

# Resettlement Framework

## PROJECT: Kraków Fast Tram (Stage IV)



**November 2022**

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## 1 Acronyms and abbreviations

EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
EIB	European Investment Bank
ESDD	Environmental and Social Due Diligence
KSR	Kancelaria Środowiskowa Ronikier I Wspólnicy
PAP	Project Affected Person
PDP	Project Displaced Person
PR	Performance Requirement
RAP	Resettlement Action Plan
SEP	Stakeholder Engagement Plan
SPV	Special Purpose Company (under Gulermak)
ZRID	Zezwolenie na Realizację Inwestycji Drogowej
GM	Grievance Mechanism
GH	Grievance Handler
GC	Grievance Committee

## 2 Glossary

**Project Affected Person:** Person or household affected by project-related changes in the use of land, water, or other natural resources.

**Project Displaced Person:** Person or household displaced due to project implementation

**Compensation:** Payment in cash or in kind for an asset or a resource that is acquired or affected by a project at the time the asset needs to be replaced.

**Completion audit / external evaluation:** An evaluation by an independent third party to assess whether the outcome of the Displacement Action Plan complies with applicable policies on displacement

**Cut-off date:** The date after which people will not be considered eligible for compensation. After this they are not included in the list of project-affected persons as defined by the socio-economic survey

**Displacement assistance:** Support provided to people who are physically displaced by a project. Assistance may include transportation, food, shelter, and social services that are provided to affected people during their relocation. Assistance may also include cash allowances that compensate affected people for the inconvenience associated with displacement and cover the expenses of a transition to a new location.

**Economic displacement:** Where the construction or operation of a project or its associated facilities contributes to loss of income streams or means of livelihood resulting from land acquisition or obstructed access to resources (land, water, or forest).

**Eligibility:** The qualification criteria to receive benefits under a displacement programme

**Entitlement:** Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation that are due to affected people, depending on the nature of their losses, to restore their economic and social base.

**Involuntary displacement:** Refers both to physical and economic displacement as a result of project land acquisition. Displacement is involuntary when it occurs without the informed consent of the displaced persons or without having the power to refuse displacement.

**Livelihood restoration:** The measures required to ensure that project-affected persons have the resources to at least restore, if not improve, their livelihoods. Livelihoods can include employment and business opportunities, commercial and subsistence agriculture as well as land-based subsistence activities.

**Performance monitoring:** Assesses whether activities are being carried out in accordance with the LARP. It must be accompanied by impact monitoring (see definition above) to ensure its effectiveness.

**Physical displacement:** Loss of shelter and assets resulting from the acquisition of land associated with a project that requires the affected person(s) to move to another location.

**Replacement cost:** The rate of compensation for lost assets must be calculated at full replacement cost, that is, the market value of the assets plus transaction costs.

**Resettlement Action Plan:** The document in which a project sponsor or other responsible entity specifies the procedures that it will follow and the actions that it will take to mitigate adverse effects, compensate losses, and provide development benefits to persons and communities affected by an investment project.

**Stakeholders:** Any, and all, individuals, groups, organizations, and institutions interested in, and potentially affected by, a project or having the ability to influence a project.

**Vulnerable groups:** Distinct groups of people who, by virtue of their age, gender, class ethnicity, health status or income are marginalised or excluded from decision-making processes and who might suffer disproportionately from displacement effects as a result.

**Zezwolenie na Realizację Inwestycji Drogowej (ZRID):** ZRID combines the location permit, construction permit and property acquisition into one road development consent.

### 3 Introduction and scope of the document

This document presents the Resettlement Framework (RF) for the Kraków Fast Tram (Stage IV) project, which is described in Section 2. The overarching aim of the RF is to identify appropriate measures to address any permanent or temporary economic and / or physical displacement project impacts, in accordance with Polish law and good international practice.

Specifically, the RF has been prepared in accordance with the good international practice requirements of the European Bank for Reconstruction and Development's (EBRD) (2019) Performance Requirements (PR) and the European Investment Bank's (EIB) (2018) Statement of Environmental and Social Principles and Standard. Paragraph 26 of EBRD's PR5 on *Land Acquisition, Involuntary Resettlement and Economic Displacement* states:

In the case of transactions involving physical displacement, the client will develop a Resettlement Action Plan (RAP), while paragraph 36 states that in the case of transactions involving economic displacement only, the client will develop a Livelihoods Restoration Plan.

Although the initial project audit, conducted in July 2021, did not reveal the potential for any physical displacement from project development, *resettlement* in this document refers both to the *potential for* physical displacement *as well as* for economic displacement through the loss of assets or access to assets, and/or the loss of sources of income or means of livelihood, and applies to all Project Displaced Persons (PDPs) regardless of number or legal title.

Since the land acquisition process is led by the municipality and the Project awaits Zezwolenie na Realizację Inwestycji Drogowej (ZRID) (planning consent), and since the government census and asset inventory are not undertaken until after ZRID is granted, the current version of the RF is an account of resettlement work proposed or undertaken to date and is subject to update as the resettlement process evolves.

This work is presented across the following sections:

- Section 4: Project description. Summarises the main Project scope and parameters.
- Section 5: Legal framework. Summarises the legal texts and EBRD requirements in relation to land acquisition and involuntary resettlement.
- Section 6: Public consultation procedures. Describes consultation already conducted and planned in the future.
- Section 7: Displacement impacts and baseline information. Summarises the land uses within and adjacent the Project footprint and the baseline socio-economic conditions in the Project Area.
- Section 8: Eligibilities and Entitlements. Provides the framework of eligibilities for compensation and compensation entitlements
- Section 9: Grievance Mechanism. Sets out the proposed grievance mechanism for land acquisition and resettlement related grievances.
- Section 10: Organisational arrangements, monitoring and reporting. Summarises the key roles and responsibilities established to date of the main agencies in implementing the subsequent RAP. Sets out proposed measures for monitoring and evaluating the land acquisition process and for performance reporting.

Given the 'live' nature of the resettlement process, a checklist is presented at the end of Sections 4 to 9, to clarify for the reader progress to date across relevant criteria. The checklist criteria are derived from best international practice, principles, standards, and requirements on RAF and RAP development. For each criterion, progress is indicated using a simple traffic light colouring, accompanied by the identification of any further action/s required on that criterion to develop a full RAP, and the action responsibility and anticipated schedules.

Annex I of the report consolidates and summarises a total of 36 key actions (with proposed action responsibilities and schedules) to achieve the objective of developing a RAP, across criteria in the issue areas of; consultation and disclosure; impact and baseline identification; compensation and livelihood restoration; grievance management; and monitoring, reporting, and auditing. It is notable that most of these actions are contingent on the granting of ZRID (the formal planning approval for the project) anticipated by early 2023.

## 4 Project description

The Kraków Fast Tram Stage IV (hereafter the “Project”) will be a new tramline comprising of 4.5 km of new two-track tramway connecting residential districts located in the northern part of Kraków with the city centre. The aim of the Project is to reduce car traffic, congestion, and greenhouse gas (GHG) emissions within the city by providing an alternative transport option.

The project is of strategic importance for the development of the city due to the fast tram connection of settlements located in the northern part of Kraków with the city centre. The planned tramway will connect two existing lines near the northern part of Kraków, in District III Prądnik Czerwony and District XV Mistrzejowice. The tramway will run through the following municipal areas of the city: Olsza, Ugorek, Prądnik Czerwony, Oświęcienia, Mistrzejowice.

These areas include offices, shops and transport infrastructure characterized by concentrated traffic. Most of the route is located within green belt, demarcated by the city’s dual carriageway lanes. The route starts at al. Jana Pawła II and Lema str. crossing, through Meissnera str., Młyńska str., Lublańska str., Dobrego Pasterza str., Krzesławicka str, Bohomolca str., ks. Kazimierza Janczarza str. to the existing tram loop “Mistrzejowice”. See figure 1 below.

