

LAND ACQUISITION AND
RESETTLEMENT ACTION PLAN

INTERIM REPORT on
the implementation
of the activities
indicated in LARAP
CONTRACT 3A.1

ODRA-VISTULA
FLOOD MANAGEMENT
PROJECT



Projekt Ochrony
Przeciwpowodziowej
w Dorzeczu Odry i Wisły



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

DRAFT DOCUMENT -----

ODRA-VISTULA FLOOD MANAGEMENT PROJECT

**INTERIM REPORT ON IMPLEMENTATION OF THE LAND ACQUISITION AND RESETTLEMENT ACTION
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 Upper Vistula Towns and Cracow**

WORKS CONTRACT 3A.1

Modernization of Vistula embankments in Cracow encompassing the
implementation of 2 Works Contracts:

- 3A.1/1 Modernization of Vistula embankments in Cracow – Section 1, Section 2
- 3A.1/2 Modernization of Vistula Embankments in Cracow – Section 3

ISSUED ON	DATE	AUTHORS	REVIEWED BY	CLIENT'S APPROVAL	DESCRIPTION
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ODRA-VISTULA FLOOD

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Table of contents

1.	LIST OF ABBREVIATIONS USED IN THE DOCUMENT	10
2.	INTRODUCTION	12
3.	SUMMARY OF MAIN ACTIVITIES EXECUTED UNDER THE CONTRACT	19
3.1.	Description of the operation of property acquisition procedures	19
3.2.	Public consultation	19
3.3.	Administrative decisions obtained	24
3.4.	Register of expropriations (acquisition of properties) – data analysis	27
3.5	Compensation and mitigation measures, impacts of the Contract	29
3.5.1.	Permanent occupation	29
3.5.2	Summary of socio-economic studies and status of PAPs after payment of compensation	31
3.5.3	Issues remaining after the implementation of the LARAP and after preparing the Final Report on LARAP implementation	39
3.5.3.1	PIU's strategy for court deposits	39
3.5.4	Permanent restriction to the manner of property use	40
3.5.5	Obligation to reconstruct the network (ORN)	40
3.5.6	Right to use the property for construction purposes	41
3.5.7	Contractor's temporary occupation	41
3.5.8	Purchase of “remnants”	42
4.	FUNCTIONING OF THE GRIEVANCE REDRESS MECHANISM (GRM)	46
4.1	General grievance redress mechanism	46
4.2	Summary of complaints and applications	47
4.3	Conclusions – summary of GRM’s effectiveness	61
5.	MONITORING of LARAP IMPLEMENTATION	62
5.1	Description of methodology	62
5.2	Impact of the project on PAPs and local community	63
5.3	Case study – specific experience connected with contract implementation	64
5.4	Evaluation of actions taken and achievement of the objective defined in the LARAP – recommendations	72
6.	CONCLUSIONS AND SUMMARY	73
7.	APPENDICES	76

SUMMARY

The following was executed under Contract 3A.1: the existing embankments were extended by raising and widening the body of embankments of the Vistula River and the Dłubnia River together with construction of infrastructure along the 3 stretches:

- **Section 1** – the left embankment of the Vistula River from the Wandy bridge to the Przewóz barrage including backwater embankments of the Dłubnia River divided to:
 - section 1.1 – the left embankment of the Vistula River from the Wandy Bridge to the estuary of the Dłubnia River, at km 0+000 - 1+142.
 - section 1.2 – the left embankment of the Vistula River from the estuary of the Dłubnia River to Portowy Channel, at km 1+142 - 2+067.
 - section 1.3 – the left embankment of the Vistula River, at km 2+133 – 3+317.
 - section 1.4 – the right embankment of the Dłubnia River, at km 0+000 – 1+830.
 - section 1.5 – the left embankment of the Dłubnia River, at km 0+000 - 1+136.
 - section 1.6 – the construction of left-bank embankment of the Dłubnia River, at km 1+136 – 1+612.
- **Section 2** – the left embankment of the Vistula River from the Przewóz Barrage to Suchy Jar, at km 0+000 - 2+875.
- **Section 3** – right embankment of the Vistula River from the Dąbie barrage to the Przewóz barrage divided to:
 - section 3.1 – from km 0+010 do km 0+934 (from Dąbie barrage to Nowohucka Street),
 - section 3.2 – from km 0+956 do km 5+888 (from Nowohucka Street to Półtangi Street),
 - section 3.3 – from km 5+902 to km 9+326 (from Półtangi Street to boundaries of the city and municipality of Cracow with the municipality of Wieliczka),
 - section 3.4 – from km 9+326 to km 10+678 (from boundaries of the city and municipality of Cracow with the municipality of Wieliczka to the Przewóz barrage).

Subject of the Contract:

The scope of works was divided into 2 Works Contracts, i.e. **3A.1/1** (covering sections 1 and 2) and **3A.1/2** (covering section 3).

Completion date of Investment implementation (of completion of works):	Works Contract 3A.1/1 – December 27, 2022 Works Contract 3A.1/2 – September 1, 2023
Date of awarding “NO” for LARAP :	February 10, 2020
Number and category of PAPs:	Works Contract 3A.1/1 – 137 (natural persons) Works Contract 3A.1/2 – 284 (natural persons)
Sum of compensations disbursed to PAPs:	PLN 35,427,383.97 – monetary compensations in the amount of the replacement value of assets lost by PAPs

Number of properties and ownership class:

Contract **3A.1 - in total** (detailed data by Works Contract 3A.1/1 and 3A.1/2 are given in table 1)

Permanent occupation¹:

847 properties: 730 - private properties, 78 - Cracow municipality properties, 39 - State Treasury properties,

Permanent restriction in property use (PR)²:

66 properties: 9 private properties, 23 municipal properties (Municipality of Cracow and Municipality of Wieliczka), 31 State Treasury properties and 3 Poviats properties (Poviat of Wieliczka)

Obligation to reconstruct the network (ORN)³:

100 properties: 70 private properties, 19 Cracow Municipality properties, 9 State Treasury properties, 2 Poviats properties (Poviat of Wieliczka).

Right to use a property for construction purposes (PDDG)⁴:

20 properties: 11 Cracow Municipality properties, 8 State Treasury properties, 1 Poviats property (Poviat of Wieliczka)

Key issues:

— in connection with expropriations, payments of compensations for land and constituent components in the amount of the replacement value,

¹ The number of properties in relation to the data in the LARAP was increased because **mortgage units** were separated into individual parcels belonging to the respective owners/co-owners. Reporting data has been updated.

A **mortgage unit** is a historical legacy, originating from the Austrian property cadastre. By this term we mean a real estate consisting of one or more land (building) parcels disclosed in a single mortgage list of the land register maintained for a given cadastral municipality (the equivalent of the modern land register, although based on a slightly different systematics). The land parcel (also a building parcel) corresponded to a contemporary registered plot. Problems arose when creating a modern land registration system, when situations arose where, for example, three land parcels, belonging to three different owners, were combined into one registration parcel. At present, when regulating ownership matters, these fragments (plots) are subject to separation into separate plots according to individual owners. Support was provided to the PAPs to separate mortgage units as an additional minimising measure, regulating the legal status of the PAPs' properties so that they could receive compensation (this allowed them to avoid paying compensation into court deposit).

² 68 properties planned to be subject to the PR were identified in the LARAP, while during processing the IPIP decision, 2 of the properties were moved to the category of permanent occupation; compensation for such occupation was paid.

³ 108 properties planned to be subject to the ORN were identified in the LARAP, while during processing the IPIP decision, 2 of the properties were also added (during the works realization, 10 plots out of 110 plots indicated in the IPIP decision were not occupied – there was no such need).

⁴ 24 properties planned to be subject to the PDDG were identified in the LARAP, while during processing the IPIP decision, 4 of the properties were moved to the category of permanent occupation; compensation for such occupation was paid.

- in connection with the permanent restriction in the use of properties, payment of compensation in the amount of loss in the value of land due to the restriction,
- in connection with the obligation to reconstruct the network, payment of compensation in the amount depending on the time of occupation of the property and putting the condition into order after completion of network reconstruction,
- 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 entities).

Key achievements:

- compensations were paid to the former owners for the land and for all components and plantings, and if the legal status was unsettled, compensation was placed to the court deposit - 177 cases (160 cases of permanent occupation, 5 – PR, 12 - ORN). At the date of developing the Interim Report, 7 deposits were collected (*for a detailed description – see chapter 3.5.1 Permanent occupation*),
- as at the day of drafting this Report, all compensations that were possible for disbursement were paid for permanent restriction in the use, and in 5 cases, the due compensation was placed with a court deposit. Compensation remains to be paid for 6 properties subject to PR (3 private properties and 3 from the stock of Municipality of Wieliczka) – all cases were referred to the Province Governor – administrative proceedings are pending (these cases are marked in yellow in Appendix no. 4) (*for a detailed description – see chapter 3.5.4 Permanent restrictions*),
- as at the day of drafting this Report, all possible compensations were paid that were possible for disbursement for temporary occupation of plots resulting from the obligation to reconstruct the network, and in 12 cases, the due compensation was placed with a court deposit. Compensation remains to be paid for 10 properties subject to ORN (8 private properties and 2 from the stock of Municipality of Wieliczka) – all cases were referred to the Province Governor – administrative proceedings are pending (these cases are marked in yellow in Appendix no. 4) (*for a detailed description – see chapter 3.5.5 Obligation to reconstruct the network*),
- the properties subject to the right to use a property for construction purposes were tidied up and returned to owners after executing the works,
- the grievance redress mechanism operated efficiently and correctly.

Grievance redress mechanism and national appeals system:

- for Contract 3A.1 as part of the grievance redress mechanism: 6 complaints were received and 5 applications were submitted. All applications were investigated and PAPs have received feedback. 6 complaints filed within „Grievances redress mechanism” concerned technical issues and were related to the conduct of the works. All of these complaints were concluded to the satisfaction of the PAPs, details of which are described in chapter 4.3.
- 17 complaints were submitted as part of the national appeals system; there were related to the compensation established by the Province

	<p>Governor and were referred to the Minister of Development and Technology. 15 administrative proceedings were finally ended and compensation was paid to PAPs. Two complaints are still being dealt with by the Minister (the conclusion of these 2 cases will be described in the Final Report).</p>
Remnants:	<p>Under Contract 3A.1, 48 applications were submitted to purchase the “remnants” for 71 properties. 20 applications covering 21 plots were considered positively, but two of the owners whose applications were considered positively resigned from purchasing the plot (withdrew their applications).</p> <p>18 notary deeds were signed under which 19 “remnants” were purchased (details are described in chapter 3.5.8).</p>
Unresolved issues and negative impacts of Task implementation:	<ul style="list-style-type: none"> — as of the date of preparing this Report, 16 proceedings are in progress with the Province Governor to determine compensation for properties that were subject to PR (6 cases) and ORN (10 cases). — 2 proceedings conducted by the Minister are also pending (the conclusion of these proceedings and the 16 proceedings currently being conducted by the Province Governor indicated above will be described in the Final Report).
Court deposits	<ul style="list-style-type: none"> — in 170 cases, compensations - in the absence of an entitled person (owner or co-owner) - remain with a court deposit – the PIO's strategy for payment of compensation from the deposit is described in chapter 3.5.3.

1. LIST OF ABBREVIATIONS USED IN THE DOCUMENT

AP	Affected Population
ARMA	Agency for Restructuring and Modernization of Agriculture
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
GRM	Grievance redress mechanism
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 <i>Consultant</i>
PIO	Project Implementation Office formed within the PIU; a separate organisational unit responsible for implementation of the Contract/Investment
Consultant/Engineer/Contract Engineer	Company or legal person providing services for the Investor Technical Assistance Consultant for the OVFM Project – AECOM Polska Sp. z o.o.
Project/Contract/Works Contract/Investment	WORKS CONTRACT 3A.1 Modernization of Vistula embankments in Cracow encompassing the implementation of 2 Works Contracts: - 3A.1/1 – Modernization of Vistula embankments in Cracow – Section 1, Section 2 - 3A.1/2 – Modernization of Vistula Embankments in Cracow – Section 3
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.
ORN	Obligation to reconstruct the network
EIA	Environmental Impact Assessment
PAP	Project Affected Person(s)
PDDG	Right to use property for construction purposes
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 / OVFPMP	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
Property appraiser / expert	Natural person with state professional qualifications within the scope of property valuations
RDOŚ	Regional Director for Environmental Protection
Special Flood Act	Act of July 8, 2010 on specific terms of preparing for implementation of projects in the scope of flood protection facilities
Special Decision	Decision on the Investment Project Implementation Permit (IPIP) issued based upon the Special Flood Act
PR	Permanent restriction to the manner of property use
EU	European Union
RPM	Act of August 21, 1997 on the real property management
PAC	Provincial Administrative Court
Contractor	Entity executing the Works Contract, in this case: Skanska S.A., al. Solidarności 173, 00-877 Warsaw

2. INTRODUCTION

The execution of Contract 3A.1 was finished, respectively, for Works Contract **3A.1/1** – on December 27, 2022, and for Works Contract **3A.1/2** – on September 1, 2023 and all construction works were completed. The Land Acquisition and Resettlement Action Plan (LARAP) *for Works Contract 3A.1 Modernization of Vistula embankments in Cracow (3A.1/1 and 3A.1/2)* was implemented (except for 16 administrative proceedings held by the Province Governor (for PR and ORN) and 2 administrative proceedings pending before the Minister, the conclusion of which will be described in the Final Report). The aim of the Interim Report on Implementation of the Land Acquisition and Resettlement Action Plan (LARAP IR), prepared in accordance with the requirements of the *Project Operations Manual* and the *Land Acquisition and Resettlement Policy Framework*⁵, is to document the process of land acquisition and to assess if it meets the requirements under OP 4.12, or whether there are any corrective actions that still need to be taken. For the Contract 3A.1, as outlined in the next chapters of this Report, this aim has been achieved and corrective measures are no longer required (additional measures will be taken in relation to court deposits, as described in chapter 3.5.3.1). An ex-post evaluation of the LARAP was conducted after the LARAP had been fully implemented and its objectives had been achieved, and 18 administrative proceedings pending before, respectively, the Province Governor and the Minister will be described in the Final Report.

In line with the assumptions made in the Land Acquisition and Resettlement Action Plan, an ex-post evaluation was made after full implementation of the LARAP and the evaluation confirms that the mitigation measures have been implemented and properly documented. **It is concluded that all the measures described in the LARAP have been implemented and that all entities affected by the project (family, individuals, legal entities) have obtained compensation and their standard of living has improved or at least been restored, save for 170 cases where compensations remain with a court deposit. The PIO has established a strategy that will be applied to facilitate eligible persons to withdraw the deposited compensations. 18 administrative proceedings are also pending, respectively, before the Province Governor and the Minister, the conclusion of which will be described in the Final Report on LARAP Implementation for Contract 3A.1 (in one case 100% of compensation was paid to court deposit, in other cases compensation has not yet been paid, even though it was proposed to PAPs to pay either the undisputed amount or 70%).**

This Report presents therefore an account of the implementation of the measures planned in the LARAP for *Works Contract 3A.1 Modernization of Vistula embankments in Cracow (3A.1/1 and 3A.1/2)* 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 implemented in the Province of Małopolskie, within the City of Cracow (Municipality of Cracow) and the village of Brzegi (Municipality of Wieliczka), Poviát of Wieliczka. The scope of Works under Contract 3A.1 has not changed in respect to the information provided in chapter 4.1 of LARAP.

