

LAND ACQUISITION AND RESETTLEMENT ACTION PLAN

WORKS CONTRACT 3A.2/4

Flood Protection in Serafa Valley
– Serafa 2 Reservoir

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



Projekt Ochrony
Przeciwpowodziowej
w Dorzeczu Odry i Wisły



Państwowe
Gospodarstwo Wodne
Wody Polskie

LAND ACQUISITION AND RESETTLEMENT ACTION PLAN

FINAL DOCUMENT

ODRA-VISTULA FLOOD MANAGEMENT PROJECT

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

COMPONENT 3:

FLOOD PROTECTION OF THE UPPER VISTULA

SUB-COMPONENT 3A:

PROTECTION OF UPPER VISTULA TOWNS AND CRACOW

CONTRACT 3A.2:

Flood Protection in Serafa Valley

WORKS CONTRACT 3A.2/4

Flood Protection in Serafa Valley
– Serafa 2 Reservoir

ISSUE	DATE	AUTHORS	VERIFIED BY	CLIENT'S APPROVAL	DESCRIPTION
I	03/16/2021	Marta Rak Aneta Stasiak Tomasz Misarko	Jarosław Hernik Tomasz Jankowski	Monika Piszczek Aleksandra Macek Rafał Sionko	



PROJECT IMPLEMENTATION OFFICE:

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

Director of the State Water Holding Polish Waters

Regionalny Zarząd Gospodarki Wodnej w Krakowie [Regional Water Management Authority in Cracow].
seated at ul. [street] Marszałka Józefa Piłsudskiego 22, 31-109 Kraków

DOCUMENT ELABORATED BY:

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

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

PIU OVFMP

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

ODRA-VISTULA FLOOD MANAGEMENT PROJECT CO-FINANCED BY:

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

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

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

State Budget

Table of Contents

1	Summary	8
2	List of abbreviations applied in this paper	13
3	Key definitions	16
4	Introduction.....	19
4.1	Description of the Contract	20
4.2	Contract Implementation Area	23
4.3	Land Use (according to site visit and available data)	23
4.4	Issued Administrative Decisions.....	25
4.5	Legal Changes Related to the Investor’s Status	26
5	Primary Principles Adopted in the LA&RAP	28
6	Impact Mitigation	31
6.1	Social Impact.....	31
6.2	Mitigation Measures.....	32
7	Socio-economic Survey.....	37
7.1	Sources and Methodology	37
7.1.1	Issues	37
7.1.2	Summary of and conclusions on the socio-economic study	38
7.2	Social and Economic Data	39
7.2.1	Land use	39
7.2.2	Public services	41
7.2.3	Cultural and historic object	41
7.2.4	Gender Equality	41
7.3	Specificity of the PAP	42
7.4	The Need for Updating the Socio-economic Study	45
8	The Binding Provisions of Law and Valuation Methodologies	46
8.1	Obligations Arising from OP 4.12	46
8.2	Polish Legal Requirements	47
8.2.1	Real property acquisition under the Special Flood Act	47
8.2.2	Establishing permanent restriction and temporary restriction in managing real properties	49
8.2.3	Special Procedures.....	50
8.2.4	Purchase of “remnants”	50
8.2.5	EU subsidies	51
8.2.6	Properties resources according to the PMA	53
8.3	Adopted Mechanisms of Acquisition of Rights to Real Properties.....	55
8.4	Valuation Principles	57
8.4.1	Real property valuation	59
8.4.2	Valuation of plantings and crops	59

9	Eligibility Criteria and Catalogue of Beneficiaries	61
9.1	Eligibility Criteria	61
9.2	Catalogue of Beneficiaries	61
9.3	Eligibility Matrix	64
10	Stakeholders	68
11	Public consultations and public participation	71
12	The Complaint Management Mechanism.....	75
12.1	The General Complaint and Motion Management Mechanism	75
12.2	Special Complaint and Motion Management mechanisms	76
12.3	The Submission Mechanism for Claim and Motions Corning Implementation of the Works Contract	79
12.3.1	Places where complaints and motions may be submitted	79
12.3.2	Time for consideration of complaints and motions	80
12.3.3	Persons responsible for consideration of complaints and motions	80
12.3.4	Audits and independent appeal mechanism	80
12.4	Personal Data Protection Policy for the Project.....	80
12.4.1	Who is the personal data administrator?	80
12.4.2	Contact details for the Personal Data Inspector	81
12.4.3	Legal basis for processing	81
12.4.4	What personal data may be collected and for what purpose?	81
12.4.5	What personal data was obtained in a way different than from a person being its subject and from which source/sources?	81
12.4.6	To whom the personal data may be made available?	82
12.4.7	Rights of the person to whom data applies.....	82
12.4.8	Contact to supervising authorities considering complaints.....	82
12.4.9	Contact person at PGW WP RZGW in Cracow for data protection policy	83
12.4.10	Time of keeping the personal data	83
13	Institutional Structure and Implementation Team	84
14	Monitoring and Evaluation	88
15	Costs and Budget	92
16	LA&RAP Implementation Schedule	93
17	Appendices	97
17.1	Real Property Acquisition Progress Monitoring Table	97
17.2	Table – List of Real Properties, Owners, and Impact	97
17.3	Real property Purchase Schedule	97
17.4	Investment Location Plan	97
17.5	Socio-Economic Study.....	97
17.6	Form of Submitting Complaints to the Consultant (Base upon WB Guidelines)	97
17.7	Report on the Organized Public Discussion on the LA&RAP Draft	97
17.8	Information Brochure	97
17.9	Template of Agreement on Temporary Acquisition.....	97

17.10	Map with the properties division project	98
-------	--	----

1 Summary

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

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

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

As informed above, this LA&RAP covers one of the Works Contracts/Tasks to be implemented under Contract 3A.2, and it is *Works Contract 3A.2/4 Flood Protection in Serafa Valley - Serafa 2 Reservoir*, for which a separate IPIP decision shall be obtained. Technical documentation necessary for submission of an application on the issuance of that decision is being developed.

On the day of developing this document a construction design was ready as well as the maps containing property splitting designs. Data on areas of properties permanent acquisition comes from maps with projects of property splitting designs, which are pending approval by the relevant authority. The basis for identifying the scope of properties restrictions on the use - both permanent, as ones resulting from the obligation to redevelop the colliding utilities are maps for design purposes.

This LA&RAP has been developed prior to obtaining a legal title to the properties by the Investor. The currently planned range of acquiring the properties and of restricting the use of properties – resulting from the planned construction works – is presented in the table below**:

	Total volume of hectares	Total number of plots	Public plots	%	Private plots	%	Others** *	%	Physical resettlement	Economic resettlement
Permanent acquisition	4.2290	23*	5	21.7	17	73.9	1	4.3	0	0
Permanent restriction in use	0.0860	2	2	100	0	0.0	0	0	0	0
Obligation to redevelop the existing land utilities	0.1719	4	2	50	2	50	0	0	–	–

	Total volume of hectares	Total number of plots	Public plots	%	Private plots	%	Others** *	%	Physical resettlement	Economic resettlement
Disposal rights to properties for construction purposes	0.4103	1	1	100	0	0	0	0	–	–
Summary	4.8972	30	10	33.3	19	63.6	1	3.4	0	0

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

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

*** category of properties, which contains plots with unregulated legal status – mortgage unit in that case (1 plot owned by natural persons and by a public entity, i.e. the State Treasury, which is represented by the PGW WP)

The performance site covers the area of 4.8972 ha and shall cover 30 properties. After obtaining the final IPIP decision:

- permanent acquisition shall be applied for 23 properties, including:

- 2 properties, which are currently owned by the State Treasury (permanently administrated by: GDDKiA);
- 3 properties owned by the Commune of Wieliczka,
- 1 property with unregulated legal status (so-called mortgage units)
- 17 properties being ownership of 25 natural persons and 1 limited liability limited partnership company,

properties indicated in point 2, 3 and 4 shall be legally transferred to the State Treasury, and compensation would be paid by the Investor in accordance with a procedure described under item 8.2.1).

Part of the permanent occupation area was allocated to the establishment of an easement of pedestrian access and an access road for all owners of plots 443/4, 444/2, 446/4, 447/4, 448/4, 449/2, 450/4, 451/4 and 452/6. Without this easement, the above-mentioned plots would not have access to a public road.

- permanent restriction shall be applied for 2 properties, one owned by the State Treasury (permanently administrated by: GDDKiA) and the other by the Commune of Wieliczka (under perpetual usufruct by PKP S.A.) – in case of those properties their use shall be restricted due to modification of land management or land utilities;

- the temporary restriction in use related to the need of reconstruction of the existing land utilities (colliding with the flood protection reservoir planned for construction) shall be established on 4 properties, including:

- 2 properties owned by 3 natural persons,
- 1 property owned by the Commune of Wieliczka,

- 1 property owned by the State Treasury permanently administrated by: GDDKiA

compensation for temporary restriction in the use shall be paid based upon rules described under item 8.2.2 and 9.2.

On one property from the State Treasury resource, for which the representative of the resource is PGW WP, the works will be carried out on the basis of the disposal rights to property for construction purposes.

Among 30 of the aforementioned properties, 19 plots are owned by private persons (26 PAPs¹, including 25 natural persons and 1 legal person: limited liability limited partnership company), 1 plot do not have their legal status regulated (mortgage units), and 10 plots are public plots, 5² of which are owned by the State Treasury (including 4 permanently administrated by: GDDKiA and 1 which is represented by the PGW WP) and 5 by the Local Authorities (Commune of Wieliczka, one of them is in perpetual usufruct of PKP S.A.).

The Works Contract 3A.2/4 refers to the construction of a dry small storage reservoir – Serafa 2 – at the Serafa River. That reservoir shall operate within a cascade of five small storage reservoirs within the Serafa River Basin: two on the River Serafa (the existing Biezanów reservoir and the planned Serafa 2 reservoir), and three on the Malinówka Stream (planned reservoirs: Malinówka 1, Malinówka 2, and Malinówka 3).

For the purpose of Works Contract 3A.2/4 implementation 17 of private plots shall be permanently acquired (area of 2.3630 ha) from 60 m² to 12 519 m². In case of 13 private plots, which would be taken over on behalf of the State Treasury, the area of permanent acquisition is less than 1000 m². In the case of other 2 private plots, the area of permanent acquisition is 1168 m² and 1836 m², for the next 2 plots above 2 000 m²: 2831 and 12519 m². The area of approximately 2000 m² is a small area is acquired in reference to the Polish conditions of economic profitability for running agricultural business, and those are not areas of intensive farming, but pastures, meadows, and afforested land. In the case of plot owned by a natural person, 1.2519 ha shall be acquired, and despite several attempts it was not possible to contact that person; however, a site visit proved that the plot is not used and contains a forest, so it is not a source generating income for PAP (according to the provisions of the local development plan, this area is an undeveloped green area). All 3 plots area, with the largest area of occupation (1836, 2831 and 12 519 m²), are heavily grown with trees and shrubs, and they border with the Road Maintenance Department of GDDKiA for A4 Motorway.

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

¹ the number of PAPs does not add up, because some properties of natural persons also include permanent occupation and OPS

² from the State Treasury's resources, 4 plots are covered by the occupation, while the plot No. 442/1 is simultaneously covered by OPS and TO, hence 5 lines are indicated in Appendix No. 2 to LA&RAP and consistently in the summary list of properties, the value of 5 is indicated

Two households granted with EU subsidies were identified during the socio-economic survey, in this case, PAP were informed about the need to report the fact of reducing the acreage to the ARMA (this procedure is described in detail in chapter 8.2.5 of the LA&RAP).

Family Allotment Gardens “Winnica” are located in vicinity of the Works Contract 3A.2/4, but that area would not be subject to any acquisition.

Small developed land properties are located in a direct vicinity of the contract areas, but implementation of the contract shall not cause disturbance to everyday functioning of those households. As part of the Investment, 2 plots developed with residential and farm buildings (habitat plots) are subject to permanent occupation, but the occupied parts are not built-up or with any buildings.

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

During the survey all of the respondents declared that they are satisfied with the planned contract and that they support its implementation.

During the public consultations of the Draft of LA&RAP, the co-owners of one of the plot, which was intended for permanent occupation (for the construction of a water table measurement point), raised objections and requested that it be abandoned. Thanks to the consent of another property owner, the technical solutions were redesigned and the occupation in question on that plot and the neighboring plot was avoided.

In addition, during the public consultations of the Draft of LA&RAP, one of the owners proposed to designate the road lane with border stones, which will be separated for the purpose of connecting the complex of plots on the right bank of the Serafa 2 reservoir with the public road. The boundary points will be carried out by the Contractor.

As an additional compensation measure, the construction of a piezometer is also planned to monitor the groundwater level, which will be performed on the bank of the Serafa 2 reservoir from Za Torem Street. This action is a consequence of the correspondence of the inhabitants of this region, which was conducted with the Investor during public consultations.