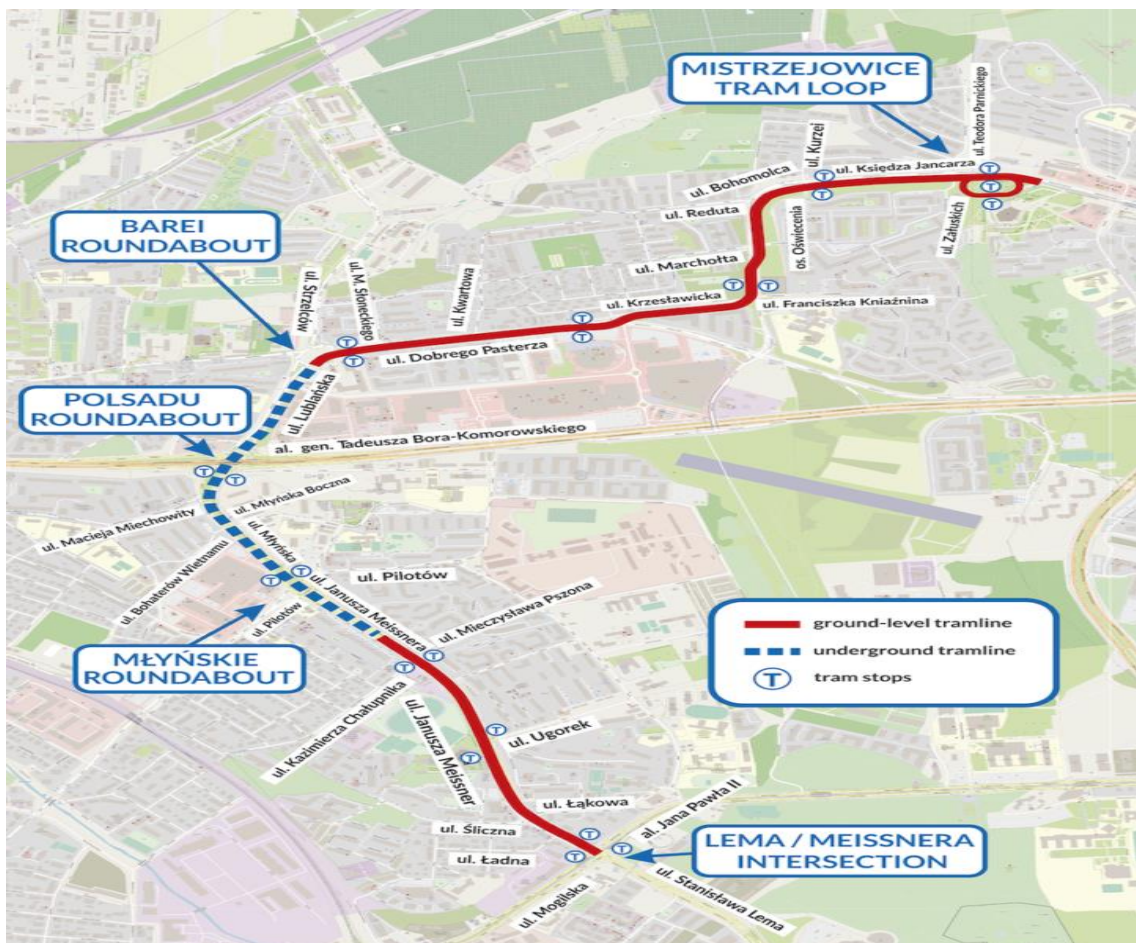


Figure 1 Overview of Kraków Fast Tram (Stage IV) Project, source: Gülermak.



The total length of the tramline is 4,450.435 m, including a 1230 m cut and cover tunnel (189 m ramps, 684 open dig, 546 m tunnel). It will provide transport services with a capacity of 40 trams per hour in both directions (up to 556 trams per day). In addition to the tramline itself, the following local transport infrastructure developments are included in the project:

- Reconstruction of Meissnera and Młyńska streets to accommodate a middle tramway.
- Reconstruction of Młyńskie roundabout
- Reconstruction of Barei roundabout to form an intersection with traffic lights.
- Modification of intersection of Dobrego Pasterza str., Aliny str. and Krzesławicka str.
- Reconstruction of Krzesławicka str.
- Reconstruction of intersection of Bohomolca str, Książna str and Krzesławicka str.
- Walking routes
- Bicycle paths
- Street lighting
- Traffic lights
- Optical fibre network for Local Traffic Control
- Video monitoring
- Information boards
- Road signs
- Control and heating of crossovers
- Traction network with two substations
- Reconstruction of city infrastructure (electric grid, heating pipes, water pipes, etc.)
- Reconstruction of transformer station
- Greenery restoration including green tram track elements, local architectural elements.

The Project is part of a wider strategy for the development of the public transport system aimed at improving the service of individual regions of the city through the fast tram network. Track layout concept design for the Project was widely consulted on in the city with stakeholders in 2014, and two years later an EIA, with a public consultation procedure, was undertaken.

The Project falls within the updated Kraków Transport Policy (2016-2025) and meets four of the five main policy objectives, namely: 1. ensuring the mobility of transport system users, 2. developing and promoting sustainable forms of travel, 3. improving the environment and increasing safety, 4. improving the efficiency of land-use and transport.

The project is developed under a PPP agreement signed, on the 21<sup>st</sup> of December 2020, between the City of Kraków and the Private Partner, Gülermak sp. z o. o. Under this agreement, the design, build, operation, and maintenance, of the Project is assigned to Gülermak sp. z o. o through a Special Operating Vehicle (company) (SPV). As part of the Project, a subsequent EIA report will be prepared for re-evaluation of the project's environmental impact, but at the time of writing, the EIA was still being prepared.

It should be noted that the Private Partner's preparation of the Project has been affected by a proposal of the Public Entity (Variation Order No 1 and Variation Order No 2) to extend the low-level section of the works, which has caused a diversion of resources and difficulty in releasing definitive finalised project information until this Variation is agreed.

As a result, KSR started the ESDD Audit with site visits in July 2021 but had to suspend further work due to the unfinalized Project Design, EIA, and COVID-19 pandemic restrictions. This report is therefore based on an analysis of documents developed at the initial stage of the

project, updated document information where available from the project proponents, open-source materials, applicable laws, and regulations, and KSR team knowledge and experience.

The current Project Design and the Zezwolenie na Realizację Inwestycji Drogowej, (ZRID) (eng. consent for the implementation of a road investment) application was submitted to the Municipality of Krakow in March 2022. That process will commence the procedure in accordance with the Administrative Proceeding Code, which also includes a public hearing involving affected parties. Once the ZRID application is granted, all land and property located within the footprint of the proposed tramline development will have public use status.

## 5 Regulatory and policy background

### Expropriation laws and regulations in Poland

According to the Polish legal order indicated in article 27 of the Constitution of the Republic of Poland, the expropriation of real estate is possible only if it is necessary for public purposes and is subject to compensation. The above rule has also been applied in the case of expropriation of real estate for road purposes, and key legislation concerning land and property acquisition and expropriation in relation to road construction include the following:

- The Civil Code Act of April 23, 1964 (Journal of Laws of 2020, item 1740, as amended) makes possible pursuing claims in civil law in the absence of consent to expropriation.
- The Constitution of the Republic of Poland; adopted on 2<sup>nd</sup> April 1997 (Dz.U. 1997 No. 78 item 483), which protects the right to ownership and inheritance. According to Article 21 of the Constitution, the deprivation or restriction of property rights can be made only “for public purposes and against fair compensation”.
- The Real Estate Management Act of August 21, 1997 (Journal of Laws of 2020, item 1990, as amended) defines the rules for expropriation of real estate and its valuation. According to the act, property expropriation may be made only for public purposes and its valuation can only be done by a surveyor (real estate valuation expert).
- The Environmental Protection Law, issued on 27<sup>th</sup> of April 2001 (Dz. U. 2008 No. 62 item 627, as amended). In the event of non-compliance with environmental protection standards, particularly caused by road noise, it is possible to administratively establish a restricted use zone in an area as the basis for resident compensation claims.
- The Act of April 10, 2003, on special rules for the preparation and implementation of investments in the field of public roads (Journal of Laws of 2020, item 1363, as amended, called *The Special Road Act*), regulates property acquisition and identifies the authorities responsible for implementing acquisition procedures. Properties located in the area indicated for the road development may be acquired through purchase or appropriate compensation for expropriation. According to this Act, if only part of the property is acquired, and the remaining part is not suitable for use, the remaining part should be compensated for based on the owner's or perpetual usufructuary's request.
- Other relevant laws and regulations include; the Act of 27 August 2009 on public finance (consolidated text, Journal of Laws of 2022, item 1634, as amended); the Act of March 8, 1990 on commune self-government (consolidated text, Journal of Laws of 2022, item 559, as amended, hereinafter referred to as the USG); the Act of 5 June 1998 on poviats self-government (consolidated text, Journal of Laws of 2022, item 1526); the Regulation of the Council of Ministers of September 21, 2004 on the valuation of real estate and preparation of the appraisal report (consolidated text, Journal of Laws of 2021, item 555); and, Resolution No. XV / 99/03 of the Krakow City Council of May 7, 2003 on the principles of real estate management in the City of Krakow (Journal of Laws of the Małopolska Province of 2017, item 741, as amended).

In addition to the aforementioned land acquisition, expropriation, and compensation laws and regulations, laws and regulations exist on public consultation and information disclosure and dissemination of relevance to the process of land acquisition and resettlement, which led the Council of the City of Krakow to make Resolution No. XLI /502/08 issued on 23<sup>rd</sup> of April 2008, on the principles and procedures of consultation with the Krakow municipality citizens during investments and urban projects implementation. These laws and regulations include:

- The Constitution of the Republic of Poland; of 2<sup>nd</sup> of April 1997 (Dz. U.1997 Nr 78 issue. 483), which outlines citizen rights to access information about public authority activities. Article 74 states that "everyone has the right to access information on the state and Environmental Protection".
- The Act on planning and spatial development issued on 27<sup>th</sup> March 2003 (Dz.U 2003 No. 80 issue 717, as amended) which governs disclosure of information to the public in procedures leading to establish spatial development plan.
- The Special Rules for Implementation of Public Road Investment Act (Specustawa), issued on 10<sup>th</sup> of April 2003, (Dz. U. 2003 Nr 80 issue. 721 with further changes), which regulates the rules of procedures for permitting road construction.
- The Local Government Act on March 8<sup>th</sup> 1990 (Dz.U. 2001 No. 142, issue 1591, as amended), which establishes rules for conducting consultation with municipal residents.

