

LAND ACQUISITION AND  
RESETTLEMENT ACTION PLAN

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

ODRA-VISTULA FLOOD  
MANAGEMENT PROJECT



Projekt Ochrony  
Przeciwpowodziowej  
w Dorzeczu Odry i Wisły



Państwowe  
Gospodarstwo Wodne  
**Wody Polskie**



**THE WORLD BANK**  
IBRD • IDA | WORLD BANK GROUP



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





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

**FINAL VERSION** -----

## ODRA-VISTULA FLOOD MANAGEMENT PROJECT

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

-----

### COMPONENT 3: FLOOD PROTECTION OF THE UPPER VISTULA

#### SUBCOMPONENT 3A: Flood Protection of Cracow and Wieliczka

#### WORKS CONTRACT 3A.2

Flood protection in Serafa Valley encompassing the implementation of 2 Works  
Contracts:

- 3A.2/1 – Flood protection in Serafa Valley – Malinówka 1 reservoir
- 3A.2/2 – Flood protection in Serafa Valley – Malinówka 2 reservoir

ISSUED ON	DATE	AUTHORS	REVIEWED BY	CLIENT'S APPROVAL	DESCRIPTION
1	10/25/2024	Marta Rak Katarzyna Kędzierska	Barbara Chammas	Rafał Sionko	

**PROJECT IMPLEMENTATION UNIT:**

The State Water Holding Polish Waters represented by  
the Director of the State Water Holding Polish Waters  
Regional Water Management Authority in Cracow  
with the registered office at 22. Marszałka J. Piłsudskiego St., 31-109 Cracow

**THE DOCUMENT PREPARED BY:**

State Water Holding Polish Waters  
Regional Water Management Authority in Cracow  
Project Implementation Office of the Odra-Vistula Flood Management Project  
Technical Assistance Consultant, AECOM Polska Sp. z o.o.

**ODRA-VISTULA FLOOD**

**MANAGEMENT PROJECT CO-FINANCED BY:**

World Bank, Loan Agreement no. 8524 PL  
Council of Europe Development Bank (CEB), Framework Loan Agreement no. LD 1866  
European Union Cohesion Fund (OPI&E 2014 - 2020)  
State Budget

-----

## Table of contents

1.	LIST OF ABBREVIATIONS USED IN THE DOCUMENT .....	8
2.	INTRODUCTION .....	10
3.	SUMMARY OF MAIN ACTIVITIES EXECUTED UNDER THE CONTRACT .....	15
3.1.	Description of the operation of property acquisition procedures .....	15
3.2.	Public consultation .....	15
3.3.	Administrative decisions obtained .....	19
3.4.	Register of expropriations (acquisition of properties) – data analysis .....	22
3.5	Compensation and mitigation measures, impacts of the Contract .....	23
3.5.1.	Permanent occupation .....	23
3.5.2	Summary of socio-economic studies and status of PAPs after payment of compensation .....	26
3.5.3	Issues remaining after the implementation of the LARAP and after preparing the Final Report on LARAP implementation .....	32
3.5.3.1	PIU's strategy for court deposits .....	33
3.5.4	Permanent restriction to the manner of property use .....	34
3.5.5	Obligation to reconstruct the network (ORN) .....	34
3.5.6	Right to use the property for construction purposes .....	34
3.5.7	Contractor's temporary occupation .....	35
3.5.8	Purchase of “remnants” .....	35
4.	FUNCTIONING OF THE GRIEVANCE REDRESS MECHANISM (GRM) .....	0
4.1	General grievance redress mechanism .....	0
4.2	Summary of complaints and applications .....	1
4.3	Conclusions – summary of GRM’s effectiveness .....	4
5.	MONITORING of LARAP IMPLEMENTATION .....	6
5.1	Description of methodology .....	6
5.2	Impact of the project on PAPs and local community .....	7
5.3	Case study – specific experience connected with contract implementation .....	8
5.4	Evaluation of actions taken and achievement of the objective defined in the LARAP – recommendations .....	8
6.	CONCLUSIONS AND SUMMARY .....	9
7.	APPENDICES .....	12

## SUMMARY

<b>Subject of the Contract:</b>	<p>Under the Works Contract 3A.2, the construction of two small storage capacity reservoirs Malinówka 1 and Malinówka 2 on the Malinówka Stream in Małopolskie Province, in district of the City of Cracow and in the district of Wieliczka, in Municipalities of Cracow and Wieliczka, was implemented.</p> <p>The reservoirs will work in a cascade comprising a total of five dry small storage reservoirs in the Serafa River basin: two on the Serafa River (Bieżanów reservoir and Serafa 2 reservoir) and three on the Malinówka stream (Malinówka 1, Malinówka 2 and Malinówka 3 reservoirs).</p>
<b>Completion date of Investment implementation (of completion of works)</b>	September 27, 2023
<b>Date of awarding "NO" for the LARAP:</b>	November 2, 2020
<b>Number and category of PAPs:</b>	34 natural persons (regarding permanent occupation) and 3 natural persons (regarding ORN)
<b>Sum of compensations disbursed to PAPs:</b>	PLN 7,608,454.69 – monetary compensations in the amount of the replacement value of assets lost by PAPs
<b>Number of properties and ownership class:</b>	<p>Permanent occupation:</p> <p>120 properties: 45 private properties (including 1 property of the Municipality of Cracow), 75 State Treasury properties</p> <p>Permanent restriction in property use<sup>1</sup>:</p> <p>1 State Treasury property</p> <p>Obligation to reconstruct the network<sup>2</sup>:</p> <p>77 properties as indicated by the IPIP, but only 3 private properties subject to actual/physical occupation and are included in Table 1</p> <p>Right to use a property for construction purposes:</p> <p>5 properties: 5 State Treasury properties</p>

<sup>1</sup> 14 properties planned to be subject to the PR were identified in the LARAP, while during processing the IPIP decision, 13 of the properties were moved to the category of permanent occupation; compensation for such occupation was paid.

<sup>2</sup> 9 properties planned to be subject to the ORN were identified in the LARAP, while during processing the IPIP decision, the Province Governor identified all properties over which the overhead power networks planned for reconstruction were running. For the reconstruction technology applied by the Contractor, plots with poles (3 properties) had only to be accessed, the other plots were not interfered with by the Contractor.

**Key issues:**

- in connection with expropriations, payments of compensations for land and constituent components in the amount of the replacement value,
- in connection with the 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, the payment of compensation in an 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),

**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 (8 cases). At the date of developing the Final Report, one deposit was collected (*for a detailed description - see chapter 3.5.1 Permanent occupation*),
- compensation was paid for temporary occupation of plots resulting from the obligation to reconstruct the network,
- the properties subject to the right to use a property for construction purposes were tidied up after executing the works,
- a grievance redress mechanism operated efficiently and correctly, all complaints and applications received were examined.

**Grievance and requests management:**

- in the case of Contract 3A.2: 3 grievances were received and 5 requests were filed. The grievances concerned the compensations established by the Governor and were forwarded to the Minister of Development and Technology. One grievance was resolved by the Minister, while two grievances are still being processed by him (their conclusions will be described in the Final Report). All requests were taken into account (details are described in Chapter 4.3).

**Unresolved issues and negative impacts of Task implementation:**

- in 7 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.
- in 2 cases, appeal proceedings are pending with the Minister of Development and Technology for the decisions establishing the amount of compensation issued again (for the second time) by the Province Governor. In both cases, compensation was paid in 100%.

## 1. LIST OF ABBREVIATIONS USED IN THE DOCUMENT

AP	Affected Population
World Bank (WB)	International Bank for Reconstruction and Development (IBRD)
PCU	Project Coordination Unit operating within the structures of the National Water Management Authority of the State Water Holding Polish Waters
CEB	Council of Europe Development Bank (CEB)
DEC	Decision on environmental conditions
RLB	Register of land and buildings – a register containing data, which e.g. remain a basis for business planning, spatial planning, assessment of tax and benefits, marking of properties in a mortgage register, register of farms
Investor/Employer/PIU	SWH Polish Waters – Regional Water Management Authority in Cracow - Odra-Vistula Flood Management Project (OVFMP) Implementation Unit
Engineer	See Consultant
PIO	Project Implementation Office formed within the PIU; a separate organisational unit responsible for implementation of the Contract/Investment
Consultant/Engineer/Contract Engineer	Company or legal person providing services for the Investor  Technical Assistance Consultant for the OVFM Project – AECOM Polska Sp. z o.o.
Project/Contract/Works Contract/Investment	WORKS CONTRACT 3A.2 Flood protection in Serafa Valley encompassing the implementation of 2 Works Contracts:  - 3A.2/1 – Flood protection in Serafa Valley – Malinówka 1 reservoir  - 3A.2/2 – Flood protection in Serafa Valley – Malinówka 2 reservoir
C.C.	Act of April 23, 1964 – Civil Code
CAP	Act of June 14, 1960 – Code of Administrative Procedure
LARPF or RPF	Resettlement Policy Framework
LARAP	Land Acquisition & Resettlement Action Plan
OP 4.12	The symbol of a document containing the principles of conducting involuntary resettlement required for Contract co-financing with a World Bank loan: Operational Policy 4.12 – Involuntary Resettlements.