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

⁵ <https://odrapcu.pl/en/project-ovfmp/documents-ovfmp/>

Key Contract implementation dates:	3A.1/1	3A.1/2
Date of signing the Contract:	01/19/2021	01/19/2021
Date of handing over the Construction Site:	02/08/2021	02/15/2021
Commencement date of Works:	02/15/2021	02/15/2021
Completion date of Works:	12/27/2022	09/01/2023
End date of the Defects Notification Period:	12/27/2023	09/01/2024

The execution of Contract 3A.1 *Modernization of Vistula embankments in Cracow (3A.1/1 and 3A.1/2)* concerned the extension consisting of raising and widening the body of embankments of the Vistula River and the Dłubnia River along the 3 stretches:

- Works Contract 3A.1/1

Modernization of Vistula Embankments in Cracow – Section 1, Section 2;

- Works Contract 3A.1/2

Modernization of Vistula embankments in Cracow – Section 3

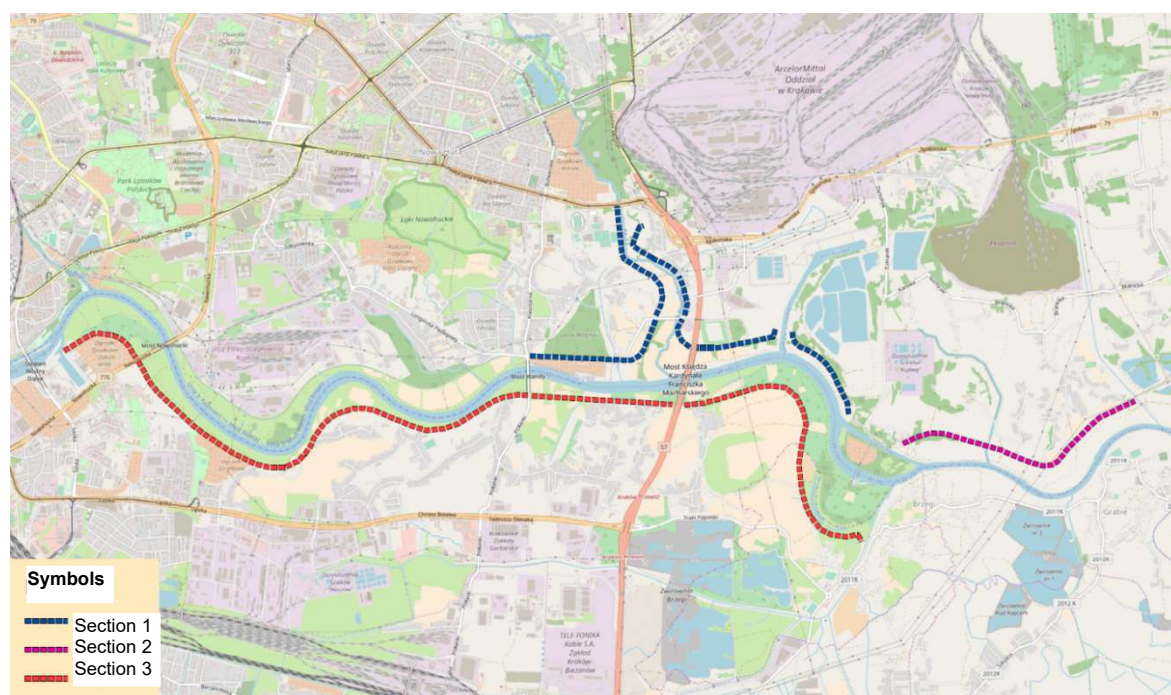


Photo 1 Location of Contract 3A.1.

The purpose of extending the embankments is to directly improve flood protection in the areas located behind the said section of embankments. The implementation of Contract 3A.1 has improved the

safety of population, as well as of assets on the area of approx. **31 km²**, inhabited by approx. **51 thousand** citizens at the districts of Podgórze and Nowa Huta.

Apart from residential areas, Contract 3A.1 also provides flood protection for the city's vital industrial and service facilities, such as:

- Some technological facilities of Sendzimira Steel Mill (currently ArcelorMittal Poland, Cracow Branch),
- Wastewater treatment plant of Kujawy and Płaszów,
- Thermal Waste Treatment Plant,
- Thermal-electric power station in Łęg (PGE Kraków),

Industrial and service facilities along Lipska, Jana Sarzyckiego, Rybitwy, and Christo Botewa Streets.

For execution of Contract 3A.1, it was necessary to acquire properties, but the implementation did not result in the physical or economical resettlement of households. The existing infrastructure was also redeveloped, i.e. water supply networks, gas networks, teletechnical networks, sanitary sewage network, rainwater system, ditches and elements of the drainage network with outlets. High-voltage (HV), medium-voltage (MV) and low-voltage (LV) overhead power lines were also subject to reconstruction.

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

	Total number of hectares	Total number of plots	State Treasury plots	%	Municipal plots	%	Private plots	%	Number of PAPs	5% bonus	Number of deposits	Physical resettlement	Economic resettlement
Permanent occupation/expropriation, including:	47.2427	847	39	4.60	78	9.21	730	86.19	421	458	160	0	0
3A.1/1	21.8603	405	24	5.93	43	10.62	338	83.46	137	222	76	0	0
3A.1/2	25.3824	442	15	3.39	35	7.92	392	88.69	284	236	84	0	0
Permanent restrictions to the manner of property use (PR), including:	7.2217	66	35	53.03	22	33.33	9	13.64	15	-	5	-	-
3A.1/1	2.9454	35	21	60.00	8	22.86	6	17.14	8	-	5	-	-
3A.1/2	4.2763	31	11+3	45.16	14	45.16	3	9.68	7	-	0	-	-
Obligation to reconstruct the network (ORN)*, including:	1.8690	100	11	11.00	19	19.00	70	70.00	122	-	12	-	-
3A.1/1	1.4951	70	8	11.43	15	21.43	47	67.14	63	-	12	-	-

	Total number of hectares	Total number of plots	State Treasury plots	%	Municipal plots	%	Private plots	%	Number of PAPs	5% bonus	Number of deposits	Physical resettlement	Economic resettlement
3A.1/2	0.3739	30	1+2	10.00	4	13.33	23	76.67	59	-	0	-	-
Right to use property for construction purposes (PDDG), including:	5.3510	20	9	45.00	11	55.00	0	0.00	3	-	-	-	-
3A.1/1	2.7426	9	4	44.44	5	55.56	0	0.00	1	-	-	-	-
3A.1/2	2.6084	11	4+1	45.45	6	54.55	0	0.00	2	-	-	-	-
Temporary occupation, including:	7.7496	22	0	0.00	0	0.00	22	100	23	-	-	-	-
3A.1/1	3.4858	12	0	0.00	0	0.00	12	100	11	-	-	-	-
3A.1/2	4.2638	10	0	0.00	0	0.00	10	100	12	-	-	-	-
TOTAL	69.4340	1055	72		130		831		584	458	177		

* applies only to cases of actual occupation of the property

Under the 3 IPIP decisions awarded for Works Contract 3A.1, **847 properties or their parts with the total area of 47.2427 ha** were covered by permanent occupation, the use of 66 properties with the area of 7.2217 ha was permanently restricted, and 110 properties were covered by the obligation to reconstruct the network. 100 properties had to be occupied for the technology applied by the Contractor to redevelop the existing land utilities. Moreover, 20 properties with the area of 5.3510 ha were subject to the right to use the property for construction purposes. The Contractor acquired 22 properties for temporary occupation with the area of 7.7496 ha through its own efforts.

Such consequences originated from 3 decisions of the Province Governor of Małopolskie for an investment project implementation permit:

- for Contract 3A.1/1 of August 17, 2020, decision no. 03/2020 (final since September 29, 2020),
- for Contract 3A.1/1 of August 12, 2021, decision no. 07/2021 (final since September 20, 2021),
- for Contract 3A.1/2 of November 5, 2020, decision no. 04/2020 (final since March 31, 2021).

At the stage of developing the *Interim Report on LARAP Implementation*, the compliance of the activities undertaken with the requirements of the WB's OP 4.12 operational policy was analysed and confirmed.

Detailed information on the properties subject to permanent occupation, permanent restriction, obligation to reconstruct the network and the right to use the property for construction purposes is given in **Appendix no. 4**.

730 properties of natural persons, 78 municipal properties and 39 State Treasury properties were subject to permanent occupation, i.e. acquisition for the benefit of the State Treasury. The properties located in the area designated for the investment were mostly unused land owned by households located outside the investment area; for 66 households only plots were occupied where PAPs' houses were located (in no case the occupation area interfered with the houses or outbuildings located on these plots).

A socio-economic study revealed that about 20% of the properties subject to expropriation were in agricultural use, growing cereals, maize, potatoes and vegetables, but the occupation in these cases was so small as to allow the rest of the plots to continue to be used for crops.

The property owners who during the study informed of the use of financial support in the form of EU subsidies (28 households) were informed about an obligation of notifying the Manager of District ARMA Office in writing of the occurrence of force majeure and a change in the subsidised area, together with presenting the relevant evidence (i.e. an excerpt from the IPIP decision), within 15 working days counted from the day when they - or a person authorised by them - are able to perform such action (the deadline was 10 working days for RDP 2007-2013 and 2014-2020). This information was also provided in a brochure addressed to PAPs, prepared and distributed as part of the information campaign. In no case did the expropriation entail repayment of the subsidy paid or the loss of subsidies by the PAP.

As a mitigating measure planned in the LARAP, a brochure was prepared and distributed to PAPs, providing information on the steps to be taken to avoid reimbursement of subsidies (NOTE: there is no need to reimburse the subsidy or pay penalties if the farmer reports the expropriation to ARMA). PAPs were also informed that the expropriation had to be reported to ARMA at the stage of conducting the socio-economic study, so that no subsidies had to be reimbursed.

All cases of occupation above 10% (in relation to the initial area of the plot occupied) were subject to socio-economic studies, which confirmed that the impacts generated by the Project are insignificant, as households either do not make a living from farming or have a much larger area they farm and the expropriation area represents less than 20% of the area of the entire farm. Administratively, Contract 3A.1 was implemented mainly in the area of the City of Cracow and the Municipality of Cracow (Township and Country Poviats Starosty). In no case were built-up parts of properties (e.g. residential buildings, farm buildings or other buildings in use) subject to occupation. No vulnerable groups were identified during the studies.

In summary, all impacts were insignificant, with no impacts identified for, 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 local community had a positive attitude towards the implemented project during the execution of the works, and dialogue was undertaken with those who raised objections and additional mitigation measures were implemented (e.g. the construction of a temporary crossing or a target traffic solution along the embankment with a cycle path and additional descent way).

23 complaints and 5 requests conc. the said Contract were received during the execution of the works (for details see chapter 4.3).

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://odrapcu.pl/rozbudowa-walow-przeciwpowodziowych-rzeki-wisly-w-krakowie-bezpiecznykrakow/>
- <https://krakow.wody.gov.pl/aktualnosci/2410-rozbudowa-walow-przeciwpowodziowych-rzeki-wisly-stan-prac>
- <https://www.malopolska.uw.gov.pl/PressArticlePage.aspx?id=12769>
- https://inzynieria.com/geoinzynieria/zabezpieczenia_przeciwpowodziowe/wiadomosci/64420,krakow-rozbudowa-20-km-walow-przeciwpowodziowych-wisly-film
- <https://nbi.com.pl/wiadomosci/ruszyła-modernizacja-walow-przeciwpowodziowych-w-krakowie/>
- <https://gazetakrakowska.pl/krakow-poslign-przy-budowie-walow-przeciwpowodziowych-we-wschodniej-czesci-miasta-jednym-z-powodow-jest-wojna-na-ukrainie/ar/c1-16528209>
- <https://www.kierunekwodkan.pl/arttykul,96591,przeciwpowodziowe-inwestycje-w-krakowie.html>
- <https://krakow.wyborcza.pl/krakow/7,44425,26744551,rozpoczela-sie-rozbudowa-walow-przeciwpowodziowych-nad-wisla.html>
- <https://www.malopolska.uw.gov.pl/PressArticlePage.aspx?id=15114>
- <https://www.dziennikprawny.pl/pl/a/krakow-zabezpieczony-przed-powodzią>
- <https://www.wnp.pl/finanse/krakow-wody-polskie-zakonczyly-inwestycje-dot-ochrony-przeciwpowodziowej-za-ponad-112-mln-zl,681682.html>
- <https://wody.gov.pl/aktualnosci/3330-stop-powodzi-kolejny-krok-na-drozdzie-do-kompleksowego-zabezpieczenia-krakowa-przed-powodzią>
- https://www.rm24.pl/regiony/krakow/news-w-krakowie-dobiegly-konca-inwestycje-przeciwpowodziowe,nld,6621577#crp_state=1
- <https://www.malopolska.uw.gov.pl/PressArticlePage.aspx?id=15363>
- <https://www.gov.pl/web/infrastruktura/wieksze-bezpieczenstwo-przeciwpowodziowe-w-krakowie>

- <https://krknews.pl/trwa-modernizacja-walow-przeciwpowodziowych-ochronia-40-tys-mieszkanow-krakowa/>

- <https://www.dziennikprawny.pl/pl/a/krakow-zabezpieczony-przed-powodzią>

Information about Contract 3A.1 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 included in **Appendix no. 2**.

3. SUMMARY OF MAIN ACTIVITIES EXECUTED UNDER THE CONTRACT

3.1. DESCRIPTION OF THE OPERATION OF PROPERTY ACQUISITION

PROCEDURES

Properties were acquired under the provisions of the Special Flood Protection Act and the Act on Real Estate Management. The Project Implementation Unit, 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*⁶ and in the *Land Acquisition and Resettlement Action Plan*⁷.

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.1, which was awarded a "No objection" clause from the WB on 02/10/2020. There were no gaps/inconsistencies in the implementation of the LARAP that would require corrective measures. In 160⁸ cases in which compensation for permanent occupation was paid into a court deposit (as the eligible persons was absent who could be paid the compensation), additional measures were introduced to make it easier for those concerned to collect funds from the deposit (7 deposits have already been paid out), and 153 compensations are left in the deposit.

3.2. PUBLIC CONSULTATION

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

1. Obtaining an environmental decision,
2. Obtaining a water permit,

⁶ <https://odrapcu.pl/en/dokumenty/resettlement-policy-framework/> - the basic document adopted and approved by the WB in April 2015, its update no. 1 approved in June 2022 and update no. 2 approved in November 2023

⁷ <https://odrapcu.pl/en/project-ovfmp/documents-ovfmp/> - LARAP for Contract 3A.1 was adopted and approved by the WB on February 10, 2020

⁸ 177 deposits were placed altogether under Contract 3A.1: 160 cases of permanent occupation, 5 – PR and 12 ORN. 7 deposits have been paid out to PAPs until the day of drafting the Report, all cases for permanent occupation (Appendix no. 8).

3. Obtaining an investment project implementation permit (IPIP),
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. 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 10 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.

The public disclosure of the Draft Land Acquisition and Resettlement Action Plan commenced on October 1, 2019, when an announcement was published in the Polish Journal of Laws (a local journal). The announcement invited individuals, authorities and interested institutions to inspect the Draft LARAP for the Contract 3A.1.

Each interested party could familiarise oneself with the Draft LARAP between **October 1, 2019 and October 21, 2019** (inclusive) (paper version) displayed for inspection at the office of:

1. State Water Holding Polish Waters, Regional Water Management Authority in Cracow (SWH PW RZGW in Cracow), 22. Marsz. Józefa Piłsudskiego St., 31-109 Cracow, at working days from 9:00 a.m. to 2:00 p.m.,
2. Odra-Vistula Flood Management Project Coordination Unit (OVFM PCU), 5. Morawskiego St., 30-102 Cracow, working days from 7:30 a.m. to 3:30 p.m.,
3. OVFM Project Office, AECOM Polska Sp. z o.o., 1. Pokoju Alley (K1 building – 4th floor), 31-548 Cracow, working days from 7:30 am to 3:30 pm.

or with the electronic version of the document published on a publicly accessible website:

1. SWH PW RZGW in Cracow at - www.krakow.rzgw.gov.pl,
2. City Office of Cracow at – www.bip.krakow.pl,
3. Powiat Starosty Office in Cracow at – www.powiat.krakow.pl,
4. Town and Commune Office of Wieliczka at – www.wieliczka.eu,
5. OVFM Project Coordination Unit at – www.odrapcu.pl.

Each interested party could submit comments and motions concerning the Draft LARAP in writing and orally to the protocol at the above-mentioned addresses or in electronic form to the e-mail address: jrp.krakow@wody.gov.pl on working days from 10/01/2019 to 10/21/2019 (inclusive). The institution competent to examine the comments and motions was the SWH PW RZGW in Cracow, the contact person: Ms Ewa Uczniak-Grzanka tel. +48 12 62 84 209 and Mr Rafał Sionko tel. +48 12 62 84 209.

Detailed information on the possibility of familiarising oneself with this document and the possibility of submitting motions and comments (including contact details: telephone numbers, e-mail address,

addresses of places where the draft document may be consulted, office hours) was published in the Announcement posted in the following places:

1. at the website of SWH PW RZGW in Cracow at - www.krakow.rzgw.gov.pl, OVFM PCU at - www.odrapcu.pl, Cracow City Office at – www.bip.krakow.pl, Powiat Starosty Office in Cracow at www.powiat.krakow.pl; Town and Commune Office of Wieliczka at – www.wieliczka.eu;
2. in local press – **Dziennik Polski**;
3. on the notice boards in the office of SWH PW RZGW in Cracow, in the Cracow City Office and the Powiat Starosty Office in Cracow, the Town and Commune Office of Wieliczka;
4. as well as on notice boards in places visited by the local community, such as family allotment gardens, the Podgórze Cultural Centre, a chapel and a bus stop in Brzegi;
5. announcements were also published on the Facebook page of the Councillor of Cracow and on the website of the Town Office of Wieliczka.

The above-mentioned announcement also includes information on the possibility of participating in open meetings and discussions for all interested persons, organisations and institutions planned for October 22 and 23, 2019 (including the place, date and time of the meeting).