Due to implementation of the Contract, with the minimization and compensation measures planned by the Investor, there are no significant impacts on the PAPs. It was stated in all cases that the impacts associated with implementation of the Contract shall be insignificant. As at the date of the draft of LA&RAP preparation, no persons included in the vulnerable groups were identified.

Due to performance of the works it may be necessary to the Contractor to acquire the properties temporarily, beyond the range resulting from the IPIP, for the purpose of the Investment implementation (e.g. acquisition for site facilities, machine base, and storage of soil and other construction materials).

The Contractor shall be responsible for obtainment of consents from owners/holders for the aforementioned temporary acquisition of properties. The scope and the target location of temporary acquisition are currently unknown, and they shall be determined by the Contractor selected in a

bidding proceeding. Such properties shall be obtained by the Contractor on its own and at its own cost. Temporary acquisition of properties is feasible only based upon a written, voluntary consent of the property owner, and based upon the rules determined in the agreement providing that consent. Temporary acquisition shall – as a rule – be compensated in cash through payment of amounts corresponding to market prices of lease or tenancy of properties, and the conditions of acquisition shall be determined under the agreement concluded in writing (template of the agreement is given under Appendix no. 9 to the LA&RAP).

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

2 List of abbreviations applied in this paper

Act on public finances	Act of August 27, 2009 on the public finances (consolidated text: OJ of 2021, item 305)
AP	Affected Population
ARMA	Agency for Restructuring and Modernization of Agriculture
CAP	The Law of June 14, 1960 – Code of Administrative Procedure (consolidated text: Journal of Laws of 2020, item 256 as amended)
CC	The Law of April 23, 1964 – Civil Code (consolidated text: Journal of Laws of 2020, item 1740 as amended)
CEB	Council of Europe Development Bank
Civil Engineering Law	Act of July 7, 1994, Civil Engineering Law (consolidated text: OJ of 2020, item 1333 as amended)
Consultant	A company or a legal persons providing services for the Investor Technical Assistance Consultant for the OVFM Project – AECOM Polska Sp. z o.o.
Contract / Contract 3A.2 / Investment	CONTRACT 3A.2 - Flood Protection in Serafa Valley comprising four Works Contracts 3A.2/1, 3A.2/2, 3A.2/3, and 3A.2/4
Contractor	An entrepreneur implementing the Works Contract
CSO	Central Statistical Office of Poland
ED	Decision on Environmental Conditions
EGiB	Register of Land and Buildings – a register containing data forming e.g. a basis for economic planning, spatial planning, taxes and fees, marking of properties in mortgage registers, register of farms
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
Engineer	See: Consultant
EU	European Union
FA	Act of September 28, 1991 on the forests (consolidated text: OJ of 2020, item 6, as amended)
GDDKiA	General Directorate for National Roads and Motorways
GIS	Geographic Information System – a terrain information system consisting of a terrain database concerning a given area as well as procedures and techniques of systematic collection, updating and providing access to data.
HSL or MaxSL	Highest Storage Level or Maximum Storage Level
Investor/Employer/PIU (until 12/31/2017)	Marshal in the name of which Małopolski Board of Amelioration and Hydraulic Structures in Cracow operates– Odra-Vistula Flood Management Project (OVFMP) Implementation Unit

Investor/Employer/PIU (from 01/01/2018)	State Water Holding Polish Waters – Regional Water Management Authority in Cracow – Odra-Vistula Flood Management Project (OVFMP) Implementation Unit
IPIP	Investment Project Implementation Permit for flood defenses
LA&RAP	Land Acquisition and Resettlement Action Plan
LARPF / RPF	Land Acquisition and Resettlement Policy Framework
LSDP	Local Spatial Development Plan
LS Regulation	Regulation of the Minister of Internal Affairs and Administration and of the Minister of Agriculture and Food Economy of April 14, 1999 on the land splitting (OJ of 1999, no. 45, item 453)
MZMiUW	Małopolski Board of Amelioration and Hydraulic Structures in Cracow
NBP	National Bank of Poland
NGO	Nongovernmental Organization
OP 4.12	The symbol of a document containing the principles of conducting involuntary resettlement required for Contract co-financing with a World Bank loan: Operational Policy 4.12 – Involuntary Resettlement
PAP	Project Affected Person(s)
PCU	Project Coordination Unit (PCU acting within the structure of the State Water Management Authority of the State Water Holding Polish Waters)
PGiK	Act of May 17, 1989 – Geodetic and Cartographic Law (consolidated text: OJ 2020, item 276 as amended)
PGW WP RZGW in Cracow	State Water Holding Polish Waters – Regional Water Management Authority in Cracow
PIO	Project Implementation Office formed within the PIU, a separate organizational unit responsible for implementation of the Contract / Works Contract
PKP S.A.	Polish National Railways Joint Stock Company
PMA	The Law of August 21, 1997 on the Properties Management (consolidated text: Journal of Laws of 2020, item 1990 as amended)
POM	Project Operations Manual
PR	Permanent restriction in the use of properties
Project / OVFM	Odra-Vistula Flood Management Project
RAC	Regional Administrative Court
RDOŚ	Regional Director for Environmental Protection
RDP	Rural Development Programme

Regulation on land registers	Announcement of the Minister of Investment and Development of January 3, 2019 on enactment of consolidated text of the Regulation of the Minister of Regional Development and Civil Engineering on the register of land and buildings (OJ of 2019, item 393, as amended)
Regulation on the evaluation	Regulation of the Council of Ministers of September 21, 2004 on the evaluation of properties and development of estimated (OJ of 2004 no. 207, item 2109, as amended)
SAC	Supreme Administrative Court
Special Flood Act	The Law of July 8, 2010 on specific terms of preparing for implementation of projects in the scope of flood protection facilities (consolidated text: Journal of Laws of 2019, item 933, as amended)
Valuer / expert	A natural person possessing state professional qualifications in the scope of real property valuation
Water Law	Act of July 20, 2017 – Water Law (consolidated text: OJ 2020, item 310, as amended)
Works Contract 3A.2/1 / Task 3A.2/1	WORKS CONTRACT 3A.2/1 - Flood Protection in Serafa Valley - Malinówka 1 Reservoir
Works Contract 3A.2/2 / Task 3A.2/2	WORKS CONTRACT 3A.2/2 - Flood Protection in Serafa Valley - Malinówka 2 Reservoir
Works Contract 3A.2/3 / Task 3A.2/3	WORKS CONTRACT 3A.2/3 - Flood Protection in Serafa Valley - Malinówka 3 Reservoir
Works Contract 3A.2/4 / Task 3A.2/4	WORKS CONTRACT 3A.2/4 - Flood Protection in Serafa Valley - Serafa 2 Reservoir
World Bank or WB	International Bank for Reconstruction and Development (IBRD)

3 Key definitions

This document uses the following key definitions:

Compensation – paid in cash or in the form of a property which is a replacement for the properties and assets acquired or affected by the Project. Pursuant to Polish law, compensation can be paid out from the time when expropriation decision, as a rule, becomes final and in all the cases – prior to taking over of such property or its acquisition for construction purpose.

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

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

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

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

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

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

Joint Stock Company (S.A.) – type of capital company common in market economy, the form of which is based on the circulation of shares held by shareholder. The share capital consists of the founders' contributions, who become the company's co-owners.

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

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

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

Land property, ground – a part of land surface, which forms a separate ownership unit. The ground is a type of property and simultaneously a thing, as stated in the Civil Code. A land property shall be

understood as ground with integral parts, except for buildings and rooms, if they form a separate element of ownership.

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

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

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

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

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

Mortgage unit – a property/register plot comprising one or more ground plots belonging to various owners. Due to the lack of reference for particular parts of the properties (plots) to a particular owner we face an unsettled legal status.

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

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

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

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

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

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

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

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

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

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

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

4 Introduction

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

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

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

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

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

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

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

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

Component 3 is divided into the following Subcomponents:

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

Component 4 Institutional Strengthening and Enhanced Forecasting,

Component 5 Project Management and Studies.

Land Acquisition and Resettlement Action Plan (LA&RAP) is presented in this paper for Works Contract 3A.2/4 under Contract 3A.2 – *Flood Protection in Serafa Valley*, to be implemented under Component 3 - *Flood Protection of the Upper Vistula*, Subcomponent 3A – *Flood Protection of Upper Vistula and Cracow* as one of the investment elements under the *Odra-Vistula Flood Management Project* (OVFMP).

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

The objective of the OVFMP Project is to protect people living within selected areas of the Odra River Basin and of the Upper Vistula River Basin against floods and to improve institutional ability of public administration to be more efficient in limiting effects of floods. Flood management infrastructure shall

be developed as a result of Project implementation, along with related technical measures within three separate areas of Poland: (i) Middle and Lower Odra River Basin; (ii) Kotlina Kłodzka (Nysa Kłodzka River Basin); and (iii) Upper Vistula River Basin.

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

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

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

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

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

4.1 DESCRIPTION OF THE WORKS CONTRACT

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

In case of the entire Works Contract 3A.2/4 it is planned to obtain one IPIP decision.

The Works Contract 3A.2/4 comprises development of a dry flood storage reservoir Serafa 2. The reservoir shall be located at the Serafa River, in the District of Wieliczka, register area no. Wieliczka 2. It shall be formed by a deep valley of the Serafa River between Krakowska Street and railway tracks of Cracow-Wieliczka line and Za Torem Street at the Bogucice Estate in Wieliczka.

The Serafa 2 reservoir shall be one of reservoirs operating within a cascade formed by five flood storage reservoirs in the Serafa River Basin: two on the River Serafa (the existing Biezanów reservoir and the planned Serafa 2 reservoir – included under this LA&RAP) and three on the Malinówka Stream (planned reservoirs: Malinówka 1, Malinówka 2, and Malinówka 3 – the Malinówka 1, Malinówka 2 and Malinówka 3 reservoirs are included in a separate LA&RAP).

The aim for developing the dry flood storage reservoir Serafa 2 – located at chainage km 9+223 of the Serafa River – is direct improvement of flood protection within the Serafa Valley, including enhancement of protection for the Złocień Estate and for the Stary Biezanów Estate against floods.

The planned works shall comprise the following:

Actions requiring the purchase of land

ACTIONS REQUIRING THE PURCHASE OF LAND	# of private plots ³	# of public plots ²
Development of an earth-fill head dam over a length of 40.0 m as a damming structure at chainage km 9+223, including development of a side dam over a length of 97.0 m on the right bank of the river along with a drainage ditch	4	2
Sealing of the dam's body and subbase	4	2
Development of a reinforced-concrete discharge-spillway structure, with an apron	2	1
Development of a small bridge (pedestrian and passable footbridge) over the spillway-discharge facilities	2	1
Development of two descend roads onto service roads leading to the head dam and to the reservoir's bowl, including U-turn yards	2	0
Development of culverts underneath service roads	1	3
Development of a linear drainage	0	1
Shaping of the reservoir's bowl and its grading, along with descend roads to the reservoir	15	5
Extraction of soil from the reservoir's bowl for the purpose of embedding at the head dam and the side dam	6	2
Relocation of the Serafa river-bed over a length of about 100 m in the area of the spillway-discharge facilities	2	1
Development of measurement spots for the water-table at the inlet to and at the outlet from the reservoir	3	0
Development of piezometer	1	0
Partial development of new fences around objects of the reservoir	6	1
For the purpose of proper use of the reservoir and of the structures land shall be acquired for three-meter-wide technological zone around the reservoir's objects and its bowl; traffic of vehicles is not expected on the crest of the head dam; traffic of vehicles is planned on the crest of the side dam. The technological zone shall not be paved; it shall be top-soiled and sown with a mix of grass after completion of the works	13	1

Actions not requiring the purchase of land

- Development of a descend road from a public road on plot no. 442/1, which is administrated by the General Directorate of National Roads and Motorways in Cracow;
- Redevelopment or protection of the colliding land utilities in the reservoir's bowl – water-supply network and MV power line;
- Redevelopment of a railway ditch on the right bank of the reservoir, at the side dam. The redevelopment shall comprise construction of a culvert Ø1000mm at the existing ditch, and desilting of the ditch over a length of about 36 m, including protection of the bottom and ditch slopes (up to the level over Q1%) using hollow-core slabs. The culvert shall secure the discharge of rainfall water from the railway area and from the newly designed band ditch located along the side dam;
- Demolition and reconstruction of the fences existing around objects of the reservoir;

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

- Development of a temporary Serafa river-bed, with culverts, which would allow for the access to the site facilities on the right abutment of the dam.

Class III of hydraulic structures was adopted due to the protection of developed areas.