EIA	Environmental Impact Assessment
PAP	Project Affected Person(s)
SWH PW RZGW in Cracow	State Water Holding Polish Waters - Regional Water Management Authority in Cracow
IPIP	Investment Project Implementation Permit in the scope of flood protection structures
POM	Project Operations Manual
Project / OVFP	Odra-Vistula Flood Management Project
Construction Law	Act of July 7, 1994, Construction Law
Water Law	Act of July 20, 2017 – Water Law
EMP	Environmental Management Plan
Valuer / expert	Natural person with state professional qualifications within the scope of property valuations
RDOŚ	Regional Director for Environmental Protection
Special Flood Act	Act of July 8, 2010 on 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 Works Contract 3A.2 was finished on September 27, 2023 and all civil works have been implemented. The Land Acquisition and Resettlement Action Plan (LARAP) for *Works Contract 3A.2 Flood protection in Serafa Valley – Malinówka 1 Reservoir, Malinówka 2 Reservoir (3A.2/1 and 3A.2/2)* was implemented (except for 2 administrative proceedings pending before the Minister, the conclusion of which will be described in the Final Report, in both cases the full amount of compensation was paid). The aim of the Interim Report on Implementation of the Land Acquisition and Resettlement Plan (LARAP IR), prepared in accordance with the requirements of the *Project Operations Manual* and the *Land Acquisition and Resettlement Policy Framework*<sup>3</sup>, is to document the hitherto 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.2, as outlined in the next chapters of this Report, this aim has been achieved and corrective measures are no longer required in the indicated scope (additional measures will be taken in relation to court deposits, as described in section 3.5.3.1). The ex-post evaluation of the LARAP was conducted after the LARAP full implementation and achievement of its objectives. The completion of the 2 administrative proceedings pending before the Minister will be described in the Final Report.

In line with the assumptions made in the Land Acquisition and Resettlement Action Plan, the ex-post evaluation was made after the implementation of the LARAP and is intended to confirm that the mitigation measures have been implemented and properly documented. **It is concluded that all the measures implemented hitherto, as described in the LARAP, have been implemented and that each entity affected by the project (family, individuals, legal entities) has obtained compensation and their standard of living has improved or at least been restored, save for 7 cases where compensations remain with a court deposit. The PIO has established a strategy that will be applied to facilitate eligible persons to collect the deposited compensations. 2 administrative proceedings are also pending before the Minister, the conclusion of which will be described in the Final Report on LARAP Implementation for Contract 3A.2 (in both cases PAPs were paid full compensations).**

This Report presents, therefore, an account of the hitherto implementation of the measures planned in the LARAP for *Works Contract 3A.2 Flood protection in Serafa Valley – Malinówka 1 Reservoir, Malinówka 2 Reservoir (3A.2/1 and 3A.2/2)* – 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 Małopolskie Province, in district of the City of Cracow and in the district of Wieliczka, in Municipalities of Cracow and Wieliczka. The scope of Works under Contract 3A.2 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).

Key dates of Contract implementation:

Date of signing the Contract:

08/05/2021

---

<sup>3</sup> <https://odrapcu.pl/en/project-ovfmp/documents-ovfmp/>

Date of handing over the Construction Site:	09/22/2021
Commencement date of Works:	09/27/2021
Completion date of Works:	09/27/2023
End date of the Quality Guarantee and Warranty Period:	12/18/2028

The execution of Contract 3A.2 *Flood protection in Serafa Valley – Malinówka 1 Reservoir, Malinówka 2 Reservoir (3A.2/1 and 3A.2/2)* concerned the construction of two dry small storage reservoirs in the Serafa River basin:

- Works Contract 3A.2/1

Flood protection in Serafa Valley – Malinówka 1 reservoir;

- Works Contract 3A.2/2

Flood protection in Serafa Valley – Malinówka 2 reservoir.

The above-mentioned reservoirs, together with 3 other reservoirs not covered by this Contract, will work in a cascade comprising five dry small storage reservoirs in the Serafa River basin: two reservoirs on the Serafa River (existing Biezanów reservoir and Serafa 2 reservoir being constructed) and three reservoirs on the Malinówka stream (Malinówka 1, Malinówka 2 reservoirs and Malinówka 3 reservoir being currently constructed).

The purpose of building the individual reservoirs is to directly improve flood protection in the areas downstream of each reservoir, while the purpose of building the entire cascade of five reservoirs is to improve flood protection in the Serafa River valley, including the Złocień and Stary Biezanów housing estates in Cracow. The task, after building all five reservoirs, will increase the safety of the residents' lives as well as the safety of their assets in an area of approx. **216 ha**, inhabited by around **2,400 residents and more than 50 business entities**.

In order to implement a Task encompassing the construction of 2 dry flood control reservoirs:

- Malinówka 1 at km 0+231 of the Malinówka Stream (together with an earth front dam, side earth dams, overflow-sluice facilities and a stilling basin), with the following technical parameters:

o	structure's hydraulic class –	III
o	damming level –	4.8 m
o	maximum damming level elevation (MaxPP) –	216.5 m a.s.l.
o	reservoir's capacity at MaxPP –	114,000 m <sup>3</sup>
o	flooding area at MaxPP –	approx. 6.2 ha

- Malinówka 2 at km 2+279 of the Malinówka Stream (together with an earth front dam, overflow-sluice facilities and a stilling basin), with the following parameters:

o	structure's hydraulic class –	III
o	damming level –	approx. 3.8 m

- o maximum damming level elevation (MaxPP) – 229.5 m a.s.l.
- o reservoir's capacity at MaxPP – 49,000 m<sup>3</sup>
- o flooding area at MaxPP – approx. 2.3 ha

it was necessary to acquire properties, but the implementation did not result in the physical or economic resettlement of households. The existing infrastructure was also reconstructed, i.e. water supply network, sanitary sewage network, rainwater system, ditches and elements of the drainage network with outlets. High-voltage (HV) and low-voltage (LV) overhead power lines were also subject to reconstruction. A disused water with the designation of private supply system was demolished and three individual surface water intakes (also disused) were removed.

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

	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	10.1271	120	75	62.5	1	0.83	44	36.67	34	29	8	0	0
Permanent restrictions to the manner of property use (PR)	0.0052	1	1	100	0	-	0	-	-	-	-	-	-
Obligation to reconstruct the network (ORN)*	0.4924	3	0	-	0	-	3	100	3	-	-	-	-
Right to use properties for construction purposes (PDDG)	1.6571	5	5	100	0	-	0	-	-	-	-	-	-
Temporary occupation	No temporary occupation												

\* applies only in cases of actual occupation of the property (the IPIP decision indicated that 77 properties were subject to ORN, while during the implementation only 3 of them were physically occupied, the remaining ones are overpassed by an overhead power grid and during the reconstruction only those where there were physically standing poles on which the power cables were hung were occupied)

Under the IPIP decision awarded for Works Contract 3A.2, **120 properties or their parts with the total area of 10.1271 ha** were covered by permanent occupation, the use of 1 property with the area of 0.0052 ha was permanently restricted and 77 properties were covered by the obligation to reconstruct the network, over which the overhead power (HV and LV) networks planned for reconstruction were running. For the network reconstruction technology applied by the Contractor, plots with poles had only to be accessed and this applied to 3 plots; the other plots were not interfered with by the Contractor. In addition, the Investor's 5 properties with the area of 1.6571 ha were subject to the right to use the property for construction purposes.

Such consequences originated from 2 decisions of the Province Governor of Małopolskie for an investment project implementation permit:

- for Malinówka 1 reservoir from May 31, 2021, decision no. 05/2021 (final from July 6, 2021),
- for Malinówka 2 reservoir from May 31, 2021, decision no. 04/2021 (final from July 6, 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**.

**Subject to acquisition for the benefit of the State Treasury were properties of natural persons (44), municipal properties (1) and State Treasury properties (75)**. No farming activity was pursued on any of the properties according to the findings of the site visit conducted at the stage of preparing a socio-economic study (the investment was implemented in a natural depression in the valley of the Malinówka Stream, in a non-urbanised area, i.e.: area of uncultivated and cultivated greenery, forests and inland surface water area).

The area occupied for the Malinówka 1 reservoir is predominantly unused land, covered with grasses, bushes and self-seeding trees. Moreover, in the area of the investment, a bed of the Malinówka stream was located, strengthened with gabion mattresses, and a dirt road (these elements were subject to reconstruction). An oxbow lake of the Malinówka stream was also preserved within the reservoir bowl, which was formed after the transfer of the Malinówka riverbed due to the construction of the A4 Motorway. There were areas with valuable oak specimens within the reservoir bowl; this area was preserved as a so-called oak island.

The area occupied for the Malinówka 2 reservoir is also predominantly unused land, covered with grasses, bushes, self-seeding trees. The Krzyszkowicki Forest was and is located on the right bank of the Malinówka stream bed (ecologic site). In addition, in the area of the investment there was the bed of the Malinówka stream, strengthened with openwork slabs and a natural pond and a network of ditches. These elements were subject to reconstruction.

In summary, all impacts were minor, 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 very positive attitude towards the implemented project during the execution of the works.