Moreover, the information (personal or invitations referred to Councils) was sent to public institutions interested in Project implementation:

1. Powiat Starosty in Cracow
2. Cracow City Office
3. Cracow City Council
4. Town and Commune Office of Wieliczka
5. Town and Commune Council of Wieliczka
6. Village Administrator of Brzegi
7. Village Council of Brzegi
8. District councils.

The public disclosure of the Draft LARAP, officially started on **October 1, 2019**, ended after 21 days, on **October 21, 2019**. During the period of publication of the Draft Land Acquisition and Resettlement Action Plan in the Consultant's OVFM Project Office, 2 persons appeared (Councillor of the Podgórze district and a proxy of a commercial company which is the owner of real estate in the area covered by the Project). These persons familiarised themselves with the document made available for inspection and requested to provide fragments of maps concerning their properties together with information on technical solutions (these documents were issued to the interested parties and technical issues were clarified by the Designers). Additionally, the District councillor contacted by phone with questions about technical solutions in her district, an electronic question form was sent to her and it was agreed at the request of the Councillor that she would write down all the questions and ask for their clarification during the debate scheduled for 10/21/2019. SWH PW RZGW in Cracow and PCU did not receive any questions or applications, either by e-mail or telephone, or they were not submitted personally to the Office of SWH PW RZGW in Cracow or OVFMPCU Office. However, an interest was noted in this document, which was made available for inspection in electronic form. Downloads of files from the websites included in the notice were observed.

Open meetings for the public on public consultation regarding the Draft **Land Acquisition and Resettlement Action Plan for the Works Contract 3A.1 Modernization of Vistula embankments in Cracow**, implemented under the Odra-Vistula Flood Management Project, were held in places located near the place of residence of persons affected by the Project (on the right and left bank of the Vistula River at the height of the planned sections of embankments to be reconstructed) on:

- October 22, 2019 at 3:00 p.m. in the Conference Room of the Hotel Centrum and
- October 23, 2019 at 2:00 p.m. at the Podgórze Cultural Centre.

MEETING OF 10/22/2019 in the Conference Room of the Centrum Hotel, oś. Centrum E12, Jana Pawła II Avenue, Cracow, Poland

18 persons attended the meeting in the Conference Room of the Hotel Centrum on 10/22/2019 (Tuesday) (1 person did not sign the attendance list), among the participants there was a representative of the Province Governor of Małopolskie, two representatives of local government (District council). The meeting was also attended by representatives of units directly involved in the implementation of OVFMP: Project Implementation Offices from SWH PW RZGW in Cracow, OVFM Project Coordination Unit and the Engineer – Consultant Team (including: Project Manager, 2 Designers and the Property Team).

The meeting was opened by the Project Manager of the Consultant-Engineer's team, who welcomed those present and briefly outlined the purpose of the meeting. She then handed over the floor to the Senior Support Expert for Properties and Technical Assistance for the Client in the Engineer/Consultant team, who gave a multimedia presentation: The purpose and OVFMP financing was briefly discussed, information was provided on the Contract 3A.1; most attention was paid to legal regulations concerning the payment of compensations, compensation agreement procedures, submission of appeals and redress and grievance mechanism. The meeting participants were informed about the conditions and possibility of obtaining a 5% bonus for the release of the property within 30 days from receiving the Province Governor's notification on issuing the IPIP decision, about the possibility of receiving the undisputed part of the compensation despite a possible appeal against the Province Governor's decision establishing the amount of compensation. The participants were explained the need to notify the competent unit (ARMA) of the reduction in the area they farm, thus avoiding the reimbursement of EU subsidies. They were informed about the possibility of applying to the Investor for the purchase of remnants. It was additionally assured that the Consultant would, if necessary, assist the PAPs in preparing the relevant notification to ARMA or the application for the purchase the remnants. As per the World Bank's requirements, the attendees were briefed on the purpose and content of the Draft LARAP. While discussing the issues relating to the Draft LARAP, the Consultant paid particular attention to measures to minimise social impacts and the Contractor's obligations regarding the rules for acquiring properties for temporary occupation. The final area of temporary occupation will be determined by the Contractor who will be selected by the Investor in a public bidding procedure. Its representatives will be contacting the owners/holders of the land near the embankment to agree the terms of occupation. The process will be implemented based upon the rule of voluntariness and upon the rules determined in the agreement concluded between the property owner and the Contractor of works. The process will be monitored by the investor and the Engineer

acting on its behalf (a template of an agreement for temporary occupation is included in the Draft LARAP, which will need to be used by the Contractor for Contract 3A.1). The audience was also informed that in the absence of an up-to-date address in the Register of Land and Buildings, the Province Governor will send notices conc. the pending administrative proceedings to out-of-date addresses and the PAPs were requested to update their address details in the Register of Land and Buildings as soon as possible.

After the presentation, the floor was given over to the meeting participants. The District Councillor spoke, stressing that the district she represents supports the implementation of the Contract and is interested in starting it as soon as possible. She asked a number of questions on behalf of district residents. After the Consultant and the Employer answered all of the questions, the meeting was concluded. One of the meeting participants left a form filled in, this question was not related to the implemented Contract 3A.1, but it was forwarded to the Investor and was answered to the PAP by phone.

The attendees were thanked for coming and participating in the meeting. After the official part of the meeting (presentation), the participants were still familiarised with the construction project and the property subdivision maps, and could also obtain information on detailed technical solutions from the Designers.

MEETING ON 10/23/2019 in the Podgórze Cultural Centre Klub Przewóz, 1. Łutnia St., Kraków

25 persons attended the meeting at the Podgórze Cultural Centre on 10/23/2019 (Wednesday), among them there were representatives of the units directly involved in OVFMP implementation, i.e. Project Implementation Offices from SWH PW RZGW in Cracow, OVFM Project Coordination Unit and the Engineer – Consultant Team (including: Project Manager, 2 Designers and the Property Team).

The meeting was opened by the Project Manager of the Consultant-Engineer's team, who welcomed those present and briefly outlined the purpose of the meeting. She then handed over the floor to the Senior Support Expert for Properties and Technical Assistance for the Client in the Engineer/Consultant team, who gave a multimedia presentation (presented at the meeting on 10/22/2019).

After the presentation, the floor was given over to the participants of the meeting. The participants were interested in both compensation and technical issues and asked questions and received answers.

After the Consultant and the Employer answered all of the questions, the meeting was concluded.

The attendees were thanked for coming and participating in the meeting. After the official part of the meeting (presentation), the participants were still familiarised with the construction project and the property subdivision maps, and could also obtain information on detailed technical solutions from the Designers.

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 questions asked during public consultation at two meetings held on October 22 and 23, 2019 and lack of comments and applications in the substantive matters described in the LARAP by the public in the publication period for the Draft LARAP

for Contract 3A.1, the authors of the document concluded that its contents do not require modifications or additions resulting from the publication procedure.

After supplementing the document with a report on the publication procedure, the final LARAP was submitted to the World Bank for the purpose of obtaining “No objection” clause.

All meeting participants were provided with information brochures on compensation and appeal procedures, including contact details of the Investor and Consultant with telephone numbers where further information can be obtained. The brochure also contains addresses where one can obtain access to both the technical documentation and the paper version of the final version of the LARAP and other information that PAPs would be interested in. PAPs were also encouraged to take more copies of the brochure and hand it over to their neighbours.

There were also forms available at the meeting to ask questions. Each participant was asked to sign up to the attendance list with his/her contact details (if he/she agrees to provide such information). It was also informed that the data will be covered by personal data protection and used only and exclusively for the purpose of Contract 3A.1.

All the questions asked were answered using the contact channels indicated by PAPs (by phone, e-mail or traditional written correspondence).

The final LARAP document, after obtaining the WB's no-objection on 02/10/2020, 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:
 - for 3A.1/1 - Decision on environmental conditions issued by the Regional Director for Environmental Protection in Cracow of 01/27/2017, ref.: OO.4233.4.2016.BM, final as of 03/03/2017;
 - for 3A.1/2 - Decision on environmental conditions issued by the Regional Director for Environmental Protection in Cracow of 01/27/2017, ref.: OO.4233.3.2016.BM, final as of 03/03/2017;
- Decision on environmental conditions issued by the Regional Director for Environmental Protection in Cracow of 09/04/2017, for the project titled: “Construction of the left-bank backwater embankment of the Dłubnia River in the City of Cracow”, ref. OO.4233.1.2017.BM;

- Decision of the Regional Director for Environmental Protection in Cracow of 11/12/2020, ref.: OO.420.4.2.2020.BM, transferring the decision of the Regional Director for Environmental Protection in Cracow of 09/04/2017, ref.: OO.4233.1.2017.BM on environmental conditions for the project entitled: “Construction of the left-bank backwater embankment of the Dłubnia River in the City of Cracow” for the benefit of the State Water Holding Polish Waters, Regional Water Management Authority in Cracow.
- Water permits:
 - for 3A.1/1:
 - Decision no. 3017/OS/2017 of 09/15/2017, final as of 10/26/2017;
 - Decision issued for the reconstruction of the overhead medium voltage network, DOK.DOK3.9700.97.2019.US of 01/16/2020;
 - Decision no. 4175/OS/2017 of 12/13/2017 for construction of the left-bank backwater embankment of the Dłubnia River at km of the embankment 1+136 – 1+612 (km 1+577 – 2+140 of the Dłubnia River) with a length of 416 m and infrastructure elements related to the embankment;
 - Declaration of partial expiry of the water permit of 09/15/2017, no. OS-WS.7322.125.2017 - decision of 07/17/2020, no. DOK.DOK3.9700.10.2020.AW;
 - Decision no. DOK.DOK3.9700.9.2020.AW of 07/17/2020 for the routing of new pipelines and conduits through embankments and through surface water in casing pipelines.
 - for 3A.1/2:
 - Decision no. 3155/OS/2017 of 09/18/2017, final as of 10/30/2017;
 - Decision of 01/24/2020, ref. DOK.DOK3.9700.98.2019.MB issued for reconstruction of the overhead medium voltage network;
 - Declaration of partial expiry of the water permit of 09/18/2017, no. OS-WS.7322.83.2017 – decision of 07/17/2020, no. DOK.DOK3.9700.12.2020.AW;
 - Decision no. DOK.DOK3.9700.11.2020.AW of 07/17/2020 for the routing of new pipelines and conduits through flood protection embankments and through surface water in casing pipelines.
 - for 3A.1/1 and 3A.1/2
 - Decision of the Minister of Infrastructure, ref. GM-DOK-3.7700.173.2021 of February 17, 2022, granting a water permit in place of expired permits.
- Decisions on investment project implementation permit (IPIP):
 - for 3A.1/1:
 - Decision of the Province Governor of Małopolskie no. 03/2020 for the investment project implementation permit related to flood protection structures, ref. WI-XI.7840.27.1.2020.JCh of 08/17/2020. Final as of 09/29/2020. Works are in progress to amend the IPIP to impose a restriction on the use of the property for the benefit of the operators of networks.
 - Decision of the Province Governor of Małopolskie of 05/14/2021 confirming the expiry of the decision of the Province Governor of Małopolskie no. 03/2020 of 08/17/2020, ref. WI-XI.7840.27.1.2020.JCh for the investment project implementation permit titled: Modernization of Vistula embankments in Cracow: Section 1 – the left embankment of the Vistula River from the Wandy Bridge to the Przewóz Barrage, together with backwater embankments of the River Dłubnia; Section 2 – the left embankment of the Vistula River from the Przewóz Barrage to Suchy Jar under the construction of the right and left

embankment of the Vistula River in Cracow in scope of works on properties common with the investment 3A.5.

- Decision of the Province Governor of Małopolskie no. 07/2021 for the investment project implementation permit entitled: *Construction of the left-bank backwater embankment of the Dłubnia River at km of the embankment from 1+136 to 1+612, i.e. from km 1+577 to 2+140 of the Dłubnia River in the city of Cracow, Małopolskie Province*, ref. WI-VI.7840.1.3.2021.BM of 08/12/2021. Final as of 09/20/2021.
- Decision of the Province Governor of Małopolskie ref. WI-VI.7840.7.1.2023.EF of 04/13/2024 amending the original IPIP decision for the investment titled *Modernization of Vistula embankments in Cracow: Section 1 – the left embankment of the Vistula River from the Wandy Bridge to the Przewóz Barrage, together with backwater embankments of the Dłubnia River; Section 2 – the left embankment of the Vistula River from the Przewóz Barrage to Suchy Jar under the construction of the right and left embankment of the Vistula River in Cracow*. Final as of 04/24/2024.
- Decision of the Province Governor of Małopolskie ref. WI-VI.7840.7.2.2023.EF of 02/08/2024 amending the original IPIP decision for the investment titled *Construction of the left-bank backwater embankment of the Dłubnia River at km of the embankment from 1+136 to 1+612, i.e. from km 1+577 to 2+140 of the Dłubnia River in the city of Cracow, Małopolskie Province*. Final as of 04/19/2024.
- for 3A.1/2:
 - Decision no. 04/2020 for the investment project implementation permit related to flood protection structures, ref. WI-XI.7840.27.5.2020.JCh of 11/05/2020. Final as of 03/31/2021.
 - Decision of the Minister of Development and Technology, ref. DLI II.7621.57.2021.KM.11(KP/ML), of July 26, 2023, amending the original IPIP decision.
- Decision on the building structure occupancy permit:
- for 3A.1/1:
 - Building structure occupancy permit - section 1.3, ref.: WIB.771.1.8.2022.ACIE, decision no. 170/2023 of 04/25/2023;
 - Building structure occupancy permit - sections 1.1, 1.2, 1.4, 1.5, 2, ref.: WIB.771.1.6.2023.ACIE, decision no. 402/2023 of 09/21/2023;
 - Building structure occupancy permit - section 1.6, ref.: WIB.771.1.6.2023.ACIE, decision no. 407/2023 of 09/26/2023;
 - Certificate ref. WIB.770.70.2023.ACIE of 05/26/2023, confirming that decision no. 170/2023 became final and effective as of 05/12/2023;
 - Certificate ref. WIB.770.123.2023.ACIE of 10/18/2023, confirming that decision no. 402/2023 became final and effective as of 10/11/2023;
 - Certificate ref. WIB.770.124.2023.ACIE of 10/18/2023, confirming that decision no. 407/2023 became final and effective as of 10/14/2023.
- for 3A.1/2:
 - Building structure occupancy permit - all sections 3.1, 3.2 (a, b), 3.3, 3.4 ref.: WIB.7712.78.2023.KMARS, decision no. 157/2024 of 04/12/2024;
 - Certificate ref. WIB.770.71.2024.ACIE, WIB.7712.78.2023. ACIE of 05/20/2024, confirming

that decision no. 157/2024 became final and effective as of 04/15/2024.

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

Three IPIP decisions of the Province Governor of Małopolskie were issued for Contract 3A.1:

- for Works Contract 3A.1/1 of August 17, 2020, decision no. 03/2020 (final since September 29, 2020),
 - for Works Contract 3A.1/1 of August 12, 2021, decision no. 07/2021 (final since September 20, 2021),
 - for Works Contract 3A.1/2 of November 5, 2020, decision no. 04/2020 (final since March 31, 2021).
- which identified the properties subject to permanent occupation (expropriation), a permanent restriction in the use of plots, the obligation to reconstruct the network and the plots where works were performed on the basis of the right to use the property for construction purposes, and the following number of plots was indicated altogether:
- **847** plots with the area of **47.2427 ha** - subject to permanent occupation,
 - **66** plots with the area of **7.2217 ha** - subject to permanent restriction in property use,
 - **110** plots with the area of **2.1031 ha** – subject to obligation to reconstruct the network, of which **100 plots with the area of 1.8690 ha** were actually subject to occupation.
 - **20** plots with the area of **5.3510 ha** (where construction works were performed on the basis of the right to use the property for construction purposes, i.e. unpaid consent of the owner, in this case the State Treasury represented by SWH Polish Waters and the Municipality of Cracow).

A tabular list of the properties is included in **Appendix no. 4**.

A site visit, conducted at the stage of preparing the LARAP, revealed that the areas taken over for the purposes of investment implementation from the existing owners include riverside green areas covered with trees and bushes.

The ownership structure of the plots subject to permanent occupation is presented in the figure.