## Expropriation Process

The Constitutional Tribunal believes that the term "expropriation" contained in Article 21(2) of the Constitution should be broadly understood as "any deprivation of property, regardless of its form". The concept of "expropriation" has its constitutional source in Article 21(2) of the Constitution, according to which expropriation is permitted only when it is carried out for public purpose with fair compensation. Thus, realization of a public purpose and the guarantee of just compensation are necessary prerequisites for the constitutional permissibility of expropriation.

The efficient implementation of road investments, and the payment of compensation for expropriated property, are tasks performed under the *Special Road Act*, 2003. The act combines and consolidates the location permit, the construction permit, and the decision on property expropriation, into one overarching licensing permit and decision - in this context, the road development consent (ZRID). This act is designed to streamline public road investment implementation by simplifying and integrating administrative procedures and decision-making.

One of the key elements necessary to issue a permit for the implementation of a road investment is to identify real estate that will become the property of the State Treasury or the relevant entity local government under a ZRID decision. Pursuant to Art. 12 sec. 4 of the November 2021 Act on special rules for the preparation and implementation of investments in the field of public roads (*hereinafter: the "ZRID Act"*), real estate indicated in a ZRID application become either the property of the State Treasury or relevant local government unit territorial.

According to the *Special Road Act 2003*, if the expropriation of land and property is made based on a final ZRID decision, the authority should, within 30 days, issue an order setting out the amount of compensation. The owners of affected land and properties have a right to appeal the expropriation in accordance with the Code of Administrative Procedure (1960) while in matters not covered by the Road Spec Act (2003), the provisions of the Real Estate Management Act of August 21, 1997, the Code of Administrative Procedure Act of June 14, 1960, the Construction Law Act of July 7, 1994, and other laws and regulations, shall apply.

The body responsible for determining compensation under this expropriation is the same body that issues the ZRID decision. Key rules governing the payment of compensation are set out in Article 12 section 4b and subsequent of the ZRID Act, which state that:

1. the decision determining the amount of compensation will be issued within 30 days from the date on which the ZRID decision becomes final (ZRID Act, art. 12 sec.4b);
2. compensation is due to the current owners and perpetual users of real estate and persons with limited property rights to the real estate (ZRID Act art. 12 sec. 4f);
3. if the ZRID decision is made immediately enforceable, the decision determining the amount of compensation is issued within 60 days from the date of granting the ZRID decision with the order of immediate enforceability (ZRID Act art. 12 sec. 4g);
4. to determine the amount of compensation, the provisions on real estate management of August 21, 1997, are invoked (*hereinafter referred to as: the "Real Estate Management Act"*), subject to Art. 18 of the ZRID Act (ZRID Act art. 12 sec.5);
5. at the request of the person entitled to compensation, an advance payment is made of 70% of the compensation determined by the body of first instance in the decision determining the compensation. The advance payment is made within 30 days from the date of applicant submission (ZRID Act Art 12 sec. 5a)<sup>1</sup>.

## Compensation Approach and Methods

In calculating compensation entitlements reflected in Art. 18 of the ZRID Act, it is necessary to refer to the *Real Estate Management Act* 1997, which states that the value of the property will be determined by a property appraiser in an appraisal report, and they decide the approach and method used in valuing a property. Pursuant to Art. 150 sec. 1 of the Real Estate Management Act, the appraisal is made by:

- a. **determining the market value** – the market value is determined for real estate that is or can be traded.
- b. **determining the replacement value** – shall be determined for real estate which, due to the type, current use or intended use, is not or cannot be traded on the market, and if required by specific provisions.
- c. **determining the cadastral value** – to establish the real estate tax base.

Pursuant to art. 153 of the Real Estate Management Act, the value of the property can be estimated using several approaches, such as:

1. **a comparative approach** – determining the value of the property based on corresponding prices obtained for similar properties that were traded on the market.
2. **an income approach** – determining the value of the real estate based on the expected income from the real estate. This is used in the valuation of real estate that brings or can bring income.

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<sup>1</sup> This makes it easier for persons entitled to compensation to question the compensation determined, because regardless of court referral and decision, the appellant is guaranteed a major proportion of compensation due.

3. **a cost approach** – determining the value of the property, if this value corresponds to the costs of its replacement, less the value of the wear and tear of the property.

It should be noted that if the appraiser chooses the income approach, which should be used in the valuation of real estate that generate earnings, the value of the real estate can be indicated using two methods; *the investment method* and *the profit method*, as indicated in Art. 7 of the Regulation of the Council of Ministers on the valuation of real estate and preparation of the appraisal report (hereinafter: *the "Regulation"*).

The *investment method* allows you to determine the value of the property considering the income from rent or lease. The *profit method* allows the value of a property to be determined by considering other income than the rents that the property is generating or could generate. This income corresponds to the property owner's share of the income earned from activities carried out on the property being the subject of the valuation and similar properties.

Despite methodological flexibility, the *Real Estate Management Act* outlines specific requirements to be followed by the appraiser in preparing their report and allows claimants to question the determined amount. Requirements in Art. 18 of the ZRID Act also stipulate that:

- a. the amount of compensation is determined according to the condition and value of the property on the day of issuing the ZRID decision (ZRID art. 18 sec.1);
- b. if there are limited property rights established on the real estate or right of perpetual usufruct, the amount of compensation due to the owner or perpetual usufructuary is reduced in amount equal to the value of these rights (ZRID art. 18 sec 1b);
- c. if there is a mortgage on the real estate or the right of perpetual usufruct of this real estate, the amount of compensation for redeeming the mortgage is determined in the amount of the principal claim secured by the mortgage, together with the interest secured with the mortgage. This compensation is credited against the principal of the debt secured by a mortgage together with interest (ZRID art. 18 sec. 1c);
- d. the amount of compensation for the redemption under limited property rights, determined as of the date referred to in para. 1, shall be paid to persons who were entitled to these rights (ZRID art. 18 sec. 1d);
- e. the amount of compensation is increased by an amount equal to 5% of the value of the property or the value of the perpetual usufruct right (see Article 18 sec. 1e of the ZRID Act) if the current owner or perpetual usufructuary of the real estate covered by the ZRID decision adequately issues the real estate and empties the premises and other rooms immediately, but not later than within 30 days from:
  - I. delivery of the notification on the issuance of the ZRID decision,
  - II. delivery of the decision granting the permit for the implementation of a road investment with the rigor of immediate enforceability, or
  - III. in which the decision on the permit for the implementation of the road investment has become final
- f. if the ZRID decision concerns real estate developed within a residential building or a building in which residential premises have been separated, the compensation due to the owner or perpetual usufructuary residing in the premises is increased by the amount of PLN 10,000 in relation to this property (ZRID art. 18 (1f).

- g. compensation is subject to indexation as of the payment date, in accordance with the rules applicable to the return of expropriated real estate (ZRID art. 18 (3)).

Pursuant to art. 132 of the Real Estate Management Act 1997, compensation payment is made within 14 days of the date on which the decision to reduce the remuneration becomes final. Importantly, as indicated above, the entitled person has the option of requesting advance payment of compensation in the amount of 70% of the originally determined value of compensation, paid within 30 days from receipt of the application for the advance.

## Scope of Compensation Eligibilities and Entitlements

In terms of compensation eligibility, the Special Road Act does not exclude from compensation entities using real estate based on legal titles other than ownership. Specifically, Article 19, paragraph 2, regulates for the issue of termination of lease, rental, or lending, contracts by the administrator of the road, and indicates the right to financial compensation<sup>2</sup> for losses related to this termination claimed under civil proceedings in the case of real estate owned by the State Treasury or local government units. To this end, the Municipality of Krakow as a city with district rights based on this legislation, provide for other forms of compensation and assistance for entities suffering losses because of investment activities, and eligibility for this assistance may include both natural and legal persons, as well as entrepreneurs and entities not conducting business activities. There are four basic pillars of this support:

### **(i) Matters of employment promotion and support in the labour market**

In the event that as a result of the implementation of the project the workplace is liquidated, the Commune ensures, inter alia, that assistance will be provided to the unemployed and jobseekers in finding a job through job placement and career counseling, and assisting employers in recruiting employees through job placement and career counseling through the Grodzki Labor Office (GUP; cf. Article 9 (2) in conjunction with 1 of the Act of 20 April 2004 on employment promotion and labor market institutions, consolidated text Journal of Laws of 2022, item 690, as amended). The statute of this unit was established by Resolution No. CXVII /1860/14 of the Krakow City Council of October 8, 2014, amending Resolution No. CXIII/ 1129/06 on granting the statute to the Grodzki Labor Office in Krakow.

