarked for the project is a river valley, often flooded in the spring and during heavy rainfall in the summer, hence no buildings existed on this area. The area was a green area with the character of meadows and pastures not in agricultural use and was strongly subject to ecological succession (more than 90% of the land occupied for reservoir construction).

Due to the objections raised at the stage of the socio-economic study by the PAP, the permanent occupation of 1 property owned by natural person was waived (PAP did not want even a small part of his plot to be occupied, and its location at the edge of the reservoir allowed for changing the course of the shoreline). This was made possible by the early stage of the design works at which the socio-economic study was conducted.

There were built-up properties located in the adjacency of the investment area, which to a certain degree experienced the nuisance of construction works, noise, and other related factors, but currently they are the biggest beneficiaries of improving flood safety. At the investment stage, by applying the mitigation and minimisation measures (as described in the LARAP and EMP for Contract 3A.2/3 – Flood protection in Serafa Valley – Malinówka 3 reservoir), the Investment implementation did not cause disturbances in the daily functioning of these households.



### Results of survey studies after the completion of Contract 3A.2/3

Survey studies were conducted after the completion of Contract 3A.2/3 implementation (in May 2025) among PAPs.

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

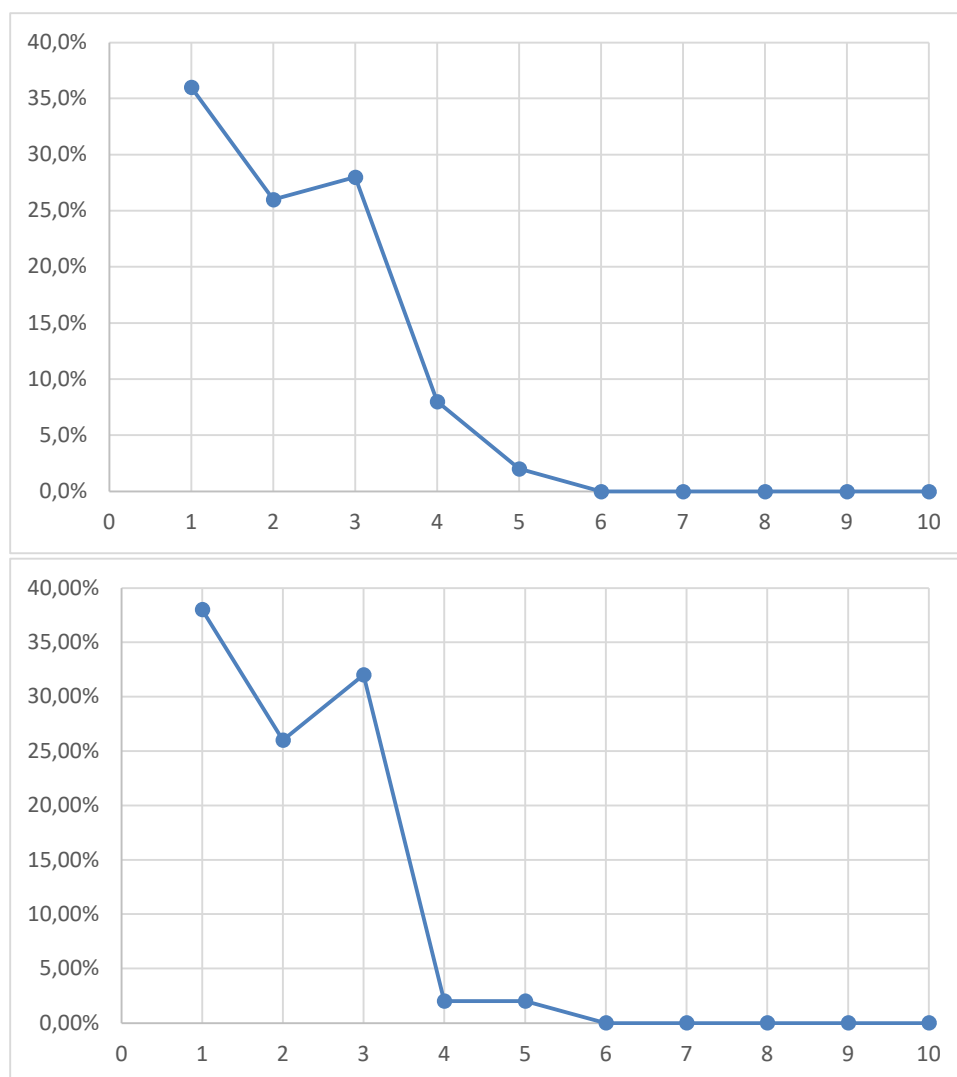
The studies were conducted through face-to-face questionnaire interviews, which ensured that the PAPs' views were obtained more effectively than studies conducted by correspondence. The direct contact between the researcher and the respondent also allowed, in many cases, to assist the PAPs to complete the questionnaire by providing explanations on the wording used or on such a seemingly trivial issue as reading the questions and noting down the answers - especially with regard to elderly citizens. 50 representatives of the 34 households affected by Contract 3A.2/3 took part in the survey (concerning permanent occupation).

The set of completed questionnaires obtained was archived by the PIO. This can be made available for review by those interested, as the questionnaires were completed anonymously.

98.0% of the respondents noted that the pursued investment had a positive/strongly positive impact on PAPs and their relatives. 2.0 % answered that they had experienced neither a positive nor a negative impact.

When it came to the answer about the impact on the community in which the PAP resides, also approx. 98.0% answered that the impact was *definitely positive and positive*, a 2.0% that it was neither *positive nor negative*.

There was no response in which any PAP would state that the investment had affected him or her and his or her relatives negatively, or had negatively impacted the community in which they live.



Question 5

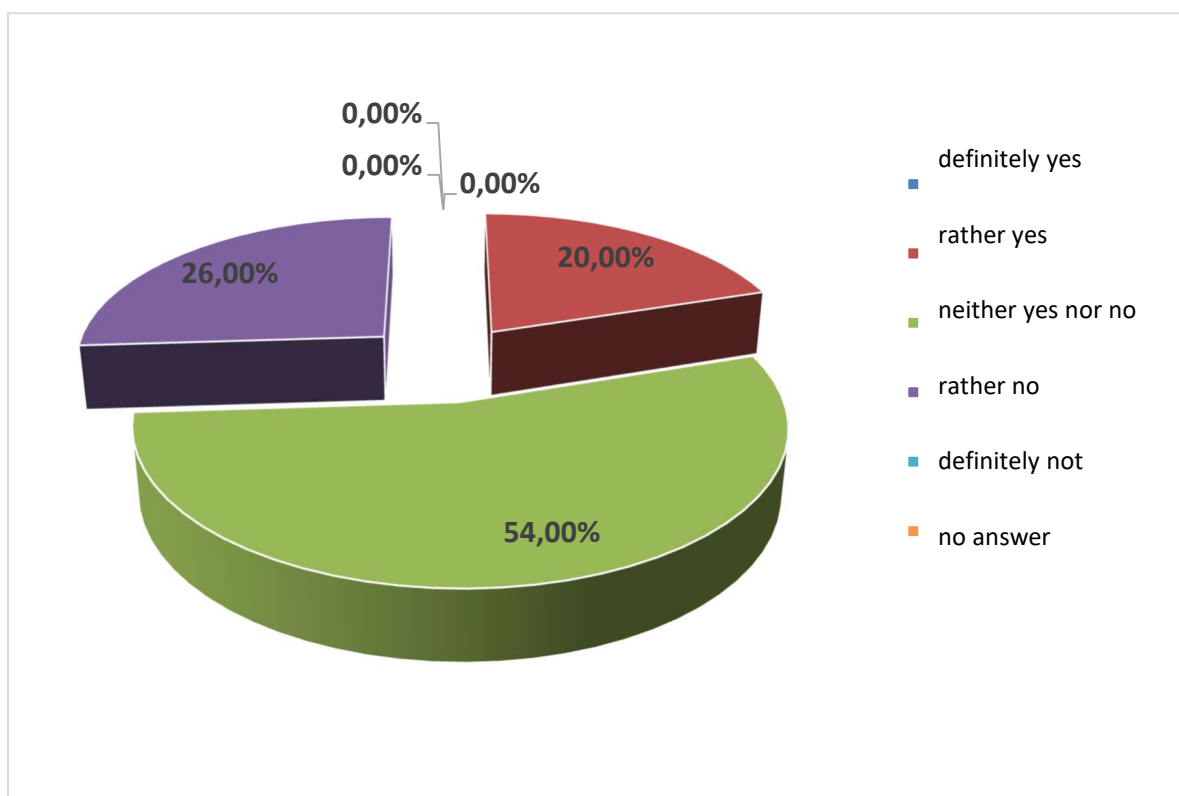
Question 6

**Fig. 4.** Answers to question 5 - whether the implementation of the flood protection investment has influenced you and your loved ones and question 6 about the impact on the community one lives in

94.0% of the respondents indicated that they had no concerns about the investment implementation, 6.0% indicated that they had such concerns, while during implementation their concerns were not confirmed and now that the construction of the dry flood protection reservoir has been implemented, they view the investment in a definitely very positive light. The positive impact of the investment on the household and the local community as a whole was indicated by 100% of respondents. Many of the people interviewed mentioned that the community had gained a new area for recreation and walking.