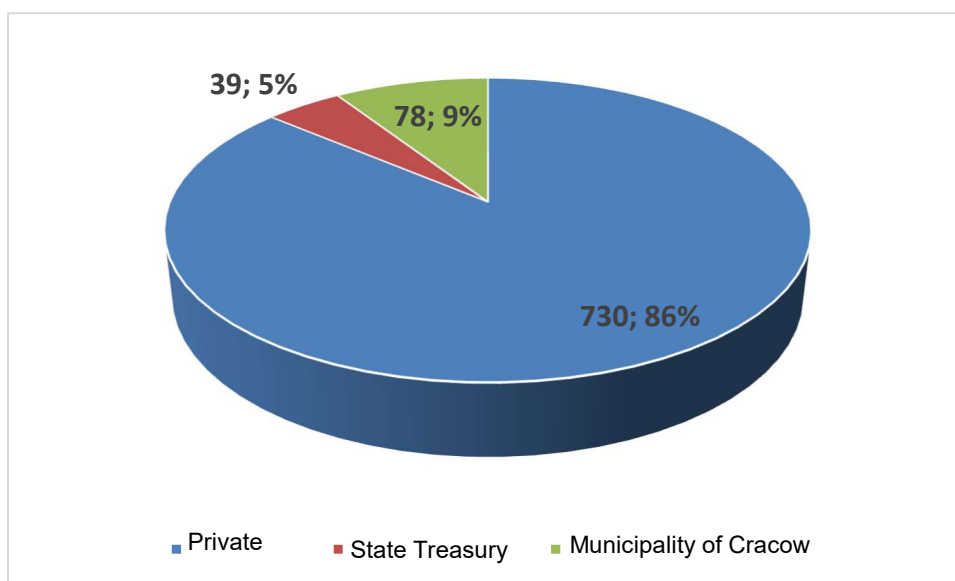


Fig. 1. Ownership structure by the number of plots and percentage share (%)

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

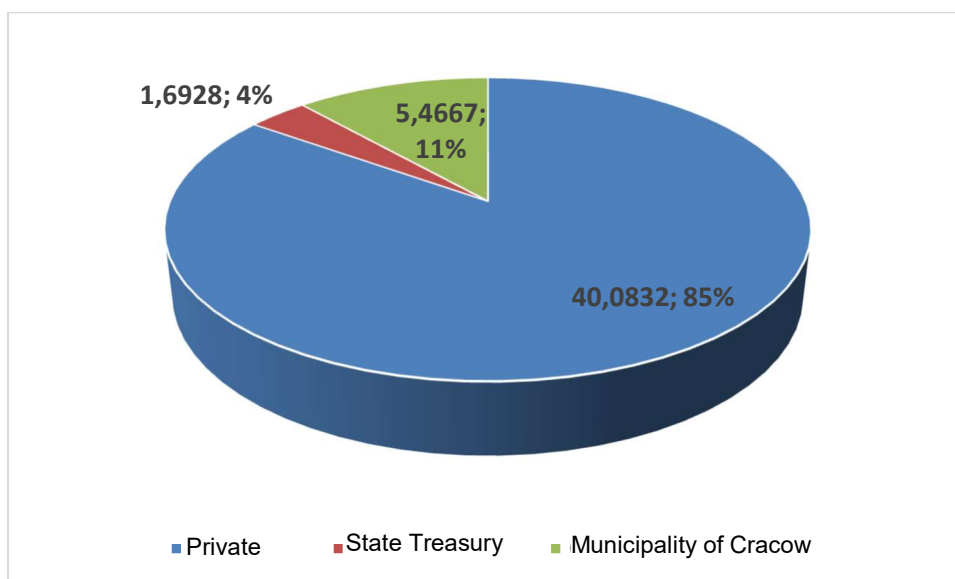


Fig. 2. Ownership structure by the area of plots (ha) and percentage share (%)

847 properties were covered by permanent occupation, including 39 State Treasury plots, 78 municipal plots and 730 plots belonging to natural (private) persons. These plots were not used for agricultural purposes, in fact they were mostly unused land overgrown with self-sown trees and bushes (ecological succession). It was established, based on socio-economic studies, that the land intended for investment execution was not the subject of a long-term investment, either.

The areas that were subject to expropriation cannot be considered as generating any income that is an opportunity to ensure the existence of a family or a legal entity performing economic, commercial or service activities.

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

For all 808 properties subject to payment (730 private and 78 municipal plots, 39 properties were owned by the State Treasury), compensations were paid by the State Water Holding Polish Waters, RZGW in Cracow (either under a protocol agreeing the amount of compensation between the owner and SWH PW or under compensation decisions issued by the Province Governor of Małopolskie). The total amount of **PLN 35,427,383.97** was paid for the properties subject to permanent occupation.

The process of agreeing upon the compensation with PAPs - as per the provisions of the Special Act - lasted 2 months from the date on which the investment project implementation permit became final. Over this period, SWH PW signed 896 protocols agreeing the amount of compensation for the entire property or for a share in the property ownership title in case the property was owned by multiple co-owners. At the second stage, compensations for taking over the properties by the State Treasury were established by the Province Governor of Małopolskie by way of an administrative decision. The Province Governor of Małopolskie issued in their proceedings 697 partial decisions conc. shares of the particular co-owners.

In 160 cases, according to the decision of the Province Governor of Małopolskie, compensations - in the absence of an entitled person - were directed to a court deposit (amount of PLN 7,722,943.37). Seven of the deposits, in the amount of PLN 29,482.33, were paid to the heirs who had settled the succession issues.

In accordance with the requirements of the World Bank's operational policy OP 4.12, specified in the LARAP for the Contract, **all compensations that could be paid was paid prior to the commencement of works or, in the absence of an authorized person, the compensation was paid into a court deposit in accordance with the RFP**. 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.

It was confirmed at the stage of preparing the LARAP for Contract 3A.1 that the actions undertaken to pay the compensations due to owners/perpetual users/possessors of limited property rights in properties, were conducted in congruence with Polish law and OP 4.12 operational policy, the details of which, in the form of procedures to be applied to Contract 3A.1, were included in the LARAP.

The compensations paid to the former owners of properties consisted of the following amounts:

- for land in all 808 cases (total amount of PLN 33,809,985.23);
- for plantings – 133 cases (amount of PLN 479,978.01);
- for building components – 32 cases (amount of PLN 208,647.00).

Compensation in 460 cases (regarding plots) was increased by a bonus, i.e. an additional 5% (for the total amount of PLN 820,573.70). 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 regulated by the provisions of the Special Flood Act.

Payments were generally made by transfers to designated bank accounts and, in 83 cases, by postal transfer. The cost of postal transfers of PLN 11,175.70 was paid by SWH PW and represents the cost of LARAP implementation.

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 2. Summary of monitoring indicators used in the implementation of Contract 3A.1 implemented by SWH PW RZGW in Cracow

Indicator	Information source	Frequency of monitoring	Progress indicator	Value
Assumed parameters				
People exposed to flood	Data from model tests	Once at the investment preparation stage	Quantity	Approx. 51 thousand
Number of hectares of land at risk of flooding	Data from model tests	Once at the investment preparation stage	Quantity [ha]	Approx. 3,100
Number of properties subject to permanent occupation (see Table 1)	IPIP decisions (including division of mortgage units)	Once after decision is issued	Number (pcs.)	847
Number of properties subject to permanent restriction in use (see Table 1)	IPIP decisions	Once after decision is issued	Number (pcs.)	66
Number of natural persons affected by project implementation	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	421* (3A.1/1 – 137, 3A.1/2 – 284)
Number of legal entities affected by project implementation	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	1
Number of acquired properties	Consultant's registers	Monthly/Quarterly	Number (pcs.)	847

Indicator	Information source	Frequency of monitoring	Progress indicator	Value
Achieved parameters				
Number of people protected from flood	RZGW/ Consultant's registers	One time after Contract execution	Quantity	Approx. 51 thousand
Number of hectares protected from flood	RZGW/ Consultant's registers	One time after Contract execution	Quantity [ha]	Approx. 3,100
Amount of all expenses for compensations (actual)	Investor's financial registers	Monthly/Quarterly	PLN	PLN 35,427,383.97
Number of acquired properties	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	847
Performance indicators				
Number of complaints (GRM and national appeals system)	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	23
Number of complaints considered	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	20
Disbursed compensations, miscellaneous	Financial registers of RZGW	Monthly/Quarterly	%	78.14%** (PLN 7,744,281.19 in deposit)
Compensations directed to court deposit	Financial registers of RZGW	Monthly/Quarterly	PLN	177
Compensations remaining with court deposit	Financial registers of RZGW	Monthly/Quarterly	PLN	170

* all PAPs are included in the value 421, 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).

** 21.86% of the total amount of compensations remains with 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 – status as at the date of preparing the Final Report on LARAP implementation.

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

A socio-economic study involving surveys was elaborated by the Consultant's team in July 2019.

The source of information concerning the development and use of the occupied properties, apart from the information obtained directly from users, was also the analysis of extracts and copies from the Register of Land and Buildings, property division maps, mortgage register data, information obtained from Geoportal, 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.

Results of survey studies prior to the commencement of implementation of Contract 3A.1

Attempts were made to hold interviews with the representatives of 269 households located or owning properties in the investment area, where the acquisition covers more than 10% of the original area of the plot and more than 100 m² is occupied (areas up to 100 m² can hardly be considered as generating income that constitutes the possibility of ensuring the household sustenance). The table below presents data for the extent to which this attempt was made:

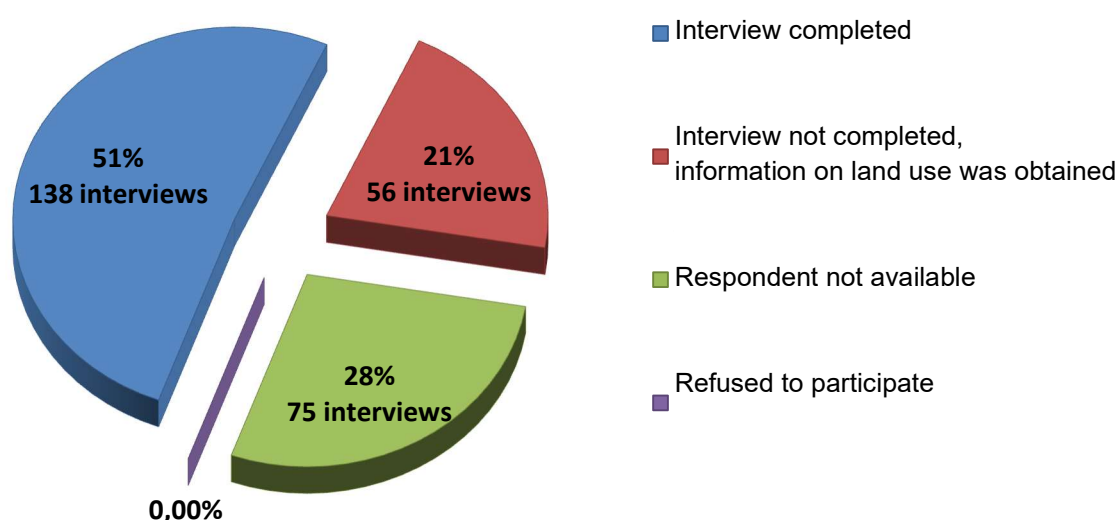


Fig.3. Summary of survey studies.

Among the persons 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.

The properties located in the area designated for the investment were mostly unused land owned by households located outside the investment area, for 66 households only plots were occupied where PAPs' houses were located (in no case the occupation area interfered with the houses or outbuildings located on these plots).

The socio-economic study revealed that the households affected by the Contract include chronically ill and elderly people who require constant care. Property expropriation in the case of households inhabited by these persons has however a negligible impact on their quality of life, as the properties generated no income and, on the contrary, land tax had to be paid annually.

About 20% of the properties subject to expropriation were in agricultural use, growing cereals, maize, potatoes and vegetables, but the occupation in these cases was so small as to allow the rest of the plots to continue to be used for crops.

The property owners who during the study informed of the use of financial support in the form of EU subsidies (28 households) were informed about an obligation of notifying the Manager of District ARMA Office in writing of the occurrence of force majeure and a change in the subsidised area, together with presenting the relevant evidence (i.e. an excerpt from the IPIP decision), within 15 working days counted from the day when they - or a person authorised by them - are able to perform such action (the deadline was 10 working days for RDP 2007-2013 and 2014-2020). This information was also provided in a brochure addressed to PAPs, prepared and distributed as part of the information campaign. In no case did the expropriation entail repayment of the subsidy paid or the loss of subsidies by the PAP.

The low social impact of the investment in question is mainly due to the fact that the works principally related to expanding the existing flood protection embankments and the scale of this expansion was minimised by designing the embankments appropriately, e.g. expansion from the upstream side, where there is no and will be no building development. Only in the backwater section of the Dłubnia River at embankment km 1+136 to 1+612, the change of the location and extension of the existing backwater embankment was designed to close it to the high bank of the Dłubnia Valley. However, the entire section was designed well away from the existing building development. For this investment, its insignificant impact on the functioning of the community should be highlighted, whilst the total social and economic costs incurred by the local community in the investment area can be considered insignificant.

The low socio-economic costs of the investment are also a consequence of the fact that there are no public utility institutions in the area designated for the investment, such as schools, offices, establishments or churches or seats of other religious associations, which means that the expropriation procedure will not affect in any way persons who are not the owners of the properties covered by the expropriation.

There was a historic chapel in the embanked area at Pod Wierzbami Street. In accordance with the opinion of the Municipal Conservator of Monuments of 07/19/2017 and the resolution of the Podgórze District Council of 11/29/2016 (at the request presented by the residents), the historic chapel remained in the embanked area and its location was slightly corrected so that it was not located within the embankment body. The chapel remained protected for the duration of the works and was reinstalled on the elevation made by the Contractor after finishing the works. Access to the chapel was provided from the side of the flood embankment.

The studies conducted showed that the vast majority of respondents, especially those who are located close to flood embankments, are very interested in and highly support the investment implementation as soon as possible. Representatives of the surveyed households have many times informed that they are highly concerned about their assets in any case of raised water levels in the Vistula and preferred compensation in the form of money.

Built-up land properties are located in the adjacency of the area where works were conducted related to the execution of Contract 3A.1, which to a certain degree experienced the nuisance of construction works, noise, and other related factors, but currently they are the biggest beneficiaries of improved flood safety. At the implementation stage, by applying the mitigation and minimisation measures against adverse impacts (as described in the EMP for Contract 3A.1 *Modernization of Vistula*

embankments in Cracow), Investment implementation did not however cause disturbances in the daily functioning of these households.

Results of survey studies after the completion of Contract 3A.1

In December 2024 and January and February 2025, i.e. already after the completion of Contract 3A.1, survey studies were conducted among representatives of the households whose properties were subject to permanent occupation.

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. 250 representatives of the households affected by Contract 3A.1 took part in the survey.

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.

81.6% of the respondents noted that the pursued investment had a positive/strongly positive impact on PAPs and their relatives. 18.4 % 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, 24.8% answered that the impact was *definitely positive*, 56.0% *positive*, and 19.2% 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.

Approx. 68.8% of the respondents indicated that they had no concerns about the investment implementation, 24.8% indicated that they had such concerns, while during implementation their concerns were not confirmed and now that the reconstruction of flood embankments has been completed they view the investment in a very positive light. 22.4%, when asked above about any concerns, indicated that they had not thought about the issue because such "investment was needed by the people".

The positive impact of the investment on the household and the local community as a whole was indicated by 96.8% of respondents. Many of the people interviewed mentioned that the community had gained a new area for recreation and walking. 3.2% of respondents, while rating the impact on a scale of 1 (definitely positive) to 10 (definitely negative) indicated the rate "6" due to the fact that the investment had no impact on their lives and those of their neighbours (not realising the more than local scale of the impact of embankments reconstruction providing protection for two densely populated districts of Cracow and many public utility facilities).

When asked: “As a result of the implementation of the flood protection investment, has your socio-economic situation been maintained at pre-project levels?”, the respondents answered as illustrated in the chart below.