3 complaints and 4 applications 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://www.skanska.pl/oferta/realizacje/277802/Zbiorniki-Malinowka-1-i-2-w-Krakowie>
- <https://wiadomoscipodgorze.pl/trwa-ujarzmianie-serafy/>
- [https://lovekrakow.pl/aktualnosci/co-z-budowa-zbiornikow-dla-biezanowa-jeden-wciaz-stwarza-problemy\\_49524.html](https://lovekrakow.pl/aktualnosci/co-z-budowa-zbiornikow-dla-biezanowa-jeden-wciaz-stwarza-problemy_49524.html)
- <https://gazetakrakowska.pl/krakow-rzeka-serafa-i-potok-malinowka-zbiorniki-retencyjne-gotowe/ar/c1-17895201>
- <https://inzynieria.com/wodyopadowe/wiadomosci/67131,krakow-koniec-budowy-trzech-zbiornikow-retencyjnych>
- <https://www.kierunekwodkan.pl/arttykul,96591,przeciwpowodziowe-inwestycje-w-krakowie.html>
- [https://lovekrakow.pl/aktualnosci/powstaja-dwa-zbiorniki-przeciwpowodziowe-bedzie-mozna-tam-pojsc-na-spacer\\_43534.html](https://lovekrakow.pl/aktualnosci/powstaja-dwa-zbiorniki-przeciwpowodziowe-bedzie-mozna-tam-pojsc-na-spacer_43534.html)
- <https://www.malopolska.uw.gov.pl/PressArticlePage.aspx?id=15114>
- <https://www.dziennikprawny.pl/pl/a/krakow-zabezpieczony-przed-powodzią>
- <https://www.portalsamorzadowy.pl/finanse/zakonczyła-sie-budowa-trzech-zbiornikow-przeciwpowodziowych-w-krakowskiej-dolinie-serafy,489224.html>
- [https://www.rmfm24.pl/regiony/krakow/news-zbiorniki-przeciwpowodziowe-w-dolinie-serafy-gotowe,nld,7027919#crp\\_state=1](https://www.rmfm24.pl/regiony/krakow/news-zbiorniki-przeciwpowodziowe-w-dolinie-serafy-gotowe,nld,7027919#crp_state=1)
- <https://wodociagowiec.pl/szczegoly-arttykulu/bezpieczniej-w-dolinie-rzeki-serafy/>
- <https://www.malopolska.uw.gov.pl/PressArticlePage.aspx?id=15363>
- <https://www.gov.pl/web/infrastruktura/wieksze-bezpieczenstwo-przeciwpowodziowe-w-krakowie>
- <https://investmap.pl/inwestycja/zbiornik-retencyjny-serafa,5769.html>
- <https://portalkomunalny.pl/krakow-zbiornik-retencyjny-na-serafie-oddany-do-uzytu-324946/>

Information about Contract 3A.2 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*<sup>4</sup> and in the *Land Acquisition and Resettlement Action Plan*<sup>5</sup>.

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

**Procedures for the acquisition of properties were described in detail in the LARAP for Works Contract 3A.2, which was awarded a "No objection" clause from the WB on 11/02/2020. There were no gaps/inconsistencies in the implementation of the LARAP that would require corrective measures. In 8 cases in which compensation was paid into a court deposit, additional measures were introduced to make it easier for those concerned to collect funds from the deposit (one deposit has already been paid), 7 compensations are left in the deposit (due to the lack of eligible persons to whom compensation could be paid).**

#### 3.2. PUBLIC CONSULTATION

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

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

---

<sup>4</sup> <https://odrapcu.pl/dokumenty/ramowy-dokument-dotyczacy-przesiedlen-i-pozyskiwania-nieruchomosci/> - the basic document adopted and approved by the WB in April 2015, its update no. 1 approved in June 2022 and update no. 2 approved in November 2023

<sup>5</sup> <https://odrapcu.pl/projekt-opdow/dokumenty-opdow/> - LARAP for Contract 3A.2 was adopted and approved by the WB on November 2, 2020

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 publication of the Draft Land Acquisition and Resettlement Action Plan was commenced on **July 22, 2020**, at publication of an announcement in TEMI Galicyjski Tygodnik Informacyjny and in Gazeta Krakowska (local magazines). The announcement invited natural persons, authorities, and interested institutions to review the Draft LARAP for Contract 3A.2 encompassing the Works Contracts 3A.2/1 and 3A.2/2.

As informed in the announcement (quote): (...) **DUE TO THE STATE OF EPIDEMIC THREAT IN POLAND AND CARE FOR YOUR HEALTH, A FORMULA FOR CONDUCTING PUBLIC CONSULTATION OF THE DRAFT LARAP DOCUMENT IS CHANGED, NO OPEN MEETING WILL BE HELD FOR ALL INTERESTED PARTIES, BUT THE CONSULTATION IN QUESTION SHALL BE CONDUCTED BY POST, USING AVAILABLE (SAFE) COMMUNICATION CHANNELS (...)**

The draft LARAP was made available at the following websites:

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

Each interested party could submit remarks and motions referring to the DRAFT LAND ACQUISITION AND RESETTLEMENT ACTION PLAN in writing (i.e. by post) to the address of the PIO in Cracow:

**State Water Holding Polish Waters**

**Regional Water Management Authority in Cracow**

**22. Marszałka J. Piłsudskiego St.**

**31-109 Cracow**

or in electronic form by mail to:

**[jrp.krakow@wody.gov.pl](mailto:jrp.krakow@wody.gov.pl)**

and by phone at numbers:

**505 028 137, 601 824 298** (on working days from 9:00 a.m. to 5:00 p.m.)



from **07/22/2020** to **08/12/2020** inclusive (21 days).

The institution competent to examine the comments and motions was SWH PW RZGW in Cracow:

Except for publishing the announcement in press as informed above (TEMI Galicyjski Tygodnik Informacyjny, Gazeta Krakowska – local magazines), it has also been placed on information boards at:

- SWH POLISH WATERS RZGW in Cracow,
- City Office of Cracow,
- City and Commune Office of Wieliczka,

as well as published at websites of those institutions, and at works performance sites.

Posters informing about Contract 3A.2 comprising the Works Contracts 3A.2/1 and 3A.2/2 were additionally placed – apart from the announcements – at works performance sites.

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

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

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

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

Publication of the Draft LARAP was officially started on **July 22, 2020**, and was completed after 21 days, on **August 12, 2020**.

A webinar was held on **September 13, 2020 from 5.00 p.m. to 7.00 p.m.**, during which the Consultant gave a multimedia presentation:

1. The objective and funding for the OVFMP was briefly discussed.
2. It was explained why the draft LARAP was developed and what the procedure for making it public was.
3. The issue of changing the investor was discussed, i.e. liquidation as of 12/31/2017, the Małopolskie Board of Amelioration and Water Structures in Cracow and appointing a new entity on 01/01/2018 - State Water Holding Polish Waters, which entered into the rights and obligations of the liquidated entity.

4. Information on Works Contracts 3A.2/1 and 3A.2/2 was presented (physical scope, area protected from flooding due to the execution of the Contract in question).
5. Information was conveyed on the number of properties subject to permanent acquisition and restrictions in use by property category.
6. Legal basis for implementation of the LARAP was indicated.
7. Minimising measures were discussed, with particular emphasis on the issue of purchasing the remnants, EU subsidies and informing the ARMA, the payment of 5% bonus.
8. Most attention was paid to legal regulations concerning the procedure of issuing the IPIP decision, payment of compensations, compensation agreement procedures, submission of appeals and conc. redress and grievance mechanism.
9. The participants of the meeting were informed about the possibility of receiving an indisputable part of the compensation despite a possible appeal against the Governor's decision setting the amount of compensation or payment of 70% of the compensation.
10. Information on temporary occupation was presented.

After the end of the presentation, the webinar leader answered questions that were received during the period of publication of the draft LARAP, and then answered the questions submitted during the webinar.

The webinar was attended by 10 people (some of them participated anonymously).

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

- 18 phone calls were received/held;
- 6 questions/applications were received via e-mail or Polish Post;
- interest in the document was also noted; downloads of files from websites given in the announcement were observed.

All the questions asked were answered in accordance with the means of contact indicated by PAPs (by phone, e-mail or traditional written correspondence). Some comments sent by the PAPs were considered in the final version of the LARAP.

A report was drawn up from the meeting, sent to the World Bank.

The final LARAP document, after obtaining the WB's no-objection on 11/02/2020, 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:
  - Decision on environmental conditions of the Regional Director for Environmental Protection in Cracow of 10/29/2012, ref.: OO.4233.13.2012.BM, final as of 12/03/2012.
  - Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP-I.6400.1.2020.KW) of 02/07/2020 for permit for derogations from certain activities prohibited for protected species of plants for the Malinówka 2 reservoir.
  - Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP-I.6401.65.2020.PKw) of 05/29/2020 for permit for derogations from certain activities prohibited for protected species of animals for the Malinówka 1 reservoir.
  - Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP-I.6401.65.2020.PKw.I) of 05/29/2020 for permit for derogations from certain activities prohibited for protected species of animals for the Malinówka 2 reservoir.
  - Decision of the Regional Director for Environmental Protection in Cracow (ref.: OO.420.4.3.2019.BM) of 09/18/2020 amending the decision on environmental conditions of 10/29/2012, final as of 10/21/2020.
  - Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP.6400.33.2020.KW) of 01/21/2021 amending the decision of RDOŚ in Cracow of 02/07/2020 for permit for derogations from certain activities prohibited for protected species of plants.
  - Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP.6401.420.2020.PKw) of 01/26/2021 amending the decision of RDOŚ in Cracow of 05/29/2020 for permit for derogations from certain activities prohibited for protected species of animals.
  - Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP.420.4.2.2021.BM) of 09/15/2021 amending the conditions for the project that was awarded the decision ref. OO.4233.13.2012.BM of 10/29/2012.  
The decision was revoked.
  - Revocation decision of the Regional Director for Environmental Protection of 05/31/2022 ref.: DOOŚ-WDŚZoo.420.70.2021.SP.PCh.10).
  - On 06/01/2022, an application was filed for amending the decision on environmental conditions of 10/29/2012, ref. OO.4233.13.2012.BM in the scope of changing a condition (of a non-investment nature) of the aforementioned decision concerning the deadline and conditions for works related to the removal of topsoil (point I.1.2, subpoint n of the decision) and the deadline for felling trees and bushes (point I.1.2, subpoint r of the decision).