When asked: "As a result of the implementation of the flood protection investment, has your household's socio-economic situation been maintained at pre-project levels?" 8.0% of respondents answered definitely yes, 62.0% *rather yes*, 30.0% *neither yes nor no*.

Answers to the question: "Has the construction of the flood protection investment affected the livelihoods of your household?" are illustrated in the diagram below.



**Fig. 5.** Answers received to the question on the impact of investment implementation on the household's livelihoods (que. 8).

54.0% of the surveyed PAPs answered *neither yes nor no*, 26.0% answered *rather no* when asked about the impact of the investment implementation on livelihoods, whilst 20.0% answered *rather yes* (without, however, specifying what they understood by this impact). None of the persons indicated that the Contract had definitely affected their sources of income. At the same time, in response to a further question linked to this topic, conc. the impact of the investment on the improvement of their living conditions and/or livelihoods – 4.0% answered *definitely yes*, 34.0%, *rather yes*, 44% *neither yes nor no*, 18.0% *rather no*.

When asked: "Was the compensation you received sufficient to compensate/restore the impact/assets lost caused by the flood protection investment", the majority of respondents, 74.0%, answered *definitely yes* and *rather yes*. 24.0% answered that *neither yes nor no*. In a single case, the PAP answered *rather no*.

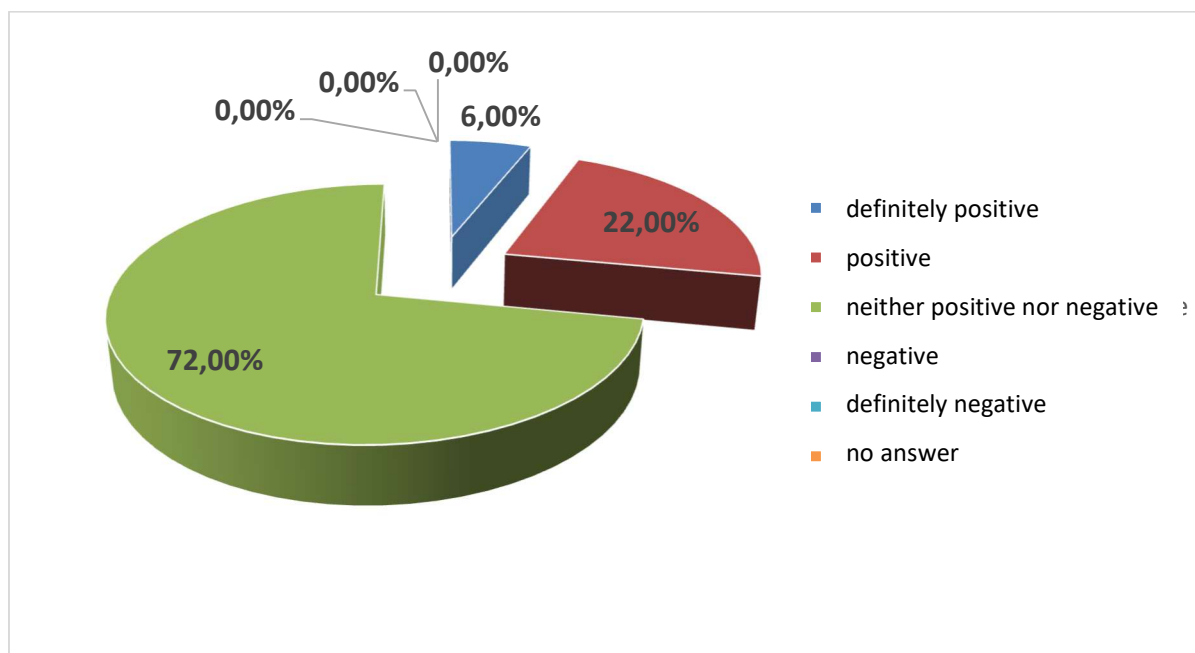
In general, the surveyed persons confirmed that they had received compensation in a timely manner and in accordance with the rules indicated in the Land Acquisition and Resettlement Action Plan (46.0% - *definitely yes*, 54% - *rather yes*). There was an equally positive response to the question of whether the expropriation took place in accordance with Polish law and World Bank policies (46.0% - *definitely yes*, 54% - *rather yes*).

Question no. 14: was the expropriation deadline indicated in the LARAP clear and was the process conducted as announced and expected - was answered: 24.0% - *definitely yes*, 72.0% - *rather yes* and 4.0% - *neither yes nor no*.

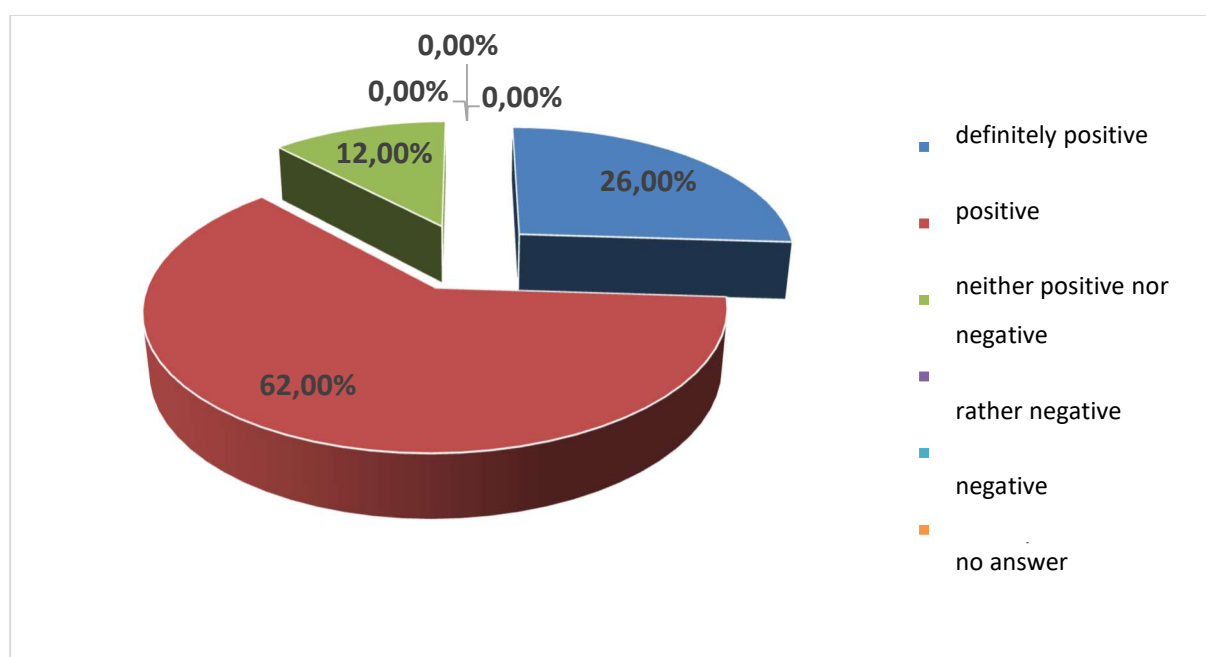
Five respondents answered the questions (nos. 15 and 16) concerning the temporary occupation of properties. Those answering these questions marked the answer that the temporary occupation “had no impact” on the household.

To the question "was the information you received as part of the process about the impacts caused and the planned compensation/mitigation measures sufficient for you", the respondents answered: *definitely yes* – 44.0%, *rather yes* – 56.0%.

The mechanism for reporting and handling complaints was positively assessed, the responses are presented in the chart below.



**Fig. 6.** Responses received to the question on how the PAP evaluates the complaint reporting and handling mechanism used in the process (que. 18).



**Fig. 7.** Responses received to the question on how the PAP evaluates the stakeholder engagement applied as part of the process, including those affected by the construction of the reservoir/flood protection investment (question 19).

The respondents expressed very positive opinions on the method of stakeholder engagement used as part of the process, including those affected by the flood control project (26.0% indicated a *strongly positive* response, 62.0% a *positive* response, 12.0% *neither positive nor negative*).

In response to question 20 regarding difficulties in receiving the compensation, 100% of respondents answered that there *were no difficulties* in this regard.

Similarly positive responses were received from those representing local authorities. These people indicated that project implementation has had a positive impact on both their relatives and the entire community they lead.

**Under Contract 3A.2/3, compensation was paid for land, plantings and for components (e.g. parts of fences). A 5% bonus was also paid for the timely release of the property.** In the absence of economic and physical resettlement, there was no need to pay additional amounts of compensation related to resettlement or loss of sources of income for PAPs.