Basic technical parameters of the designed object are as follows:

- km of the head dam's cross-section – 9+223,
- head dam – trapezoid earth-fill body with a width of 4 m at the crest and a length of about 40 m, including a side dam with a width of 3 m at the crest and a length of about 97 m,
- length of the discharge-spillway structure with an apron – about 23 m,
- pedestrian and passable footbridge over a width of 4.0 m and a length of about 10.5 m,
- inclination of the head dam's slopes – riverside 1:3, landside 1:2.5,
- inclination of the side dam's slopes – riverside 1:3, landside 1:2,
- inclination of the dam crest – 2%,
- capacity of the reservoir – about 31 K m³,
- area of the reservoir – about 2.4 ha,
- damming level – 3.9 m,
- damming elevation - 220.00 m a.s.l.,
- elevation of the dam crest – 220.70 m a.s.l.



Photo no. 1: Works Contract 3A.2/4 – view to the bowl of the Serafa 2 Reservoir

(Source – own materials)

4.2 CONTRACT IMPLEMENTATION AREA

The planned Works Contract 3A.2/4 is located in Małopolskie Province, within the Commune of Wieliczka and the District of Wieliczka. Detailed information on the location of Works Contract 3A.2/4 – remaining the subjects of this LA&RAP – are given below.

The planned Works Contract is located entirely in Wieliczka Commune (Wieliczka 2 cadastral unit) in the city of Wieliczka.

Family Allotment Gardens “Winnica” are located in vicinity of the Works Contract 3A.2/4, but that area would not be subject to any acquisition.

Location of the Works Contract 3A.2/4 is presented on a drawing given below.



Figure 1. Location of the Works Contract 3A.2/4

(source: own materials)

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

The sites acquired for the contract are mostly afforested areas, unused farmland (meadows, pastures) grown with shrubs and self-sown trees. Furthermore, there is a river-bed of Serafa within the contract site, and public roads (bituminous ones and dirt ones) and amelioration ditches.

Railway tracks of the line no. 109 Cracow Bieżanów – Wieliczka Rynek and the Bogucice Estate are located in vicinity of the Serafa 2 Reservoir. The following are located within the bowl of the

planned reservoir, e.g.: water-supply piping wD300, sanitary sewerage pipe ks160PE, ks63, as well as power lines.

According to the land register, the Works Contract 3A.2/4 area is formed by green areas, partially farmland and meadows, with buffer strips (shrubs and groups of trees), and riverside greenery. The following are currently located here (in accordance with extracts from EGİB): permanent pastures (PsII, PsIII, PsIV), afforested and shrubbed land (LzII, LzIII, LzIV, Lz-PsIV), forests (LsII, LsIII) and arable land (RII, RIlla, RIllb, RIVa, RV), permanent meadows (ŁII, ŁIII, ŁIV, ŁV) and various areas (Tr), and land underneath ponds (Wsr), land underneath flowing surface water (Wp), roads (dr), ditches (W) and wasteland (N), and sparse orchards (S-RIlla, S-RIllb). Huge portion of farmland is undeveloped.

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

Table 1: Land use – Serafa 2

Use type - Serafa 2	Area [%]
R – arable land	4.60%
Ł – permanent meadows	9.80%
Lz, Ls – afforested land, forests	71.00%
Ps – permanent pastures	6.30%
W, Wp, Wsr – ditches, flowing water, land under ponds	8.14%
Others (Tr, N, dr)	0,16%
Total	100.00%



Figure 2. Location of the Works Contract 3A.2/4

(source: own materials)

4.4 ISSUED ADMINISTRATIVE DECISIONS

- Decision on environmental conditions dated October 29, 2012 of the Regional Director for Environmental Protection in Cracow (ref. no.: OO.4233.13.2012.BM) for the planned development of five dry small storage reservoir in the Serafa river-bed (reservoirs: Biezanów, Serafa 2, Malinówka 1, Malinówka 2, and Malinówka 3), including Serafa 2 Reservoir being a subject of this LA&RAP;
- Resolution dated October 3, 2018 of the Regional Director for Environmental Protection in Cracow (ref. no.: OO.4220.5.10.2018.BM) on the phased implementation of the Investment and the lack of change in the conditions of its implementation (concerns the Serafa 2 reservoir);
- Resolution dated September 12, 2019 of the Regional Director for Environmental Protection in Cracow (ref. no.: OO.4220.5.28.2019.BM) on the change in the mileage of the Malinówka 1 and Malinówka 2 reservoirs, which does not require changing the decision on environmental conditions (does not apply to the Serafa 2 reservoir);
- Resolution dated September 16, 2019 of the Regional Director for Environmental Protection in Cracow (ref. no.: OO.4220.5.29.2019.BM) on high voltage power line in the area of the Malinówka 1 reservoir (does not apply to the Serafa 2 reservoir);

- Resolution dated December 5, 2019 of the Regional Director for Environmental Protection in Cracow (ref. no.: OO.4220.5.44.2019.BM) on changing the parameters of the total retention capacity and area under water for 5 reservoirs (concerns the Serafa 2 reservoir);
- Resolution dated May 28, 2020 of the Regional Director for Environmental Protection in Cracow (ref. no.: OO.420.4.3.2019.BM) on changing the name of Investments regarding the Serafa 2 and Malinówka 3 reservoirs covered by the decision on environmental conditions (concerns the Serafa 2 reservoir);
- Resolution dated August 17, 2020 of the Regional Director for Environmental Protection in Cracow (ref. no.: OO.4220.5.27.2020.BM) on the reconstruction of the colliding power line in the area of the Malinówka 1 reservoir (does not apply to the Serafa 2 reservoir);
- Decision amending the decision on environmental conditions dated October 29, 2012, ref. no.: OO.4233.13.2012.BM of the Regional Director for Environmental Protection in Cracow dated September 18, 2020 (ref. no.: OO.420.4.3.2012.BM), including Serafa 2 Reservoir being a subject of this LA&RAP.

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

4.5 LEGAL CHANGES RELATED TO THE INVESTOR'S STATUS

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

The Polish Waters comprise the following organizational units: National Water Management Authority with its office in Warsaw, regional water management authorities, catchment boards, and water supervision units. A detailed catalogue of obligations and rights, including a breakdown of competences between particular internal units and separated bodies, has been determined in Article 240 of the Water Law Act.

The legislator regulated in Article 536 of the Act of July 20, 2017 Water Law issues related to transferring the rights and liabilities under agreements (including agreements funded or co-funded by foreign resources) and decisions associated with contracts to be implemented on public waters owned by the State Treasury and with basic amelioration facilities priorly developed by regional water management authorities, provinces, province marshals or proper provincial organizational units, to the Polish Waters. It shall be emphasized that all of the dues, liabilities, rights, and obligations of the previous State Water Management Authority and of regional water management authorities became dues, liabilities, rights, and obligations of the Polish Waters. Therefore there was a general legal succession from previous regional authorities to the Polish Waters.

The task described under this LA&RAP has been implemented by the Marshal – in the name of whom the Małopolski Board of Amelioration and Hydraulic Structures operated – until 12/31/2017, and from 01/01/2018 it is being implemented by the State Water Holding Polish Waters, which – as stated above – has a legal personality and executes ownership rights in the name and on behalf of the State Treasury. The Regional Water Management Authority in Cracow is an internal organizational unit of the Polish Waters, and it acts in the name and on behalf of the PGW WP as a Project Implementation Unit for implementation of the Task in question.

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

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

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

5 Primary Principles Adopted in the LA&RAP

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

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

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

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

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

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

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

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

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

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

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

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

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

6 Impact Mitigation

6.1 SOCIAL IMPACT

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

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

- secondary impact: for farms, this is an impact exerted by an acquisition of less than 10% of the household production area or resources, without physical relocation. For other real properties, such impact is exerted by a loss of less than 20% of the land or resources, without physical relocation;
- significant impact: for farms, this is an impact exerted by a loss of more than 10% of the household production area or resources, or by a real property division line running in a manner preventing agricultural/orchard production on that real property. For wastelands and non-agricultural real properties, such impact is exerted by a loss of more than 20% of the land. Note: it does not refer to cases, when the PAPs informed in the questionnaires that the loss of more than 20% of land does not affect their living standard.

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

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

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

Occurrence of significant impacts

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

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

There are no significant impacts on PAPs in connection with the Contract execution. There is no physical or economic resettlement. The impacts associated with the Contract have been assessed to be insignificant in all examined and assessed cases.

The PAPs expressed positive opinions about implementation of the contract, which would raise flood security in Wieliczka.

Among main issues informed by the surveyed people during the research were the following: leaving small parts of properties not fit for further use, and – in case of temporary restriction in the use of properties – concerns about not restoring the properties to their original condition after completion of the construction works. The PAPs also mentioned about their doubts related to proper notification of relevant institutions about changing the area of plots subject to subsidies. The surveyed people have already been – during the socio-economic survey – informed by the surveyors about rights associated with submission of motions on purchase of “remnants” and on the Contractor’s obligation to restore the original status of the properties, or the one compliant with provision of concluded agreements (in case of temporary acquisition) and related to the necessary payment of relevant compensation. The ones interested in subsidies were informed about time and method of notifying the fact of expropriation to the ARMA. Those issues shall be discussed during public consultation, and they have been included in the issued information brochure.

Impact on particular households was described in Appendix no. 2 Summary of properties, owners, and impacts.

6.2 MITIGATION MEASURES

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

4. An attempt shall be made to obtain proper replacement properties for people, who would indicate "land-for-land" form as a method of compensation.
5. Any cost associated with implementation of measures mitigating and compensating adverse impact are included in the OVFM Project cost as eligible expenses.
6. The Investor has prepared an information brochure, which is attached as Appendix No. 8. Its aim is to provide PAPs with the most important information on the rules of purchasing the properties for the purposes of Contract implementation, on the rules of determining and paying compensation for the expropriated properties and on the possibilities of lodging complaints, comments and motions in connection with the planned Contract implementation.
7. Within the information campaign, PAP shall also be informed (information leaflet forming Appendix no. 8) about the possibility of applying for purchase of the remaining part of the real property, i.e. the so called "remnant", if the remaining part is not fit for use for its former purposes after real property division and acquisition of its part for the Contract implementation (under Article 23 (2) of the Special Flood Act). During the socio-economic research the owners, who were interested in purchasing a part of properties left after expropriation, were informed about a procedure for the purchase of "remnants", as described under this LA&RAP in Clause 8.2.4 (such a question was asked in 1 case). Where parts of properties left after the expropriation would not allow for use for previous aims in accordance with the purpose of properties (so-called "remnants"), the Investor – after completing an analysis in that scope – shall purchase those properties through a civil law agreement, in accordance with a procedure described under this LA&RAP (Chapter 8.2.4).
8. As part of the information campaign conducted during the course of the socio-economic study, PAPs were informed (in accordance with the right under Article 21 (7) of the Special Flood Act) that for the existing owner or perpetual usufructuary of the property covered by IPIP who releases the property not later than within 30 days from the date of delivery of the IPIP notification, the amount of compensation is increased by an amount equal to 5% of the value of the property or the value of the right of perpetual usufruct, on the terms specified in the Special Flood Act. In addition, the Investor will provide PAPs with the forms of the property release protocols and will provide necessary explanations in this respect.
9. Property owners benefiting from EU financial support (direct subsidies and agri-environmental schemes) were informed about the obligation to report the reduction of the area of land on which they farm (2 PAPs informed during the survey that they are granted with subsidies). This fact should be reported to the District ARMA Office Manager in writing together with relevant evidence (in the analyzed case it will be a copy of the IPIP decision) within 15 working days counted from the day on which he/she or a person authorized by him/her is able to perform this action (in the case of RDP 2007-2013 and 2014-2020 this period is 10 working days) about the occurrence of force majeure and change in the subsidized area. This information is also contained in a brochure addressed to PAPs prepared as part of the information campaign (Appendix no. 8).
10. The Investor, if necessary, will provide assistance to PAPs in preparing applications to the ARMA concerning the occurrence of "force majeure" in the event of expropriation of

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

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

compensation value determined under the administrative decision would be higher than the compensation proposed by the Investor, the remaining portion of compensation (up to the amount established in the decision) shall be accounted and paid to the PAP after the decision would get final. It is important that accepting the portion of compensation proposed by the Investor would not mean accepting the amount of compensation established in the estimate developed upon the Investor's order, and it would not affect the case in progress on the amount of compensation for the expropriated property.