The administration of labor offices shows a strong connection with the authorities of the Municipality of Krakow, due to the fact that the starost (city president) may authorize the director of the district labor office in writing or, at his request, other employees of this office to deal with matters on behalf of the starost (city president), including issuing decisions, rulings and certificates pursuant to the provisions on administrative proceedings (Article 9 (7) of the Employment Promotion Act). This combination has a competence, organizational, personal character (the director of the labor office is appointed by the president of the city) and financial (the GUP budget is part of the commune's budget).

The list of external procedures carried out by the Grodzki Labour Office in Krakow is available in the Public Information Bulletin of the City of Krakow (BIP) at the link: [https://www.bip.krakow.pl/?dok\\_id=3276&sub\\_dok\\_id=3276&sub=fraza&fraza=&wydz=GUP&where=1&sort\\_type=1&filled=1](https://www.bip.krakow.pl/?dok_id=3276&sub_dok_id=3276&sub=fraza&fraza=&wydz=GUP&where=1&sort_type=1&filled=1)

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<sup>2</sup> The general rule expressed in Art. 363 § 1 of the Civil Code, suggests that real estate losses can be compensated either through restoration to its prior state or by monetary compensation. However, the provision of the Special Road Act supercedes this and notes only financial compensation.

## **(ii) Potential for rent / lease relief on residential / business premises**

Pursuant to points 2 and 3 of the Real Estate Management Act, 1997, a commune and district real estate resource was established by law, over which the Krakow City Commune may exercise property rights and obligations. Detailed rules for the purchase, sale, and encumbrance of real estate, as well as their lease or rent for a fixed period longer than three years or for an indefinite period, are included in the resolution of the Krakow City Council on the principles of real estate management in the City of Krakow.

In the case of premises owned by the Municipality of Krakow, managed by the Board of Municipal Buildings in Krakow, during the period when the Krakow City Municipality is undertaking renovation or investment works, the ZBK, at the tenant's request, may consent to a temporary reduction of the net rent rate for the rental of a business premises located in a building located on a part of the renovated road lane.

Communal housing programs and the principles of renting commune housing premises are regulated by the Act of June 21, 2001 on the protection of tenants' rights, commune housing resources and on amending the Civil Code (consolidated text, Journal of Laws of 2022, item 172, as amended). Further information on housing assistance, including relief, is available on the BIP subpage at the link: <https://www.bip.krakow.pl/?mmi=212>.

## **(iii) Discounts related to the payment of civil and public receivables**

In Krakow City Commune, Resolution No. LVI / 1616/21 of the Krakow City Council of April 21, 2021, on the detailed rules, method, and procedure, for granting reliefs in the repayment of civil law receivables<sup>3</sup> for the City of Krakow or its organizational units is in force, as well as indication of authorized bodies (Journal of Laws of Małopolska Province of 2021, item 2488).

On this basis, it is possible to grant, on request, reductions in the scope of civil law obligations, in the form of payment in installments, deferral of the payment date or remission of receivables. Cases are considered individually, and in relation to entrepreneurs also in accordance with the de minimis aid procedure, in accordance with Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of art. 107 and 108 of EU Treaty to the de minimis aid (EU Journal of Laws of 2013, item L 352 of 24<sup>th</sup> December 2013, as amended).

The Krakow City Road Authority may also provide de minimis aid in accordance with the regulations of EU law under the following procedures:

1. ZDMK-21 procedure, where de minimis public aid consists in granting relief (redemption, payment in installments and deferment of payment) in the repayment of non-tax related receivables resulting from art. 60 of the Act of 27 August 2009 on Public Finance, available at BIP at the link: [https://www.bip.krakow.pl/?dok\\_id=3276&sub=procedura&proc=ZDMK-21](https://www.bip.krakow.pl/?dok_id=3276&sub=procedura&proc=ZDMK-21);
2. ZDMK-59 procedure, where de minimis aid consists in granting relief in the repayment of civil law liabilities, available at the BIP at the link: [https://www.bip.krakow.pl/?dok\\_id=3276&sub=procedura&proc=ZDMK-59](https://www.bip.krakow.pl/?dok_id=3276&sub=procedura&proc=ZDMK-59).

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<sup>3</sup> Receivables and tributes in this context refer largely to the financial obligations of businesses (including local taxes, real estate tax, agricultural tax, forest tax, tax on means of transport, market fees, as well as other types of non-tax levies (e.g. for municipal waste management, fees for occupying the lane, parking in the city center paid parking zone, etc.



The Road Administration of the City of Krakow, at the individual request of the Beneficiary, provides de minimis aid for entrepreneurs, based on a preferential price, which for the Applicant is lower than the price applicable on general terms.

In Commission Regulation (EU) No 1407/2013 on the application of Art. 107 and 108 of the Treaty on the Functioning of the European Union, the de minimis aid includes information on the limit of de minimis aid that the state has the right to grant to one entrepreneur. According to the regulations, it may not exceed PLN 200,000 euro over the next three years (2020-2022). Importantly, in the case of companies from the road freight transport sector, this limit has been reduced and amounts to PLN 100,000 euro.

Similar procedures for granting reliefs in the repayment of liabilities are also carried out by:

1. Taxes and Fees Department of the Krakow City Hall
  - a) PD-1 - Reliefs in taxes and fees constituting the income of the Municipality of Krakow for taxpayers to whom the provisions on proceedings in matters related to state aid apply, available at BIP at the link: [https://www.bip.krakow.pl/?dok\\_id=3276&sub=procedura&proc=PD-1](https://www.bip.krakow.pl/?dok_id=3276&sub=procedura&proc=PD-1);
  - b) PD-2 - Reliefs in taxes and fees constituting the income of the Municipality of Krakow for taxpayers to which the provisions on proceedings in matters related to state aid do not apply, available at BIP at the link: [https://www.bip.krakow.pl/?dok\\_id=3276&sub=procedura&proc=PD-2](https://www.bip.krakow.pl/?dok_id=3276&sub=procedura&proc=PD-2);
2. Department of Administrative Enforcement and Debt Collection of the Krakow City Hall:
  - a) EW-1 - Granting reliefs in the repayment of pecuniary receivables of a civil law nature, charged by the Krakow City Hall, available at BIP at the link: [https://www.bip.krakow.pl/?dok\\_id=3276&sub=procedura&proc=EW-1](https://www.bip.krakow.pl/?dok_id=3276&sub=procedura&proc=EW-1);
  - b) EW-2 - Granting reliefs in the repayment of monetary receivables due to the Municipality of Krakow for enforcement costs and imposed administrative penalties arising in the course of enforcement proceedings, available at BIP at the link: [https://www.bip.krakow.pl/?dok\\_id=3276&sub=procedura&proc=EW-2](https://www.bip.krakow.pl/?dok_id=3276&sub=procedura&proc=EW-2);
3. The Department of Administrative Affairs of the Krakow City Hall - procedure SA-60 - Granting de minimis aid - waiver of charging a fee for temporary provision of real estate and space of the Municipality of Krakow, available at BIP at the link: [https://www.bip.krakow.pl/?dok\\_id=3276&sub=procedura&proc=SA-60](https://www.bip.krakow.pl/?dok_id=3276&sub=procedura&proc=SA-60).

#### **(iv) Administrative social assistance support**

The Municipality of Krakow also provides numerous benefits and support in the field of broadly understood social assistance, under the Act of 12 March 2004 on social assistance (consolidated text, Journal of Laws of 2021, item 2268, as amended). According to its Art. 110 sec. 1 social welfare tasks in communes are performed by organizational units - social welfare centers. As in the case of the administration of labor offices, also here there is a strong fusion with the commune authorities, having a competence, personal and financial character.

The Municipal Social Welfare Center in Krakow operates on the basis of the provisions of the above-mentioned Act on social assistance and Resolution No. XXXIII / 228/91 of the Krakow City Council of October 14, 1991 on the establishment of the Municipal Social Welfare Center

in Krakow (uniform text in Journal of Laws of the Małopolska Province of 2016, item 7030). The list of services provided by this unit include entitlements related to assistance in moving to another property or care for vulnerable people, and are available at BIP at the link:

[https://www.bip.krakow.pl/?dok\\_id=3276&sub\\_dok\\_id=3276&sub=wydzialami&wydz=MOPS](https://www.bip.krakow.pl/?dok_id=3276&sub_dok_id=3276&sub=wydzialami&wydz=MOPS).

The organizational structure of the social welfare administration in Krakow is available at BIP at the link: <https://www.bip.krakow.pl/?id=9654>.

## Temporary Expropriation

In relation to the temporary occupation of, and impact on, property during project construction, the Polish legislator (striving to limit the number of expropriations to the necessary minimum and being aware of the necessity to temporarily seize real estate) introduced two regulations into the Polish legal system enabling the investor to temporarily seize neighboring real estate without the necessity to expropriate real estate owners. The individual rules for temporary employment and related compensation under these two laws are described below.