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

**Table 4.** Summary of the costs of implementing the LARAP.

Item	Quantity	Amount
Total amount of compensation for permanent occupation, including plantings and infrastructure elements, including:	<b>3.7230 ha</b>	<b>6,887,039.81 PLN</b>
- compensation for permanent occupation paid to PAP	<b>41 properties</b>	<b>6,777,418.99 PLN</b>
- compensation for permanent occupation paid to court deposit	<b>6 cases</b>	<b>109,620.82 PLN</b>
Compensation for permanent restriction in property use	<b>0*</b>	<b>0.00 PLN</b>
Compensation connected with the obligation to reconstruct the network	<b>5 cases remain to be paid</b>	<b>989.00 PLN</b>
Purchase of remnants	5 properties + 1 payment of compensation**	<b>348,870.67 PLN</b>
Court fees***	3 cases	<b>2,100.00 PLN</b>
Other implementation costs of LARAP****	1 case	<b>9.70 PLN</b>

Item	Quantity	Amount
TOTAL	-	7,238,020.18 PLN + 989.00 PLN

\* no permanent restriction in use had to be imposed on any of the properties due to design changes

\*\* details are described in chapter 5.3

\*\*\* fees for applications submitted, notices in the press and curator's fees

\*\*\*\* cost of postage.

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

Compensation was paid by SWH PW RZGW by transfer from the account to the PAP's indicated bank account, by postal order to the PAP's home address or by transfer to the deposit account.

As per the WB's Operational Policy OP 4.12, compensations were made prior to the commencement of construction works, in all cases where payments could be made to existing owners. In the absence of a person entitled to be paid the compensation (deceased owners, owners not found or no documents clearly showing who the owner is) the amounts due were deposited with the court. These funds are available and will be paid immediately to eligible persons.

**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 - details of the new actions are given in chapter 3.5.3). There were no deviations in LARAP implementation.**

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

#### 3.5.3.1 PIU's strategy for court deposits

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 Interim Report on LARAP implementation.

**It is the responsibility of the court to inform potential beneficiaries of the deposit submitted according to the provisions of Polish law.**

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.

**In addition, if the person entitled to receive the deposit is unknown or his or her place of residence is unknown, the court shall appoint 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.**

Compensations were deposited with the court in 6 cases (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 being directed into the deposit. This allowed to complete the PIU's knowledge of the legal situation of the given property.

3. The following procedure was applied:

- (i) lists of properties were prepared for which no owner information is available and the Municipality's department 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 a property on the list about a 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);

- (ii) letters were sent out/contact by telephone or face-to-face contact was made (depending on the data available to the PIU) with entitled persons and they were reminded of the deposit; it was proposed, where appropriate, to assist the PAPs in taking funds from the deposit once ownership issues are settled.

### **3.5. 4 Permanent restriction to the manner of property use (PR)**

Two properties belonging to the Municipality of Cracow (road plots) were subject to a permanent restriction to the manner of property use as per the provisions of the IPIP decision. Design changes that eliminated the need for a permanent restriction in the use of the properties were introduced during the investment execution – so there is no need to pay compensation for this, either.

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

### **3.5.5 Obligation to reconstruct the network (ORN)**

The obligation to reconstruct the **existing network of land utilities** was indicated in the IPIP decision for 6 properties; the obligation consisted of the **temporary** restriction in the use of the property. As

per the principle adopted in the LARAP, the obligation to reconstruct the network as a rule is compensated in cash. The basis for determining the amount of such compensation are appraisal reports prepared by an independent expert acting at the Investor's expense. Such compensation is paid on the basis of a written agreement between the Investor and the PAP. If there is no consensus between the parties as to the amount of compensation, the PAP will be entitled to an appeal mechanism.

As part of Contract 3A.2/3, the existing medium voltage and low voltage power network running through 6 properties, including 5 properties of natural persons and 1 State Treasury property, were subject to reconstruction (see **Appendix no. 4** for details).

Compensation for State Treasury properties is not paid.

For the properties owned by natural persons, compensation remains to be agreed and paid for 5 properties. Such actions are underway and will be described in the in the supplement which, together with this Report, will constitute Final Report on LARAP Implementation.

### 3.5.6 Right to use the property for construction purposes (PDDG)

For 1 property, construction works were performed by the Investor on the basis of the right to use a property for construction purposes (this is a property belonging to the State Treasury, the representative of the stock is SWH PW).

In the case of the above-mentioned property on which works were executed based on the right to use a property for construction purposes, the Investor has submitted a declaration to the Province Governor on the right to performs construction works on these plots. As a general rule, properties (other than that of the State Treasury) are used for construction purposes based on obtaining the voluntary written consents of the owners and holders to occupy the property free of charge and perform the planned construction works.

### 3.5.7 Contractor's temporary occupation

The Contractor acquired by its own efforts and at its own cost 4 properties belonging to natural persons. Detailed data for temporary occupation is shown in **Appendix no. 5**. This process was implemented based upon the rule of voluntarity 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 acquired by the Contractor for temporary occupation were restored to the original state after the completion of the works to enable their owners to use them in the same manner as before Contract implementation. These issues were monitored by the Contract Engineer for the entire execution period of works. The Engineer conducted site inspections of the plots and requested that the Contractor provides statements of the settlement of liabilities to their owners. The issues of temporary occupation were regularly discussed at Construction Site Meetings and described in the Contractor's Monthly Reports.

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

### 3.5.8 Purchase of “remnants”

As part of the information campaign described in line with the LARAP, people affected by the consequences of Project implementation were informed about the possibility of applying for the purchase of the remaining part of the property (so-called “remnants”), if after the division of the property and occupying part of it for the investment, the remaining part will not be suitable for further use for the existing purposes (as per Article 23(2) of the Special Flood Act).

7 applications were submitted by natural persons to purchase the so-called “remnants” under Contract 3A.2/3. One of the applications included two plots.

Four applications were considered positively, three applications were refused, as the properties did not meet the conditions indicated in Article 23(2) of the Special Flood Act (item 3 and 6 in table 5 below), the plots the PAPs applied for purchase were plots with a large area, with access to public road and fit for further management as managed prior to the Contract execution, so no grounds were found to purchase them. The PAPs were informed of the legal opportunities how to act in this regard, but did not exercise this right.

In one case (item 7 in table 5 below), the plot for which the PAP applied for purchase was not within the investment area, but only adjacent to it, in addition it was a plot that had 3 co-owners, and only one of them applied for purchase (specifying to purchase the one-third of the share in the plot belonging to this person) – the others were not interested in purchase because they continue to use the plot in question, there were no grounds to qualify this plot of land for purchase as a “remnant”. However, considering that the PAP which had requested to purchase a one-third share in the property had ceased to use it, as it was an access road to the PAP's plot, which was fully expropriated for the construction of the Malinówka 3 reservoir, a special procedure was implemented, which is described in chapter 5.3 of this Report.

4 notary deeds were signed under which 5 “remnants” were purchased.

The requests submitted were evaluated based on a special procedure described in chapter 8.2.4 of the LARAP.

**The measures required under the LARAP, concerning the purchase of “remnants”, have been implemented. There were no deviations in the implementation of the LARAP.**

**Table 5.** Summary of applications submitted to purchase the “remnants”.

No.	Plot no. before division	Plot no. expropriated for investment	Plot no. applied to purchase	Precinct	Recommendation	Person applying for purchase	Amount of property purchase	Signing the protocol	Notary deed of purchase
1	143/3	143/8	<b>143/9</b>	99 Podgórze	YES	Natural persons	PLN 17,630.00	Protocol of 02/01/2024	Signed on 03/15/2024 Rep A no. 3829/2024
	164/1	164/4	<b>164/5</b>		YES		PLN 14,297.00	Protocol of 02/01/2024	
2	144/3	144/6	<b>144/7</b>	99 Podgórze	YES	Natural person	PLN 18,619.00	Protocol of 07/21/2023	Signed on 09/15/2023 <u>Rep A no. 9213/2023</u>
3	167/2	167/5	<b>167/6</b>	99 Podgórze	NO	Natural person			
4	189/9	189/19	<b>189/18</b>	3 Wieliczka	YES	Natural person	PLN 259,693.00	Protocol of 03/01/2023	Signed on 08/23/2023 <u>Rep A no. 8567/2023</u>
5	142/1	142/4	<b>142/5</b>	99 Podgórze	YES	Natural person	PLN 21,119.00	Protocol of 07/21/2023	Signed on 10/30/2023 <u>Rep A no. 10442/2023</u>
6	171/10	171/13	<b>171/14</b>	99 Podgórze	NO	Natural persons			
7	–	178/11 178/6 178/7	<b>178/12</b>	100 Podgórze	NO (OTHER WAY OF RESOLVING THE MATTER)	Natural person	See chapter 5.3		