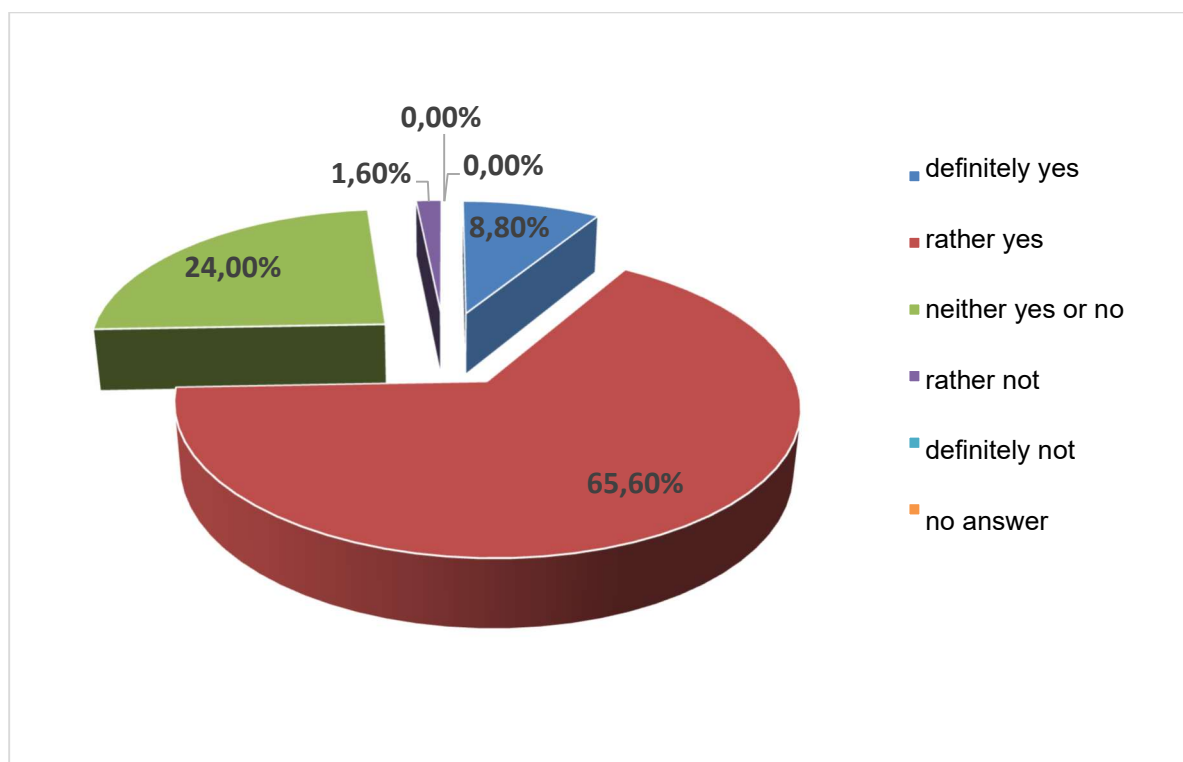


Fig. 4. Answers given to the question on maintaining the socio-economic situation of the PAPs at pre-project levels (question 7).

Respondents indicated in 98.4% of cases that the implementation of the Project had no impact on their socio-economic situation. On the other hand, 4 persons answered that the socio-economic situation of the household was rather not managed to be maintained at the level from before the project, but they pointed to the socio-economic changes that have taken place in Poland in recent years (inflation, disruptions in daily life and anxiety related to the war in Ukraine, etc.) as the reasons.

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

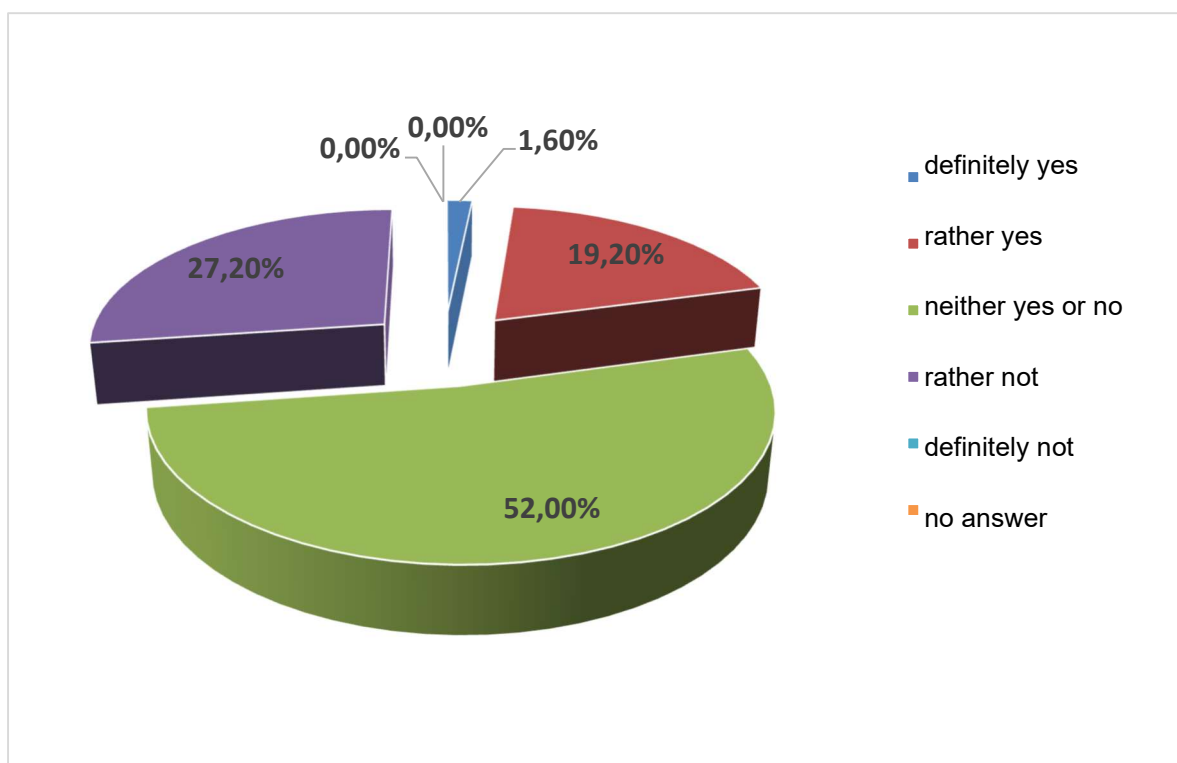


Fig. 5. Answers received to the question on the impact of investment implementation on the household's livelihoods (que. 8).

52.0% of the surveyed PAPs answered *neither yes nor no*, 27.2% - *rather not* to the question of the impact of the investment implementation on livelihoods, while 1.6% of the respondents answered - *definitely yes*, and 19.2% - *rather yes*. The persons holding the survey asked detailing questions, hence it is clear that the PAPs indicating impact had in mind the provision of protection of their property, mainly farmland, owing to the reconstruction of embankments. 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 – 12.0% answered *definitely yes*, 36.0%, *rather yes*, 33.6% *neither yes nor no*, 18.4% *rather no*. Hence, roughly a half of the respondents confirmed the need for implementing this investment also with regard to their own situation (living conditions) and not only the supra-local impact of this Contract.

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, 63.2%, answered “*definitely yes*” and “*rather yes*”, 24.8% - *neither yes nor no*.

11.2% of PAPs answered *rather not* and 2 persons (0.8%) - *definitely not*. The group of people who gave these two answers included those who, in their answer to question 7, indicated a deterioration of the socio-economic situation related to inflation and the war in Ukraine, and in their explanation indicated that inflation had severely diminished the compensation paid in money they had deposited in bank accounts.

The respondents 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. For these two questions, no respondent marked the answers *rather no* and *definitely no*. There was an equally

positive response to the question of whether the expropriation took place in accordance with Polish law and World Bank policies (28.0% - *definitely yes*, 70.4% - *rather yes*, 1.6% - *neither yes nor no*).

Question no. 14: was the expropriation deadline indicated in the LARAP clear and was the process conducted as announced and expected - was answered: 25.6% - *definitely yes*, 68.0% - *rather yes* and 6.4% - *neither yes nor no*.

Ten 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* - 34.4%, *rather yes* - 60.8%, *neither yes nor no* - 4.8%.

No objections were substantially raised to the grievance redress mechanism, the responses to this question are as follows: 9.6% - *strongly positive*, 41.6% - *positive*, 48.0% - *neither positive nor negative*. Two persons responded that, in their perception, the mechanism used worked negatively (these were PAPs who complained during implementation but were not satisfied with the outcome – see chapter 4.2 for more information on this).

Those interested evaluated positively the method of stakeholder engagement applied as part of the process, including those affected by the project (16.8% answered *definitely positive*, 60.0% answered *positive*, whilst 23.2% - *neither positive nor negative*).

In response to question 20 regarding difficulties in receiving the compensation, 97.6% of respondents answered that there *were no difficulties* in this regard. 2.4% of persons in response to this question indicated that the valuation of their property at the stage when the Investor agreed compensation was wrong and they had to appeal to the Province Governor who prepared a second appraisal report for a higher amount, which they accepted.

Positive responses were received from those representing local authorities. These people indicated that project implementation had a positive impact on both their relatives and the entire community they lead (the representatives of the Council of the Podgórze and Nowa Huta Districts were especially enthusiastic as they knew the scale of protection provided under Contract 3A.1).

Under Contract 3A.1, compensation was paid for land and plantings. 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 for payment of compensation are presented in **Appendix no. 4** to the Final Report.

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

Item	Amount
Compensation for permanent occupation, including plantings and infrastructure elements:	PLN 35,199,541.97
- paid to PAP	PLN 27,473,552.78
- paid to court deposit*	PLN 7,725,989.19 (for permanent occupation only)
Compensation for permanent occupation due to a permanent restriction in the use of properties	3A.1/1 PLN 37,881.00 (PLN 6,338.00 to the court deposit) 3A.1/2 PLN 58,851.00 (PLN 11,954.00 will be paid after the Governor's decision)
Compensation for occupation in connection with the obligation to reconstruct the network	3A.1/1 PLN 125,628.00 (PLN 6,428.52 to the deposit) 3A.1/2 PLN 5,482.00 (PLN 397.00 will be paid after the Governor's decision)
Purchase of remnants	PLN 210,030.00
Court fees**	PLN 36,937.68
Other implementation costs of LARAP***	PLN 11,175.70
TOTAL	PLN 35,685,527.35

* after considering the 7 deposits that have already been paid to PAPs.

** 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, BRE, accompanying measures) and others.

Compensation was paid by SWH PW RZGW by transfer from the account to the entitled legal entity's indicated bank 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.

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 the implementation of the LARAP.

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

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

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 (due to absence and this power is not limited).

3.5.3.1 PIU's strategy for court deposits

Compensations were deposited with the court deposit in 177 cases (of which, in 7 cases, compensation was already paid to PAPs). 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 was 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.

In addition, a more proactive approach to finding eligible persons is also foreseen for this Contract. Notices will be prepared for posting on the websites and notice boards of the Municipalities, and within the limits of the financial resources available, notices may also be published in the press.

3.5.4 Permanent restriction to the manner of property use

66 properties with the total area of 7.2217 ha, 31 from the resources of the State Treasury, 3 from the resources of the Wieliczka Powiat, 23 municipal plots and 9 private plots, were subjected to permanent restrictions in the use of properties. Detailed information for this occupation is given in the table (**Appendix no. 4**) with indicating which elements of Contract 3A.1 result in the imposition of the PR.

No compensation is paid to the State Treasury. Compensation was paid for 23 municipal and 6 private plots, of which in 5 cases of private plots the compensation was directed to a court deposit. Additionally, 6 proceedings are still pending (3 for private properties and 3 for plots from the Wieliczka Powiat's resources) with the Province Governor of Małopolskie to determine the amount of compensation (the amounts are known, as in these proceedings appraisal reports were prepared and the values are included in Appendix 4 - these cases are marked in yellow).

3.5.5 Obligation to reconstruct the network (ORN)

The obligation to reconstruct the **existing network of land utilities** was indicated in 3 IPIP decisions issued for Contract 3A.1 in relation to 110⁹ 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.1, subject to reconstruction were the existing overhead high-voltage, medium-voltage and low-voltage power networks, water supply and sewage disposal systems, teletechnical and

⁹ 10 plots were not occupied by the Contractor during the works realisation – there was no need

gas systems running through 100 properties, including: 70 properties of natural persons, 19 municipal properties and 11 State Treasury properties of the Poviát of Wieliczka (see **Appendix no. 4** for details).

Compensation for the ORN due to property owners in connection with the reconstruction of the collision with was paid in 77 cases on the basis of appraisal reports prepared by an independent appraiser (due compensation was placed with a court deposit in 12 cases).

10 proceedings are pending (8 for private properties and 2 for plots from the Wieliczka Poviát's stock) with the Province Governor of Małopolskie to determine the amount of compensation (the amounts are known, as in these proceedings appraisal reports were prepared and the values are included in Appendix 4 - these cases are marked in yellow).

3.5.6 Right to use the property for construction purposes

For 20 properties, construction works were performed by the Investor on the basis of the right to use a property for construction purposes (these are properties belonging to the State Treasury, the representative of the stock is SWH PW and the Municipality of Cracow).

In the case of properties on which works were executed based on the right to use the property for construction purposes, the Investor has submitted declarations 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 temporarily acquired (rented), by its own efforts and at its own cost, 22 properties, including 20 belonging to natural persons and 2 belonging to large joint stock companies. 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.

Properties temporarily occupied by the Contractor were restored to their original state after the completion of works to enable their owners to use them in the same manner as before Project

implementation or to the state agreed with the property owner according to the property acquisition agreement. All contractual obligations were fulfilled.

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).

Under Contract 3A.1, **48 applications were submitted to purchase the “remnants” for 71 properties.** 20 applications covering 21 plots were considered positively, but two of the owners whose applications were considered positively resigned from purchasing the plot.

The other applications were refused, as the properties did not meet the conditions indicated in Article 23(2) of the Special Flood Act.

18 notary deeds were signed under which 19 “remnants” were purchased. The process of buying out the “remnants” has been completed.

Table 4. Summary of information about the applications submitted, their examination and purchase of “remnants”

No.	Plot no. before division	Plot no. expropriated for investment	Plot no. applied for purchase	Precinct	Recommendation	PRICE	SIGNED PROTOCOL	NOTARY PUBLIC
Contract 3A.1/1								
1	107	107/2	107/1	46 Nowa Huta	NO	-	-	-
2	39	39/2	39/3	42 Nowa Huta	NO	-	-	-
			39/4		NO	-	-	-
			39/5		NO	-	-	-
	316/1	316/10, 316/12	316/11	46 Nowa Huta	NO	-	-	-
	352	352/6	352/5	46 Nowa Huta	NO	-	-	-
	346	346/2	346/3	40 Nowa Huta	NO	-	-	-
	466/2	466/3	466/4	46 Nowa Huta	NO	-	-	-
	471	471/4	471/5	46 Nowa Huta	NO	-	-	-
	682/6	682/11	682/12	46 Nowa Huta	YES	-	-	-
	682/7	682/13	682/14	46 Nowa Huta	NO	-	-	-
	822	822/2	822/1	46 Nowa Huta	YES	-	-	-
			822/3	46 Nowa Huta	NO	-	-	-
			822/4		NO	-	-	-
3	346	346/1, 346/3	346/2	46 Nowa Huta	NO	-	-	-
	653	653/1	653/2	46 Nowa Huta		-	-	-
4	91	91/1	91/2	43 Nowa Huta	NO	-	-	-
5	813	813/1	813/2	46 Nowa Huta	YES	PLN 1,238.00	<i>signed on 02/28/2023</i>	Signed on 08/17/2023 <u>Rep A no. 8333/2023</u>
6	679	679/1	679/2	46 Nowa Huta	YES	-	-	Plot was bought by Municipality of Cracow
7	73	73/3	73/4	46 Nowa Huta	NO	-	-	-
8	588/4 (863)	588/10	588/11(863/2)	46 Nowa Huta	NO	-	-	-
9	54/4	54/8	54/7	46 Nowa Huta	NO	-	-	-
			54/3			-	-	-
10	402	402/2	402/1	39 Nowa Huta	NO	-	-	-
11	412	412/1	412/2	46 Nowa Huta	NO	-	-	-
12	686	686/2	686/1	46 Nowa Huta	NO	-	-	-
13	-	-	212	39 Nowa Huta	NO	-	-	-

INTERIM REPORT ON IMPLEMENTATION OF THE LAND ACQUISITION AND RESETTLEMENT ACTION PLAN -----

FOR WORKS CONTRACT 3A.1

	-	-	331/1			-	-	-
	-	-	483			-	-	-
	-	-	269/2			-	-	-
	-	-	270/2			-	-	-
	-	-	463			-	-	-
	-	-	465			-	-	-
14	814	814/1	814/2	46 Nowa Huta	YES	PLN 28,091.00	Protocol of 07/26/2023	Signed on 01/18/2024 <u>Rep A no. 862/2024</u>
15	323	323/1	323/2	39 Nowa Huta	YES	PLN 7,694.00	Protocol of 03/08/2023	Signed on 12/05/2023 <u>Rep A no. 11779/2023</u>
16	380	380/2	380/1	46 Nowa Huta	YES	-	-	out of date, expropriated for Dłubnia River
17	382	382/1	382/2	46 Nowa Huta	NO	-	-	
18	341	341/1	341/2	46 Nowa Huta	NO	-	-	
19	282/1	282/14	282/13	46 Nowa Huta	YES	PLN 1,100.00	Protocol of 09/06/2023	Signed on 04/02/2024 <u>Rep A no. 4417/2024</u>
			282/15		NO	-	-	-
20	332	332/1	332/2	39 Nowa Huta	NO	-	-	-
21	475	475/3	475/1	39 Nowa Huta	YES	PLN 2,355.00	Protocol of 02/27/2023	Signed on 08/18/2023 <u>Rep A no. 8381/2023</u>
			475/2			PLN 17,342.00	Protocol of 02/27/2023	