On 07/20/2022, the Regional Director for Environmental Protection issued a decision ref.: OO.420.4.2.2022.BM.8 amending the decision on environmental conditions ref. OO.4233.13.2012.BM of 10/29/2012 (amendment of non-investment conditions I.1(1.2)(n) and I.1(1.2)(r)). The decision has a clause of immediate enforceability.

A party to the proceedings (PAP) has appealed against the decision.

On 10/07/2022, RDOŚ in Cracow, in connection with the filed appeal against the DEC of 07/20/2022, forwarded the case documentation to GDOŚ (ref. OO.420.4.2.2022.BM.13).

On 01/12/2023 GDOŚ, after examining into a PAP's application of 08/17/2022 to suspend the immediate implementation of the decision of RDOŚ in Cracow of 07/20/2022, under the **decision** ref. DOOŚ-WDŚZOO.420.42.2022.PCh.4, refused to suspend the immediate implementation of the decision of RDOŚ in Cracow of 07/20/2022, ref. OO.420.4.2.2022.BM.8.

On 04/11/2023, GDOŚ upheld the decision of RDOŚ in Cracow of 07/20/2022 (decision ref. GDOŚ DOOŚ-WDŚZOO.420.42.2022.PCh.7), the said decision is final.

On 05/25/2023, a PAP filed a complaint to the PAC in Warsaw, through GDOŚ, against the decision of the General Director for Environmental Protection of 04/11/2023, ref.: DOOŚ-WDŚZOO.420.42.2022.PCh.7.

On 12/12/2023, a hearing was held, at which, having considered the case from the complaint of PAP against the decision of the General Director for Environmental Protection of 04/11/2023 ref. DOOŚ-WDŚZOO.420.42.2022.PCh.7 amending the decision on the determination of environmental conditions for the project, the Court dismissed the complaint.

On 02/19/2024, the PAP filed a cassation appeal against the judgement of the SAC of 12/12/2023.

On 07/04/2024, the Supreme Administrative Court sent to SWH PW a decision of 06/11/2024 (file ref. III OSK 1338/24) refusing to suspend the enforcement of GDOŚ' appealed decision of 04/11/2023 no. DOOŚ-WDŚZOO.420.42.2022.PCh.7 and the preceding decision of RDOŚ in Cracow of 07/20/2022, ref. OO.420.4.2.2022.BM.8 (cases brought under the PAP's application and cassation complaint).

- Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP.6401.32.2022.PKw) of 04/08/2022 amending the decision of RDOŚ in Cracow of 05/29/2020 for permit for derogations from certain activities prohibited for protected species of animals.
- Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP.6401.33.2022.PKw) of 04/08/2022 amending the decision of RDOŚ in Cracow of 05/29/2020 for permit for derogations from certain activities prohibited for protected species of animals.
- Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP.6401.276.2022.PKw) of 06/29/2023 discontinuing the proceedings on the extension of the validity period of the decision of 05/29/2020, ref. OP-I.6401.65.2020.PKw.1 (amended by the decision of the Regional Director for Environmental Protection in Cracow of 04/08/2022, ref. OP.6401.33.2020.PKw).
- Decision of the Regional Director for Environmental Protection in Cracow (ref.: OP.6401.277.2022.PKw) of 06/29/2023 discontinuing the proceedings on the extension

of the validity period of the decision of 05/29/2020, ref. OP-I.6401.65.2020.PKw (amended by the decision of the Regional Director for Environmental Protection in Cracow of 01/26/2021, ref. OP.6401.420.2020.PKw).

- Water permits:
  - Water law permit decision issued by the Ministry of Maritime Economy and Inland Navigation on 03/05/2020 for the Malinówka 1 reservoir, ref.: DOK.DOK3.9700.71.2019.KP The Decision became finally valid as of 06/09/2020.
  - Water law permit decision issued by the Ministry of Maritime Economy and Inland Navigation on 03/05/2020 for the Malinówka 2 reservoir, ref.: DOK.DOK3.9700.72.2019.KP The Decision became finally valid as of 06/09/2020.
- Decisions on investment project implementation permit (IPIP):
  - Decision of the Province Governor of Małopolskie no. 05/2021 of 05/31/2021 for the Malinówka 1 reservoir, ref.: WI-VI.7840.1.1.2021.JB. The decision has a clause of immediate enforceability and became final on 07/06/2021.
  - Decision of the Province Governor of Małopolskie no. 04/2021 of 05/31/2021 for the Malinówka 2 reservoir, ref.: WI-VI.7840.1.2.2021.EF. The decision has a clause of immediate enforceability and became final on 07/06/2021.
- Decision on the building structure occupancy permit:
  - Decision of the Małopolskie Province Construction Supervision Inspector in Cracow no. 206/2024 of May 13, 2024, ref.: WIB.7712.75.2023.RGLO issued in favour of SWH Polish Waters on the building structure occupancy permit (Malinówka 1 reservoir);
  - Certificate issued by the Małopolskie Province Construction Supervision Inspector in Cracow, ref.: WIB.770.69.2024.RGLO of May 20, 2024 stating the validity and finality of the decision ref.: WIB.7712.75.2023.RGLO (Malinówka 1 reservoir);
  - Decision of the Małopolskie Province Construction Supervision Inspector in Cracow no. 207/2024 of May 13, 2024, ref.: WIB.7712.79.2023.RGLO issued in favour of SWH Polish Waters on the building structure occupancy permit (Malinówka 2 reservoir);
  - Certificate issued by the Małopolskie Province Construction Supervision Inspector in Cracow, ref.: WIB.770.68.2024.RGLO of May 20, 2024 stating the validity and finality of the decision ref.: WIB.7712.79.2023.RGLO (Malinówka 2 reservoir).

**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

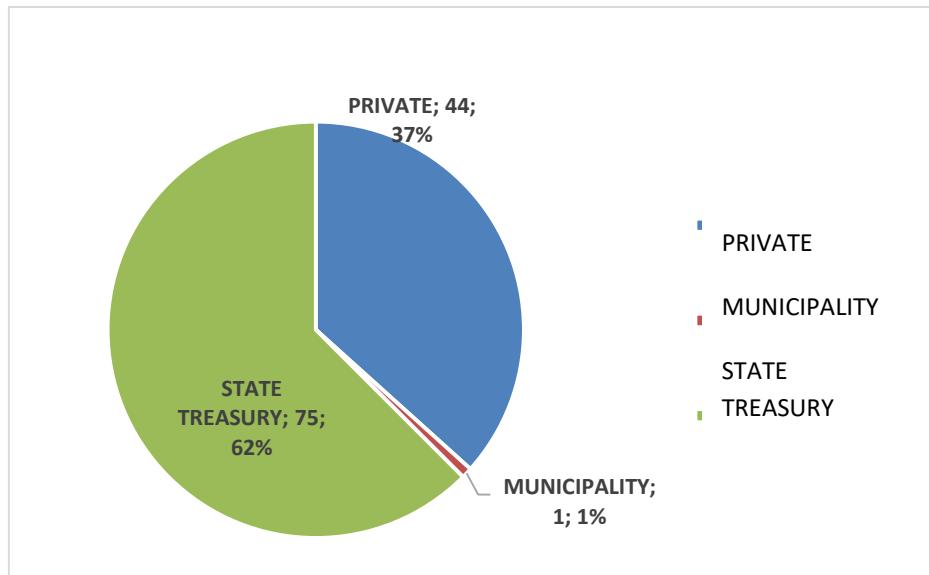
Two IPIP decisions of the Province Governor of Małopolskie no. 04/2021 and 05/2021 of 05/31/2021, issued separately for the Malinówka 1 and Malinówka 2 reservoir, identified the properties subject to permanent occupation (expropriation), subject to permanent restriction in the use of the plots, subject to obligation to reconstruct the network and plot, where construction works were performed by the Investor on the basis of the right to use the property for construction purposes. The following was identified:

- **120** plots with the area of **10.1271 ha** - subject to permanent occupation,
- **1** plot with the area of **0.0052 ha** - subject to permanent restriction in property use,
- **77** plots with the area of **2.8029 ha** – subject to obligation to reconstruct the network, of which **3 plots with the area of 0.4924 ha** were actually subject to occupation.
- **5** plots with the area of **1.6571 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).

A table with a list of the properties is included in **Appendix no. 4**.

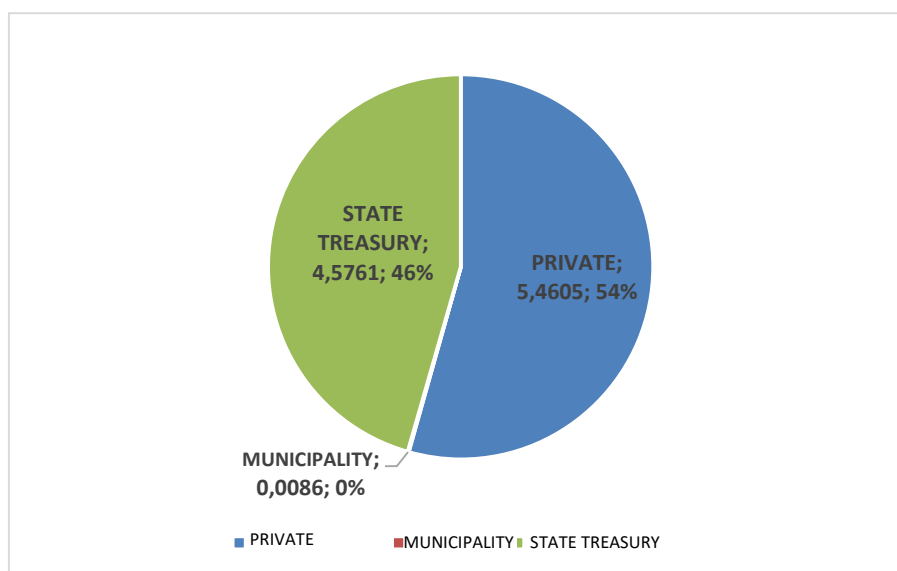
A site visit, conducted at the stage of preparing the LARAP, revealed that the areas taken over for the purposes of investment implementation from the existing owners include riverside green areas, covered with trees and bushes.