## 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.2/3 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

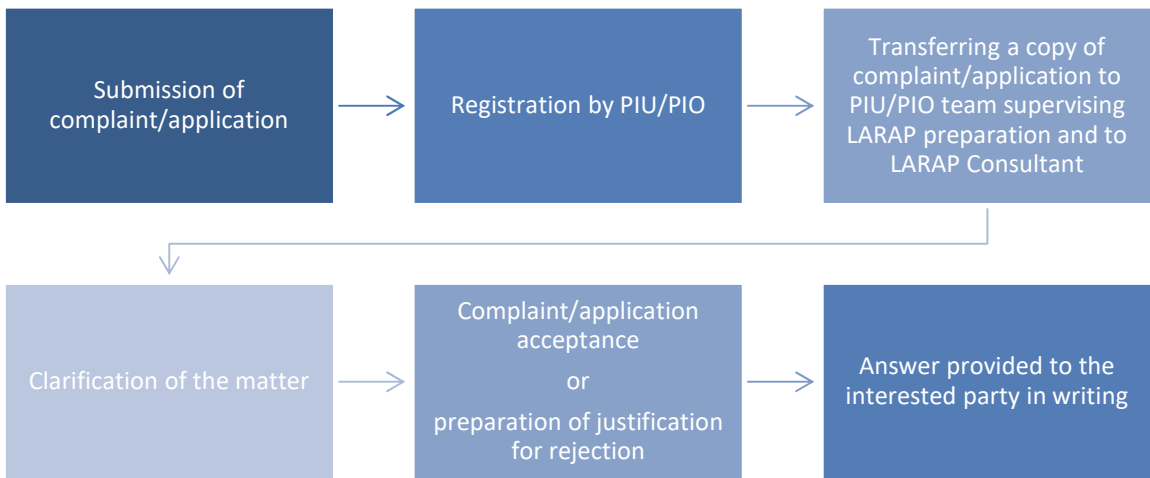
- Via the Internet:

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

e-mail: [jrp.krakow@wody.gov.pl](mailto:jrp.krakow@wody.gov.pl)

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

**Fig. 6** 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.2/3.

**4.2 SUMMARY OF GRIEVANCES AND APPLICATIONS**

The grievances filed and how they were dealt with are described in the table below.

## List of grievances

No.	Date of grievance	Entity submitting the grievance	Subject/issue of the grievance	Method of resolving
1	09/27/2019 to WB	PAP 1	<p>The PAP has requested the WB to block the implementation of Contract 3A.2/3, as there were numerous concerns about the safety in the place of residence.</p> <p>PAP's email was addressed to the WB (Warsaw headquarters) regarding the complaint and claim:</p> <ol style="list-style-type: none"> <li>1. loss of safety and deterioration of living conditions,</li> <li>2. decrease in the value of the properties,</li> <li>3. blocking the possibility of the estate development, including recreation,</li> <li>4. lack of information on the planned reservoir in the LSDP in Wieliczka,</li> <li>5. negative impact on green areas, including the fear of tree felling.</li> </ol>	<p>Telephone contact with PAP, arranging a meeting, preparing and sending information by e-mail with technical data and a description of design solutions that guarantee safety and minimise environmental interference.</p> <p>From the beginning of the design phase, organising meetings with PAPs and representatives of housing communities to gather opinions and identify public expectations.</p> <p>Reservations and expectations of the residents were taken into account in technical aspects of the design documentation being developed.</p> <p>In 2020, conducting email correspondence between the PAP and the Consultant.</p> <p>Involving the PAP in the regular project information meetings that were organised for the residents of the Secesja estate.</p> <p>Due to the epidemiological threat in the country, the meetings were suspended in March 2020.</p> <p>From November 2020, contacts via online platform - video conference on 12/11/2020 with PAP and representatives of the Secesja Estate in Wieliczka to clarify any design and administrative issues related to the Contract.</p> <p>Complaint concluded with approval of the Contract by the PAP.</p>
2	09/28/2019	Housing Community - Modrzewiowa 55 cde	Complaint conc. the rights to the land on which the investment will be executed	Social conflict with the residents of the Modrzewiowa 55 cde Housing Community due to the occupation of land that was promised by the Developer, who sold flats to the residents of the buildings at Modrzewiowa 55 cde - as recreational areas and car parks

No.	Date of grievance	Entity submitting the grievance	Subject/issue of the grievance	Method of resolving
			promised by a third party (Developer)	<p>for residents, for the bowl of the Malinówka 3 reservoir; expectations of the Community's residents to make significant changes to the design documentation.</p> <p>The actions taken: A response and clarifications were prepared concerning the reservoir planned to be built.</p> <p>In March 2020, information meetings were launched with residents of the estate. Appropriate information materials were prepared. Meetings were scheduled four times a week: on Mondays, Wednesdays and Fridays from 5.00 p.m. to 7.00 p.m. and on Tuesdays from 10.00 a.m. to 12.00 p.m. The meetings were attended by representatives of the Consultant, including the designer, legal services specialist.</p> <p>Due to the epidemiological threat in the country, the meetings were suspended until March 11, 2020.</p> <p>From November 2020, contacts via online platform were initiated. A video-conference was held with PAPs and representatives of the Secesja estate in Wieliczka on 11/12/2020 to clarify all design and administrative issues of Contract implementation.</p> <p>Then, on 11/27/2020, a webinar was held, open to all interested parties. All design and administrative issues of Contract implementation were clarified at the meetings. Additional minimisation measures were developed for the residents of the Secession estate (see chapter 5.3).</p> <p>Complaint concluded with approval of the Contract by the PAP.</p>

No.	Date of grievance	Entity submitting the grievance	Subject/issue of the grievance	Method of resolving
3	06/21/2021 (to the Ministry of Climate and Environment)	PAP2 <sup>8</sup>	The decision of the Minister of Climate and Environment of May 24, 2021 was challenged in its entirety (grievance regarding the decision approving the geological works project)	On 06/21/2021, an application for reconsidering the issued decision approving the design of geological works was submitted to the Minister of Climate and Environment. The party contested entirely the decision of the Minister of Climate and Environment of May 24, 2021, and applied to reconsider the case entirely by the Minister of Climate and Environment by revoking the challenged decision entirely and to rule on the merits of the case. On 09/17/2021, MKiŚ issued the decision upholding the challenged decision of MKiŚ of 05/24/.2021.  The complaint case was closed.
4	09/16/2021 (to the Minister of Infrastructure)	PAP2	The decision of the Minister of Infrastructure of August 20, 2021 was challenged in its entirety (grievance regarding the water permit decision)	On 09/16/2021, an application for reconsidering the case for a water permit was submitted to the Minister of Infrastructure. The party contested entirely the decision of the Minister of Infrastructure of August 20, 2021, and applied to reconsider the case entirely by the Minister of Infrastructure by revoking the challenged decision entirely and to rule on the merits of the case. On 11/18/2021, the Minister of Infrastructure issued a ruling in which it refused to suspend the immediate implementation of the water permit decision of 08/20/2021. On 12/29/2021, the Minister issued a decision upholding the contested decision of the Minister of Infrastructure of August 20, 2021.  The complaint case was closed.
5	12/28/2021	PAP2	Grievance to the World Bank	With the letter of December 20, 2021, the PAP2's representative addressed a complaint to the Polish Branch of the World Bank in Warsaw conc. compensation to the owner of the property expropriated as part of the implemented Contract. The response to the PAP was sent by the World Bank on 05/14/2022.

<sup>8</sup> The PAP2 designation refers to one individual person who consistently appealed against all administrative decisions issued for Works Contract 3A.2/3. The complaints presented in this table also refer to matters outside the LARAP, but illustrate all complaints filed under the Contract by PAP2. [Page | 47](#)

No.	Date of grievance	Entity submitting the grievance	Subject/issue of the grievance	Method of resolving
				<p>Moreover, as the PAP pointed out to be interested in the land-for-land exchange, steps were taken to obtain a replacement property. The Municipality of Wieliczka had such property available. 2 exchange scenarios were thus developed and a Supplement to the LARAP was prepared describing the compensation package prepared for the PAP. A supplement to the LARAP was accepted by the Bank. This matter is described in more detail in chapter 5.3.</p> <p>After arrangements with the PAP, the PAP eventually decided for compensation to be paid, as determined by the Province Governor of Małopolskie.</p> <p>The complaint case was closed.</p>
6	02/25/2022 (to Małopolskie Provincial Office)	PAP2	Appeal to the Minister of Development and Technology against the decision of the Province Governor of Małopolskie of 01/24/2022 (grievance regarding the IPIP decision)	<p>On 02/25/2022, an appeal against the IPIP decision issued on 01/24/2022 was filed with the Provincial Office. The appeal was brought against the entire decision and the order of immediate enforceability was challenged.</p> <p>On 04/26/2022, the SWH PW received a copy of a letter addressed by the Minister to RDOŚ in Cracow of 04/15/2022 requesting to clarify the finality of the environmental decision of 09/15/2021.</p> <p>On 06/24/2022, the MD&amp;T issued a decision upholding the validity of the challenged IPIP decision. This decision is final.</p> <p>On 06/24/2022, the MD&amp;T issued an additional ruling maintaining the order of immediate enforceability of the IPIP decision.</p> <p>The complaint case was closed.</p>
7	02/15/2022 (complaint to PAC)	PAP2	Appeal to the Provincial Administrative Court of 02/15/2022 (grievance regarding the water permit decision)	<p>An appeal of PAP2 to the Provincial Administrative Court in Warsaw was filed with the letter of 02/15/2022 concerning the Minister of Infrastructure's decision of 12/29/2021 maintaining the validity of the decision of the Minister of Infrastructure of 08/29/2021, upon which water permits were granted.</p> <p>The complaint was dismissed with the PAC's judgement; the ruling is final.</p> <p>The complaint case was closed.</p>