In the event of such temporary seizures of real estate, the Act on ZRID references Art. 124 of the Real Estate Management Act. In turn, Art. 124 sec. 4 and 5 of the Real Estate Management Act states, that the investor will be obliged to restore the property to its previous condition. The restoration of the previous state, however, does not consist in removing the effects of the works performed from the real estate, but in restoring the real estate development and land structure to the state that existed before the works in question were commenced, taking account of the effects of the works remaining on the real estate.

When restoring the property to its previous condition is not possible or causes excessive difficulties or costs, then the owners and perpetual users of these properties are entitled to a claim for compensation for damages resulting from the works including any decrease in the value of the property caused by the works performed. This claim is subject to assessment and resolution by the competent district head, which results from [art. 128 sec. 4](#) in connection with [art. 124 sec. 4](#) the Real Estate Management Act. Notwithstanding this, the Private Partner will endeavor to conclude agreements with property owners that establish the terms and method of restoring the property. Possible claims and the assessment of their legitimacy are only possible after works completion and such claims are not subject to compensation valuation under appraisal reports on real estate expropriated under the ZRID decision.

Pursuant to Art. 47 (1) of the Construction Law Act, in the event that the performance of preparatory or construction works require entry to the neighboring property, the investor is obliged to obtain the consent of the owner of the property, building or premises (tenant) before commencement of these works to use the property, and agree with them the expected method, scope and dates of using the facilities, as well as possible compensation in this respect. The above provision means that the temporary seizure of real estate will only be possible after obtaining the consent of the owner of the real estate. This consent will be expressed by way of an agreement between the Parties, which will be preceded by appropriate negotiations.

If the Parties are unable to agree on the terms of such an agreement, pursuant to Art. 47 (2) of the Construction Law, at the investor's request, the relevant permit will be granted by the appropriate public administration authorities. If the investor's application is considered justified, the construction administration authority determines at the same time the boundaries of the necessary need and the conditions for using the neighboring building, premises or real estate.

It is worth emphasizing that the administrative procedure for temporary seizure of real estate described in this article is possible only if the Parties themselves do not reach an agreement.

Upon completion of works in an adjacent building or premises, the investor is obliged to repair any damage resulting from the use. This takes place in the civil law mode pursuant to the provisions of the Civil Code (hereinafter: "the Civil Code"). Pursuant to the provisions of Art. 363 (1) of the Civil Code, the compensation of the damage is based on the victim's choice: restoration to the previous condition or payment of a specified amount. In a situation where the restoration of the previous state is impossible or when it entails excessive difficulties or costs, the injured party's claim is a cash benefit. Disputes related to compensation for damages resulting from the use of someone else's real estate are resolved by the common court.

## EBRD Performance Requirement 5

EBRD Performance Requirement 5 (PR5) sets out standards on identifying and managing the impacts of project-related land acquisition, including restrictions on land use and access to assets and natural resources, which may cause physical displacement (relocation, loss of land or shelter), and/ or economic displacement (loss of land, assets or restrictions on land use, assets and natural resources leading to loss of income sources or other means of livelihood).

Displaced persons may be classified as persons: (i) who have formal legal rights to the land (including customary and traditional rights recognised under national laws); (ii) who do not have formal legal rights to land at the time of census, but who have a claim to land that is recognised or recognisable under national laws; or (iii) who have no recognisable legal right or claim to the land they occupy. Where involuntary resettlement is triggered, the following, of relevance to this Project, are required:

- Feasible alternative project designs to avoid, or at least minimize, physical and/or economic displacement, while balancing environmental, social, and economic costs and benefits, will be considered.
- From the earliest stages and through all resettlement activities the client will involve project affected persons. The Project should provide the affected communities the opportunity to participate in negotiations based on the established procedures.
- Individuals or groups that are disadvantaged or vulnerable must be considered.
- Where involuntary resettlement is unavoidable, a census and a socio-economic baseline assessment within a defined affected area will be undertaken.
- In the absence of specific national government procedures, a cut-off date for eligibility will be established, which is often the date of completion of the above census and socio-economic survey.
- All displaced persons and communities will be offered compensation for loss of assets at full replacement cost and other assistance. Where livelihoods of displaced persons are land-based, or where land is collectively owned, where feasible, land-based compensation will be offered.
- The Project should summarize the information contained in the resettlement or livelihoods framework or plan for public disclosure to ensure that affected persons understand the compensation procedures and know what to expect at the various

stages of the Project (for example, when an offer will be made to them; how long they have to respond, grievance procedures; legal procedures to follow if negotiations fail).

- The Project should set up a Project-level grievance procedure to deal with concerns about compensation and relocation.
- Monitoring of the resettlement and livelihood restoration process will be carried out in accordance with PR 1 and should involve the participation of key stakeholders such as affected communities.

## Gap analysis

The following table identifies gaps between EBRD PR5 (and the EIB standards) and the Polish national laws and regulations on land and property acquisition. The table also highlights any gaps between the requirements and project activities undertaken to date.

Table 1: Gap analysis: EBRD PR5 (and EIB) land acquisition requirements vs Polish national law and regulation

EBRD PR5 REQUIREMENTS	GAP	COMMENT AND CORRECTIVE ACTIONS
Acquisition of land rights through negotiated settlements, even if the state or other development agency have the legal means to expropriate property without the consent of the owner.	The Road Spec Act (2003) allows for the determination of compensation rates without negotiation, and unilaterally set by the competent authority based on a property appraisal report by an authorized real estate appraiser	The list of plots needed for acquisition has been completed and attached to the ZRID application. The formal process of land acquisition (including valuation of properties and negotiated settlements) will start after ZRID consent is given. That process will include all eligible PDPs and entitlement matrix from this RAF/RAP.
Consideration of feasible alternative project designs to avoid, or at least minimize, physical and/or economic displacement, while balancing environmental, social, and economic costs and benefits.	There is a requirement in the EIA Act <sup>4</sup> for full assessment and comparison of feasible alternatives and variants of the Project Design.	Comments and proposed changes and variations to the Project Design were submitted through a project consultation process undertaken in 2014 and in 2021 and have been accounted for in the evolving Project Design wherever feasible.
From the earliest stages, and throughout resettlement activities, the engagement of project affected persons, including host resettlement communities where relevant. Consulting with the affected persons in preparing the RAP and summarizing the information contained in the RAP for public disclosure to ensure that affected people understand the compensation procedures and know what to expect at the various stages of the project (for example, when an offer will be made to them, how long they will have to respond, grievance procedures, legal procedures to be followed if negotiations fail).	There is no legal obligation to consult property owners affected by public infrastructure development projects.	The first consultation on the project and the tramline footprint was conducted in 2014. Due to the COVID, however, consultation was limited mainly to electronic and postal correspondence. Nevertheless, any issues raised by respondents were analysed and influenced Project Design. Direct communication with affected businesses has been ongoing since January 2022 through the established Stakeholder Engagement Plan (SEP) and the SPV recognize that this process needs to be continued and updated following ZRID consent, especially with the project displaced businesses that have been identified.

<sup>4</sup> Act of 3 October 2008 on the provision of information on the environment and its protection, public participation in environmental protection and environmental impact assessments (consolidated text: Journal of Laws of 2018, item 2081, as amended)

The client will take necessary actions to ensure that vulnerable groups are not disadvantaged in the resettlement process and are able to benefit equally from the resettlement opportunities and benefits.	No requirement identified in law or regulation	No vulnerable persons or groups have been identified to date based on the surveys and visits to the PDPs both by KSR and SPV, either among owners or the employees of the businesses.
Carrying out a socio-economic assessment of the project, including impacts related to land acquisition and restrictions on land use, and develop appropriate actions to mitigate resettlement impacts.	No requirement identified in law or regulation	The tramway is subject to two EIAs, including public consultation, and was designed in a such a way to minimize negative impacts and, where possible, take account of needs and expectations of stakeholders. Nevertheless, a socio-economic assessment of the project, including impacts related to land acquisition land use restriction, and appropriate actions to mitigate resettlement impacts, must be undertaken.
Carrying out a census to; identify persons who will be displaced by the project; determine who will be eligible for compensation and assistance; and take inventory of affected land and property.	Law and regulation only stipulate census and inventory coverage of legal property and owners, it does not include people or property without formally recognized title.	The census, inventory and profiling of PDPs, lands and property will be led by the municipality once ZRID consent is granted, but this process is being supplemented by the SPV to include non-legally recognized land and property and livelihood losses.
In the absence of specific national government procedures, the client will establish the cut-off date for eligibility as foreseen in the applicable legislation and project timeline as appropriate.	Under national government procedures and the Road Spec Act (2003) the ZRID decision establishes the cut-off date	No corrective action required.
Offer to all displaced persons compensation for the loss of livelihoods and assets at full replacement cost and other assistance.	Polish law and regulation does not cover full replacement cost.	Identified potential loss of future benefits as a result of economic displacement will be in the valuation prepared by the municipality following ZRID consent. However, the municipality has agreed that this process will need to be supplemented with the support of SPV so that full replacement costs, livelihood and assistance measures are satisfied.
Establishment of an effective grievance mechanism as early as possible in the process to receive and address in a timely fashion specific	The submission of complaints, grievances and appeals is	Grievance channels are available through the Constitutional and Civil Code provisions, but there is