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



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

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



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

120 properties were covered by permanent occupation, including 75 State Treasury plots, 1 municipal plot and 44 plots belonging to natural (private) persons. These plots were not used for agricultural purposes, in fact they were mostly wasteland 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 45 properties subject to payment (44 private and 1 owned by the Cracow Municipality), compensations were paid by the State Water Holding Polish Waters, RZGW in Cracow (for 24 properties, under a protocol agreeing the amount of compensation between the owner and SWH PW, and for 21 properties, under compensation decisions issued by the Province Governor of Małopolskie). The total amount of PLN 7,584,727.69 was paid for 45 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. SWH PW agreed compensation for 24 properties over this period. 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.

In 8 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 572,668.32). One of the deposits, in the amount of PLN 204,213.00, was 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 were paid prior to the commencement of works.**

It was confirmed at the stage of preparing the LARAP for Contract 3A.2 that the actions undertaken to pay the compensations due to perpetual users of 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.2, were included in the LARAP.

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

- for land in all 45 cases (total amount of PLN 7,247,038.24);
- for plantings – 26 cases (amount of PLN 68,876.00);
- for construction components – 0 cases (in no case were there any buildings or fences for which compensation should have been paid).

Compensation, in 29 cases, was increased by a bonus, i.e. an additional 5%, for the total amount of PLN 268,813.45. 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 made by transfers to designated bank accounts and, in 1 case, by postal transfer. The cost of postal transfer 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.2 executed by SWH PW RZGW in Cracow

Indicator	Information source	Frequency of monitoring	Progress indicator	Value
<b>Assumed parameters</b>				
People exposed to flood	Data from model tests	Once at the investment preparation stage	Quantity	2,400 people and more than 50 business units
Number of hectares of land at risk of flooding	Data from model tests	Once at the investment preparation stage	Quantity [ha]	216



Indicator	Information source	Frequency of monitoring	Progress indicator	Value
Number of properties subject to permanent occupation (see Table 1)	IPIP decisions	Once after decision is issued	Number (pcs.)	120
Number of properties subject to permanent restriction in use (see Table 1)	IPIP decisions	Once after decision is issued	Number (pcs.)	1
Number of <b>natural persons</b> 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	34*
Number of <b>legal entities</b> 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.)	120
<b>Achieved parameters</b>				
Number of people protected against flood	RZGW/ Consultant's registers	One time after Contract execution	Quantity	2,400 people and more than 50 business units
Number of hectares protected from flood	RZGW/ Consultant's registers	One time after Contract execution	Quantity [ha]	216
Amount of all expenses for compensations (actual)	Investor's financial registers	Monthly/Quarterly	PLN	7,608,454.69
Number of acquired properties	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	120
<b>Performance indicators</b>				
Number of complaints	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	3
Number of complaints considered	RZGW/ Consultant's registers	Monthly/Quarterly	Number (pcs.)	4
Disbursed compensations, miscellaneous	Financial registers of RZGW	Monthly/Quarterly	%	100 – disbursements allowing access

Indicator	Information source	Frequency of monitoring	Progress indicator	Value
				to land; 90.7 – disbursements to PAPs
Compensations directed to court deposit	Financial registers of RZGW	Monthly/Quarterly	PLN	572,668.32**
Compensations remaining with court deposit	Financial registers of RZGW	Monthly/Quarterly	PLN	368,455.32***

\* all PAPs are included in the value 34, 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).

\*\* 7.53% of the total amount of compensations was placed to the court deposit due to unresolved legal status, which according to Polish regulations and the RPF is equivalent to the execution of the payment obligation (in line with the Land Acquisition and Resettlement Framework: "(...) *Depositing the amount of compensation in a court trust account has the same effect as the performance of a payment obligation.* (...)"). This compensation has not actually been paid to PAPs, but it can be paid at any time and will be available to PAPs for a period of 10 years from the date the compensation is deposited with the court.

\*\*\* 4.84% of the total amount of compensations remained with a court deposit after payment of one of compensations for plot 441/6 precinct 100 Podgórze to the eligible heirs – status as at the date of preparing this Interim Report on LARAP implementation.

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

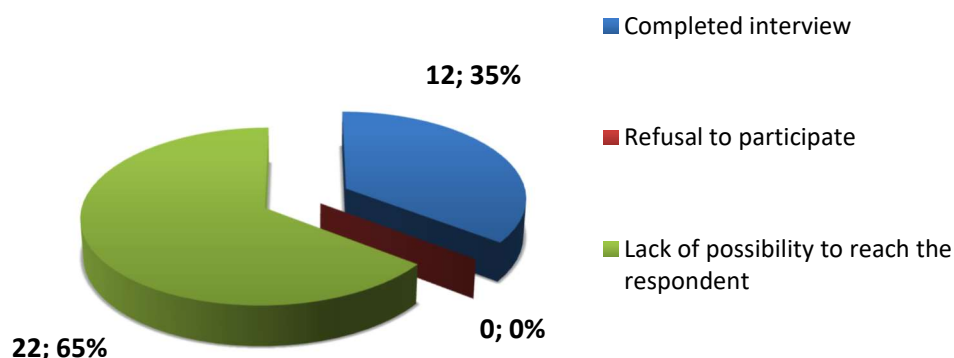
A socio-economic study was elaborated by the Consultant's team in February 2020.

The source of information concerning the development and use of the occupied properties, apart from the information indicated above, 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.2

Attempts were made to make interviews with representatives of all 34 households. The table below presents data for the extent to which this attempt was made:



**Fig.3.** Summary of survey studies.

44 properties of natural persons and 1 Municipal property of Cracow were subject to occupation. 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 wasteland owned by households located outside the investment area.

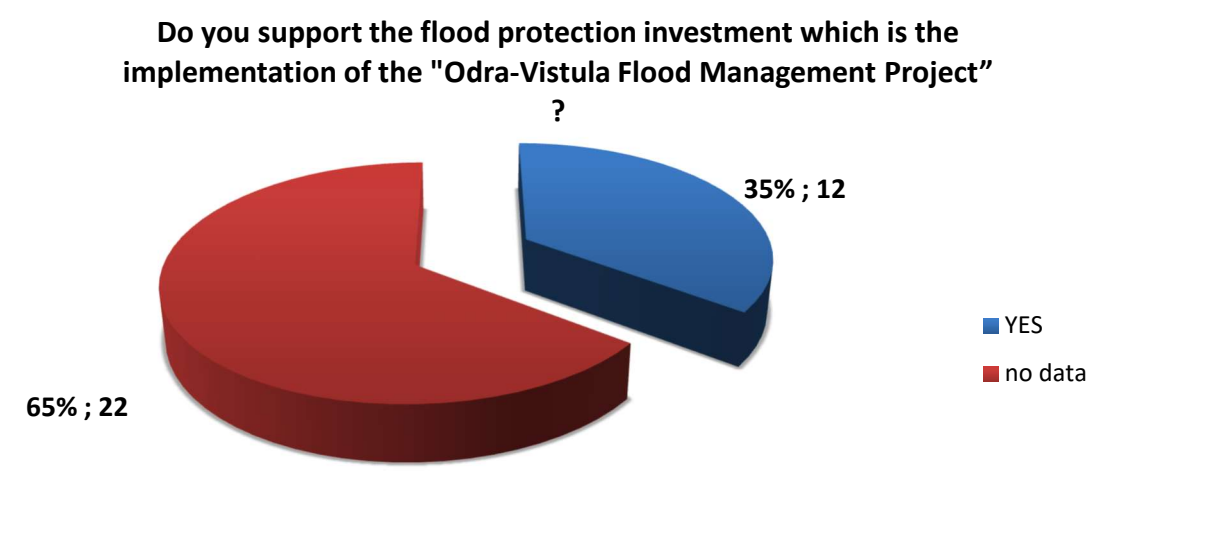
There were no ethnic minorities in the households that owned the properties located in the task execution area.

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, and were difficult to sell due to their location in the valley of a watercourse, where they were subject to periodic flooding, therefore, no special/dedicated minimizing/compensatory measures were foreseen in this case.

For this investment, its minor 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 minor if such costs generated by other similar projects created in a new area are taken as a reference point.

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.

All the respondents expressed their satisfaction with the implementation of the investment improving flood safety in the region and preferred compensation in the form of money.



**Fig.4** Answers to the question on public acceptance of the investment planned for implementation.

Built-up land properties are located in the adjacency of the area where works were conducted related to the execution of Contract 3A.2, 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 investment stage, by applying the mitigation and minimisation measures (as described in the EMP for Contract 3A.2 – *Flood protection in Serafa Valley*), Investment implementation did not however cause disturbances in the daily functioning of these households.

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

Survey studies were conducted in September 2024 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. 36 representatives of the households affected by Contract 3A.2 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.

75% of the respondents noted that the pursued investment had a positive/strongly positive impact on PAPs and their relatives. 25 % answered that they had experienced neither a positive nor a negative impact.