No.	Date of grievance	Entity submitting the grievance	Subject/issue of the grievance	Method of resolving
8	06/24/2022 (complaint to PAC)	PAP2	Appeal to the Provincial Administrative Court of 06/24/2022 (grievance regarding the IPIP decision)	<p>On 08/22/2022, an announcement was posted at the MD&amp;T's website that the PAP2's claim was forwarded to the Provincial Administrative Court in Warsaw. The subject of the claim is the decision of the Minister of Development and Technology of June 24, 2022, revoking in part and ruling in this regard on the merits of the case, and in the remaining part upholding the validity of the decision of the Province Governor of Małopolskie no. 01/2022 of January 24, 2022.</p> <p>With the letter of December 30, 2022, the Provincial Administrative Court in Warsaw forwarded a copy of the judgement in the case. As per the PAC's decision, a legal proceeding was discontinued to the extent that the contested decision had been revoked under the decision of the Minister of Development and Technology of August 11, 2022, and the claim was dismissed in the remaining scope (judgement of November 24, 2022).</p> <p>The complaint case was closed.</p>
9	10/07/2022 (complaint to GDOŚ)	PAP2	Complaint to the General Directorate for Environmental Protection of 10/07/2022 (grievance regarding the change of environmental decision)	<p>With the letter of 10/07/2022, RDOŚ forwarded the PAP2's appeal to the General Directorate for Environmental Protection, which was received within the statutory time limit. Moreover, with a notice of 10/07/2022. RDOŚ issued a notice notifying the parties to the proceedings of the appeal filed.</p> <p>With the notice of 11/24/2022, GDOŚ informed that all evidence in the case was collected.</p> <p>With the letter of 01/12/2023, GDOŚ issued a decision refusing to suspend the immediate enforcement of the decision.</p> <p>The complaint case was closed.</p>
10	02/17/2023 (cassation appeal to PAC)	PAP2	Cassation appeal to the Provincial Administrative Court in Warsaw of 02/17/2023. (grievance regarding the IPIP decision)	<p>With the letter of 02/27/2023, a copy was delivered of a cassation appeal of February 17, 2023 lodged by the PAP2 against the ruling of November 24, 2022 referring to the complaint against the decision of the Minister of Development and Technology of June 24, 202, pertaining to a project implementation permit for a flood protection structure. After considering on 07/05/2023 - at a hearing at the General Administrative Chamber - a case brought under the cessation appeal of PAP2 against the judgement of the</p>

No.	Date of grievance	Entity submitting the grievance	Subject/issue of the grievance	Method of resolving
	02/19/2024 (cassation appeal against the judgement of the PAC of 12/12/2023)		Cassation appeal to the Provincial Administrative Court in Warsaw of 02/19/2024 (grievance regarding the change of environmental decision)	<p>Provincial Administrative Court in Warsaw of 11/24/2022, pertaining to a project implementation permit for a flood protection structure, the Supreme Administrative Court dismissed the cassation appeal. SWH PW RZGW in Cracow received a copy of the judgement on 08/22/2023.</p> <p>The complaint case was closed.</p> <p>Cassation appeal against the judgement of the PAC concerning the decision issued on 07/20/2022 by the Regional Director for Environmental Protection amending a decision on environmental conditions ref. OO.4233.13.2012.BM of 10/29/2012. (amendment of non-investment conditions I.1(1.2)(n) and I.1(1.2)(r)).</p>

Even before the implementation of the Contract at the stage of design works and during the conducted socio-economic studies, PAPs (during the conducted survey) made requests for design changes. Requests were also made during the execution of the Contract. The requests made and how they were dealt with are described in the table below.

#### List of requests

No.	Date of request	Entity submitting the request	Subject/issue of the request	Method of resolving
1	2020 - 2022 (a number of applications and individual petitions)	Residents of Biezanów, Councillors and the "Stop the Flood" Association	Construction of Malinówka 1, Malinówka 2, Malinówka 3 and Serafa 2 reservoirs as soon as possible to protect Biezanów from flooding	Preparation and construction of 4 reservoirs: Malinówka 1, Malinówka 2, Malinówka 3 and Serafa 2. Keeping stakeholders informed of the next steps and stages in the investment preparation and implementation.
2	January 2020	Owner of plot 461/2	Application to abandon the occupation of plot	In connection with the pending designs, the possibility of abandoning the occupation of the plot was examined and the occupation was abandoned.
3	November 2020	Owners of developed properties of the Secesja estate	Request not to use Modrzewiowa Street and subsequently the internal road and car park of the estate during the construction works by the Contractor and others involved in the construction of the reservoir	The application was granted, access to the construction site was organised from the side of Cracow via Hoborskiego Street.

### 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 actions 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.2/3, 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 the monitoring of LARAP implementation 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 for expropriation and expropriated,
- b) number of people requiring resettlement and already resettled (there were no such cases for Works Contract 3A.2/3),
- 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 ownership title for properties,
- f) compensations disbursed for loss of income sources,
- g) acquired and awarded replacement properties,
- 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 Interim Report on LARAP implementation.

## 5.2 IMPACT OF THE PROJECT ON PAPs AND LOCAL COMMUNITY

The land acquired from natural persons accounts for 3.6474 ha of 3.7230 ha covered by permanent occupation in connection with the implementation of Works Contract 3A.2/3 (i.e. 98% of the total area occupied for the investment). These areas were located in the valley of the Malinówka Stream, were not used for agriculture and functioned as wastelands, according to planning documents functioning as uncultivated greenery land – intended for the biological restoration of natural watercourses and ditches.

The area of the Wieliczka municipality, where the bowl of Malinówka 3 reservoir is partly located, is currently a suburban area that serves as a bedroom community for the Cracow agglomeration. It has thus lost its agricultural character and now we have a situation where the generation who is of working age, is employed outside the farm, and farming in families is a legacy of the older generation which earned their living in this way. Some such land is sold to people who want to convert the plots into building land in the future (although this is not always possible).

The lost pieces of land, plantings and building elements (part of the fence) was compensated by disbursing monetary compensations. Anyone interested in buying back the lost piece of land was able to do so through the payment of compensation at the replacement value, which were traded in the area. The process of compensation payment (except for one case) took place in advance of the occupation of properties, allowing PAPs to complete farming on these parts of plots taken over for the investment and to possibly buy back the corresponding acreage if PAP was still interested in owning the land in this area.

The social aspect of implementing the said investment should be emphasised, consisting in ensuring the sense of security for the local community living downstream of the reservoir, as well as the socio-economic expectations of the local population. First and foremost, the Project beneficiaries are the residents of the Złocień estate and the Biezanów district of Cracow (located in the Serafa valley, the tributary of which is the Malinówka stream), which was regularly flooded during heavy rainfall, who have been waiting for several years for the implementation of the entire cascade of reservoirs, including the Malinówka 3 reservoir built under Contract 3A.2/3.





**Phot. 2 – 7** Documentation of the water level in Biezanów on 08/06/2021 and of the meeting between the Director of RZGW in Cracow and the inhabitants of Biezanów on 08/20/2021.

The plots located in areas exposed to flood are less attractive, which determines their low value on the property market. This situation also represents a serious barrier and an unfavourable environment for the development of local entrepreneurship and for potential investors, which translates directly into a limitation of business development. Public concerns and barriers to development were eliminated following the implementation of Works Contract 3A.2/3. Positive social impacts, i.e. benefits for the local community, which are directly related to the investment objectives, should also be highlighted. The long-term benefits encompass:

- reducing/eliminating the hazard of flood;
- protection of private and public land and assets, including built up properties;

- psychological comfort of the local community during prolonged heavy rainfall or during the spring melt season;
- as a result of tidying up, the landscape has gained new qualities – new recreational areas have appeared (possibility to walk around and within the reservoir bowl), a new playground for children and an outdoor gym for adults and seniors and a barbecue area were built;
- protecting jobs in services, as well as in production facilities that have been secured against flood (more than 50 businesses);
- increased attractiveness of the flood-protected area for new economic/investment projects in the area.

The above conclusions were also confirmed by the local leaders (i.e. the representative of the Municipality who participated in the survey studies after the end of Contract implementation).