concerns about compensation and relocation raised by displaced persons and/or members of host communities. It will include a recourse mechanism designed to resolve disputes in an impartially.	guaranteed by the Constitution and other provisions, including Civil Code (Journal of Laws of 2020, item 1740, as amended).	a lack of a project-specific grievance management procedure that satisfy EBRD PR5. A framework for this is outlined in this RAP. The SPV are aware that this mechanism needs to be implemented and disclosed to all stakeholders as soon as possible.
Development of a Resettlement and/or Livelihood Restoration Framework where the nature or magnitude of project land acquisition or restrictions with potential to cause physical and/or economic displacement is unknown due to the project development stage and development of a RAP that covers, at minimum, applicable requirements set forth in PR, regardless of number of people affected.	There is no legal requirement for Resettlement Frameworks or Plans or any specific socio-economic research studies	RAF and Interim RAP undertaken as basis for subsequent finalised RAP post ZRID consent.
Carry out monitoring of the resettlement and livelihood restoration process with the participation of key stakeholders such as PAPs.	No requirement identified in law or regulation	Definition of monitoring framework, roles, and responsibilities, as well as input, output, and outcome, indicators, set out in current RAP and to be monitored and audited over time by an independent body with the participation of affected persons.
If people living in the project area must move to another location: offering displaced persons choices among feasible resettlement options, including adequate replacement housing or cash compensation where appropriate; and providing relocation assistance suited to the needs of each group of displaced persons, with particular attention paid to the needs of the poor and the vulnerable.	Cash compensation only, no requirement identified in law or regulation for replacement land or property to be provided as alternative option	No physical relocation is envisaged. However, if any physical displacement is identified following the final Project Design, then the SPV have committed to the identification of feasible resettlement options for physically displaced persons in the RAP.
Where a project involves the loss of public amenities, there should be meaningful consultation, in accordance with PR10, with affected persons to identify and, where possible, agree a suitable alternative.	The provisions of Polish law do not provide compensation for permanent loss of income as a result of the project, whether they are the owners or employees and also do not provide compensation of the costs of re-establishing commercial activities or transitional support	Business owners can apply the general mechanisms of the Civil Code (compensation for damage suffered and lost profit). The municipality can suggest another location for the business with similar conditions. If the temporary loss of income is caused, the municipality and SPV have to agree with every business owner (case by case) individually on the compensation reflecting the loss. This valuation and compensation process will be supplemented, with the support of

	<p>to economically displaced persons</p> <p>No provision in Polish law for the loss of public amenities and consultation and alternative identification</p>	<p>SPV, so that the full range of replacement costs, lost income and livelihood, and all associated restoration and assistance measures, are satisfied.</p> <p>Not applicable as none affected.</p>
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Given the findings of the Gap Analysis, it was evident that to meet EBRD and EIB requirements, additional measures and procedures would be required on; consultation and disclosure; impact and baseline identification; compensation and livelihood restoration; grievance management; and monitoring, reporting, and auditing.

These measures and procedures will supplement the expropriation process proposed under national legal requirements for implementation by SPV and the relevant municipalities. It is important that further expropriation-related activities (including land clearance and demolition of structures) do not proceed before such measures and procedures are in place and have been disclosed and consulted on with PDPs.

This document outlines the actions that will be, or that have been, undertaken by the Project proponents to satisfy national legal requirements. In addition, this document outlines the supplementary actions required for the Project to comply with EBRD PR5. It identifies existing gaps and proposes processes for developing engagement, studies, negotiations, and grievance management systems, that will enable completion of project expropriation in accordance with EBRD and EIB requirements on land acquisition and involuntary resettlement.

## 6 Stakeholder consultation procedures

According to AA1000's Stakeholder Engagement Standard (2015) *Stakeholders are groups who are impacted by and/or could have an impact or influence over a given project.* Based on this definition, table 2 below sets out project stakeholders identified to date by KSR as part of the wider project SEP, and how they may be directly or indirectly impacted by the project.

The identification of Project stakeholders is the result of (i) Desk research - analysis of the similar projects in Kraków, especially in Mistrzejowice and Prądnik Czerwony districts (ii) Initial stakeholder analysis prepared by the Client for the purpose of the SEP and communication plan; and (ii) KSR's knowledge and experience of similar projects in the area.

<b>Table 2: Project Stakeholders</b>				
<b>Stakeholder Group</b>	<b>Representatives</b>	<b>Type of potential impact</b>	<b>Impact</b>	<b>Interest</b>
Residents living directly on the route of the investment	Individual residents and informal representatives of residents (e.g. groups that organise via social media)	<p>Construction phase:</p> <ul style="list-style-type: none"> <li>increased traffic load</li> <li>change of traffic (closing and diversion of access road)</li> <li>noise and dust</li> </ul> <p>Operation phase:</p> <ul style="list-style-type: none"> <li>better connection with the other parts of the city</li> <li>shortening the travel time to selected city destinations</li> <li>additional bicycle roads</li> </ul>	direct	high
Business owners and employees whose businesses will be closed	Business owners and their employees	<ul style="list-style-type: none"> <li>destruction of buildings – the need to close or relocate the business activity</li> </ul>	direct	High
Business owners operating on the route of the investment whose businesses will not be closed and their employees	Business owners and their employees	<p>Construction phase:</p> <ul style="list-style-type: none"> <li>increased traffic load</li> <li>change of traffic (closing and diversion of access road)</li> <li>noise and dust</li> </ul> <p>Operation phase:</p> <ul style="list-style-type: none"> <li>better connection with the other parts of the city</li> <li>shortening the travel time to work</li> </ul>	direct	high
Residents living near the route of the investment but not in the direct neighborhood	Individual residents	<p>Construction phase:</p> <ul style="list-style-type: none"> <li>increased traffic load</li> <li>change of traffic (closing and diversion of access road)</li> <li>noise and dust</li> </ul> <p>Operation phase:</p> <ul style="list-style-type: none"> <li>better connection with the other parts of the city</li> <li>shortened travel time to selected destinations in the city</li> </ul>	indirect	medium
Business owners conducting their	Business owners and their employees	<p>Construction phase:</p> <ul style="list-style-type: none"> <li>increased traffic load</li> </ul>	indirect	medium

businesses near the route of the investment but not in the direct neighborhood and their employees		<ul style="list-style-type: none"> <li>change of traffic organization (closing the access road)</li> <li>noise and dust</li> </ul> Operation phase: <ul style="list-style-type: none"> <li>better connection with the other parts of the city</li> <li>shortening the travel time to work</li> </ul>		
People commuting the route through which the project will run		Construction phase: <ul style="list-style-type: none"> <li>reconstruction of roads (including pedestrian routes)</li> <li>increased traffic load during the construction phase</li> </ul> Operation phase: <ul style="list-style-type: none"> <li>better connection with the other parts of the city</li> <li>shortened travel time to selected destinations in the city</li> </ul>	indirect	medium
Public administration – district level	Office and council of district Mistrzejowice Council of district Prądnik Czerwony	<ul style="list-style-type: none"> <li>investment on the territory of the district – impact on district’s inhabitants: disturbances during construction phase and improvement of public transport in op phase</li> </ul>	indirect	high
Public administration – city level	City office/ hall Zarząd Transportu Publicznego w Krakowie	<ul style="list-style-type: none"> <li>impact on the city’s inhabitants: disturbances during construction phase and improvement of public transport during operation phase</li> </ul>	indirect	high
Local media	Gazeta Krakowska, Dziennik Polski, Gazeta Wyborcza Kraków, Lovekrakow.pl, Krknews.pl krakow.naszemiasto.pl	<ul style="list-style-type: none"> <li>indirect impact through the impact on inhabitants.</li> </ul>	Indirect	medium
Other citizens of Kraków	Citizens using public transportation or public infrastructure	Construction phase: <ul style="list-style-type: none"> <li>increased traffic load – during the construction phase</li> </ul> Operation phase: <ul style="list-style-type: none"> <li>better connection with the other parts of the city</li> <li>shortened travel time to selected destinations in the city</li> </ul>	indirect	low
Local NGOs	No NGO / CSOs impacted / interested		indirect	low

Tourists and Kraków's visitors		<ul style="list-style-type: none"> <li>no impact identified as Mistrzejowice and Prądnik Czerwony are neither the touristic districts of Kraków nor on the route between touristic parts of Kraków</li> </ul>	indirect	low
Students living near the project route or who have to travel to university on project route	Students of Jagiellonian University, Academy of Science and Metallurgy, Economic University	<p>Construction phase:</p> <ul style="list-style-type: none"> <li>increased traffic load – during the construction phase</li> </ul> <p>Operation phase:</p> <ul style="list-style-type: none"> <li>better connection with the other parts of the city and shortened travel time to selected destinations in the city</li> </ul>	indirect	low

## First round of consultation

The first round of project stakeholder consultation was carried out in December 2014 by Kraków City Hall's Board of Communal Infrastructure and Transport – the administrative body responsible for the Project. Between the 10<sup>th</sup> and the 18<sup>th</sup> of December 2014, they undertook a total of five public meetings, which were attended by the residents of the municipal areas affected by the planned project (see table 3 below).