18. In case the PAP would not accept the value of compensation indicated by the Governor, the PAP is entitled to claim against that decision to the Minister responsible for civil engineering (as at the date of the LA&RAP preparation, the Minister of Development, Labor and Technology), and – upon the PAP's written motion – to payment of undisputable portion of the compensation, i.e. the amount indicated under the discussed decision of the Governor (Article 21 (11) of the Special Flood Act).
19. Any expropriated person will be entitled to use the land in its current manner free of charge until the compensation is obtained or (in case of failure to reach agreement on the amount of compensation) its undisputed part.
20. For the duration of the works, investment supervision will be provided in consultation with the owners of the infrastructure network. The owners of these networks will be notified in advance by the Contractor of the date of commencement of the works.
21. Prior to the temporary acquisition of the property, the Contractor shall perform a detailed inventory and shall develop photo documentation for the aforementioned property.
22. The properties to be temporarily acquired shall be restored to their original condition or to the one established under the agreement after completion of the works and returned in a good condition in order to allow their owners or holders to use those properties in a way they did prior to implementation of the Works Contract or in accordance with a statement of agreement. The PIO and the Consultant shall monitor the reinstatement of the site to its good condition to ensure that the Contractor complies with this requirement.
23. Previous access to all land properties formed after splitting shall not be deteriorated during the works associated with the development of dry flood storage reservoir.
24. On leaving the construction site, stands for washing of car wheels and wheels of machines leaving the construction site will be provided. The works Contractor is obliged to remove periodically the pollutants produced on roads as a result of the traffic of vehicles and machines connected with the planned construction. This will reduce the impact on road infrastructure.
25. In the case of permanent restrictions in the use of properties, the owner of the holder of perpetual usufruct rights, who would deem that a property is useless, may demand its purchase in a civil-law procedure through provision of a motion within 90 days from the day of notifying about commencing a proceeding on the issuance of IPIP, in conformity with Article 22 (2) of the Special Flood Act (the purchase cannot be claimed by the owner of property, where public roads are located, i.e. local authorities or the State Treasury).

The purchase price shall remain a proper value of the property with similar potential and purpose.

26. Assistance for the PAPs in splitting of mortgage units, including among others advising in the scope of: (I) choosing the best procedure for particular legal situation of the PAP after an initial examination of the legal status of mortgage unit, (II) support in actions associated with: commencement of proceedings for establishment of boundaries or for splitting the properties, especially in the range of requirements for contents of motions; establishing parties of the proceeding; selection of a certified surveyor; advising on contents of splitting documentation developed by the certified surveyor, including examination of bases for establishing the boundaries, as required by provisions of the PGiK, (III) eventual assistance at submission of a motion to institute legal proceedings.
27. A wider description of measures mitigating and minimizing adverse impact, including ones referring to valuable environmental resources, is given in the document titled: Environmental Management Plan for part of Contract 3A.2 – *Flood Protection in Serafa Valley*, including the Task: *Works Contract 3A.2/4 Flood Protection in Serafa Valley - Serafa 2 Reservoir*.
28. During the public consultations of the Draft of LA&RAP, the co-owners of one of the plot, which was intended for permanent occupation (for the construction of a water table measurement point), raised objections and requested that it be abandoned. Thanks to the consent of another property owner, the technical solutions were redesigned and the occupation in question on that plot and the neighboring plot was avoided.
29. During the public consultations of the Draft of LA&RAP, one of the owners proposed to designate the road lane with border stones, which will be separated for the purpose of connecting the complex of plots on the right bank of the Serafa 2 reservoir with the public road. The boundary points will be carried out by the Contractor.
30. During the public consultations of the Draft of LA&RAP, after getting acquainted with the opinions of PAP at Za Torem Street, the Investor decided to install an additional piezometer on the right bank of the reservoir. The piezometer made will allow for the control of the groundwater level under normal conditions and in the case of both periodic damming of water in the reservoir as well as during intense rainfall.

7 Socio-economic Survey

7.1 SOURCES AND METHODOLOGY

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

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

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

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

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

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

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

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

7.1.1 Issues

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

Interview completed without answering vulnerable questions. Most of representatives refused to take part in full questionnaire interview, and informed inadequacy of that interview in their case

as a reason. The respondents did not see a reason for provision of information on the number of people in their households, age, education and professional activities, and particularly income. In the opinion of respondents that information did not have any relation with expropriation procedure and payment of compensation. However, those people provided the most information on the character and method of using the plots covered with expropriation procedure, which were sufficient for the purpose of analysis.

Interview not completed, along with obtaining information on the current use of the property.

Some of the respondents listed in EGİB as owners of the properties to be expropriated are dead for a long time (applies to persons who are potential co-owners of plot of land with the status of mortgage unit). In such cases, the interviewers did not do a full interview due to the lack of lawful group of inheritors for the plot, and they encouraged for commencing an inheritance proceeding and regulating the legal status of the property to allow for granting the compensation for the property or its part taken over on behalf of the State Treasury. Additionally, information on the previous use of land with unregulated legal status was obtained.

No possibility to reach the respondent. Another issue identified during the survey was the lack of possibility to reach the owner. A reason was outdated or incorrect address data given in EGİB or permanent absence of the respondent at the given address.

7.1.2 Summary of and conclusions on the socio-economic study

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

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

Two of the property owners indicated during the survey that financial support in the form of EU subsidies is applied.

The PAPs have also been informed about the right to compensation for temporary restriction in the use of properties due to redevelopment of the existing facilities, which collide with the embankment (acquisition shall be determined under the IPIP to be issued by the Governor), and about the method of establishing the compensation, which would be done based upon an evaluation developed by an independent valuer.

Additionally, while discussing temporary restrictions in the use of properties, it was clarified that such an acquisition (beyond the range of IPIP) shall be done by the Contractor itself and on its own cost. That kind of acquisition is currently unknown, but the process shall be controlled by the Investor.

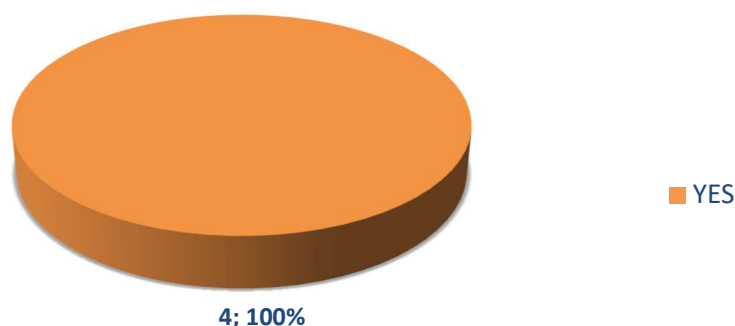
Questions arose during site surveys and accompanying consultations about the purchase of the remaining parts of properties, which were not planned to be taken over by the State Treasury, and those which would be unfit for further use due to their small size.

The Consultant was clarifying the issue of compensation payment, procedure of purchasing “the remnants”, obtainment of properties by the Contractor in the range of temporary acquisition, including necessary reinstatement of those plots to their original status or to the condition determined in the agreement after completing the works, and returning them in a good condition.

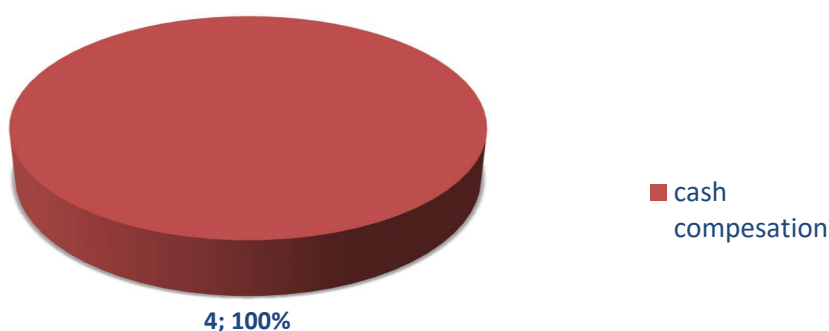
The survey done proved that most of the respondents is highly interested in and supports the soonest possible implementation of the contract.

During the survey all of the respondents confirmed that they are satisfied with the planned contract, which would raise flood safety in the area, and they preferred cash compensation.

Do you support the flood protection investment in the form of "Odra-Vistula Flood Management Project"?



Compensation form



7.2 SOCIAL AND ECONOMIC DATA

7.2.1 Land use

The Contract area covering approximately 4.9⁵ ha is located on 30 plots of land located within the Commune of Wieliczka (register unit Wieliczka 2).

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

The area designated for the investment related to the construction of a dry flood protection reservoir are areas grown with trees and shrubs, often farmland not used for many years, what has been confirmed during site visits. A water-course is located within the remaining area designated for the contract. In the immediate vicinity of the investment area developed land properties are located, which would potentially suffer the troublesome construction works, noise and other related factors, however, due to the application of measures mitigating and minimizing (described in the EMP) adverse impacts, the implementation of the Contract will not cause disturbances in the daily functioning of these households.

Based upon the socio-economic survey it was established that the areas designated for implementation of the contract are not used for farming for a long time, and only in two cases the owners indicated that the properties were granted with EU subsidies.



Photo no. 2: Works Contract 3A.2/4, Serafa 2 – performance site
– Source – own materials



Photo no. 3: Works Contract 3A.2/4, Serafa 2 – performance site
– Source – own materials

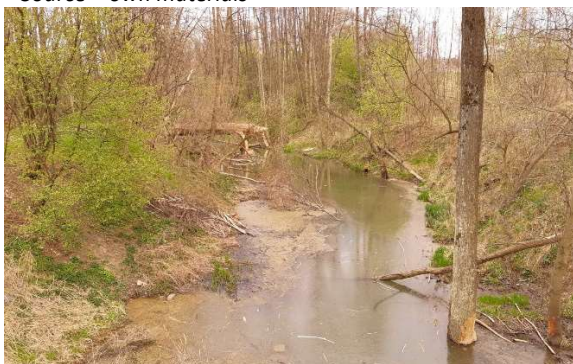


Photo no. 4: Works Contract 3A.2/4, Serafa 2 – Serafa river-bed
– Source – own materials



Photo no. 5: Works Contract 3A.2/4, Serafa 2 – performance site – Source – own materials



Photo no. 6: Works Contract 3A.2/4, Serafa 2 – performance site – Source – own materials

7.2.2 Public services

The Contract area runs along the Serafa River in Wieliczka. The contract site is located in vicinity of residential areas, as well as farmland and forests, and it runs in vicinity of a railway line and of a state road.

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

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

7.2.3 Cultural and historic object

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

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

7.2.4 Gender Equality

Discrimination is legally banned in Poland, and it is determined in the Constitution of 1997. Article 32 states that no one shall be discriminated against in political, social or economic life for any reason whatsoever. Discrimination against women shall mean any distinction, exclusion or

restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field (Article 1 of the Convention on the Elimination of All Forms of Discrimination against Women of 1979).

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

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

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

7.3 SPECIFICITY OF THE PAP⁶

Among the households covered by permanent acquisition no such were identified requiring physical or economic resettlement in connection with the implemented Contract and which would

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

be significantly affected by the Works Contract. Due to the way in which the land intended for dry reservoir construction is used by its owners, the land was classified into the following groups:

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

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

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

The area intended for the development of Serafa 2 flood storage reservoirs is diversified in terms of the ownership structure. The diagram given below shows a percentage share for individual categories of plot owners under the analysis.

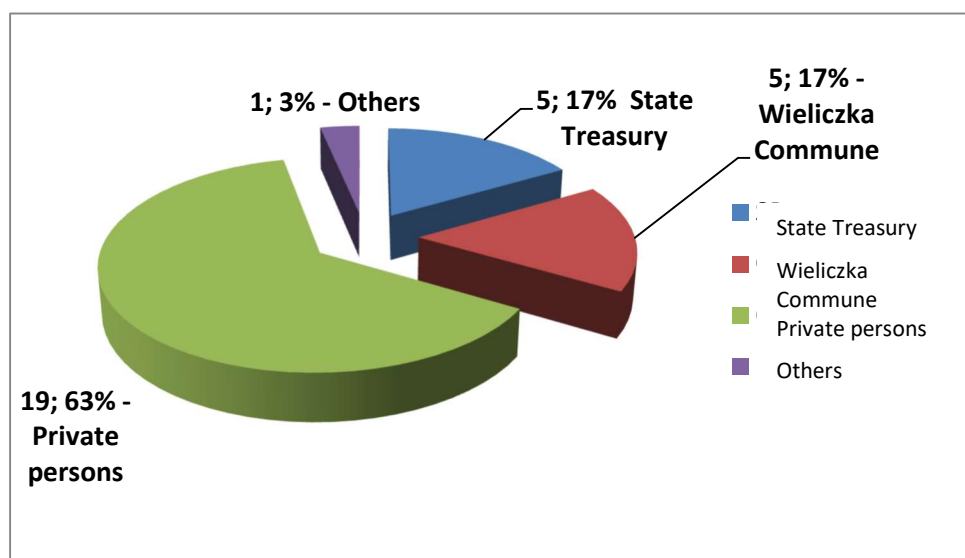


Chart no. 1: Ownership structure of the plots covered by the Contract (permanent acquisition, permanent restriction in use, properties subject to the obligation to redevelop the existing network, disposal right to property for construction purposes)

63% of plots covered by the contract are grounds of private persons – 19 properties owned by 26 PAPs, including 25 natural persons and 1 legal person: limited liability limited partnership company. Five plots (17%) are owned by the State Treasury (4 - permanent administration by GDDKiA, 1 – PGW WP representation), 5 plots by the Commune of Wieliczka (17%, including 1 plot subject to perpetual usufruct by PKP S.A.).

One plot (indicated as property under category “Others”) is a plot in an unregulated legal status – this is mortgage units.