### 5.3 CASE STUDY – SPECIFIC EXPERIENCE CONNECTED WITH CONTRACT IMPLEMENTATION

In the case of Works Contract 3A.2/3, specific cases occurred of people influenced by the Project's impact that would trigger special procedures and actions to mitigate and compensate for impacts.

- **Secesja estate's community**

Despite a negligible direct impact associated with permanent occupation (65 m<sup>2</sup> - plot 986/2 and 43 m<sup>2</sup> - plot 986/1), the community living in the Secesja estate (located on Modrzewiowa Street in Wieliczka) became the group of people who protested most strongly against the construction of the Malinówka 3 reservoir. Their negative sentiments became apparent very early on in the design works in 2018. A wide-ranging dialogue was therefore undertaken with representatives of the Communities representing the residents, as well as the residents themselves.

In 2018, the meetings between representatives of the estate and the Consultant's team mainly concerned the presentation of plans for the proposed reservoir, as well as legal aspects of agreements/notary deeds signed by the residents with the developer (this matter is described more broadly in chapter 3.4).

A meeting of the Consultant and PIO was held on 09/24/2019 with representatives of the management board of the 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. Representatives of the estate expressed their doubts and expectations towards the Investor in connection with the implemented investment: Such aspects were mainly pinpointed as:

- a. The investment will result in a decrease in the value of apartments and land located directly by the planned reservoir;
- b. Felling trees located in the area of the reservoir bowl will cause a negative change in the landscape around the settlement - some trees were requested to be left;

- c. Assistance was requested to obtain a statement from the developer (who is the owner of neighbouring properties expropriated for the reservoir) to transfer the properties to the estate's residents;
- d. The Investor was asked to finance a 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; it was 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 (assuming it was adequately designed and constructed), that the number of trees necessary for removal will be analysed and the option of possible replacement planting. 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 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 p.m. to 7.00 p.m. and on Tuesdays from 10.00 a.m. to 12.00 p.m. Several discussions were held with the residents during the meetings and a larger meeting with the residents' representatives was scheduled for 03/11/2020. Unfortunately, in connection with the existing epidemic threat situation in the country, on 03/11/2020, it was decided to suspend the holding of information meetings. However, e-mail and telephone communication was available all the time. Leaflets were made available to the residents with contact details to the Consultant's representatives furnishing information on technical and legal matters.

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

The Consultant explained the residents' doubts on an ongoing basis, being in constant telephone and e-mail contact with its representatives, and sent technical information with a description of design solutions that guarantee safety and minimise interference with the environment. Reservations and expectations of the residents were taken into account in technical aspects of the design documentation developed.

The minimisation measures included:



- designing adequately a rainwater drainage system from the estate,
- designing a retaining wall to ensure the stability of the slope on which the estate is built, together with a drainage system to ensure rapid collection of surface run-off rainwater from the estate,
- preparing the area and building a playground and a walkway to the other side of the stream to ensure that residents can use the entire reservoir bowl as a walking and recreation area,
- constructing a convenient descent way to the bowl for residents, but at the same time also ensuring that the roads to maintain the reservoir are routed in such a way that it is not possible to drive from the reservoir into the estate.

#### DESIGN CHANGES



Rainwater drainage from the housing estate below the dam Retaining wall with drainage to prevent water filtration and ensure soil stabilisation



Area designated for a playground and crossing to the other side of the stream, planting of bushes



Wall in the form of a wall with a cap 44 m long and 50-70 cm high as protection against slope erosion



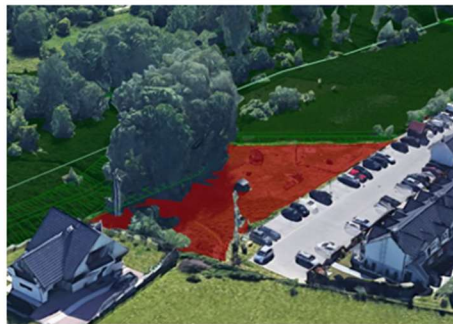
Access to the reservoir area and ensuring residents' access to the reservoir bowl, as well as protecting the residential area from vehicles entering the dam.

The residents were invited to design the playground together

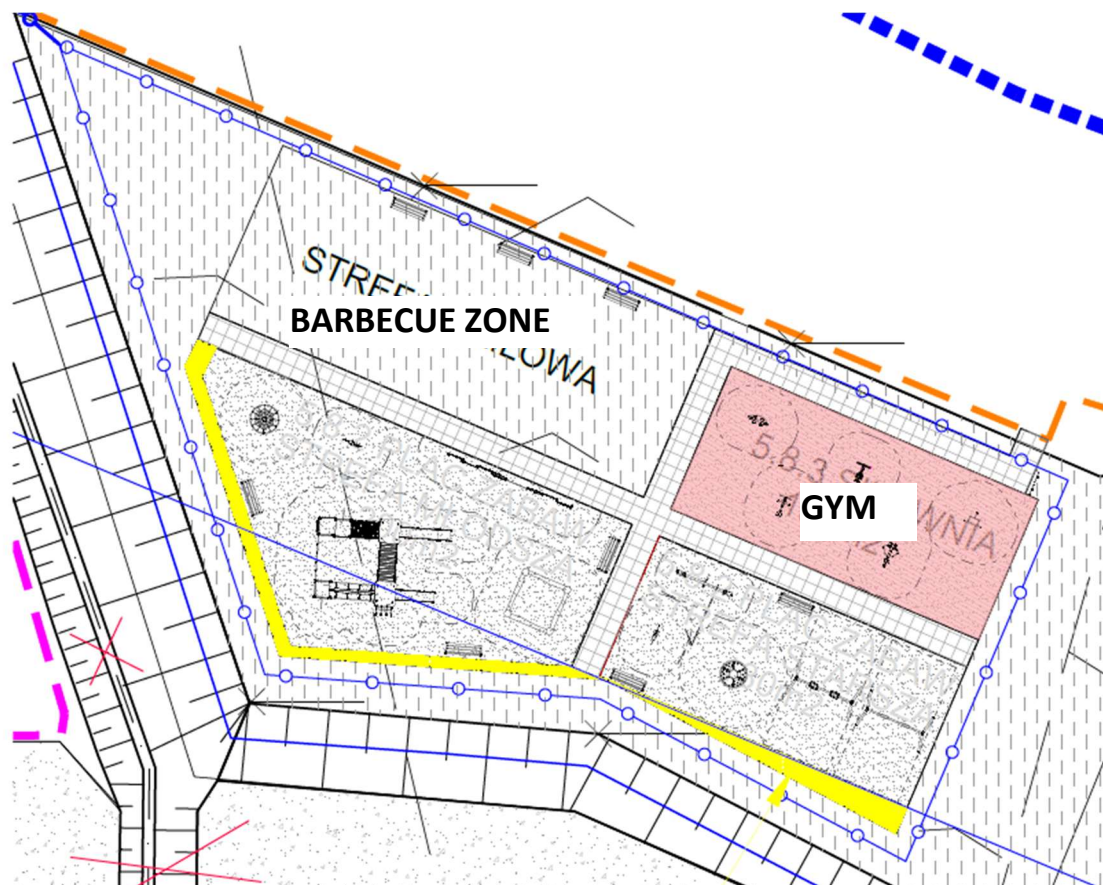
### Playground

— Invitation to design the layout and equipment of the playground

— Jointly developed layout and equipment (for different age groups)



The result was the construction of a multi-purpose playground and recreation area for every age group of the estate's residents: for younger children, for older children, an outdoor gym and a barbecue area.



**Fig. 7.** Division of the playground area zones at the Secesja estate.

The effects of the implemented mitigation measures are shown in the photos below. More photos illustrating the work performed are included in **Appendix 6**.





**Photo 8.** The playground of the Secesja estate before the start of the investment (archival photo).



**Photo 9.** Playground of the Secesja estate after the completion of Contract 3A.2/3.

The residents of two single-family houses located at the Secesja estate right next to the Malinówka stream bed were also covered by additional mitigation measures. The owners of these houses have had a problem for years with the washing away of the slope right next to their fences, and as part of

the reservoir construction, a retaining wall with a cap was constructed at the boundary of these PAPs' plots to protect the PAPs' properties.

- **PAP2**

PAP2 made itself known during a webinar for public consultation of the Draft LARAP for Works Contract 3A.2/3 *Flood protection in Serafa Valley – Malinówka 3 reservoir*, and precisely during a panel for answering questions. The PAP, during the presentation, through a panel to ask questions, **asked about the possibility of blocking the investment**. The Consultant asked to be contacted in person to discuss any concerns the PAP may have about the scope of the investment. The Consultant's mobile number was provided during the session of answers.

On the next working day after the webinar, PAP2 contacted the Consultant. He explained that he is the co-owner of property 187/16 of the Wieliczka 3 precinct. This plot will be subdivided and 0.2529 hectares, i.e. approximately 42% of the initial acreage of this plot, will be taken over for the investment.

PAP2 pointed in a telephone discussion that the property is linked to his investment plans, which he has already advanced, and he would like to move the dividing line of his plot to the building line as it is on the Secesja estate.