Contract 3A.1/2								
1	147	147/2	147/1	108 Podgórze	YES	PLN 8,669.00	Protocol of 05/11/2023	Signed on 11/16/2023 <u>Rep A no. 11138/2023</u>
2	151/1	151/3	151/2	108 Podgórze	YES	PLN 2,324.00	Protocol of 05/11/2023	Signed on 11/16/2023 <u>Rep A no. 11130/2023</u>
3	79/2	79/5	79/4	18 Podgórze	YES	PLN 3,448.00	-	The owner resigned from the purchase
4	178	178/1	178/2	Brzegi	YES	PLN 2,838.00	Protocol of 06/07/2023	Signed on 11/16/2023 Rep A no. 11137/2023
5	136	136/1	136/2	Brzegi	NO	-	-	
6	75	75/2	75/1	18 Podgórze	YES	PLN 2,093.00	Protocol of 05/10/2023	Signed on 11/09/2023 <u>Rep A no. 10809/2023</u>
7	445	445/2	445/1	106 Podgórze	NO	-	-	-
8	23	23/2	23/1	22 Podgórze	NO	-	-	-

INTERIM REPORT ON IMPLEMENTATION OF THE LAND ACQUISITION AND RESETTLEMENT ACTION PLAN -----

FOR WORKS CONTRACT 3A.1

9	82	82/2	82/1	108 Podgórze	YES	PLN 14,835.00	Protocol of 05/10/2023	Signed on 11/13/2023 <u>Rep A no. 10903/2023</u>
10	3	3/3	3/4	106 Podgórze	YES	PLN 14,294.00	Protocol of 05/12/2023	Signed on 12/13/2023 <u>Rep A no. 12218/2023</u>
11	45	45	45	16 Podgórze	NO	-	-	-
12	47/2	47/4	47/3	23 Podgórze	NO	-	-	-
13	27/1	27/3	27/2	18 Podgórze	YES	PLN 25,736.00	-	The owners resigned from the purchase
14	169	169/2	169/1	Brzegi	NO	-	-	-
15	9	9/2	9/1	109 Podgórze	YES	PLN 38,608.00	Protocol of 05/12/2023	Signed on 11/13/2023 <u>Rep A no. 10911/2023</u>
16	76	76/2	76/1	108 Podgórze	YES	PLN 19,572.00	Protocol of 03/02/2023	Signed on 09/18/2023 <u>Rep A no. 9267/2023</u>
17	31	31/2	31/1	108 Podgórze	NO	-	-	-
18	83	83/2	83/1	108 Podgórze	YES	PLN 6,881.00	Protocol of 03/07/2023	Signed on 09/26/2023 <u>Rep A no. 9551/2023</u>
19	80	80/1	80/2	21 Podgórze	YES	PLN 3,042.00	Protocol of 07/05/2023	Signed on 01/16/2024 <u>Rep A no. 741/2024</u>
20	609	609/2	609/1	108 Podgórze	YES	PLN 5,816.00	Protocol of 05/18/2023	Signed on 12/05/2023 <u>Rep A no. 11786/2023</u>
21	156	156/2	156/1	18 Podgórze	NO	-	-	-
			156/3			-	-	-
22	4	4/2	4/1	22 Podgórze	NO	-	-	-
23	7	7/1	7/2	109 Podgórze	NO	-	-	-
24	27/1	27/3	27/4	18 Podgórze	NO	-	-	-
25	152	152/1	152/2	Brzegi	YES	PLN 9,339.00	Protocol of 07/26/2023	Signed on 08/30/2023 <u>Rep A no. 8714/2023</u>
26	447	447/1	447/2	106 Podgórze	NO	-	-	-
27	8	8/2	8/1	109 Podgórze	YES	PLN 23,899.00	Protocol of 02/23/2025	Signed on 05/30/2025 <u>Rep A no. 3752/2025</u>

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

4. FUNCTIONING OF THE GRIEVANCE REDRESS MECHANISM (GRM)

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

4.1 GENERAL GRIEVANCE REDRESS MECHANISM

The mechanism for submitting complaints and applications pertaining to any matters connected with the implementation of Contract 3A.1 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 at the construction site office (the address of the office was given on the Investor's website within month before the start of works).

Additionally, complaints and applications could be submitted:

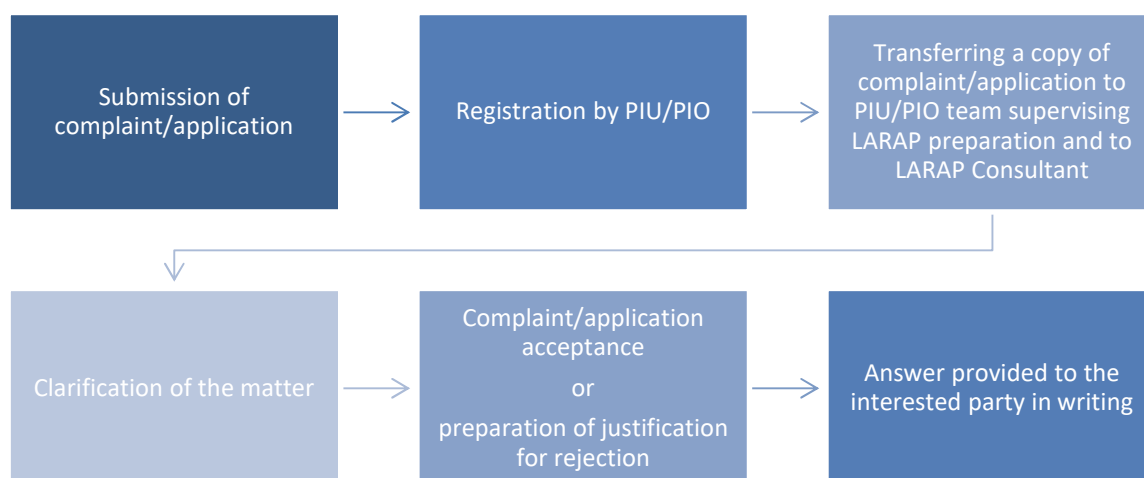
- Via conventional post to the above address or

- Via the Internet:

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

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

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

Photo 7 The general mechanism of the complaints and motions management

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.1.

4.2 SUMMARY OF COMPLAINTS AND APPLICATIONS

List of complaints submitted under the Grievances redress mechanism

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
1	08/22/2019	PAP1	Comments on the proposed project concerning the division of plot, precinct 40 Nowa Huta	In a response prepared and sent on 09/06/2019, it was explained to PAP that it is necessary to occupy 104 m ² (3.7%) of the property in question for raising the crest of the embankment, for which the expansion of the footing is necessary, which will occupy plot no. 227 at a width from approx. 2m to approx. 3.8m over a length of 35.7m. The expansion of the embankment footing is necessary to ensure adequate stability of the embankment. The owner of the property was notified of the surveying activities to the address indicated in the cadastre, the

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
				correspondence came back with a note that the person does not reside at this address, a further attempt was legally made to notify this person by posting a notice on the notice board of the Municipal Office in Cracow. The PAP was invited to a field meeting so that the Surveyor could indicate the area of planned occupation. It was explained how the plot would be subdivided and that this involved a small section, 3.7% of the plot area, located right at the embankment footing. The case was closed.
2	03/02/2022	PAP5	An email complaint to World Bank concerning additional occupation of the PAP's property and creation of a public road	<p>On 03/02/2022, SWH PW was informed that a complaint was received electronically (e-mail) from the property owner to the World Bank for the occupation of the property for Contract 3A.1/2 - a request to additionally purchase the PAP's plot where a public crossing would be created for residents. On 04/06/2022, a meeting was organised by the PIO with the Consultant's support with the PAP and local residents to discuss the issue of purchasing the property and arranging a temporary crossing for the duration of the works.</p> <p>A safe crossing for the residents of Bugaj Street to Pod Wierzbami Street (across the State Treasury's properties) was planned and implemented for the duration of the construction. When works were finished, residents can use the asphalted cycle/pedestrian path along the embankment crest, and additional stairs equipped with a handrail were built for residents to improve this crossing (the local community is satisfied with this solution). The matter of constructing an additional walkway across private individuals' plots was referred to the Municipality's public roads unit.</p>

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
				The case was closed.
3	08/01/2022	PAP5	E-mail complaint to the World Bank concerning the temporary and permanent crossing between Bugaj Street and Pod Wierzbami Street	<p>On 08/01/2022, an email complaint was received from PAP for lack of agreement between SWH PW and residents concerning the crossing between Bugaj Street and Pod Wierzbami Street - the PAP is not satisfied with the Investor's proposal.</p> <p>The Consultant, together with the PIO, prepared a draft clarification to the World Bank indicating that temporary and permanent solutions was established with the residents for the crossing between Bugaj Street and Pod Wierzbami Street, as well as indicating information about the local community's support for such a solution.</p> <p>These clarifications were also sent to PAP.</p> <p>The case was closed.</p>
4	08/03/2022	PAP5	E-mail complaint to SWH PW concerning the temporary and permanent crossing between Bugaj Street and Pod Wierzbami Street	<p>On 08/03/2022, an email complaint was received from PAP for lack of agreement between SWH PW and residents concerning the crossing between Bugaj Street and Pod Wierzbami Street - the PAP is not satisfied with the Investor's proposal.</p> <p>On 08/12/2022, a response was provided to the PAP which clarified all the issues raised in the PAP's email (see line 10 above for details).</p> <p>The case was closed.</p>
5	09/05/2022	PAP5	A letter with a claim to SWH PW conc. temporary occupation of plots by the Contractor	<p>On 09/05/2022, as the Mother's proxy, the PAP filed a claim with SWH PW for payment of compensation for the Contractor's infringement of the plot's ownership during the lasting works. The PAP did not submit a power of attorney from the Mother or documents proving that she is the owner of the plots mentioned in the complaint.</p> <p>The Contractor, with the letter of 10/06/2022, informed the PAP that, in order to confirm and determine the factual status of the plots</p>

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
				<p>(damage valuation), the Contractor had commissioned a procedure with the appraiser.</p> <p>On 11/16/2022, the PAP sent a letter to SWH PW reiterating the Contractor's non-contractual use of the plot. The letter called for compensation for the above-mentioned reason.</p> <p>On 11/28/2022, SWH PW sent a letter to the Contractor providing the PAP's letter requesting to resolve the matter. The Contractor contacted the PAP, asked to present a power of attorney, commissioned to prepare an appraisal report. On the basis of the appraisal report, the Contractor conducted negotiations to determine the amount of compensation. The PAP verbally confirmed that he was satisfied with the amount of compensation proposed.</p> <p>On February 14, 2024, the Contractor organised a meeting at the PAP's request (representing 7 co-owners), to conclude the matter related to the temporary occupation of the plots. The PAP informed the Contractor at the meeting that he expected the exit to be made to plots 601/1 and 602 and their surface to be levelled by bringing the fertile soil, as there is stagnant water on the plots. The PAP said it would sign a protocol agreeing the compensation for temporary occupation only when these demands are met. The Contractor explained that in line with the will of 2 co-owners, protocols had already been signed and he had paid the compensation due to these people. Additionally, the Contractor produced pre-Contract photographs which documented that these plots had no exits from the dirt road and that there was historically stagnant water. At the end of the meeting, the PAP handed the Contractor a</p>

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
				<p>letter with demands and the information that failure to meet these demands would result in the co-owners taking legal action against SKANSKA (a letter of the same content was also addressed to the Investor). After the meeting, one of the co-owners present at the meeting contacted the Contractor and signed a protocol agreeing the amount of compensation and waiving additional claims. The Engineer analysed the issue of the exit and stagnant water and also found no basis for meeting the PAP's demands. SWH PW's letter was sent to the co-owners informing them that there were no grounds for the claim. The PAP was also informed of the possibility of pursuing a civil action. In April 2024, the other co-owners of the plots signed protocols to the Contractor agreeing the amount of compensation for the temporary occupation and waiving any further claims; the compensation was paid to them. The PAP is not a co-owner of the plots covered by the claim. The case was closed.</p>
6	05/22/2024	PAP13 (Company)	Complaint by the Company's proxy to the World Bank for referring the compensation for 6 properties expropriated under Contract 3A.1/2 to a court deposit. Contract 3A.4 was erroneously identified in the complaint, for which an Interim Report was prepared and approved by the Bank.	<ol style="list-style-type: none"> 1. Explanations were prepared and sent to the World Bank. 2. Explanations were prepared and sent to the Company's Proxy indicating that compensation was placed to the deposit due to entries in Section III of the Land and Mortgage Register informing about pending court proceedings against the Company for reconciliation of the content of the Land and Mortgage Register with the actual legal status, initiated by the Mayor of the City of Cracow, and the lack of indication by the Company of documents confirming that the proceedings are finished (as a result, it is not possible to unambiguously

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
				<p>indicate to whom the compensation should be paid).</p> <p>Compensation paid to the court deposit.</p> <p>The case is being monitored.</p>

List of requests

No.	Date of request	Entity submitting the request	Subject/issue of the request	Method of consideration
1	01/11/2021	PAP1	Establishing the access easement for the PAP's plots in the embanked after building a new part of the Dłubnia river embankment	Access easement to the requested plots was established in favour of each current owner.
2	04/28/2022	PAP2	The route of the existing overhead power line through the PAP's plot was changed	05/22/2022, a letter was sent to the PAP stating that the route of the overhead power line on plot no. 83/2 cannot be changed. The line is not a new line, but merely a redeveloped line that along much of its route follows the old footprint of the foundation. The power line was redeveloped as per the valid provisions of the Construction Law and the redevelopment conditions issued by Tauron Dystrybucja S.A. Appropriate compensation for the restriction in the use of the plot was paid to the PAP.
3	09/29/2022	PAP3	The route of the existing overhead power line through the PAP's plot was changed	Correspondence was exchanged and a meeting was held with the PAP – it was informed that the Investor cannot move the existing LV power line pole on the property 81/2, the cadastral unit 21 of the Podgórze outside this property.
4	09/06/2022	PAP4	Reinstatement of access road to plots	A meeting was organised with PAP. Access to property no. 11/2 and no. 11/4, precinct no. 17, cadastral unit Podgórze was provided as agreed at the meeting with the PAP held in field on 10/18/2022.
5	05/09/2023	PAP5	Providing access to the PAP's plots after building a new part of the Dłubnia river embankment	05/17/2023, a letter was sent to the PAP explaining that access could be via a service road along the foot of the embankment designed to carry the load of heavy equipment.