There is a right of compensation for properties with an unregulated legal status, including plots being mortgage units, which will be transferred to a court deposit and paid after establishing the legal status of the above-mentioned properties.

In case of mortgage units we face a situation, when a register plot, i.e. a mortgage unit, is formed by several plots (ground units/parts of land) belonging to various owners.

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

After obtaining the final IPIP decision:

- The permanent acquisition will cover 23 properties. The ownership structure of permanent acquisition is shown in the chart below.

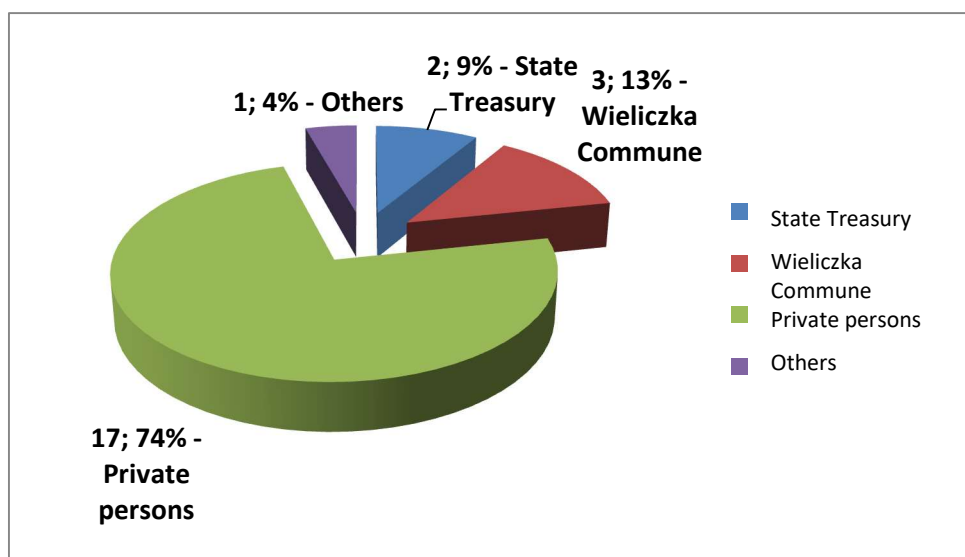


Chart no. 2: Ownership structure of plots subject to permanent acquisition

74%, i.e. 17 plots covered by the contract and subject to permanent acquisition, are owned by private persons (25 natural persons and 1 limited liability limited partnership company). 9%, 2 plots subject to permanent acquisition, are owned by the State Treasury (permanent administration by GDDKiA). The local authorities (Commune of Wieliczka) own 3 plots, i.e. 13% of properties subject to permanent acquisition. One (1) plot – 4% (indicated as property under category “Others”) – is a plot in an unregulated legal status – this is mortgage units.

- A permanent restriction in use will cover 2 properties, one owned by the State Treasury (permanent administration by GDDKiA), and the other is the property of the Commune of Wieliczka subject to perpetual usufruct by PKP S.A.

Permanent restriction in the use of properties shall be applied in case of plots, which – due to separate regulations – cannot be covered by splitting lines for the contract site or cannot undergo splitting in administrative proceedings (detailed legal regulations on permanent restriction were described in Chapter 8.2.2).

- The obligation to redevelop the existing land utilities will be established for 4 properties. The ownership structure of the above-mentioned plots is presented in the chart below.

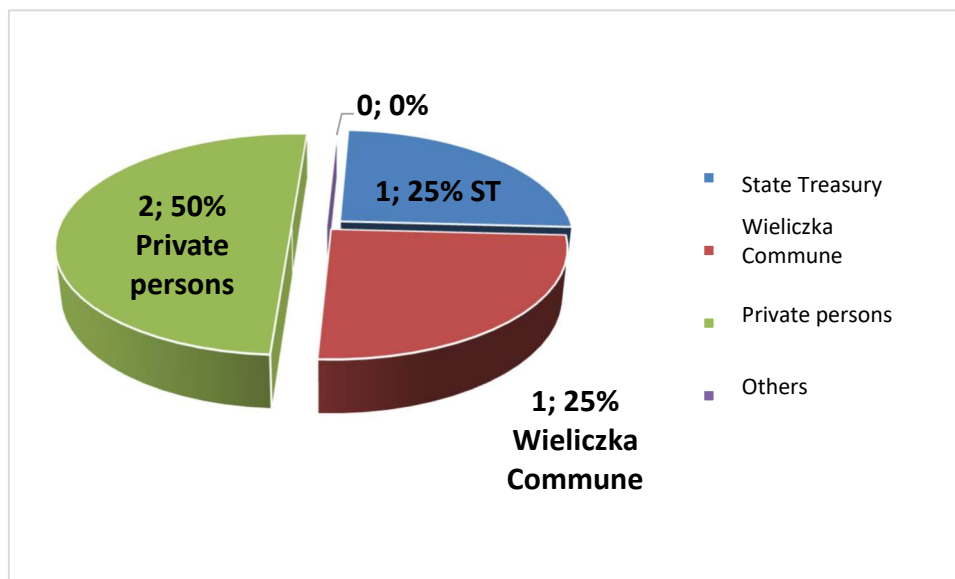


Chart no. 3: Ownership structure of the plots subject to the obligation to redevelop the existing land utilities

50%, i.e. 2 plots, are owned by 3 natural persons. The Commune of Wieliczka owns 25%, i.e. 1 plot, and the State Treasury (permanent administration by GDDKiA) 25% - 1 plot.

The obligation to redevelop the existing land utilities refers to:

- ✓ redevelopment, construction and protection of water network,
- ✓ redevelopment, construction and protection of overhead MV power network.

Details on the redeveloped networks are provided in Appendix 2 to the LA&RAP.

7.4 THE NEED FOR UPDATING THE SOCIO-ECONOMIC STUDY

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

8 The Binding Provisions of Law and Valuation Methodologies

This LA&RAP for the Works Contract 3A.2/4 – Flood Protection in Serafa Valley – Serafa 2 Reservoir is based on the provisions of Polish law, as well as, due to funding from the resources of the World Bank, on the World Bank’s Operational Policy 4.12 – Involuntary Resettlement.

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

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

8.1 OBLIGATIONS ARISING FROM OP 4.12⁷

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

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

The following obligations stem from OP 4.12:

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

⁷ Chapter acc. to LARPF

⁸ In Polish economy understood as revenue.

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

8.2 POLISH LEGAL REQUIREMENTS

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

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

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

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

8.2.1 Real property acquisition under the Special Flood Act

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

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

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

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

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

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

If limited property rights have been established on the real estate or the right of perpetual usufruct of this real estate, these rights shall expire on the day on which the investment permit decision becomes final.

If a land property owned by the State Treasury or a local government unit has been put into perpetual usufruct, this use shall expire on the day on which the decision on the investment permit becomes final.

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

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

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

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

Supreme Administrative Court within thirty days of the delivery of the copy of the judgment with the justification to the party.

8.2.2 Establishing permanent restriction and temporary restriction in managing real properties

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

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

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

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

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

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

Another category of restrictions will consist of a temporary restriction in the use of properties covered by the IPIP Decision, and those are associated with the necessary redevelopment of colliding facilities, compensation for which shall be paid by the Investor. Redevelopment or protection of such colliding land utilities as water-supply network and MV power line were planned within the framework of Works Contract 3A.2/4.

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

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

8.2.3 Special Procedures

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

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

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

8.2.4 Purchase of “remnants”

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

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

The “remnants” shall be purchased by concluding civil law agreements in accordance with the following procedure:

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

8.2.5 EU subsidies

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

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

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

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

Mitigation measures to avoid farmers having to reimburse the subsidies:

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

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

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

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

- for RDP 2007-2013 and 2014-2020 (long-term liabilities and payments): the farmer/beneficiary does not need to return a part of support awarded for the previous years or its whole, subsidies may be reduced for the year when force majeure occurred, liabilities or payments are continued in accordance with the original duration (if eligibility parameters are met, e.g. minimum area), and

furthermore – administrative penalties are not implemented in the scope of so-called cross-compliance;

- for direct subsidies: the support granted is not returned, the beneficiary keeps the right to payments within the framework of direct support systems in reference to the area or to animals, which were eligible at the moment force majeure occurred, for payments within the framework of direct support systems.

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

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

2 persons granted with subsidies were identified until the day of developing the LA&RAP.

8.2.6 Properties resources according to the PMA

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

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

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

1. State Treasury's properties resources;
2. Communal properties resources;
3. District properties resources;
4. Provincial properties resources.

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

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

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

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

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

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

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

8.3 ADOPTED MECHANISMS OF ACQUISITION OF RIGHTS TO REAL PROPERTIES¹⁰

The LARPF indicates a number of inconsistencies between OP 4.12 and Polish law:

OP 4.12	Polish law	Corrective measures
Lack of a legal title to the land should not be a bar to receiving compensation/compensation payment. Persons without a legal title are eligible for compensation.	The Polish legal system does not account for the right to compensation of landowners/users that do not hold legal title to it (except for persons who acquired the title by usucaption, i.a. a method by which ownership can be gained by uninterrupted possession of the real property for a period indicated in the CC act).	Each case of a Contract Affected Person without a legal title to the real property shall be analyzed individually for the possibility of applying general mechanisms from the Civil Code to achieve the objectives of OP 4.12. As per OP 4.12, Project Affected Persons without a legal title to the real property are not eligible to receive cash compensation for the real property. However, they are eligible for compensation for any facilities, plantings or improvements to the real property that were done before the cut-off date and for receiving adequate solutions in cases where they have to be physically or economically displaced. In those cases, additional mitigating measures shall also be applied.
WB policy requires compensation for loss of income ¹¹ (e.g. from business or agriculture, etc.) resulting from real property acquisition for the purposes of implementation of the planned Works Contract.	Provisions of Polish law do not provide for compensation for the loss of income resulting from Contract implementation.	Persons who lost the income or employment shall receive support (health insurance, professional trainings etc.) from employment offices. In case of entrepreneurs, it is possible to apply general mechanisms from the Civil Code (covering the loss suffered and the expected profits which were lost).
Particular attention should be paid to the needs of vulnerable social groups, such as the poor, the elderly, single mothers, children or ethnic minorities.	Polish law does not require planning specific measures aimed at providing additional assistance to vulnerable social groups (the elderly, the handicapped, the poor and other groups which may have special needs).	The expropriated persons shall receive all the necessary help in obtaining assistance provided to citizens by offices and institutions. Additional measures shall also be implemented as needed to ensure that the objectives of OP 4.12 are met.

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

¹¹ In Polish economy understood as revenue.

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

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

8.4 VALUATION PRINCIPLES¹²

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

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

¹² Contents of the chapter compliant with the LARPF.

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

- a) for agricultural lands, it is the pre-contract or pre-displacement (whichever is higher) market value corresponding to the market value of a land with a comparable productive potential or use located in the vicinity of the land acquired for the Contract, plus the cost of preparing the land for the functions similar to those of the land acquired for the Contract, plus transaction costs;
- b) for real properties in urban areas, it is the pre-displacement market value or the compensation/indemnification needed to recover replacement cost for the assets lost (taking into account the benefit principle) or displacement costs (whichever is greater), corresponding to the value of a land with a comparable size and use, with similar or improved access to public infrastructure facilities and services and located in the vicinity of the acquired real property, plus transaction costs;
- c) for houses and other facilities, it is the market value or displacement costs excluding devaluation (whichever is higher) or the compensation/indemnification value necessary to obtain replacement cost for lost assets (taking into account the principle of benefit) of the materials to be built in new houses and facilities replacing the project affected houses and facilities, with the amount and quality similar to or better than those of the expropriated or partially project affected houses and facilities, plus: the costs of transporting the materials to the construction site, construction employee remunerations, transaction costs, fees and taxes related to the implementation of the new facilities.

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

At determining the replacement value, depreciation of assets and value of remaining materials, as well as value of benefits coming from the Contract and deducted from evaluation of Contract affected assets are not taken into account. Where provisions of the Polish Law do not include necessary compensation corresponding with the replacement value, the compensation implemented in accordance with provisions of the Polish Law shall be supported with such additional measures assuring implementation of compensation as assistance in the interim period after expropriation providing reasonable time necessary for reinstatement of the quality of life (including maintenance sources), etc. Such a proceeding assured provision of compensation in conformity with the compensation standard according to replacement value

The compensation is vested in the amount agreed between the Investor and the former owner, perpetual user or a person, who has a limited real right to the property, from the State Treasury or a unit of local authorities, respectively.

NOTE:

The valuation methods are defined by a legal act in the form of a regulation: the Regulation of the Council of Ministers of September 21, 2004 on real property valuation and appraisal study preparation (Journal of Laws No. 207, item 2109, as amended). This act contains details concerning methods and techniques of estimating the amount of compensation.