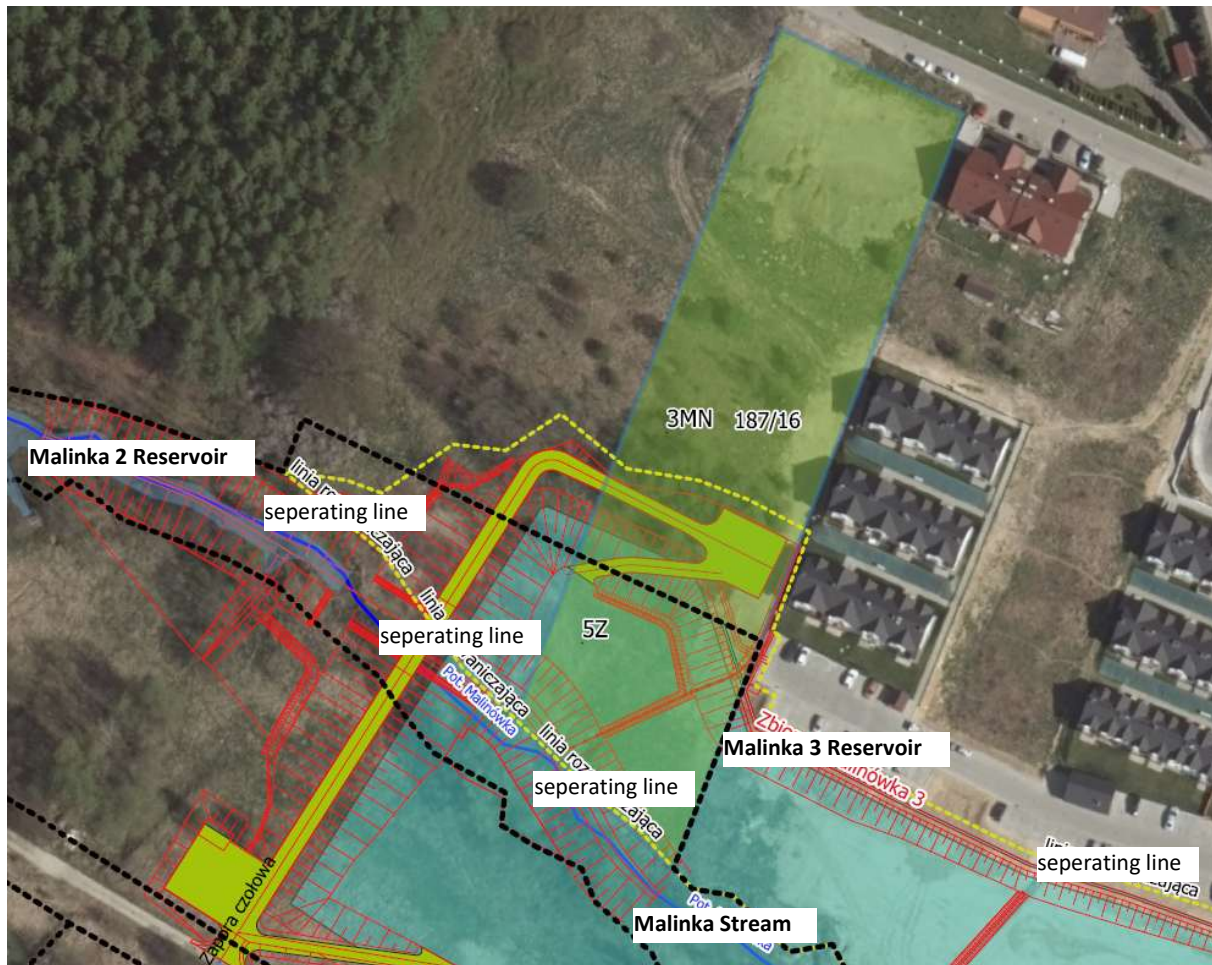
A meeting was organised at the Project Office on 12/04/2020 in view of the PAP2's expectation. The meeting was attended by the Designer and the Project Manager.

PAP2 advised at the meeting that he intends to build a complex of four residential buildings founded on piles on plot 187/16. This technical solution stems from the fact that the plot area is located on a natural slope that bears the characteristics of a landslide.

The Designer declared at the meeting that he would analyse the technical solutions and geotechnical conditions of the plot and discussions would continue.

Design analyses have shown that it is not possible to move the subdivision line, it is routed along the edge of the slope on the property in question; this information was relayed to PAP2. The Reservoir's strategic facilities have been designed on the site in question (vide see figure below).





**Fig. 8.** Elements of the Investment located on plot 187/16.

Another meeting with the PAP, together with the law firm representing him, took place on 12/11/2020 in an online meeting using the Teams application.

The attorney representing PAP2 presented the situation once again, citing the following facts:

PAP2 already has advanced investment plans to build a residential development on property 187/16, precinct Wieliczka 3. Sixteen terraced houses were designed (4 development rows of 4 buildings per row). Each house was designed with a floor area of 115 m<sup>2</sup> with an underground garage.

Due to the difficult ground conditions and the construction of underground garages, a special ground reinforcement design was created based on piles on which the buildings will be placed.

The venture was to be done as a joint investment between PAP2 and the development company, in which PAP2 would contribute the land in the form of the property in question and the development company would make the financial outlay to carry out the construction of the houses. The profit from their sale would be split 50/50 between PAP2 and the development company.

The investment viability is contingent on the completion of its full scope, i.e. 16 houses; if, for example, 12 houses are completed, the development becomes unviable.

Alternative solutions proposed by PAP2's legal representative:

1. To limit permanent occupation on the property so that the full scope of the investment can be implemented. To limit occupation to the area which is designated as green areas on the said property according to the Local Development Plan.
2. PAP2's cancellation of the investment, provided:
  - the remainder of the property is purchased,
  - the rates per m<sup>2</sup> of the property will be assumed for the entire plot as for a building plot,
  - PAP2 will be reimbursed for costs incurred and amounts paid for lost profits.

After this meeting, correspondence with PAP2 began, as the Consultant asked **to produce the documents referred to at the meeting that would form the basis for estimating any losses** referred to by PAP2.

PAP2 did not provide any documents although in the first of his letters to the Consultant he indicated that he was sending **the Technical Concept but did not attach any annex**; upon subsequent requests to send it he sent another letter in which he only presented the fact of the loss of profits in the form of global amounts without specific calculations.

PAP2's most recent answer in response to the Consultant's following letter highlighting the hypothetical nature of the considerations:

*(...) In the correspondence received to date you have failed to present any real evidence which would at least make your claims probable and making the planned construction investment described in your letters realistic.*

*The information conveyed so far is insufficient for the Investor bound by public finance discipline to verify your information and attempt to respond to it. Although you indicated in the first letter you sent on 02/10/2021 that you were sending the development concept created by XXX company, this document was not actually attached to the letter and never reached the Investor, and, moreover, despite having already asked you twice to disclose it, it was not submitted to the Investor. (...)*

it is pointed out that it is necessary to organise a meeting, as only at a face-to-face, physical meeting will PAP2 present the draft designs developed in paper form, presumably for inspection only.

PAP2 suggested in a discussion that he was in possession of a design for piling the ground due to the landslide – such a document can only be created on the basis of geotechnical investigations. The Consultant has checked with:

- Ministry of Climate,
- Central Geological Database maintained by the National Geological Institute,
- in the register of decisions of the Poviát Geologist in Wieliczka

and PAP2 has not been granted any permit to perform geotechnical works.

Landslide no. 43376 is located within the plot area. The regulations in force stipulate that Geological-Engineering Documentation approved with a decision is necessary in such a case, which is a condition

for obtaining a building permit for estate construction. It is not possible to design a foundation on piles without a geological investigation.

During the discussions described above, PAP2 sent a complaint to the World Bank (letter of 12/20/2020 to the Polish branch of the WB). The PAP received a response from the World Bank on the complaint submitted, which confirms that no compensation can be paid for lost benefits (as these are only potential future intentions of PAP).

In accordance with the Bank's recommendation, the TAC has prepared an analysis of the investment potential of the proposed plot no. 187/57 in the context of the implementation of the flood control project and the takeover of the proposed plot no. 187/58 (separated from the register plot no. 187/16) and took steps to acquire a replacement property.

SWH PW obtained declarations from the Municipality of Wieliczka with regard to the possibility of purchasing a property from the Municipality that may constitute a replacement property. SWH PW informed PAP2 that it could be offered a replacement property.



**Fig. 9** Replacement property – plot 571/7, Raciborsko precinct, Wieliczka municipality (area of 1.5 ha).

PAP2 showed initial interest in the land-for-land compensation solution. A Supplement to the LARAP was therefore prepared and consulted with the Bank, describing the alternative solutions. The document was given a NO clause on July 25, 2022.