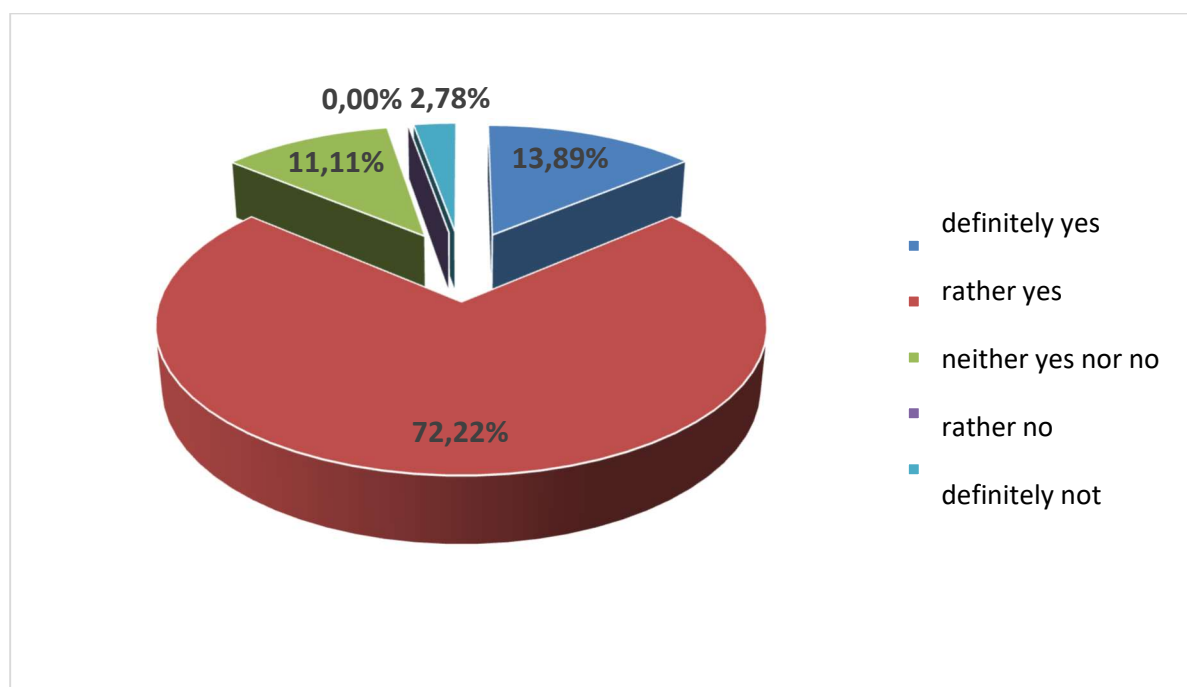
When it came to the answer about the impact on the community in which the PAP resides, 19.4% answered that the impact was *definitely positive*, 55.6% *positive*, and 25% that it was *neither positive nor negative*.

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. 80.6% of the respondents indicated that they had no concerns about the investment implementation, 19.4% indicated that they had such concerns, while during implementation their concerns were not confirmed and now that the construction of the flood protection reservoirs has been implemented, they view the investment in a definitely very positive light.

The positive impact of the investment on the household and the local community as a whole was indicated by 97.22% of respondents. Many of the people interviewed mentioned that the community had gained a new area for recreation and walking. 2.78% of respondents, while rating the impact on a scale of 1 (definitely positive) to 10 (definitely negative) with a “6” indicated 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 the reservoirs, i.e. protection of the two densely populated districts of Krakow located below the Malinówka 1 and Malinówka 2 reservoirs).

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 diagram below.

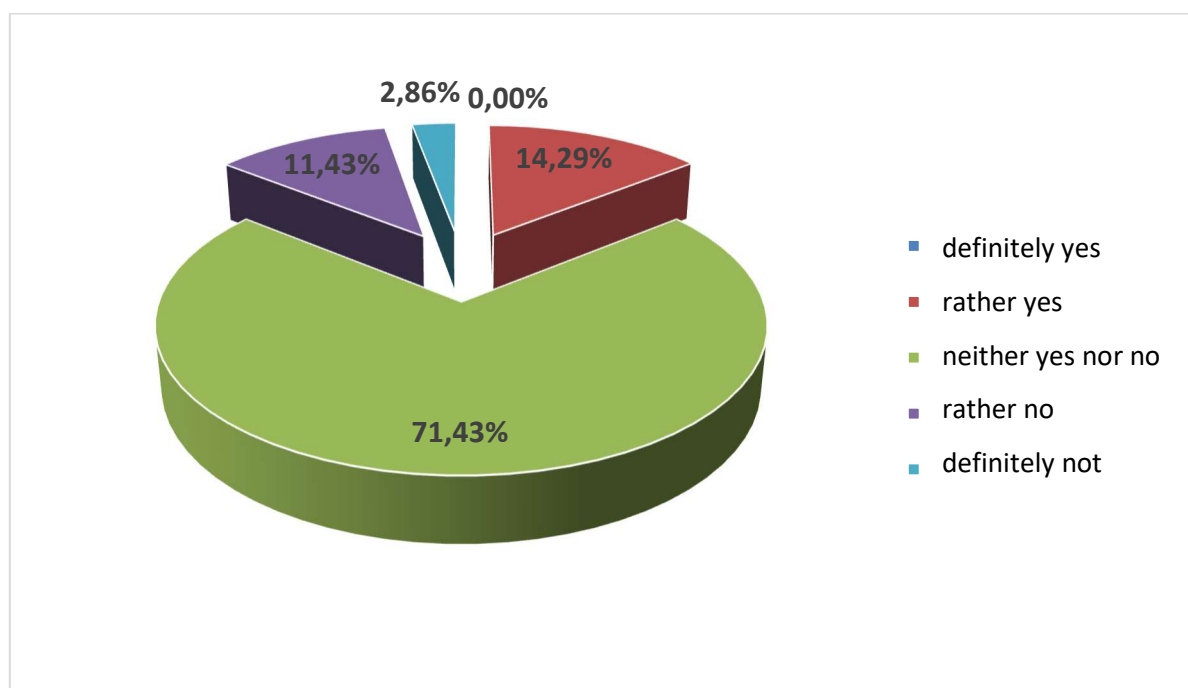


**Fig. 5.** Answers given to the question on maintaining the socio-economic situation of the PAPs at pre-project levels (question 7).

Respondents indicated in 97.22% of cases that the implementation of the Project had no impact on their socio-economic situation. On the other hand, one person answered that they definitely did not manage to maintain the socio-economic situation of the household at the level from before the

project, at the same time it was indicated in the survey that the investment did not affect the livelihoods of the PAP's household and rated the impact of the investment on the PAP and his/her relatives as positive, so marking such an answer on question 7 is a mistake.

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



**Fig. 6.** Answers received to the question on the impact of investment implementation on the household's livelihoods (que. 8).

71.43% of the surveyed PAPs answered *neither yes nor no*, 11.43% - *rather not*, 2.86% of the surveyed PAPs answered *definitely not* to the question of the impact of the investment implementation on livelihoods, while 14.29% of the respondents answered - *rather yes* (without, however, specifying what they understood by this impact). None of the persons indicated that the Contract had definitely affected their sources of income. At the same time, in response to a further question linked to this topic, conc. the impact of the investment on the improvement of their living conditions and/or livelihoods – 5.55% answered *definitely yes*, 41.67%, *rather yes*, 50% *neither yes nor no*, 2.86% *rather no*. Hence, more than 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, 80.55%, answered "*definitely yes*" and "*rather yes*", 16.67% - *neither yes nor no*. In a single case, the PAP answered *rather no*.

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 (11.12% - *definitely yes*, 80.55% - *rather yes*, 8.33% - *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: 14.29% - *definitely yes*, 71.43% - *rather yes* and 16.67% - *neither yes nor no*.

Seven 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* - 11.12%, *rather yes* - 75%, *neither yes nor no* - 14.29%.

No objections were raised to the grievance redress mechanism, the responses to this question are as follows: 48.57% - *positive*, 54.29% - *neither positive nor negative*.

Those interested evaluated positively the method of stakeholder engagement used as part of the process, including those affected by the flood control project (65.71% marked the answer *positive*, while 37.14% - *neither positive nor negative*).

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

Similarly positive responses were received from those representing local authorities. These people indicated that project implementation has had a positive impact on both their relatives and the entire community they lead (particularly enthusiastic about the project implementation were representatives of the Biezanów and Złocień District Councils, i.e. the areas which most experienced repeated flooding caused by the fast flow of water from the Malinówka stream and the Serafa river, on which the cascade of reservoirs was built).

**Under Contract 3A.2, 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 for 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 LARAP implementation costs.

Item	Quantity	Amount
Compensation for permanent occupation, including plantings and infrastructure elements:	10.1271 ha	PLN 7,584,727.69
- paid to PAP	-	PLN 7,012,059.37

Item	Quantity	Amount
- paid to court deposit	8 cases	PLN 572,668.32
Compensation for occupation in connection with the obligation to reconstruct the network*	0.4924 ha	PLN 23,727.00
Purchase of remnants	6 properties	PLN 472,676.00
Court fees**	N/A	PLN 1,417.40
Other implementation costs of LARAP***	N/A	PLN 371.40
TOTAL	-	PLN 8,082,919.49

\*applies only to the 3 properties that were actually occupied by the Contractor.

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

\*\*\* cost of postage.

The source of funding for the costs indicated above was the World Bank's loan (IBRD, CEB, 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 Final Report on LARAP implementation.