8.4.1 Real property valuation¹³

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

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

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

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

8.4.2 Valuation of plantings and crops¹⁴

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

Valuation of fields of perennial plants involves the estimation of the costs of establishing the field and its maintenance until the first yield as well as lost profit in the period from the date of expropriation until the completion of the full yield. The aggregate of costs and the value of lost profits are reduced by the sum of the yearly depreciation charge resulting from the period of using the field from the first year of yield until the date of expropriation. In determining the value of sowings, crops and other annual harvests, the value of the forecast yields at marketable prices is estimated, reducing it by the value of the inputs needed for harvesting such crops.

¹³ Contents of the chapter compliant with the LARPF.

¹⁴ Contents of the chapter compliant with the LARPF.

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

NOTE:

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

9 Eligibility Criteria and Catalogue of Beneficiaries

9.1 ELIGIBILITY CRITERIA¹⁵

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

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

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

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

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

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

9.2 CATALOGUE OF BENEFICIARIES¹⁶

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

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

¹⁵ Contents of the chapter compliant with the LARPF.

¹⁶ Chapter compliant with the LARPF.

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

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

- **Permanent loss of property** – (21 properties owned – on the day of developing the LA&RAP – by 25 natural persons and 1 limited liability limited partnership company and the Commune of Wieliczka) - where possible and where the PAP express such will, the loss shall be compensated in the form of “land for land” by way of granting a real property of a similar value, location and functions as the expropriated real property. If finding a real property that meets the criteria of adequate compensation is not possible, the PAP do not express their will to receive compensation in the form of “land for land”, or only a small part of the plot is subject to acquisition, the compensation shall be paid in cash and correspond to the market value of the expropriated real property or its part. In addition, for an immediate release of the real property it shall be possible to increase the compensation by an amount corresponding to 5% of the value of the expropriated real property under the terms of the Special Flood Act. PAP not being owners or holders of perpetual leasehold rights, but having a legal title to the property (e.g. lessees, tenants) shall receive compensation corresponding to the value of the expropriated rights. On the request of the PAP, the Investor may take over the entire real property and compensate for the acquisition of that real property according to the abovementioned principles. At the moment, any owner have declared willingness to buy the remnants, but related enquiries emerged during the survey. Any and all transaction costs shall be covered by the Investor. PAP being illegal possessors of real properties in the Contract area (having no legal title) shall receive no compensation for the expropriation from the real property, as that is not possible. However, those persons shall receive compensation for plants, plantings and constructions owned by them and, if necessary, a package of protective measures to restore or improve their quality of life;
- **Permanent restriction in the current use of the property** (2 plots, one owned by the State Treasury (permanent administration by GDDKiA) and one owned by the Commune of Wieliczka (perpetual usufruct by PKP S.A.), PR has not been planned for plots of natural

persons) – as a rule, PR shall be compensated in cash, including the loss of market value by the properties (details described in item 8.2.2).

- **Indication in the IPIP decision of the obligation to redevelop existing development networks** (owners of properties, 4 plots, including 1 owned by the Commune of Wieliczka, 1 owned by the State Treasury (permanent administration by GDDKiA) and 2 owned by 3 natural persons) – compensation for temporary land acquisition and possible loss of value of the property will be determined on the basis of a valuation report estimate prepared by an independent valuer;
- **Non-residential buildings and structures (fences, technical infrastructure etc.)** (such objects have not been identified at the moment) – as a rule, owners and users of these buildings and structures are compensated on the basis applicable to a permanent loss of the real property. Within the framework of protective measures, the Investor shall propose reconstruction of infrastructure networks or redevelopment of fences (and, where appropriate, of structures and buildings) at the Investor's expense;
- **Loss of plantings and trees** – compensation for lost plant components (plantings, trees, etc.) shall be compensated in cash, taking into account the costs of planting and caring for the plantings and the value of the lost benefits between the expropriation date and the end of the complete harvest. Persons entitled to compensation for these elements of the land are both those holding a title to the property and those holding an autonomous title. These elements will be valued in estimated reports to be prepared by independent property appraisers.
- **Particularly vulnerable groups** – shall be covered by a specially selected package of protective measures adjusted to their needs within the compensation (a schedule of measure implementation in this scope shall be determined individually after identifying such groups/persons; no person belonging to that category was identified until the LA&RAP development);
- **Temporary real property acquisition** (determined in the IPIP decision) shall be compensated in cash through the payment by the Investor of monthly amounts corresponding to market prices of tenancy or lease of the real property. Moreover, if the PAP incur a loss due to the temporary real property acquisition, the loss shall be compensated separately according to the abovementioned principles. After the completion of construction activities, all real properties shall be restored to their original state. Remaining temporary acquisition, not determined in the IPIP but (if deemed necessary by the Contractor) necessary for the Contractor to implement the technological process, shall be provided by the Contractor based upon and on conditions determined with a party providing access under a civil-law agreement;
- **Damage to houses, buildings and structures due to construction works (e.g. vibration, accidents, etc.)** shall be compensated according to their nature in order to make the restoration of the full substance of the affected object or the purchase of a new one possible. Depending on the situation, appropriate rules of compensation payment for the above impacts shall be applied.

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

9.3 ELIGIBILITY MATRIX¹⁷

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

¹⁷ Chapter based on the LARPF.

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

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

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

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

10 Stakeholders

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

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

External stakeholder	Type of impact on LA&RAP	Engagement Period
Competent Minister (for the day of developing the LA&RAP – Minister of Development, Labor and Technology)	<ol style="list-style-type: none"> 1. Consideration of the appeal against the IPIP 2. Consideration of the appeal against the decision establishing compensation amounts 	<ol style="list-style-type: none"> 1. After the issuance of IPIP decision, in case of withdrawal. 2. After the issuance of decision on the compensation amount, in case of withdrawal.
Regional Director for Environmental Protection in Cracow	<ol style="list-style-type: none"> 1. Issuance of the ED 2. Modification of the ED. 	<ol style="list-style-type: none"> 1. 05/08/2012 – 10/29/2012, decision became final on 12/03/2012 2. 07/31/2019 – 09/18/2020
The Ministry of Maritime Economy and Inland Navigation is currently being continued by the Ministry of Climate and Environment	<ol style="list-style-type: none"> 1. Issuance of a decision on the water-law permit 	<ol style="list-style-type: none"> 1. Proceeding in progress (the application was submitted on 10/06/2020 - currently the procedure is pending). 2. After the issuance of the aforementioned decision, in case of withdrawal and re-consideration of the motion.
Governor of Malopolska Region	<ol style="list-style-type: none"> 1. Issuance of the IPIP 2. Issuance of the decision establishing compensation amounts 	<ol style="list-style-type: none"> 1. Proceeding the IPIP decision in progress. 2. During proceeding, after the issuance of decision on the compensation amount, in case of withdrawal and re-consideration of the application.
Prefect of the District of Wieliczka	<ol style="list-style-type: none"> 1. Informing PAPs on public consultations 2. Direct participation in public consultations 	<ol style="list-style-type: none"> 1. On the stage of LA&RAP development. 2. During consultations for the Draft LA&RAP.
Head of the Town and Commune of Wieliczka	<ol style="list-style-type: none"> 1. Representation of the Town and the Commune as a unit where the Contract shall be implemented 2. Informing PAPs on public consultations 3. Direct participation in public consultations 	<ol style="list-style-type: none"> 1. On the stage of LA&RAP development. 2. During consultations for the Draft LA&RAP.

External stakeholder	Type of impact on LA&RAP	Engagement Period
Town and Commune Council of Wieliczka	<ol style="list-style-type: none"> 1. Representation of the City/Commune of Tarnów as a unit to be expropriated 2. Informing PAPs on public consultations 3. Direct participation in public consultations 	<ol style="list-style-type: none"> 1. On the stage of LA&RAP development. 2. During consultations for the Draft LA&RAP.
Units to be expropriated	<ol style="list-style-type: none"> 1. Determination of needs and of damage suffered due to the planned expropriation 2. Selection of indemnity and compensation forms 3. Direct participation in public consultations 4. Participation in an inventory 	<ol style="list-style-type: none"> 1. On the stage of IPIP procedure, issuance of that decision and establishment of the compensation amount. 2. On the stage of LA&RAP development. 3. During consultations for the Draft LA&RAP.
Citizens of Wieliczka	<ol style="list-style-type: none"> 1. Direct participation in public consultations 	<ol style="list-style-type: none"> 1. On the stage of LA&RAP development. 2. During consultations for the Draft LA&RAP.

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

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

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

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

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

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

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

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

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

11 Public consultations and public participation

In relation to obtaining a loan from the World Bank's funds and the necessity of implementing the resettlement process principles stemming from the requirements of OP 4.12, the Investor has taken actions aiming at engaging the society in LA&RAP development and implementation. Society engagement is treated as a continuous process correct implementation of which is anticipated to enable mitigation of risks related to a potential social conflict for the Contract.

So far, the local commune was informed about the planned Contract by notices, posted on the website of the Regional Director for Environmental Protection in Cracow (at the stage of issuing the Decision on Environmental Conditions from **05/08/2012** to **10/29/2012**, the decision became final on 12/03/2012), as it is customary, on publicly available bulletin boards in towns where the Contract will be implemented. In the same way, the local commune was informed about the issuance of the amending decision on environmental conditions, the procedure was conducted in the period **07/31/2019 – 09/18/2020**.

The local commune shall be informed on a further stage of preparatory works about the fact the PIU filed an application for the issuance of an IPIP decision, for conduction of that proceeding, and for the issuance and the possibility of appealing against the decision in question by the Authorities conducting the proceedings.

In **August 2019** the Consultant informed private owners of the properties foreseen for acquiring by State Treasury in writing about the planned socio-economic survey to be conducted in the break of **September and October 2019**. In its correspondence, the Consultant explained the validity of the planned survey, main objective of which was to determine the impact of the planned Contract on the quality of life of households of the owners of expropriated properties. During the socio-economic survey the PAPs were provided with information on the planned Contract/Works Contract and on rules and rights related to the purchase of the properties.

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

The publication of the Draft Land Acquisition and Resettlement Action Plan was commenced on **January 18, 2021**, at publication of an announcement in Dziennik Polski and in internet issues of Dziennik Polski and Gazeta Krakowska (local magazines) (Appendix No. 7 do LA&RAP). The announcement invited natural persons, the authorities, and interested institutions to review the Draft LA&RAP for the Works Contract 3A.2/4.

As indicated in the announcement (quote): (...)DUE TO THE EPIDEMIC STATE IN POLAND AND CARE FOR THE PAPS' HEALTH SECURITY NO OPENING MEETING WILL BE TAKEN IN THE FORM OF PUBLIC DEBATE. TO ENSURE YOU THE OPPORTUNITY TO GET ACQUAINTED WITH DRAFT OF LA&RAP AND POSSIBILITY OF MAKING PROPOSALS AND COMMENTS, THE CONSULTATIONS IN QUESTION SHALL BE

DONE IN A CORRESPONDENCE FORMULA, WHILE USING AVAILABLE (SAFE) COMMUNICATION CHANNELS. (...)

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

- PGW WP RZGW in Cracow at – <https://krakow.wody.gov.pl/aktualnosci/konsultacje>,
- Town and Commune Office of Wieliczka at – <https://www.wieliczka.eu>,
- District Starosty in Wieliczka at - <https://www.powiatwielicki.pl/aktualności> – and at Facebook fanpage of the District of Wieliczka at - <https://www.facebook.com/permalink.php>,
- Odra-Vistula Flood Management Project Coordination Unit at – <http://odrapcu2019.odrapcu.pl/ogloszenia/>.

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

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

on working days **from 01/18/2021 to 02/08/2021**, inclusive (21 days). An institution responsible for consideration of remarks and motions was PGW WP RZGW in Cracow.

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

- placed on notice boards of PGW WP RZGW in Cracow (on entry doors), District Starosty Office in Wieliczka, and Town and Commune Office of Wieliczka (on notice boards – unfortunately the Offices were closed for applicants then),
- published at websites of the institutions indicated above,
- displayed at performance sites – except for announcements, posters informing about the Works Contract 3A.2/4 were also displayed.

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

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

An exemplary set of documents has been attached to this Report (Appendix no. 7 to LA&RAP).

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

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

Publication of the Draft LA&RAP, commenced officially on **January 18, 2021**, was completed after 21 days on **February 8, 2021**.

During the public consultations for the Serafa 2 Reservoir, just as in case of the public consultations for the Malinówka 3 Reservoir, residents of Biezanów (part of a precinct of Cracow, which is located in the upstream reach of the River Serafa, where one of the reservoirs has already been developed) became active – it is a society, which is affected by Serafa flooding in the most severe way; thus, it is interested in the soonest possible development of the entire complex of 5 flood storage reservoirs. Within 21 days of consultations the Consultant discussed the issue with alderwoman, Mrs. Elżbieta Matykiewicz (Alderwoman living at Stary Biezanów), who has already notified a request for informing her about any consultations referring to dry flood storage reservoir. After that discussion 11 people called the Consultant to express their support for the investment by phone.