List of complaints submitted under the national appeals system

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
1	<p>12/02/2020 (to the Minister against the IPIP decision issued by the Province Governor of Małopolskie)</p> <p>05/07/2021 (to PAC against the Minister's decision)</p> <p>09/29/2021 (cassation appeal to SAC against PAC's decision)</p>	PAP2	<p>Appeal against the IPIP decision of the Province Governor of Małopolskie no. 04/2020 ref.: WI-XI.7840.27.5.2018.JCh of 11/05/2020</p> <p>MRPiT's decision of 03/31/2021, ref.: DLI-II.7621.66.2020.PMJ.5</p> <p>Appeal to PAC against MRPiT's decision of 03/31/2021, ref.: DLI-II.7621.66.2020.PMJ.5</p> <p>PAC's judgement file ref. VII SA/Wa 1053/21 of 07/23/2021</p> <p>Cassation appeal against the judgement of the Provincial Administrative Court in Warsaw of 07/23/2021, file ref. VII SA/Wa/1053/21 - appeal brought to SAC</p>	<p>Appeal by the owners of property no. 41/1, precinct of 106 Podgórze, concerning the IPIP decision for agreed boundaries of property division and the area planned to be acquired for the investment. The MRPiT sent a letter of 01/29/2021, ref.: DLI-II.7621.66.2020.PMJ.1, in which it called on the representative of SWH PW to clarify the allegations raised in the appeal. In response to the Minister's letter of 02/19/2021, it was pointed out that the appellants' allegations were unfounded and that the project complied with the law and the applicable technical norms and opinions issued.</p> <p>On 03/31/2021, MRPiT issued the decision DLI-II.7621.66.2020.PMJ.5 in respect of revoking - in the contested decision - the table in point VI concerning the approval of property division for item no. 120 - for plot no. 390 from the precinct of 21 Podgórze, the rest of the contested decision was upheld. Accordingly, the PAP's appeal was entirely not recognised.</p> <p>On 05/07/2021, the PAP's complaint was received by the Provincial Administrative Court in Warsaw against the MRPiT's decision of 03/31/2021 (ref.: DLI-II.7621.66.2020.PMJ.5).</p> <p>On 05/24/2021, the MRPiT, with letter ref. DLI-II.7621.66.2020.PMJ.9, requested the Provincial Administrative Court to dismiss the complaint.</p> <p>On 07/23/2021, the PAC issued a judgement under case number VII SA/Wa 1053/21 dismissing the PAP's complaint.</p>

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
				<p>On 10/19/2021, the Investor was informed that the PAP filed a cassation complaint on 09/29/2021 to the Supreme Administrative Court in Warsaw - an appeal against the judgement of the Provincial Administrative Court in Warsaw, file ref. VII SA/Wa 1053/21.</p> <p>On 01/20/2022, the Supreme Administrative Court issued a judgement dismissing the cassation appeal entirely - file ref. II OSK 2399/21.</p> <p>The case was closed.</p>
2	11/17/2022 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	PAP2	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.32.2021.KD of 10/17/2022 concerning the amount of compensation	<p>The Province Governor of Małopolskie forwarded to the Minister the PAP's appeal concerning the decision on the amount of compensation for the plot designated no. 41/3, precinct of 106 Podgórze.</p> <p>The MRiT revoked the decision of the Province Governor entirely and referred the case for reconsideration by the authority of first instance (MRiT's decision of 03/28/2024 ref. DLI-VI.7618.14.2022.EK).</p> <p>The Province Governor, in the re-initiated proceeding, prepared a new appraisal report, and the party filed remarks thereto conc. the valuation of the vegetation component. On 06/27/2024, a letter was sent to the expert to respond to the party's comments. On 07/25/2024, the appraiser responded to the comments and upheld their valuation.</p> <p>On 09/05/2024, the Province Governor issued a decision determining the amount of compensation. On 09/24/2024, the decision became final, the PAP was paid compensation.</p> <p>The case was closed.</p>
3	08/17/2022 (to the Minister against the	PAP3	Appeal against the compensation decision	The Province Governor of Małopolskie forwarded the PAP's appeal for establishing the amount

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
	decision of the Province Governor establishing the amount of compensation)		of the Province Governor of Małopolskie ref.: WS-II.7570.2.230.2020.ADT of July 16, 2021	of compensation for plot 463 from precinct 39 Nowa Huta to the Minister. With the letter of 04/04/2022, ref.: DLI-IV.7618.13.2021.AD, MRiT referred to the property appraiser to determine whether the appraisal report of 08/24/2020 is up to date. With the letter of 04/28/2022, ref.: DLI-IV.7618.14.2021.AD the Minister revoked the decision of the Province Governor of Małopolskie entirely and referred the case for reconsideration by the authority of first instance. On 06/06/2023, the Province Governor of Małopolskie issued a new decision for establishing the compensation amount for plot 463; the decision became final on 06/27/2023. The compensation was paid to the PAP on 07/11/2023. The case was closed.
4	08/17/2022 (to the Minister against 4 decisions of the Province Governor establishing the amount of compensation)	PAP3	Appeal against 4 compensation decisions of the Province Governor of Małopolskie ref.: WS-II.7570.2.178.2020.ADT, WS-II.7570.2.232.2020.ADT, WS-II.7570.2.233.2020.ADT, WS-II.7570.2.242.2020.ADT of July 16, 2021	The Province Governor of Małopolskie forwarded the PAP's appeal for establishing the amount of compensation for the plot: 269/2, 483, 465 and 331/1 from the precinct of 39 Nowa Huta to the Minister. With the letter of 04/04/2022, ref.: DLI-IV.7618.13.2021.AD, MRiT referred to the property appraiser to determine whether the appraisal report of 08/24/2020 is up to date. With the letter of 04/28/2022, ref.: DLI-IV.7618.14.2021.AD the Minister revoked the decisions of the Province Governor of Małopolskie entirely and referred the case for reconsideration by the authority of first instance. On 06/06/2023, the Province Governor of Małopolskie issued new decisions for establishing the compensation amount for all 4 plots; the decisions became final on 06/27/2023. The compensation was paid to the PAP on 07/11/2023.

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
				The case was closed.
5	07/26/2021 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	SWH PW	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.138.2020.MP of June 25, 2021 concerning the amount of compensation	On 07/26/2021, the Province Governor of Małopolskie forwarded the SWH PW's appeal to Minister for revoking the challenged decision entirely and on referring the case for reconsideration by the authority of first instance. 02/15/2022, ref.: DLI-IV.7618.7.2021.MK, the MRIT issued a decision revoking the decision of the Province Governor of Małopolskie entirely and referred the case for reconsideration to the body of first instance. The Province Governor of Małopolskie issued a second decision for establishing the compensation; the decision became final, the compensation was paid. The case was closed.
6	08/11/2021 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	SWH PW	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.157.2020.BST of July 13, 2021 concerning the amount of compensation	08/11/2021, the Province Governor of Małopolskie forwarded the SWH PW's appeal to the Minister for revoking the challenged decision entirely and considering the plot owner's succession case who settled the ownership matters for the plot. 10/19/2022, the Minister issued a decision revoking the contested decision of the Małopolskie Governor entirely. The Province Governor of Małopolskie issued a second decision for establishing the compensation by indicating as the entitled party the heir who presented the relevant documents; the decision became final, the compensation was paid. The case was closed.
7	11/04/2021 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	PAP4	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.13.2021.RG z of 10/25/2021 concerning the amount of compensation	An appeal of 11/03/2021 was filed with the Małopolskie Provincial Office in Cracow on 11/04/2021 against the decision ruling on the amount of compensation for the property. The PAP lodged the applications for payment of an undisputed part of compensation for all 3 properties.

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
				<p>The undisputed part of the compensation for all properties was paid in March 2021.</p> <p>On 07/08/2022, the MRiT issued a decision upholding the challenged decision of the Province Governor of Małopolskie of October 25, 2021, ref.: WS-II.7570.2.13.2021.RG.</p> <p>The case was closed.</p>
8	06/17/2022 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	PAP6	Appeal against the decision of the Province Governor of Małopolskie of 05/31/2022 for establishing the amount of compensation, ref. WS-II.7570.2.102.2021.SM	<p>The PAP lodged an appeal against the Province Governor's compensation decision (concerning plot 30, precinct of 21 Podgórze).</p> <p>At the owner's request, the undisputed amount was paid.</p> <p>The MRiT revoked the decision of the Province Governor entirely and referred the case for reconsideration by the authority of first instance (MRiT's decision of 12/15/2023 ref. DLI-IX.7618.5.2022.SC).</p> <p>05/08/2024, the Province Governor issued a new decision establishing the compensation amount. The PAP was paid the difference between the already paid compensation and the final amount of compensation established by the Province Governor.</p> <p>The case was closed.</p>
9	04/08/2022 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	PAP7	Appeal against the decision of the Province Governor of Małopolskie of 03/04/2022 for establishing the amount of compensation, ref.: WS-II.7570.2.50.2021.TH	<p>The PAP lodged an appeal against the Province Governor's compensation decision.</p> <p>The MRiT revoked the decision of the Province Governor entirely and referred the case for reconsideration by the authority of first instance (MRiT's decision of 03/28/2024 ref. DLI-VI.7618.3.2024.MC). A second, new decision by the Province Governor was issued on 09/05/2024.</p> <p>On 09/26/2024, the decision became final, the PAP was paid compensation.</p> <p>The case was closed.</p>
10	12/30/2021 (to the Minister against the decision of the	PAP4	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-	<p>12/30/2021, the PAP's appeal of 12/29/2021 was filed with the Małopolskie Provincial Office against</p>

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
	Province Governor establishing the amount of compensation)		II.7570.2.96.2021.TG of 12/21/2021 concerning the amount of compensation	<p>the decision ruling on the amount of compensation for property no. 93/2. The PAP lodged an application for payment of an undisputed part of compensation and the undisputed part of compensation was disbursed in March 2022.</p> <p>The Minister revoked the decision of the Province Governor entirely and referred the case for reconsideration by the authority of first instance (MRiT's decision of 01/30/2024, ref. DLI-IX.7618.2.2022.DM).</p> <p>The Province Governor of Małopolskie prepared a new appraisal report for plot 93/2 and issued a new decision establishing the compensation amount on 05/13/2024. The decision became final on 06/04/2024. The compensation was paid to the PAP. The case was closed.</p>
11	09/26/2022 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	PAP8 (3 co-owners)	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.12.2021.KD of 08/22/2022 concerning the amount of compensation	<p>The PAPs appealed against the Province Governor of Małopolskie's decision ruling on the amount of compensation for the property. The property co-owners applied for payment of the undisputed amount of compensation which was paid. The MRiT, with the decision of December 22, 2022, ref. DLI-VI.7618.11.2022.AS, upheld the decision of the Province Governor of Małopolskie. The case was closed.</p>
12	<p>10/12/2022 (to the Minister against the decision of the Province Governor establishing the amount of compensation)</p> <p>07/24/2023 (to PAC against the Minister's decision)</p>	PAP9	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.18.2021.KD of 10/03/2022 to the PAC against the Minister's decision	<p>10/12/2022, the Province Governor of Małopolskie forwarded to the Minister the PAP's appeal concerning the decision on the amount of compensation for a property designated as plot 23/3, precinct of Brzegi</p> <p>On 06/30/2023, MRiT issued a decision to uphold the contested decision of the Provincial Office. On 07/24/2023, the PAP appealed against the MRiT's decision to the PAC.</p>

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
				The PAC, after hearing the case at a meeting on 10/27/2023, rejected the complaint. The PAP did exercise the right to lodge a cassation complaint with the SAC. The case was closed.
13	11/17/2022 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	PAP10	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.26.2021.KD of 10/27/2022 concerning the amount of compensation	11/17/2022, the Province Governor of Małopolskie forwarded to the Minister the PAP's appeal concerning the decision on the amount of compensation for a property designated as plot 30/2, precinct of 23 Podgórze. At the owner's request, the undisputed amount was paid (04/02/2023). The Minister revoked the Province Governor's decision and referred the decision back to be re-examined. The Province Governor issued another decision on the amount of compensation on 09/06/2024; the decision became final on 10/03/2023. The compensation was paid. The case was closed.
14	11/29/2022 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	PAP11	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.172.2021.JD of 10/20/2022 concerning the amount of compensation	The Province Governor of Małopolskie forwarded to the Minister the PAP's appeal concerning the decision on the amount of compensation for a property designated as plot 515/17, precinct of 46 Nowa Huta. At the PAP's request, an undisputed amount of compensation was paid. The MRiT issued a decision to refer the case for reconsideration by the Province Governor of Małopolskie. 08/04/2023, the Province Governor of Małopolskie issued a new decision on the compensation amount (the decision on the compensation amount became final on 08/25/2023). Supplementary compensation was paid in September 2023. The case was closed.
15	11/29/2022 (to the Minister	PAP11	Appeal against the decision of the Province	The Province Governor of Małopolskie forwarded to the

No.	Date of complaint	Complainant	Subject/issue of the complaint	Method of resolving
	against the decision of the Province Governor establishing the amount of compensation)		Governor of Małopolskie, ref.: WS-II.7570.2.174.2021.JD of 10/20/2022 concerning the amount of compensation	Minister the PAP's appeal concerning the decision on the amount of compensation for a property designated as plot 515/20, precinct of 46 Nowa Huta. At the PAP's request, an undisputed amount of compensation was paid. The MRiT issued a decision to refer the case for reconsideration by the Province Governor of Małopolskie. 08/04/2023, the Province Governor of Małopolskie issued a new decision on the compensation amount (the decision on the compensation amount became final on 08/25/2023). Supplementary compensation was paid in September 2023. The case was closed.
16	04/03/2023 (to the Minister against the decision of the Province Governor establishing the amount of compensation)	PAP12 (Company)	Appeal against the compensation decision of the Province Governor of Małopolskie of 03/23/2023 concerning the amount of compensation	04/03/2023, an appeal of was filed with the Małopolskie Provincial Office in Cracow against the decision ruling on the amount of compensation for the property. The Province Governor sent the case file to the Minister. Case pending.
17	February 2025	PAP13 (Company)	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.94.2021.ADT establishing the amount of compensation and placing the compensation with the court deposit	The company filed a complaint against the decision of the Province Governor of Małopolskie of November 13, 2024, case ref.: WS-II.7570.2.94.2021.ADT for establishing the compensation amount and submitting the compensation to the court deposit (conc. plot 1/3, precinct of 18 Podgórze). The Minister, with the letter of 02/21/2025, informed the Company that the appeal case would be considered by June 30, 2025. Case pending.

4.3 CONCLUSIONS – SUMMARY OF GRM'S EFFECTIVENESS

23 complaints were received during the implementation of Contract 3A.1, including 15 complaints for the amount of compensation determined by the Province Governor of Małopolskie for the permanent occupation of properties. Except the 2 pending proceedings before the Minister (items 21 and 23), all complaints have been resolved. For the remaining proceedings concerning the PAP's appeal against the amount of compensation, the Minister overturned the decisions of the Province Governor and referred the cases for reconsideration by the Province Governor or upheld the Province Governor's decisions. For the decisions overturned, the Province Governor conducted for the second time an administrative proceeding and issued new decisions determining the amount of compensation. The PAPs accepted the amounts awarded to them and compensation was disbursed.

Moreover, 5 applications were submitted for the Contract being executed. All the applications were investigated and responses were addressed to PAPs in congruence with the established grievance redress mechanism (details described above).

It should be highlighted that the planned grievance redress mechanism was effective in relation to PAPs, i.e. the main objective of setting up the system was fulfilled. 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 13 of the LARAP. In line with the assumptions made, monitoring was conducted for the entire implementation period of Contract 3A.1, and the methodology was based on a standardised approach to properties acquisition to address emerging issues. The tools applied for monitoring the Contract execution were employed to track the LARAP implementation, i.e.:

- roadmap updated on a monthly basis;
- monthly and quarterly reports from the Works Contractors and the Engineer – Consultant;
- the 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.1),
- c) the number of properties for temporary occupation,
- d) amount of all expenses for the implementation of LARAP process (planned and actual),
- f) compensations disbursed for loss of income sources,
- f) compensations disbursed for loss of income sources,
- g) acquired and awarded replacement properties,
- h) implementation progress and status for protective actions,
- i) number of complaints,

j) number of considered complaints.

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

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

5.2 IMPACT OF THE PROJECT ON PAPs AND LOCAL COMMUNITY

The land acquired from natural persons accounts for 40.0832 ha of 47.2427 ha covered by permanent occupation in connection with the implementation of Contract 3A.1 (i.e. 85% of the total area occupied for the investment). As these were areas where flood protection embankments were already in place, the land was undeveloped, in many cases functioning as unused land.

Anyone interested in buying back the lost piece of land was able to do so through the payment of compensation at the replacement value. The process of compensation payment took place well in advance of the occupation of properties, fulfilling the principles of operational policy OP4.12.

The social aspect of investment implementation should be emphasised, consisting in ensuring the sense of security for the community living in the area, protected by the redeveloped embankments, as well as the socio-economic expectations of the local population. **It is an area of more than 3,100 hectares inhabited by around 51,000 people.** No other Contract executed by the PIO in Cracow has protected such a large area and with such a high level of population. First of all, the residents of Cracow are the Project's beneficiaries.

By implementing Contract 3A.1, the “attractiveness” of the area protected by the embankments, which had leaked during previous floods and high water levels, causing localised flooding, has been enhanced. The plots located in areas exposed to flooding 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 Contract 3A.1. 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 reservoirs’ bowl);
- enhanced attractiveness of the flood-protected area for new economic/investment projects in the area.

5.3 CASE STUDY – SPECIFIC EXPERIENCE CONNECTED WITH CONTRACT IMPLEMENTATION

In the case of Works Contract 3A.1, it was necessary to implement additional mitigation and compensation measures for impacts.

The case for implementing additional mitigation measures was related to the actions of one PAP living next to the embankments in Section 3 of Contract 3A.1/2.

The PAP's first complaint (the PAP's property is marked with a yellow circle in Figures 6a and 6b below) concerned the division of the property (the division line is marked in red). The division of the PAP's property was designed according to the principle of minimising the area of permanent occupation, while the PAP indicated in the complaint that the line should be moved and more of its plot area should be taken away than was envisaged in the project assumptions.

This section of the embankment was specific because historically there was an informal crossing (a trampled path along the green area - marked in green) at the foot of the embankment on the side of residential buildings. Residents of the surrounding houses shortened their way to school or public transport stops by using this crossing. It should be emphasised that the dividing line did not occupy this area and the crossing could continue to operate on the residents' "private" plots on the existing terms – the crossing was available on the basis of good cooperation between neighbours.



Fig. 6 a Orthophotomap showing the situation before the investment and the planned division (red line – dividing line, yellow dot marks the PAP's property) – general view and close-up.