*Table 3: First round public meetings*

<b>Date</b>	<b>Location</b>	<b>Attendees</b>
December 10 <sup>th</sup> , 2014	Szkoła Podstawowa nr 130, os. Oświecenia 30	Residents of Oświecenia estate
December 11 <sup>th</sup> , 2015	Szkoła Podstawowa nr 64, ul. Sadzawki 1	Residents of Olsza estate
December 15 <sup>th</sup> , 2014	Szkoła Podstawowa nr 114, ul. Łąkowa 31	Residents of Wieczysta estate
December 16 <sup>th</sup> , 2014	Szkoła Podstawowa nr 85, os. Złotego Wieku 4	Residents of Mistrzejowice estate
December 18 <sup>th</sup> , 2014	Szkoła Podstawowa nr 2, ul. Strzelców 5A	Residents of Prądnik Czerwony estate

In addition to the residents of the respective areas, the meetings were attended by designers and representatives of the Board of Communal Infrastructure and Transport in Krakow, as well as city and district councillors. During the meetings, the concept of the route was presented, the opinions of the residents were listened to and questions asked were responded to.

In addition to recording the responses of attendees at the meetings on pre-prepared survey forms, any comments on the proposed Project were also received in writing to the following address: City Development Department, Krakow City Hall, pl. All Saints 3-4, 31-004 Kraków or by e-mail to the following address: [dialoguj@um.krakow.pl](mailto:dialoguj@um.krakow.pl). In response to these initial consultation meetings, residents submitted 212 responses. Of these responses, 133 residents strongly supported the construction of the tram project, while 25 residents were strongly against the construction of a new tram line. The remaining respondents had no strong opinions either way or submitted queries about the project for clarification by the City Hall.

Out of the total 212 survey responses, 73 of the surveys included comments. These ranged from the proposed adjustment of detailed project design and works, through to doubts and reservations concerning the wider scope of the project concept, to general comments on planning issues and urban transport policy that go beyond the scope of the project concept.

In addition, to these surveys, surveys regarding the Project were also conducted by the Forum Prądnik Czerwony Association, the Friends of Pszona Street Association and the Olsza II Association, the results of which were submitted to the City Hall of Krakow and the Board of Communal Infrastructure and Transport in Krakow. The results of these surveys indicated that out of 827 respondents, 582 people supported the construction of a new tram line, 118 people were against, 125 had no opinion, and two people submitted but did not answer the questions.

A number of suggestions and comments by affected residents regarding the proposed project design and works were incorporated into project planning where they were deemed feasibly permitted in engineering, economic and land-take terms. However, not all the comments and suggestions could be incorporated for various technical, financial, logistical reasons.

## Second round of consultation

Between August 16<sup>th</sup> and September 10<sup>th</sup>, 2021, the second series of project stakeholder consultations were carried out. The aim was to present the more detailed agreed project design and determine how it can be adapted and refined in response to the needs of residents and incorporated into the project to the extent possible. Due to restrictions on meeting because of the Covid pandemic, consultations were partially conducted online and included:

(i) Two meetings with project managers and administrators. The first meeting was online on the 6<sup>th</sup> of September and had 66 participants, the second meeting was in-person on September 9<sup>th</sup> and had 44 participants (due to the pandemic restrictions no more than 50 people could attend). Both meetings were recorded, and the recording is publicly available.

(ii) An on-call service with project experts and an online survey between August 16<sup>th</sup> and September 6<sup>th</sup>. There was a total of 997 respondents. All questions were answered during the calls by experts and all survey answers are available in the summary report which is available here: <https://obywatelski.krakow.pl/zalacznik/402520>

Comments collected during consultation process on the adaptation of design solutions to the needs of residents covered various issues, including the location of lighting, plantings, small infrastructure, and pedestrian and cycle facilities. The Project managers committed to consider all comments and include suggestions in the evolving Project Design if technically feasible, compatible, and functional. Suggestions relating to the construction period itself were also be considered, including in relation to temporary traffic control and the scheduling and organization of construction, to minimize inconvenience to residents.

Other second round consultation and communication activities included:

### 1. Social media profiles

There are social media profiles set up on: Facebook, LinkedIn, Instagram

*Table 4: Social media communication activities*

Medium	Name of profile	Number of followers	Comments
<b>Facebook</b>	Tramwaj do Mistrzejowic	704 observers 586 – like the profile (Status on January 13, 2022, 13:00)	Profile very active, with average 2 posts a week, containing useful information on the project (e.g. plans of the tram stops), Daily dialogue channel used by stakeholders – up to almost 50 comments on posts, including quick responses to the issues raised by stakeholders
<b>LinkedIn</b>	Tramwaj do Mistrzejowic	200 observers (Status on January 13, 2022, 13:00)	More general information than on Facebook – profile used for presentation of the company, idea of public private partnership, activities by the project team / representatives (e.g. participation in conferences) No comments on the posts, but every post gets c.a. 20 reactions (e.g. likes)
<b>Instagram</b>	Profile will be launched after the beginning of construction works		

## 2. Meetings

Two meetings were held with representatives of councils of districts impacted by the tram:

- 01.07.2021 – meetings with representatives of District III (Prądnik Czerwony) council
- 08.07.2021 – meeting with representatives of District XIV (Mistrzejowice) council

During the meetings key information about the project and its proposed route and design were presented (the figure below shows examples of the slides presented to attendees). Communication channels through which stakeholders could contact the project proponents and managers with any further questions or comments about the project, and receive responses about the project, were also disclosed to attendees of these meetings.



## 3. Additional activities

There were other activities taken to inform stakeholders about the project, including a press conference on 18.06.2021 to present the project. Representatives of various media were present and published various articles after the conference referenced in table 5 below.

Table 5: Media articles relating to the project

A tram line will open in 2024. "It's worth it for Krakow."	lovekrakow.pl	<a href="https://lovekrakow.pl/aktualnosci/w-2024-zostanie-otwarta-linia-tramwajowa-to-sie-krakowowi-oplaca_41613.html">https://lovekrakow.pl/aktualnosci/w-2024-zostanie-otwarta-linia-tramwajowa-to-sie-krakowowi-oplaca_41613.html</a>
Construction of a tram line to Mistrzejowice. There's a preliminary concept and a route	krknews.pl	<a href="https://ext.gulermak.com/W18001/krknews_pl_2021_06_18.pdf">https://ext.gulermak.com/W18001/krknews_pl_2021_06_18.pdf</a>
The concept of building a tram line to Mistrzejowice. Project hotline launched	cowkrakowie.pl	<a href="https://ext.gulermak.com/W18001/krakow_wyborcza_pl_2021_06_18.pdf">https://ext.gulermak.com/W18001/krakow_wyborcza_pl_2021_06_18.pdf</a>
Kraków: The tramway to Mistrzejowice is getting closer	inzynieria.com	<a href="https://ext.gulermak.com/W18001/inzynieria_com_2021_06_18.pdf">https://ext.gulermak.com/W18001/inzynieria_com_2021_06_18.pdf</a>
Cracow. Tram to Mistrzejowice: they have not started building yet, and it may be more expensive by PLN 100 million	gazetakrakowska.pl / krakow.naszemiasto.pl / dziennikpolski24.pl	<a href="https://krakow.naszemiasto.pl/krakow-tramwaj-do-mistrzejowic-jeszcze-nie-zaczeli-budowac/ar/c1-8330644">https://krakow.naszemiasto.pl/krakow-tramwaj-do-mistrzejowic-jeszcze-nie-zaczeli-budowac/ar/c1-8330644</a>



Two variants of the tram tunnel to Mistrzejowice. The first such investment	lifeinkrakow.pl	<a href="https://krakow.wyborcza.pl/krakow/7,44425,27217070,tramwaj-na-mistrzejowice-wykonawca-inwestycji-pokazal-dwa-warianty.html">https://krakow.wyborcza.pl/krakow/7,44425,27217070,tramwaj-na-mistrzejowice-wykonawca-inwestycji-pokazal-dwa-warianty.html</a>
Tram to Mistrzejowice. The Contractor showed two variants of the tunnel - the difference in price is PLN 100 million	krakow.wyborcza.pl	<a href="https://krakow.wyborcza.pl/krakow/7,44425,27217070,tramwaj-na-mistrzejowice-wykonawca-inwestycji-pokazal-dwa-warianty.html">https://krakow.wyborcza.pl/krakow/7,44425,27217070,tramwaj-na-mistrzejowice-wykonawca-inwestycji-pokazal-dwa-warianty.html</a>
Krakow: Line construction concept tram to Mistrzejowice on completion	transport-publiczny.pl	<a href="https://www.transport-publiczny.pl/wiadomosci/krakow-koncepcja-budowy-linii-tramwajowej-do-mistrzejowic-na-ukonczeniu-schematy-69260.html">https://www.transport-publiczny.pl/wiadomosci/krakow-koncepcja-budowy-linii-tramwajowej-do-mistrzejowic-na-ukonczeniu-schematy-69260.html</a>
Commencement of construction of the tram line from Wieczysta to Mistrzejowice on the last one straight	eska.pl	<a href="https://www.eska.pl/krakow/rozpoczenie-budowy-linii-tramwajowej-z-wieczystej-do-mistrzejowic-na-ostatniej-prostej-aa-QhYr-Diva-8XjK.html">https://www.eska.pl/krakow/rozpoczenie-budowy-linii-tramwajowej-z-wieczystej-do-mistrzejowic-na-ostatniej-prostej-aa-QhYr-Diva-8XjK.html</a>
Krakow: tram line to Mistrzejowice is to start in 2024	Radio Kraków	<a href="https://www.radiokrakow.pl/aktualnosc-i/krakow/krakow-linia-tramwajowa-do-mistrzejowic-ma-ruszyc-w-2024-roku">https://www.radiokrakow.pl/aktualnosc-i/krakow/krakow-linia-tramwajowa-do-mistrzejowic-ma-ruszyc-w-2024-roku</a>