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

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.**

### 3.5.3.1 PIU's strategy for court deposits

Compensations were deposited with the court deposit in 8 cases. As at the date of preparing the Interim Report, one of the deposits was disbursed to a PAP (the person, after settling the inheritance matters, with the support of the Consultant, filed an application with the court and the compensation plus interest was paid to the PAP's account).

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 Governor conc. the administrative proceedings conducted, 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.

### 3.5. 4 Permanent restriction to the manner of property use

**1 property with the area of 0.0052 ha from the resources of the State Treasury** was subjected to permanent restriction in the use (PR). Detailed information for this occupation is given in the table (**Appendix no. 4**) with indicating which elements of Contract 3A.2 result in the imposition of the PR.

No compensation is paid to the State Treasury.

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

The obligation to reconstruct the **existing network of land utilities** was imposed in 2 IPIP decisions issued for Contract 3A.2 in relation to 77 properties; the obligation consisted of the **temporary** restriction in the use of the property. As per the principle adopted in the LARAP, the obligation to reconstruct the network as a rule is compensated in cash. The basis for determining the amount of such compensation are appraisal reports prepared by an independent expert acting at the Investor's expense. Such compensation is paid on the basis of a written agreement between the Investor and the PAP. If there is no consensus between the parties as to the amount of compensation, the PAP will be entitled to an appeal mechanism.

As part of Contract 3A.2, subject to reconstruction were the existing overhead high-voltage and low-voltage power networks running through 77 properties of: 35 natural persons, 5 municipal properties and 37 State Treasury properties (see **Appendix no. 4** for details). During the works, the Contractor only occupied **3 properties** of natural persons, i.e. those plots on which the support poles of the reconstructed networks were physically located.

Compensation for the ORN due to property owners in connection with the reconstruction of collision with the power line was paid on the basis of reports prepared by an independent valuer.

#### 3.5.6 Right to use the property for construction purposes

For 5 properties, construction works were performed by the Investor on the basis of the right to use the property for construction purposes (these are properties belonging to the State Treasury, the representative of the stock is SWH PW).

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 did not acquire any properties for temporary occupation. Construction site facilities with a storage yard were organised at the State Treasury's properties covered by the right to use the property for construction purposes.

### 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.2, **7 applications were submitted to purchase the “remnants” for 8 properties**. Six applications were considered positively, one application was refused as the property did not meet the conditions indicated in Article 23(2) of the Special Flood Act (the plot the PAP applied for was a plot with a large area of 3,555 m<sup>2</sup>, located in a green area, and access to the plot was improved as a result of the investment, so there were no grounds for its purchase). Five notary deeds were signed under which 6 “remnants” were purchased. In one case the owner died, while one of the 5 heirs declared that they would continue to apply for the purchase of this “remnant” after the final settlement of inheritance issues. This person has asked the other heirs to transfer the ownership of plot 440/8 to the PAP under a notary deed, but as of the date of preparing the Interim Report, the person has not obtained the consent of the other co-owners to do so.

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

No.	Plot no. before division	No. of plot expropriated for investment	No. of plot applied for purchase	Precinct	Recommendation	Person applying for purchase	Amount	Protocol of agreement	Purchase – signing of notary deed
1	441/8	441/20, 441/21	<b>441/19</b>	100 Podgórze	YES	<b>2 co-owners</b>	PLN 70,513.00	Protocol of 04/26/2023	Signed on 08/04/2023 <u>Rep A no. 8013/2023</u>
2	442/2	442/13	<b>442/12</b>	100 Podgórze	YES	<b>2 co-owners</b>	PLN 294,243.00	Protocol of. 03/03/2023	Signed on 07/24/2023 <u>Rep A no. 7497/2023</u>
3	440/2	440/9	<b>440/8</b>	100 Podgórze	YES	<b>owner</b>	PLN 5,487.00	The owner died	NOTE: heirs, when ownership issues are settled, are to proceed with notary deed of sale
4	441/2	441/18	<b>441/17</b>	100 Podgórze	YES	<b>owner</b>	PLN 43,350.00	Protocol of 12/05/2023	Signed on 10/27/2023 <u>Rep A no. 10379/2023</u>
5	82/22	82/33	<b>82/32</b>	99 Podgórze	YES	<b>owner</b>	PLN 2,240.00	Protocol of 07/21/2023	Signed on 09/19/2023 <u>Rep A no. 9330/2023</u>
6	92/4	92/8	<b>92/7</b>	99 Podgórze	NO	<b>4 co-owners</b>	N/A	N/A	Justification for refusal to purchase is indicated in the text above
7	83	83/2	<b>83/1</b>	99 Podgórze	YES	<b>owner</b>	PLN 13,808.00	Protocol of 07/25/2023	Signed on 07/08/2024 Rep A no. 6923/2024
			<b>83/3</b>				PLN 48,522.00		

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.2 was implemented at the beginning of the whole process and was binding throughout the entire period of implementation, functioning and closure of the Contract.

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

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

Additionally, complaints and applications could be submitted:

- Via conventional post to the above address or

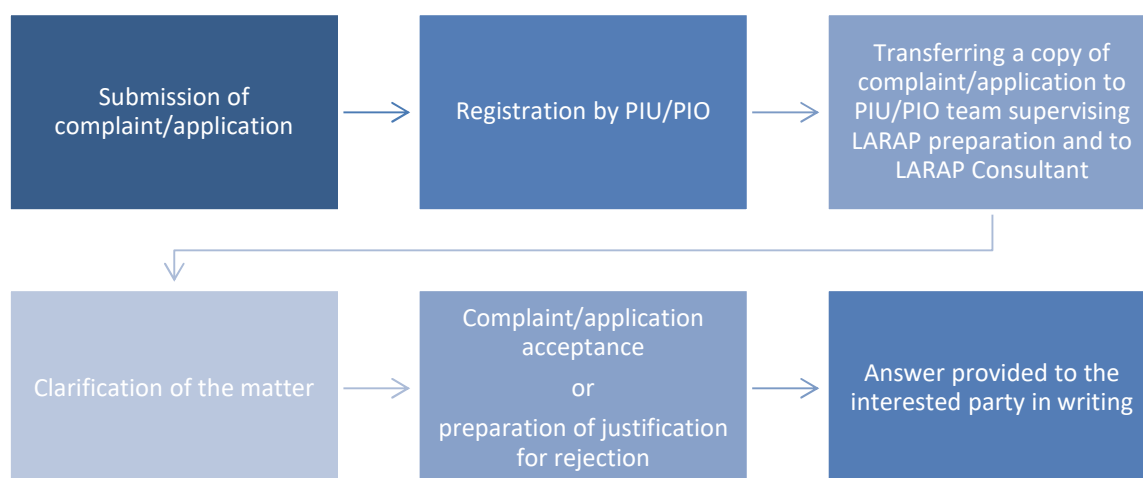
- Via the Internet:

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

e-mail: [jrp.krakow@wody.gov.pl](mailto: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.2.

## 4.2 SUMMARY OF COMPLAINTS AND APPLICATIONS

### List of complaints

No.	Date of complaint	Complainant	Subject/issue of complaint	Method of resolving
1	01/26/2023	10 PAPs - co-owners for the expropriated property	Appeal against the decision of the Province Governor of Małopolskie, ref.: WS-II.7570.2.150.2021.JD of 01/04/2023 concerning the amount of compensation filed with the Minister of Development and Technology (MRiT)	On 10/18/2023, MRiT issued a decision to uphold the decision of the Province Governor of Małopolskie (case reference of MRiT: DLI-V.7618.2.2023.RK). Compensation was paid.
2	05/27/2023	PAP represented by Legal Counsel	Two-time appeal against the decision of the Province Governor of Małopolskie concerning the amount of compensation, the appeals were lodged with	The first of the Governor's decisions was overturned in its entirety by the Minister and referred back to the Governor for reconsideration.  The Minister is currently considering the PAP's second appeal against the Province

No.	Date of complaint	Complainant	Subject/issue of complaint	Method of resolving
			the Minister of Development and Technology (MRiT). The last of the appeals concerned the renewed decision of the Province Governor of Małopolskie, reference: WS-II.7570.2.156.2021.JD of 03/01/2024 establishing the new amount of compensation.	Governor of Małopolskie's decision, ref.: WS-II.7570.2.156.2021.JD of 03/01/2024 - <b>the case pending</b> .  At the owner's request, the undisputed amount, i.e. the amount determined in both compensation decisions by the Province Governor of Małopolskie, was paid.
3	04/15/2023	PAP	Two-time appeal against the decision of the Province Governor of Małopolskie concerning the amount of compensation, the appeals were lodged with the Minister of Development and Technology (MRiT). The last of the appeals concerned the renewed decision of the Province Governor of Małopolskie, reference: WS-II.7570.2.152.2021.JD of 04/04/2024 establishing the new amount of compensation	The first of the Governor's decisions was overturned in its entirety by the Minister and referred back to the Governor for reconsideration.  The Minister is currently considering the PAP's second appeal against the Province Governor of Małopolskie's decision, ref.: WS-II.7570.2.152.2021.JD of 04/04/2024. – <b>case pending</b> .  At the owner's request, the undisputed amount, i.e. the amount determined in both compensation decisions by the Province Governor of Małopolskie, was paid.