A webinar was held on **February 9, from 5.00 pm to 7.00 pm**, within the framework of public consultations for the Draft LA&RAP, during which the Consultant's Representative displayed a multimedia presentation, at support of the Chief Designer. It shall be indicated that due to technical issues the start of the webinar was delayed by 15 minutes (analyzed records of the computer system and of the software applied during the webinar prove that persons, who connected on the planned time of transmission start, have also attended proper, delayed transmission):

1. The objective and funding for the OVFMP were discussed briefly.
2. It was clarified why the draft LA&RAP was developed, and how did its publication procedure look like.
3. The issue of changing the investor was discussed, i.e. liquidation of Małopolski Board of Amelioration and Water Structures in Cracow on 12/31/2017 and creation of a new unit on 01/01/2018 – State Water Holding Polish Waters, which took rights and liabilities of the liquidated unit over.
4. Information on the Works Contract 3A.2/4 were presented (technical scope associated with permanent acquisition of properties, and actions that shall not require land acquisition).
5. Number of properties to be permanently acquired and restricted in the use – in division into ownership categories – was informed.
6. Legal bases for the development of LA&RAP were indicated.

7. Mitigation measures were discussed, with special consideration of the issue of remnants' purchase, notifying the ARMA about reduction of the farming area, and the possibility of receiving additional 5% of compensation.
8. Legal regulations referring to the issuance procedure for IPIP decision, payment of compensation and its establishment procedure, submission of appeal, and claim and grievance submission mechanism were discussed with the highest attention.
9. Attendees of the meeting were provided with information on the possibility of applying for undisputable portion of compensation and – in case the compensation amount would not be established on the stage of negotiations with the Investor – payment of 70% of compensation from the amount given in the estimate study.
10. Information on temporary acquisition was presented.

After completion of the presentation the webinar's lecturer answered questions, which were submitted within the publication period for the Draft LA&RAP, and questions asked during telephone discussions with the PAPs. Any notified questions/doubts/remarks were referred to.

9 people attended the webinar.

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

- 25 telephone discussions were held;
- 2 enquiries/motions were provided via e-mail;
- 3 filled-in *Question Forms* were submitted;
- interest in the documents was also noted; downloads of files from websites given in the announcement were observed.

Remarks and motions provided during the debate have been analyzed in terms of necessary corrections to the final version of the document. Considering the nature of remarks, requests, and questions asked during the consultations by the public in the publication period for the Draft LA&RAP to Contract 3A.2/4, authors of the document concluded that its contents require implementation of modifications/corrections resulting from the publication procedure. The final version of the LA&RAP was updated with e.g. amended provisions on acquisition of property XX and property YY, and an additional compensation packet. In all of the cases where changes in acquisition of private persons' plots were implemented, the Consultant developed and submitted relevant correspondence containing information on change in the acquisition of properties.

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

12 The Complaint Management Mechanism

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

12.1 THE GENERAL COMPLAINT AND MOTION MANAGEMENT MECHANISM

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

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

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

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

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

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

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

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

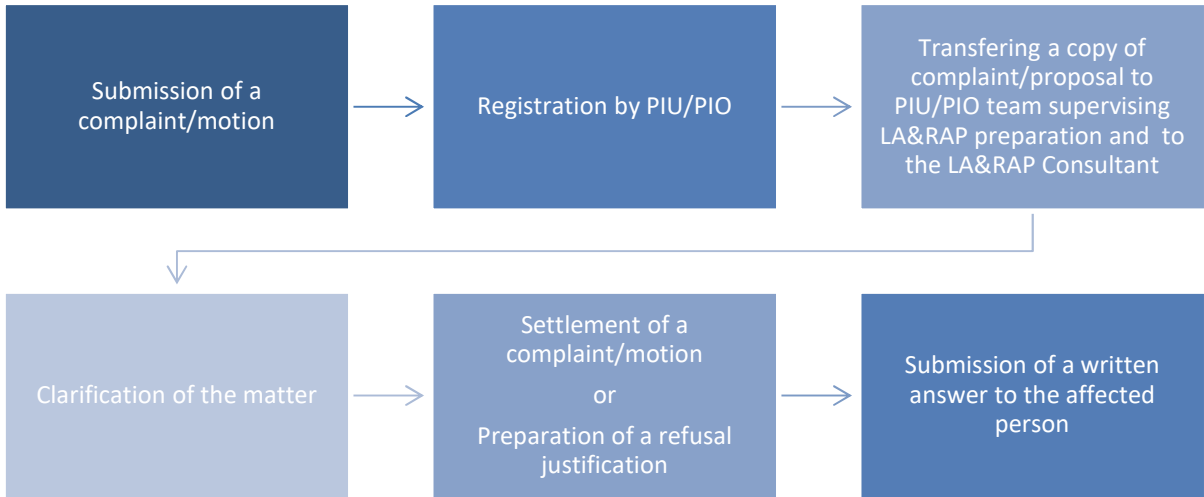
The complaint or motion will be reviewed immediately, which means that an official notice of how the complaint or request will be handled must be given to the party without undue delay. Such a notice shall include the identification of the entity from which it originates, an indication of how the complaint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

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

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

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

Figure 7 - Scheme of general mechanism for management of complaints and motions



12.2 SPECIAL COMPLAINT AND MOTION MANAGEMENT MECHANISMS

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

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

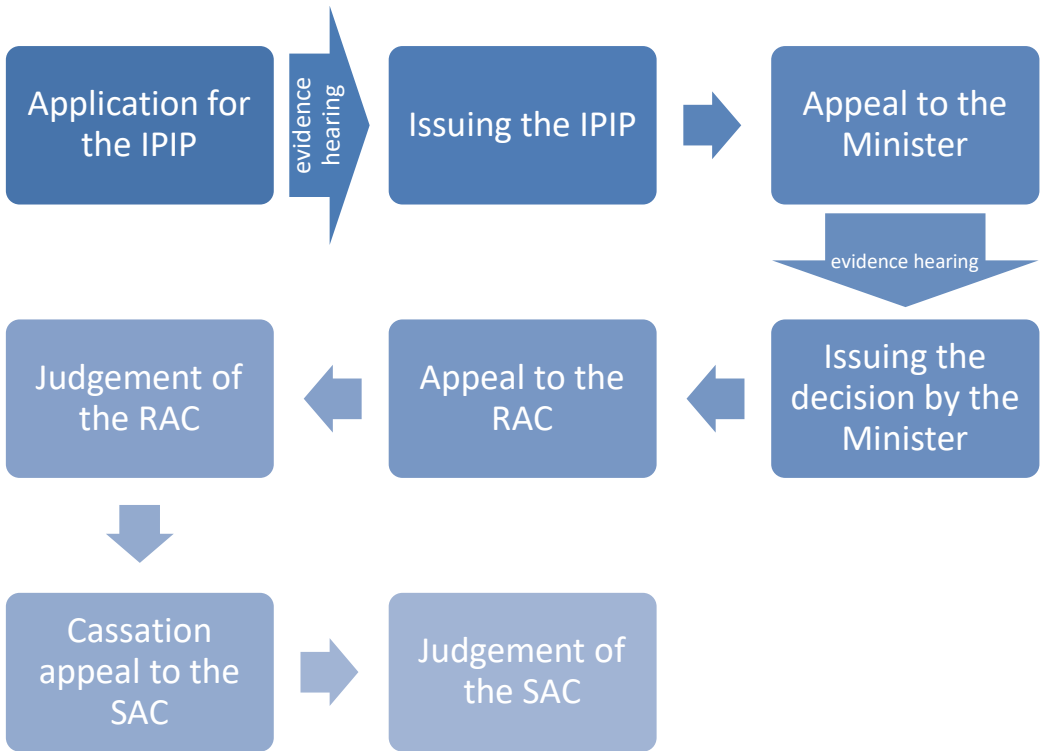
Persons whose property is within the contract implementation area shall be parties to the IPIP issuance proceedings. They have the right to participate actively, free of charge, in the proceedings concerning the issuance of the IPIP, including the right to submit comments and motions directly to the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

If the parties are not satisfied with the decision issued by the Governor, they will be entitled to lodge an appeal with the competent Minister (for the day of developing the LA&RAP – the Minister of Development, Labor and Technology). All statements, motions and evidence submitted in the proceedings before the minister will have to be considered by the minister when issuing the decision.

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

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

Figure 4 – Complaint management mechanism at the IPIP stage



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

For properties expropriated on the basis of the IPIP, protocols and other documents sent to each other by the parties during negotiations, will be transferred to the Governor of Malopolska Region unless an agreement on compensation is reached. These documents, in addition to the valuation report, will constitute the basis for the decision on the amount of compensation.

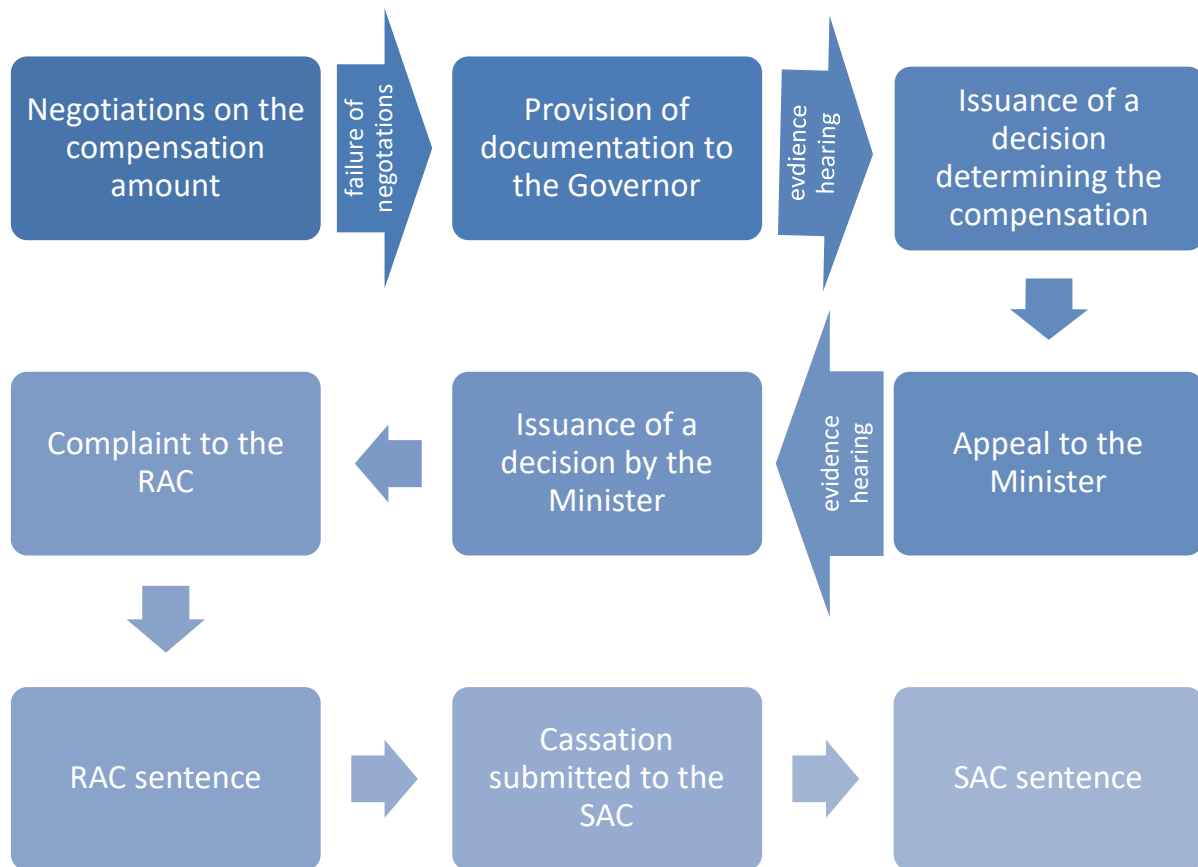
PAPs’ rights in the proceedings concerning the issue of the decision determining the amount of compensation are analogous to those in the IPIP proceedings. It means that the PAPs have the right to

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

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

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

Figure 5 - The complaint management mechanism at the stage of issuing a decision determining the compensation amount (after issuance of the IPIP and its final status)



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

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

12.3.1 Places where complaints and motions may be submitted

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

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

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

3. Directly to the office on the construction site (the address of this office will be announced on the website of the Works Contract within 1 month before starting work).