Ultimately, however, PAP2 did not take up the replacement offered. On August 26, 2022, the Investor submitted a relevant application to the Governor to determine the amount of compensation.

On 01/18/2023, the Province Governor issued a decision establishing the compensation amount. This decision became final on 02/07/2023 and the Governor sent this certificate by email to the Investor on 02/16/2023. PAP2 did not appeal against the decision issued by the Governor.

The compensation was paid on **02/21/2023** to PAP2's indicated bank account



Although the works were started on 08/10/2022 (the Construction Site was handed over to the Contractor on 08/03/2022, but without the PAP2's plot), the Contractor did not start the works on the PAP2's plot until the payment date of compensation, thus complying with the overriding principle of not starting the works before payment of compensation.

PAP2 also filed a number of grievances on various topics completely unrelated to the property acquisition process. These complaints concerned administrative decisions issued for Contract 3A.2/3 (as described in Chapter 4.2). All of these matters were thoroughly investigated by state authorities in accordance with applicable procedures and deemed unfounded.

- **Payment of compensation for a share in real estate – an additional mitigation measure**

The PAP has applied twice to SWH PW RZGW in Cracow to purchase the "remnant", i.e. one-third of the share in plot 178/12, which is in fact an access road to the plots expropriated under the execution of Contract 3A.2/3 with the numbers 178/11, 178/6 and 178/7, which had belonged to the PAP prior to June 24, 2022, i.e. the date when the Minister of Development and Technology issued the final decision ref. DLI-III.7621.14.2022.KM.6. upholding the Province Governor's decision for expropriating the ownership of the property in favour of the State Treasury.

The PAP supported his application to purchase the property with the argument that, following the expropriation of plots nos. 178/11, 178/6 and 178/7, he no longer needed his one-third share in plot 178/12 with the area of 320 m<sup>2</sup> serving as an access road to the properties expropriated by law.



**Fig. 10.** Location of plots with reg. nos. 178/11, 178/7 and 178/12.



The case was analysed from a legal point of view, i.e. for fulfilment of the prerequisites of Article 23(2) of the Act of July 8, 2010 on special rules for preparation for the implementation of investments in flood protection structures concerning the case of recognising the plot to be a "remnant". It was found in the analysis however that this plot was outside the scope of the investment project implementation permit decision and could still be used for its existing purpose, i.e. as an access road, and therefore did not meet the criteria for a "remnant".

It was concluded however that, in accordance with Loan Agreement No. 8524-PL, during OVFMP implementation, the provisions are applied of the World Bank Operational Policy OP 4.12 Involuntary Resettlement directing the Borrower to **compensate for negative impacts on persons impacted by the Project**.

In light of the provisions of the Bank's Operational Policy, the Party is therefore entitled to compensation for the impact of the executed Contract, connected with the usefulness of the one-third of the share in plot 178/12.

Under civil law, the PAP suffered damage under the investment conducted because the investment directly affected one's property rights. The PAP has suffered real, actual damage - there is a direct causal link between the investment carried out and the PAP's damage (according to Articles 415 and 417<sup>2</sup> of CC).

In the light of the above, the Parties agreed that compensation would be paid to the PAP for the damage suffered in the amount resulting from an appraisal report prepared by an independent valuer, and that the co-ownership of the property 178/12 would remain with the PAP and he would be able to dispose of this right voluntarily.

A relevant agreement was signed during the Parties' arrangements upon which the PAP was paid the compensation of PLN 17,512.67.

The amount referred to above was established as the one-third of the amount determining the value of the ownership of property 178/12 indicated in the opinion drawn up by the property valuer.

## 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 Land Acquisition and Resettlement Action Plan was achieved, the properties necessary to implement the Contract were acquired 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 actions 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. No vulnerable groups were identified in the Contract 3A.2/3 area, and the impact of the Contract itself did not adversely affect the

enterprises or the operation of agricultural activities. 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 paying compensation as early as possible, well in advance of the physical occupation of properties and the commencement of works, be adopted for subsequent Contracts carried out in the future and not financed by the World Bank. It is also recommended to work closely and collaboratively with those affected by the Project.

Information about the proposed Investment should be disclosed as early as possible to potential PAPs:

- this allows for possible minor changes to be made at the design stage to reduce impacts (e.g. to abandon plot to be occupied if so technically possible).
- this provides an opportunity to develop solutions and implement additional minimisation measures in response to residents' concerns and expectations in order to change the attitude of the local community towards the investment.

Local authorities should also be involved as early as possible, as they are familiar with local circumstances and can help identify landowners and search for potential owners from deceased or missing persons, which can reduce the number of cases where compensation is directed to a court deposit.

Additionally, constant contact with the PAP during implementation allows to swiftly respond to any objections raised or inconveniences (even on minor issues such as the immediate correction of the fencing, i.e. 2 fence panels that fell over after strong gusts of wind at night, etc.). Even in the case that occurred during implementation of Contract 3A.2/3, where the agreement with the first contractor was terminated and another contractor had to be selected, which resulted in an extension of the works' completion time, the residents, having constant, up-to-date information on the status of investment execution, approached it calmly and without negative emotions.

## 6. CONCLUSIONS AND SUMMARY

The main, measurable effect of implementing the Works Contract 3A.2/3 – *Flood protection in Serafa Valley – Malinówka 3 reservoir* is to ensure flood protection of areas covering approx. 216 ha, inhabited by approx. 2.4 thousand people. 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 flooding. The plots located in areas exposed to flood are less attractive, which determines their low value on the property market. This situation also represents 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.2/3. 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 recreational land, playground for children and an outdoor gym for adults and seniors, as described in detail in 5.3.

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

- 41 properties were subject to permanent occupation, of which 34 properties belonged to natural persons, 5 properties were in municipal resources, and 2 properties were already owned by the State Treasury. As per the assumptions of the LARAP, the properties were not occupied and no works started on them until all compensation payment activities were finished, except for 1 property, where additional activities were performed to acquire a replacement property and arrangements with PAP2 for the final form of compensation were underway (Supplement to the LARAP was prepared for this case). The Contractor did not enter the property in question with any activities until the arrangements with PAP2 were finally over.

**The Works Contract 3A.2/3 has not resulted in any physical or economic resettlement.** No vulnerable groups were identified in the implementation area of Contract 3A.2/3, and the impact of the Contract itself did not adversely affect the enterprises or the operation of agricultural activities. **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.

Summarising the information presented above in the Interim Report on LARAP implementation for Contract 3A.2/3:

- In connection with permanent occupation of properties, compensation was paid in cash, and the amount of compensation was equivalent to the their replacement value in accordance with the World Bank's Operational Policy OP 4.12.
- Compensation was paid before the start of the works on a given property.
- Compensations were paid to all landowners who demonstrated their right to the properties acquired for the benefit of the State Treasury;
- In the absence of eligible persons (the owner has died and the heirs have not yet carried out inheritance proceedings, no owner was found), the compensation was deposited with the court. This situation applies to 6 cases. The PIO's strategy for assistance in payment of compensation from the deposit to those eligible is described in 3.5.3.

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

- The Investor received 7 applications to purchase the "remnants" for 8 properties. A committee, specially appointed for this purpose, analysed the situation for each plot and qualified 5 of the 8 properties for purchase. The purchase process is completed. The cost of signing notary deeds will be financed by the Investor and the amount due for the "remnant" will be will paid into PAP's bank accounts. Compensation was also paid for one of the plots of land submitted for purchase as a "remnant" (this case was described in more detail in chapter 5.3).
- 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.2/3.

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 acquisition 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.

This objective has been achieved and, in the case of Works Contract 3A.2/3, there are no longer any elements/cases that were envisaged under the LARAP. The determination and payment of compensation in the case of 5 properties where the colliding technical infrastructure (power lines) was reconstructed, the conclusion of which will be equivalent to the conclusion of all property-related matters.

**After the implementation of Works Contract 3A.2/3, PAPs' standard of living has been restored or improved, as appropriate compensation was paid (compensating for the expropriation and enabling to acquire another property) and the community living downstream of the Malinówka 3 reservoir was protected against flood that could threaten not only their assets but also their lives. Photographic documentation of the state before, during and after the end of investment execution is given in Appendix no. 6.**

**The key aim of the Land Acquisition and Resettlement Action Plan has also been achieved; the properties necessary to implement the Contract were acquired 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 actions 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.**

## 7. APPENDICES

Appendix no. 1 – Contract Location.

Appendix no. 2 – Screenshots of websites.

Appendix no. 3 – Documentation of public consultations.

Appendix no. 4 – List of properties – permanent occupation, permanent restrictions in use, obligation to reconstruct the network, right to use the property for construction purposes<sup>9</sup>.

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

Appendix no. 6 – Photographic documentation – the state before the contract, during and after the end of works execution.

Appendix no. 7 – Sample survey addressed to the PAPs after completion of Contract 3A.2/3.

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

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

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<sup>9</sup> The financial data presented in the document was prepared on the basis of accounting and other financial documents made available to the authors of the Interim Report.