#### List of applications

No.	Date of application	Entity submitting the application	Subject/issue of the application	Method of consideration
1	07/22/2020	7 environmental organisations (NGOs)	Application by 7 environmental organisations to restrict the felling of trees in the bowl of the planned Malinówka 1 and Malinówka 2 reservoirs	Introduction of design changes: a) <u>for the Malinówka 1 reservoir</u> : increasing the area of land exempted from felling of trees and bushes in the reservoir bowl (e.g. by increasing the area of the "wooded island" left in the reservoir bowl) b) <u>for the Malinówka 2 reservoir</u> : - resignation from the planned felling of trees and bushes on some wooded

No.	Date of application	Entity submitting the application	Subject/issue of the application	Method of consideration
				<p>areas in the north-western part of the reservoir bowl</p> <p>- preservation without backfilling as much of the pond as possible in the north-western part of the reservoir.</p>
2	03/16/2021	Committee for construction of Blacharska Street	Reporting the problem of the poor technical condition of Blacharska Street, which the Roads Management Board of the City of Cracow (ZDMK) has accepted as an access road to the construction site of the Malinówka 2 reservoir, problems with the unregulated legal status of this road and a request to include this road in the reconstruction under the SWH PW Contract.	<p>A number of meetings were held with representatives of the Committee, ZDMK, representatives of the City of Cracow and on 07/01/2021 an agreement was signed with the Mayor of the City of Cracow <i>on the possibility to use Blacharska Street for the duration of construction and for subsequent maintenance of the Malinówka 2 reservoir.</i></p> <p>It was explained to the applicants that a flood protection investment cannot include the construction of roads outside of the construction area of a hydrotechnical facility.</p> <p><u>The selected Contractor organised access to the reservoir construction site with excluding Blacharska Street</u> (access was from Wieliczka).</p> <p>SWH PW, for the entire time of construction, supported residents in their efforts to have this road rebuilt by the City of Cracow (unfortunately the municipality did not obtain funding for the reconstruction).</p>
3	01/02/2023	Residents of properties adjacent to the Malinówka 1 reservoir	Petition to raise the vertical alignment of the service road at Malinówka 1 reservoir due to residents' concerns that stagnant water will build up there and a steep slope will be created between this road and their properties, which could cause fences to slip and prevent emergency access to properties.	<p>A meeting was held on 02/16/2023 with residents in the field, where it was explained that the road is still unfinished (15-20 cm of substructure and pavement layers are still missing). Target solutions were also agreed.</p> <p>When the construction of the service road was finished, the slopes were smoothed with a gradient of 1:1.5 as part of the tidying up the site, in addition, the raising of the slopes was adjusted individually for each plot to match the ground ordinates of the adjacent properties. The smoothed slopes between the edge of the road and the original area allow emergency access from the reservoir site onto</p>



No.	Date of application	Entity submitting the application	Subject/issue of the application	Method of consideration
				private land. A letter (March 2023) was also sent to each applicant who signed the petition, describing the planned activities, but at the same time indicating that the service road cannot be used as an access to the property, and that permission must be obtained from SWH PW RZGW in Cracow each time it is used.
4	September 2023 – telephone notice	PAP, owner of plot 82/28 precinct 99 Podgórze	Request to backfill the ditch next to the service road at the Malinówka 2 reservoir site, allowing convenient access to the PAP's plot	It was explained to the PAP that there was no need to backfill the ditch, access to plot 82/28 was possible via the service road (on which an access easement was established in favour of the PAP and each owner of plot 82/28) and plots of ST SWH PW 83/1 and 82/32 (relevant statement with explanation was sent to PAP). It was pointed out to the PAP that if he nevertheless wants to implement the entrance from the service road he will get permission from SWH PW for piping the part of the ditch (no permission to backfill for technical reasons, i.e. sustainability of the service road).

### 4.3 CONCLUSIONS – SUMMARY OF GRM'S EFFECTIVENESS

3 complaints were received during the implementation of Contract 3A.2 concerning the amount of compensation determined by the Province Governor of Małopolskie for the permanent occupation of properties. All complaints have been investigated by the Minister. One case has already been concluded, and in the case of the other 2 proceedings, the Minister revoked the decisions of the Province Governor and referred the cases to the Province Governor for reconsideration. The Province Governor conducted an administrative proceeding for the second time and issued new decisions determining the amount of compensation. However, the PAPs filed their appeals again against the new decisions issued by the Province Governor. These cases have therefore been referred back to the Minister, and these proceedings are ongoing (as at the date of the Final Report). On the other hand, it should be pointed out that compensation has already been paid to the PAPs in both cases.

In addition, 4 applications were submitted for the Contract being executed, including one from the area of EMP implementation. 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.2, and the methodology was based on a standardised approach to properties acquisition to address emerging issues. Tools were used for monitoring the implementation of the Contract for the purpose of LARAP implementation monitoring, i.e.:

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

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

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

- a) number of properties for expropriation and expropriated,
- b) number of people requiring resettlement and already resettled (there were no such cases for Works Contract 3A.2),
- c) number of properties for temporary occupation (there were no such cases for Works Contract 3A.2),
- 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) replacement properties acquired and awarded,
- h) implementation degree and status of protective actions,
- i) number of complaints,

j) number of considered complaints.

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

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

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

The land acquired from natural persons accounts for 5.5510 ha of 10.1271 ha covered by permanent occupation in connection with the implementation of Contract 3A.2 (i.e. 54% of the total area occupied for the investment). These areas were located in the valley of the Malinówka Stream, were not used for agriculture and functioned as riverside areas, wastelands.

Compensations for expropriated properties were paid in cash. 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. The compensation has been made available in line with *Resettlement Policy Framework* for absentees, unresolved legal issues and unknown owners.

The social aspect of implementing the said investment should be emphasised, consisting in ensuring the sense of security for the local community living downstream of the reservoirs, as well as the socio-economic expectations of the local population. First and foremost, the beneficiaries of the Project are the residents of the Złocień estate and the Biezanów district of Cracow, which was regularly flooded during heavy rainfall, who have been waiting for several years for the implementation of the entire cascade of reservoirs, including the Malinówka 1 and Malinówka 2 reservoirs built under Contract 3A.2.

Thanks to the implementation of Contract 3A.2, the "attractiveness" of the area protected by the Malinówka 1 and Malinówka 2 reservoirs has been increased. 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.2. 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.2, there were no specific events or cases of people influenced by the Project's impact that would trigger special procedures and actions to mitigate and compensate for impacts.

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

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

There were no significant impacts on PAPs during the execution of the Works. By introducing the actions indicated in the LARAP, life conditions of PAPs have improved and the long-term and sustainable use of natural resources within this area was ensured. No vulnerable groups were identified in the Contract 3A.2 area, and the impact of the Contract itself did not adversely affect the enterprises or the operation of agricultural activities. No impacts occurred in any case, inter alia, loss of sources of income, jobs, accessibility to infrastructure, loss of farming opportunities, loss of enjoyment of natural assets/access to parks, reserves, access to educational institutions, cultural facilities, etc.

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

## 6. CONCLUSIONS AND SUMMARY

The main, measurable effect of implementing the Works Contract 3A.2 – *Flood protection in Serafa Valley – Malinówka 1 and Malinówka 2 reservoirs* is to ensure flood protection of areas covering approx. 216 ha inhabited by approx. 2.4 thousand people. This has eliminated the need for incurring 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.2. 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 chapter 5.2.

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

- 120 properties were subject to permanent occupation, of which 44 properties belonged to natural persons and 1 property to the Municipality of Cracow. As per the assumptions of the LARAP, the properties were not occupied and no works started on them until all compensation were paid or deposited into court.

**Works Contract 3A.2 has not resulted in any physical or economic resettlement.** No vulnerable groups were identified in the implementation area of Contract 3A.2, 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 Interim 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. The compensations were paid for land, plantings and building elements. There were no unusual assets for which compensation had to be paid.
- Compensations were paid prior to the start of the works, as indicated above.

- Compensations were paid to all landowners who demonstrated their right to the properties acquired for the benefit of the State Treasury;
- In the absence of eligible persons (the owner has died and the heirs have not yet carried out inheritance proceedings, no owner was found), the compensation was deposited with the court. This situation applies to 8 cases. At the day of elaborating the Interim Report on LARAP implementation, one of the deposits was disbursed. 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.

- 1 property of the State Treasury was subjected to permanent restriction in use.
- 77 properties were covered by the obligation to reconstruct the network in accordance with the provisions provided in the two flood protection investment project implementation permits (IPIPs) issued for Contract 3A.2, i.e. all the plots over which parts of the reconstructed HV and LV power networks were running. However, the Contractor physically occupied only 3 of the 77 properties, i.e. those plots on which the poles of the reconstructed sections of power lines were located. Compensation for the ORN was paid. Details of 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.2.

Detailed information is described in chapter 4.

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

Detailed information on public consultation is described in chapter 3.2.

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

This objective has been achieved and, in the case of Works Contract 3A.2, there are no longer any elements/cases that have not been completed and would be envisaged under LARAP. The only item left to be closed will be the payment of compensations which were submitted to a court deposit (applies to 7 cases where at the day of issuing compensation decisions by the Province Governor there were no persons entitled to receive the compensation). The funds for these 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.

**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. There were no significant impacts on PAPs during the execution of the Works. By introducing the actions indicated in the LARAP, life conditions of PAPs have improved and the long-term and sustainable use of natural resources within this area was ensured.**



## 7. APPENDICES

Appendix no. 1 – Contract Location.

Appendix no. 2 – Screenshots of websites.

Appendix no. 3 – Documentation of public consultations.

Appendix no. 4 – List of properties – permanent occupation, permanent restrictions in use, obligation to reconstruct the network, right to use the property for construction purposes<sup>6</sup>.

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.2.

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

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

---

<sup>6</sup> The financial data presented in the document was prepared on the basis of accounting and other financial documents made available to the authors of the Final Report