In addition, complaints and motions may be submitted:

- via mail to the addresses, as above, or

- via internet:

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

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

12.3.2 Time for consideration of complaints and motions

Terms of considering complaints and motions:

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

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

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

12.3.3 Persons responsible for consideration of complaints and motions

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

12.3.4 Audits and independent appeal mechanism

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

12.4 PERSONAL DATA PROTECTION POLICY FOR THE PROJECT

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

12.4.1 Who is the personal data administrator?

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

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

12.4.2 Contact details for the Personal Data Inspector

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

12.4.3 Legal basis for processing

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

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

Personal data is any information of personal character, allowing for identification of a particular person. **PGW WP RZGW in Cracow** collects only such data as necessary for execution of the Contract carried out by **PGW WP RZGW in Cracow** (in this case it relates to execution of the Works Contract 3A.2/4 - *Flood protection in Serafa Valley – Serafa 2 reservoir*). Such data is processed solely to the extent provided for by PAPs, with their voluntary consent expressed with a relevant form and may include:

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

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

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

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

In order to identify owners / perpetual users / holders of properties that will be subject to permanent acquisition or restriction in use, **PGW WP RZGW in Cracow** obtained personal data from the Register

of Lands and Buildings and the electronic system of Land and Mortgage Registers. The obtained data is:

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

12.4.6 To whom the personal data may be made available?

PAPs' personal data may only be disclosed to:

- a) entitled public entities for the purpose of procedures they conduct, when **PGW WP RZGW in Cracow** is so obliged under relevant regulations and documents (e.g. a court summons, injunction order or another administrative or legal procedure),
- b) the agencies involved in execution of the Works Contract 3A.2/4, only as far as necessary for performance of particular activities.
- c) postal operators, in order to inform PAPs,
- d) representatives of the Consultant and lawyers in order to support the implementation of the Works Contract and compensation payments.

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

12.4.7 Rights of the person to whom data applies

Each PAP has the right to:

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

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

12.4.8 Contact to supervising authorities considering complaints

President of the Office for Personal Data Protection

2. Stawki Street

00-193 Warsaw

phone +48 22 531 03 00

fax +48 22 531 03 01

Office opening hours: 8.00 am – 4.00 pm

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

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

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

At RZGW in Cracow:

Tel.: +48 12 62-84-301 (Mrs. Katarzyna Szczepanek)

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

12.4.10 Time of keeping the personal data

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

13 Institutional Structure and Implementation Team

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

Figure 6 - Institutional structure of the LA&RAP developing team

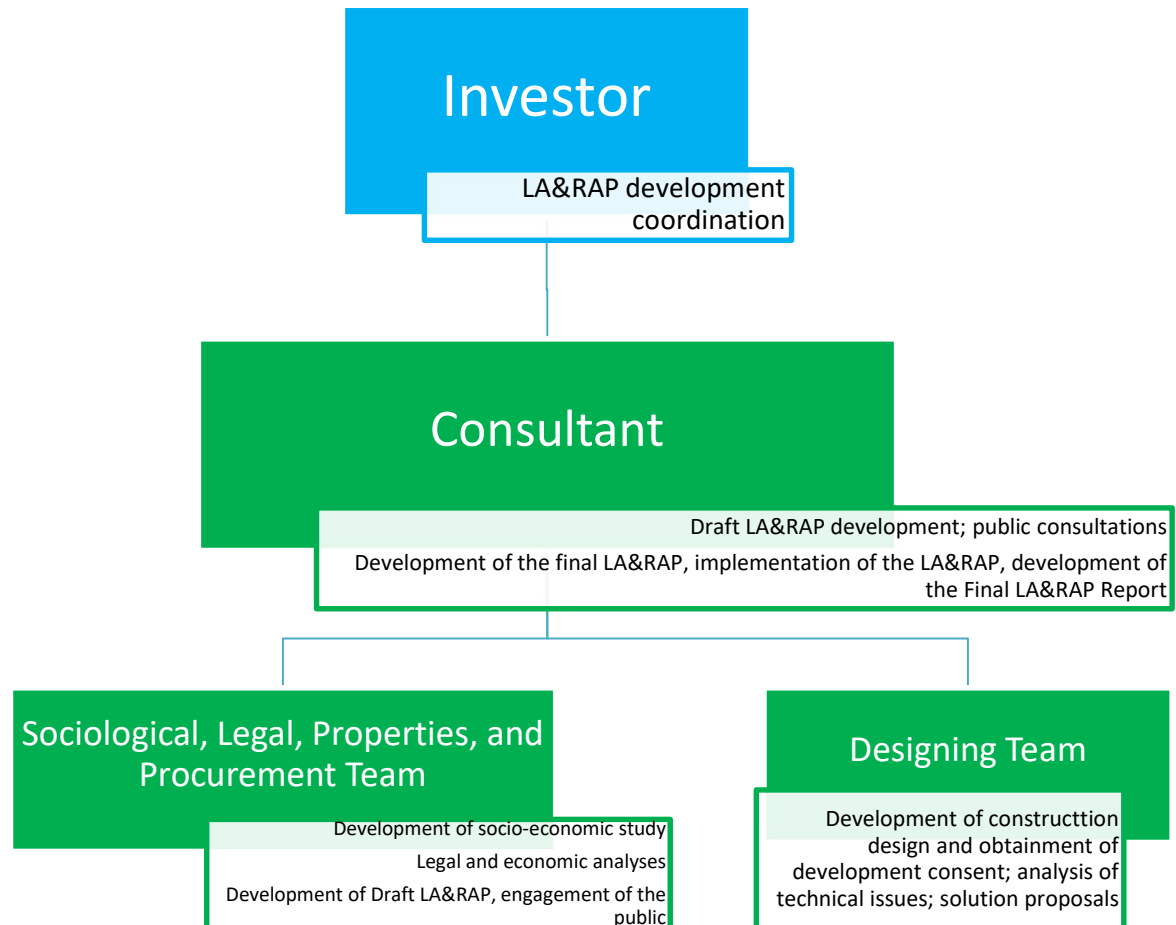
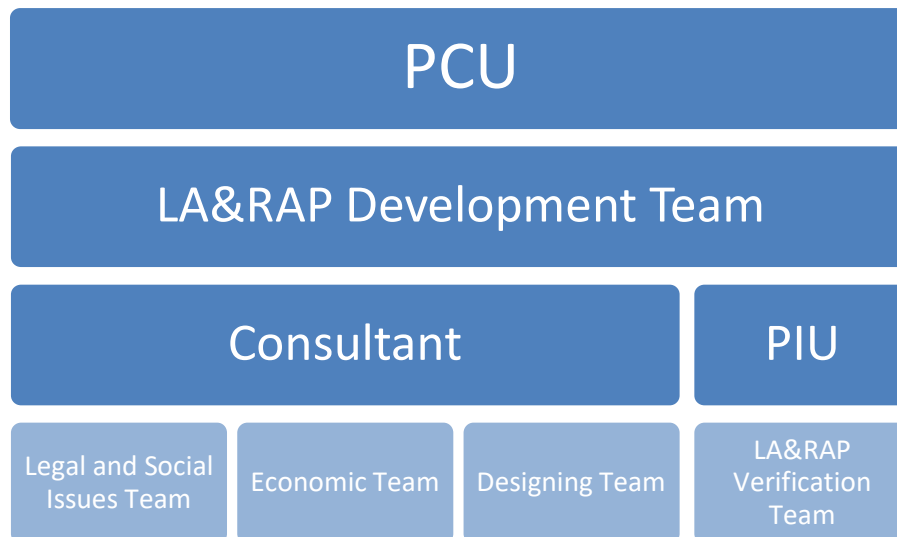


Figure 7 - Institutional structure for implementation of the LA&RAP with inclusion of the PCU within the structure.



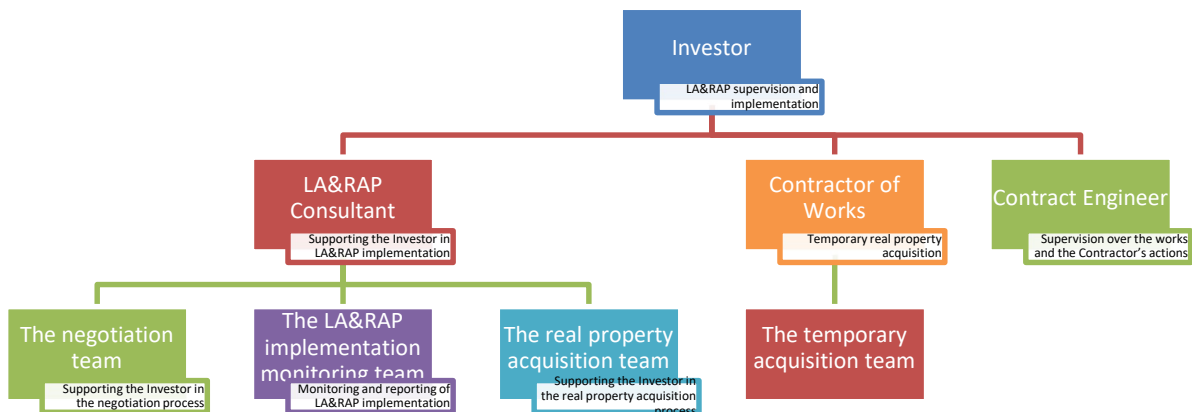
The Designer and the LA&RAP Consultant for the preparation of this LA&RAP is AECOM Polska Sp. z o. o.

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

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

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

Figure 8 – The scope of competence of the LA&RAP implementation team



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

1. Investor

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

2. LA&RAP Consultant

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

3. Engineer

- f. supervision over the commencement and implementation of works;
- g. supervision over meeting the obligations by the Contractor.

3. Contractor

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

4. PCU

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

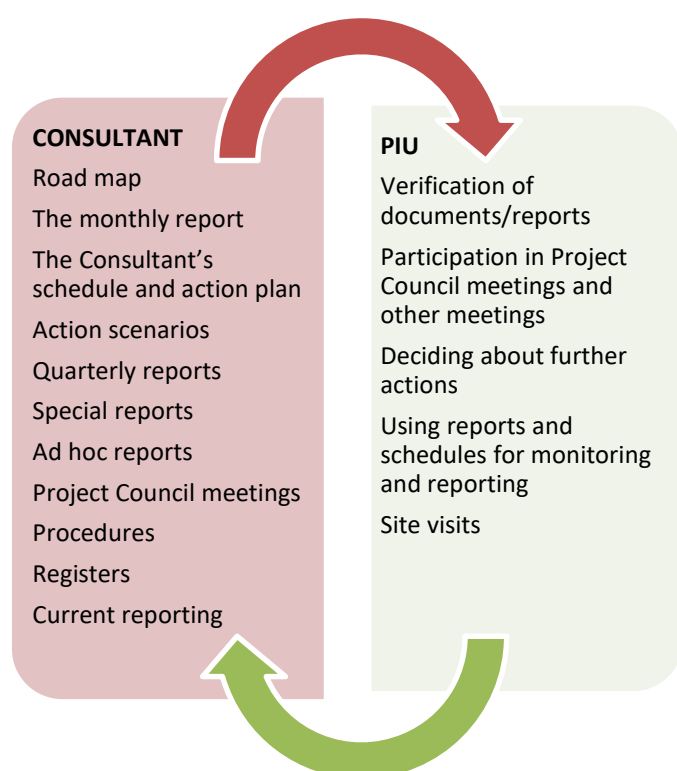
14 Monitoring and Evaluation

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

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

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

Figure 9 – Scheme of LA&RAP implementation monitoring



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

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

- a) the number of real properties to be expropriated and those already expropriated,

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

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

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

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

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

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

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

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

15 Costs and Budget

No.	Item	Unit	Price PLN/ha	Area [ha]	Total [PLN]
1	Permanent acquisition ¹⁹	Number/Hectare	No data	4.2290	No data ²⁰
2	Permanent restriction in the use ²¹	Number/Hectare	No data	0.0860	No data
3	Temporary restriction in the use of properties resulting from the necessary redevelopment of the existing network ²²	Number/Hectare	No data	0.1719	No data
4	Court costs ²³	Not applicable	No data	No data	No data
5	Costs of implementation of LA&RAP ²⁴	Not applicable	No data	No data	No data
6	Unexpected costs (+20% to the total of item no. 1)	PLN	Not applicable	Not applicable	No data
7	Protective measures (5% to item no.: 1)	PLN	Not applicable	Not applicable	No data
8	Total: (sum of the items - No.: 1-7)	PLN	Not applicable	Not applicable	No data

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

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

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

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

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

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

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

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

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

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

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

16 LA&RAP Implementation Schedule

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

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

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

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

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

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

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

17 Appendices

17.1 PROPERTIES ACQUISITION PROGRESS MONITORING TABLE

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

17.2 TABLE – LIST OF PROPERTIES, OWNERS, AND IMPACT

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

17.3 PROPERTIES ACQUISITION SCHEDULE

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

17.4 INVESTMENT LOCATION PLAN

Appendix no. 4a - Map attached in an electronic version.

Appendix no. 4b - Map with location of Contract elements attached in an electronic version.

17.5 SOCIO-ECONOMIC STUDY

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

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

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

17.7 REPORT ON THE ORGANIZED PUBLIC DISCUSSION ON THE LA&RAP DRAFT

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

17.8 INFORMATION BROCHURE

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

17.9 TEMPLATE OF AGREEMENT ON TEMPORARY ACQUISITION

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

17.10 MAP WITH THE PROPERTIES DIVISION PROJECT

Appendix no. 10 – Map attached in an electronic version.