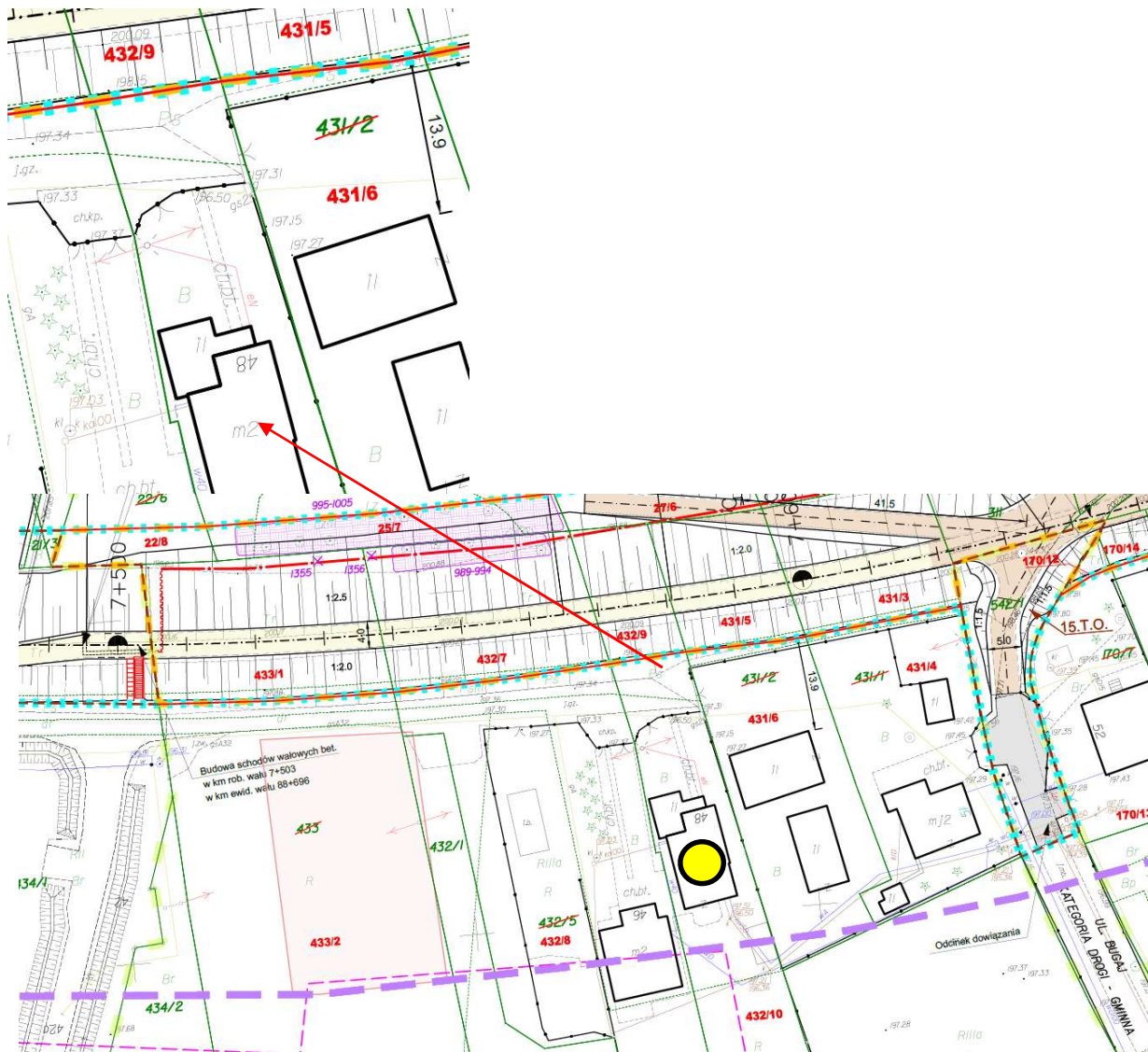


Fig. 6b Site development plan showing the situation before the investment and the planned division (red line – dividing line, yellow dot marks the PAP's property) – general view and close-up.

The PAP built a **second** fence for his property on the boundary of the division (PAP's plot had, and still has, a permanent metal fence on a foundation, which can be seen in Figure 6b located much further away from the embankment – the fence is indicated on the Site Development Plan by a black line with dots). The PAP's action sparked conflict among the local community, which turned against a neighbour who had fenced off an informal crossing by fencing off a part of Pod Wierzbami Street (an internal road, i.e. a street built on private plots).

This fence was constructed **on two sides** only from the side of the embankment and transverse to the embankment from the side of property 431/6; in addition, the PAP installed a gate in this fence on the side of property 431/6, which he periodically closed or opened, further exacerbating the residents' frustration (this situation is illustrated in photo. 1).



Phot. 1 Fence with a gate that the PAP closed and opened exacerbating the conflict amongst neighbours.

The Investor was approached by residents of the area (houses located on Bugaj Street) with a request to provide a crossing from Bugaj Street to Pod Wierzbami Street along the property of the PAP who has brought the complaint (letter - a request of February 28, 2022). The PAP did not agree to make the crossing available.

THE BASIC SOLUTION IMPLEMENTED:

Developing and informing the residents about the **target traffic solution to improve crossing conditions**, i.e. an asphalt cycle and pedestrian path on the embankment crest together with an embankment entrance from the side of Bugaj Street and stairs allowing to descend to the public road, i.e. a part of Pod Wierzbami Street, which is already a section belonging to the Municipality (the brochures delivered to mailboxes in March 2022). Meeting with the local community was held on 04/06/2022, at which details of the solution were presented and discussed and feedback gathered. Handrail was installed at the planned embankment stairs at the request of the local community and a **temporary crossing** was organised and maintained by the Contractor for the duration of works execution. The temporary crossing was planned to operate in two stages (the brochures delivered to mailboxes in June 2022). While works are being carried out on the upstream side of the embankment, the crossing operates on the area beyond the embankment (Phase I – operating until the end of April 2023). After the end of works on the upstream side of the embankment, a temporary crossing was organised on the side where the works will be finished (Phase II); then the Contractor completed the

reconstruction of the section of the embankment on the side of residential buildings and the target crossing solution dedicated to the residents of Bugaj Street began to operate.



Phot. 2 Putting the temporary crossing into use in October 2022.



Phot. 3 Route of the temporary crossing along Pod Wierzbami Street (the section of the street owned by natural persons, including the PAP who brought the complaint)



STAGE 1 - Crossing between Bugaj Street and Pod Wierzbami Street during works on the embankment's upstream side (from the side of the Vistula River).



STAGE 2 - Crossing between Bugaj Street and Pod Wierzbami Street during works on the embankment's downstream side (from the side protected against flood).

The temporary crossing was designed and constructed in line with health and safety regulations after consulting the solutions proposed by the Contractor also with the Health and Safety Expert from the Contract Engineer's team. The Contractor regularly maintains and improves the safety features and keeps the crossing clean and unobstructed. The Contractor's employees were trained properly and provided assistance to the elderly and those needing help with the crossing.

Comparison of the crossing standards **BEFORE** and **AFTER** investment implementation



Phot. 4 Traditional informal crossing used by the residents – trampled path partly overgrown with grass, muddy in autumn and winter.



Phot. 5 Target crossing on the embankment crest – an asphalt cycle and pedestrian path accessible without limitations to any resident.

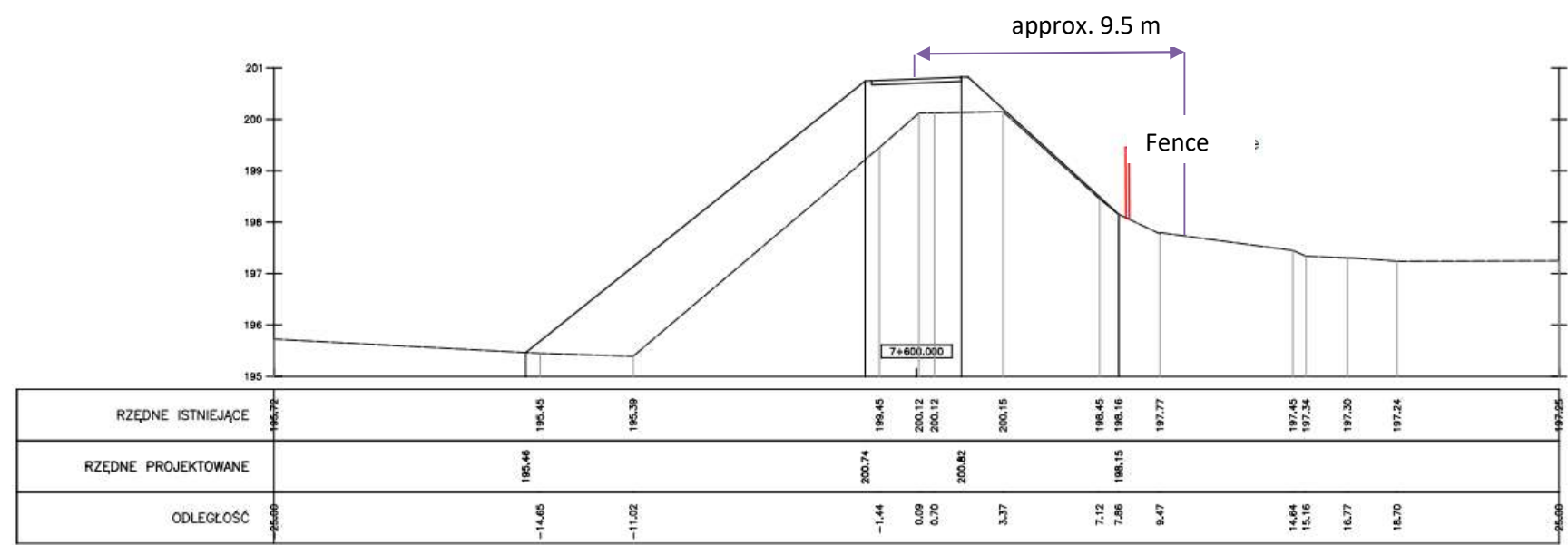


Fig. 7 Distance between the existing informal crossing and the cycle/pedestrian path along the embankment crest (approx. 9.5 m). A new second fence, which was made by the complaining PAP, is marked on the sketch.

ADDITIONAL MITIGATION MEASURES IMPLEMENTED – BUILDING THE PUBLIC TRUST:

The Project Implementation Office and Technical Assistance Consultant (TAC) have demonstrated a strong commitment to the local community's problems/issues already at the stage of the conducted public consultations of the draft LARAP and EMP, and at the stage of administrative proceedings for obtaining the investment implementation decision and the payment of compensation. The Works Contractor also joined these activities since the start of the investment implementation. Full availability of designated contact persons was ensured to the PAPs: direct mobile phone numbers, email addresses and address details were made available, questions were answered, problematic/unclear issues were clarified, and applications to the Province Governor were helped to be prepared if necessary. Care was taken to ensure that PAPs felt safe and were confident that their voices were being heard and taken seriously by the Investor/TAC/Contractor.

This indicates that information activities and public consultations were carried out early and widely – that they had the desired effect. The Investor's/TAC's approach of taking PAPs' matters seriously and dealing with each PAP on an individual basis resulted in the Investor/TAC gaining such credibility and trust from this community that they also approached the Investor/TAC on matters not related to the Contract, as they were confident that they would be taken seriously and would receive support, assistance and guidance.

1. Assistance to the chronically ill PAP

An additional mitigation measure was implemented (the person was using the informal crossing and is not the owner of the property that would be subject to any form of occupation), because a chronically ill person was identified when resolving a conflict between the PAP who filed the complaint and the residents using the informal crossing.

The person suffers from multiple sclerosis, i.e. a disease characterised by bouts of various ailments interspersed with periods of remission. Between April and July 2022, the individual experienced a deterioration in his health condition that significantly limited his ability to move around, including driving. Additional assistance was provided to this person in that period by providing transport/delivery to the doctor, for examinations and rehabilitation. The person's health condition has now improved and he is again self-sufficient and able to drive.

The residents were informed that in the event of an emergency, assistance would be provided from the Contractor or the Contract Engineer by securing transport.

2. Cooperation with the Councillor and the Roads Management Board of the City of Cracow (hereinafter ZDMK) in the field of traffic improvements – at the local community's request (the matter is not related to the implementation of our investment)

The residents - with whom cooperation was conducted to resolve the issue of the crossing at the embankment to be reconstructed - have requested to recognise the situation and for support in connection with implementing a public investment in the place of their residence by a completely different investor, i.e. ZDMK. This investment consists of redeveloping Wrobela Street and the associated relocation of one of the public transport stops used by residents. This stop was moved by about 100 m from where it previously operated. The TAC/PIO contacted ZDMK - information was obtained on the reason for relocating the bus stop (safety reasons and compliance with traffic regulations). The information was communicated to the residents, a meeting was also planned with ZDMK with the Councillor's participation

(who supports the activities for the residents of the area – these activities have already been agreed with the Councillor) to submit a request for the asphaltting of the short sections of public roads connected to the embankment descent's ways and for possible reconstruction of the lighting, so that the 2 embankment descent ways planned for reconstruction (which will be used by the residents of Bugaj Street) are illuminated, which will serve the local community using the target crossing in winter, when the days are short and darkness falls quickly and precipitation blurs the ground parts of roads.

The TAC/PIO established and applied an effective information system and maintained constant good relations with the local community (openness to all contacts/reports from residents, information leaflets with contact details, treating each report seriously, discussions, clarification of issues/questions, field meetings organised according to the reported needs of the PAPs, agreement with the Contractor on the details of activities, reporting of issues by the Contractor to the CI, etc.).

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.1 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., also thanks to the implementation of minimising measures (see chapter 5.3).

It is recommended that the principle of paying compensation as early as possible, in advance of the physical occupation of properties and the commencement of works, be adopted for subsequent Contracts carried out in the future.

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). 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.

6. CONCLUSIONS AND SUMMARY

The main, measurable effect of implementing the Works Contract 3A.1 *Modernization of Vistula embankments in Cracow encompassing the implementation of 2 Works Contracts*:

- 3A.1/1 – *Modernization of Vistula embankments in Cracow – Section 1, Section 2*

3A.1/2 – *Modernization of Vistula Embankments in Cracow – Section 3*

is to provide flood protection of areas covering approx. 3,100 ha and inhabited by approx. 51 thousand people. This has eliminated the need for incurring high financial outlays for removal of flood losses caused by flooding. 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.1. 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, as described in detail in 5.2.

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

- 847 properties were subject to permanent occupation, of which 730 properties belonged to natural persons and 78 properties to the Municipality of Cracow and 39 properties to the State Treasury. As per the assumptions of the LARAP, the properties were not occupied and no works started on them until all compensation activities were completed.

The Works Contract 3A.1 has not resulted in any physical or economic resettlement. No vulnerable groups were identified in the implementation area of Contract 3A.1, and the impact of the Contract itself did not adversely affect the enterprises. **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.

To summarise the issues discussed in this Final Report on LARAP implementation:

- In connection with permanent occupation of properties, compensation was paid in cash, and the amount of compensation was equivalent to their replacement value in accordance with the World Bank's Operational Policy OP 4.12.

- Compensations were paid prior to the start of the works.
- 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 applied to 177 cases. At the date of developing the Interim Report on LARAP implementation, 7 deposits were paid out. The PIO's strategy for assistance in payment of compensation from the deposit to those eligible is described in chapter 3.5.3.

Detailed information on the payment of compensation is provided in chapter 3.5.1 and in **Appendix 4** to this report.

- 66 properties, 35 State Treasury properties, 22 municipal properties and 9 private properties, were subjected to permanent restrictions in the use.
- 110 properties were covered by the obligation to reconstruct the network in accordance with the provisions provided in the two flood protection investment implementation permits (IPIPs) issued for Contract 3A.1, i.e. all the plots where networks were located colliding with the reconstructed embankments. However, the Contractor has physically occupied 100 of the 110 properties, i.e. those plots on which the elements to be redeveloped are located. Details of the ORN are provided in chapter 3.5.5 and in **Appendix 4** of this report.
- 3 information points, where complaints and applications could be filed concerning the implementation of the Contract, operated for the entire implementation period of Works Contract 3A.1.

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 for the Works Contract 3A.1.

The payment of compensation for the 16 properties covered by PR and ORN remain to be closed (the Province Governor's proceedings are pending and the compensation amounts are already known). 2

appeal proceedings are also pending before the Minister. The closure of these cases will be presented in the Final Report on LARAP implementation.

The element that remains are the compensations deposited with the court (this applies to 170 cases). The funds for payments are secured in the deposit and will be available there for the next 10 years in an interest-bearing account. The PIO has implemented measures to facilitate PAPs to withdraw the compensation. This system is in operation, 7 deposits have already been disbursed.

The key aim of the Land Acquisition and Resettlement Action Plan has 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. All compensations that could be paid was paid prior to the commencement of works or, in the absence of an authorized person, the compensation was paid into a court deposit. 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. As indicated above, compensation was paid into the deposit in 160 cases of permanent occupation (for a plot or shares in a plot). As of the date of preparation of this Interim Report, compensation from the deposit was paid to entitled persons in 7 cases.

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 purposes¹⁰.

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

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

Appendix no. 7 – Sample survey addressed to the PAPs after completion of Contract 3A.1.

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

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

¹⁰ 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 Final Report