- Video about the project in the public communication (trams, buses) (July 2021)
- Consultation on the tram route in relation to the bicycle routes – online consultation (<https://ztp.krakow.pl/audyt/budowa-linii-tramwajowej-kst-etap-iv-ul-meissnera-mistrzejowice/>) led by Zarząd Transportu Miejskiego w Krakowie. 14 comments and questions were submitted. On July 23<sup>rd</sup>, a meeting was held with the committee for vulnerable traffic users, during which the comments of the residents and the City Traffic Engineer were discussed. An analysis is currently underway to assess the extent to which the reported demands can be incorporated into the project. After the analysis is completed, another audit meeting will be held.
- Mobile information point (23.11) – which operated near Młyńskie roundabout. In the point leaflets with information about the project were given to the people.
- Workshops for kids ‘Little Masters – Tram to Mistrzejowice’ – 660 kids have taken part since May 28th through play and attractive presentations, which stimulate the imagination and increase social awareness among children attending educational institutions in the neighbourhoods of the planned project.

### Third round of consultation

In the first week of July 2022, a third round of project stakeholder consultation was carried out. The first phase of this round of consultation involved a meeting between representatives from EBRD, Krakow City’s Municipality, and SPV. The meeting objectives were to:

- Reiterate and clarify respective resettlement roles, responsibilities from Municipality, SPV, and EBRD, perspectives with reference to the PPP agreement.
- Summarise the Municipality’s resettlement and compensation approach and activities to meet national and local regulatory requirements and EBRD PR5 requirements.

- Summarise SPV's supplementary approach to activities to support resettlement to meet EBRD PR5 requirements.
- Give the municipality the opportunity to provide Feedback on KSR's Draft Project Resettlement Framework
- Focus on collectively refining and approving SPV's surveying of economically displaced businesses outside the Municipality's scope of eligibility
- Focus on collectively refining and approving the supplementary valuation and compensation of the economically displaced businesses, as well as plot owners beyond the Municipality's scope of entitlements.
- Coordinate scheduling and timelines for agreed resettlement actions going forward.

Minutes of the meeting between the three parties are included in Annex II of this RAF<sup>5</sup>

The second phase of this third round of consultation involved SPV undertaking further surveying and an asset inventory with the owners, operators and employees of businesses identified as being economically displaced by the project. As national laws and regulations do not make provisions for the compensation or restitution of loss of livelihood as a result of project economic displacement, the purpose of the survey and asset inventory was to establish a basis for the supplementary compensation of livelihood losses as a result of project development.

## Ongoing and future consultations

There are several ongoing activities that support stakeholder communication and dialogue

Channel	Description
Website	Website established in June 2021. Available in Polish and English.
Helpline	Helpline (number: 722 220088) operated Monday to Friday, 8 a.m. to 4 p.m.

The helpline is active and has been running since 18.06.2021. Within that time (until January 14<sup>th</sup>) 67 questions/ submissions were received. Until 14.01.2022 all of cases were solved.

There are number of future consultation activities planned, some of which will be related to the continuation of previous activities already started, and some of which are new and include:

- Undertaking census of affected persons and inventory of affected land and property.
- The preparation of further communication materials, including press releases and presentations.
- Responses to media inquiries, interpellations, inquiries, and applications in the access mode public information
- Building relationships with representatives of the administration
- Organization of press conferences and media events
- The preparation of content: website, newsletter, social media profiles
- Media monitoring and review, including preparation of summaries in the scope

Additionally, the project SPV with the support of the municipality will continue to maintain, or newly establish, diverse communication channels to allow any interested stakeholders to submit comments, concerns, or suggestions and to receive project information. This includes the creation of a project information point, where hired and trained project representatives will be available in working hours to answer potential questions and provide project information.

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<sup>5</sup> Omitted from current version to protect the anonymity of participants

*Table 6: Communication channels and target stakeholders*

<b>CHANNEL</b>	<b>STAKEHOLDERS</b>
Social media	PAPs, PDPs, wider public
Website	PAPs, PDPs, wider public, public administration
Helpline	PAPs, PDPs, wider public
Press conferences and media events	Media, wider public
Meetings	PAPs, PDPs, public administration
Communication materials (leaflets, brochures)	PAPs, PDPs, media, public administration

	Consultation Checklist	Yes/ In Part / No	Required Actions	Responsibility / date
1.	Does the RAP identify a list of relevant stakeholders and rights holders, including affected households, local and national authorities, CBOs and NGOs?		All project stakeholders are identified in Stakeholder Engagement Plan prepared in 2021 by SPV	NA
2.	Is a plan for, or record of, stakeholder engagement outlined for on-going engagement with all key relevant stakeholders throughout the displacement preparation, planning, implementation and monitoring and evaluation process?		Data available in the section: <i>Public consultation procedures.</i>	NA
3.	Does the engagement plan ensure the participation of groups and individuals (such as women or young people) that are typically marginalised or excluded?		Data available in the section: <i>Public consultation procedures.</i> The activities are planned in a way to not exclude any group or individuals (e.g. consultation meetings were online and offline - to enable participation all interested stakeholders)	NA
4.	Does the RAP address community and other stakeholder representation and outline a process for the establishment of a Displaced Persons Committee <sup>6</sup> ?		No such representation established currently. The establishment of a DPC should be agreed to by the project proponents after (ZRID is granted.	Responsibility: municipality and SPV Proposed date: as soon as the ZRID is granted
5.	Is a summary presented of the consultation and disclosure associated with the displacement process, including the process followed (meetings, focus groups etc), issues raised, and responses provided?		Data available in the section: Public consultation procedures.	NA
6.	Is there provision for inclusion of mediators or trusted third parties to support affected people during compensation, negotiations and implementation?		No such representation established currently. The appointment of independent valuers and negotiators should be agreed to by the project proponents as soon as ZRID is granted.	Responsibility: municipality and SPV Proposed date: as soon as the ZRID is granted

<sup>6</sup> Community committees should be representative of the displaced population, and it is recommended that they have some validation process and/or rotate to ensure they are effective and remain representative of affected persons views.

## 7 Baseline information and project impacts

The project footprint is fully defined, and no significant variations are expected. Nevertheless, because neither the detailed Project Design (including technical details of construction works) or EIA have been finalised, and because the ZRID application process requires consent, full and final identification of project impacts and social profiling cannot be completed. This RAP section is therefore based on preliminary survey findings subject to significant update following ZRID consent and completion of the Project Design, EIA, and socio-economic survey process.

### Baseline information

The residents of Kraków represent an urban community characterized by traditions of high culture, science, organization, multiculturalism, and openness to tourism. The designed line runs through the zone of housing estates of two districts: Prądnik Czerwony (III) and Mistrzejowice (XV). In addition to residential developments, there are larger complexes of buildings of a general urban nature; shops and offices as well as industrial and warehouse complexes, crafts and small manufacturing, there are also sports and recreational areas.

**District III** – Prądnik Czerwony (46400 habitants and 644 ha), is dominated by cooperative housing estates of large-block construction from the years 1950-1980. The loss of pre-war buildings was accompanied by the disappearance of old traditions and lifestyle. The cultural resources of the district are related to the activities of the Youth Cultural Centre, the Centre for Local Activity and the Prądnik - Czerwony Cultural Centre. Numerous clubs, several hundred non-governmental organizations and 4 parishes, integrating activities within various organizations and communities, did not prevent the occurrence of social problems. Residents of "blocks of flats" have a sense of threat to personal security by aggressive groups of young people, "football fans", "neighbourhood gangs", the occurrence of robberies, theft, anti-social behaviour, hooligan antics. The share of employees in District III in the service sector is at the level of 77.5%, which exceeds the average for the City. The share of the industrial sector in employment is at a similar level to the average for Kraków and amounts to 22.2%. The share of the public and foreign ownership sector of enterprises is at a lower level than the average for the City, while the share of the private domestic sector is here at one of the higher levels among districts and amounts to 51.8% of employees.

**District XV** – Mistrzejowice (51293 habitants and 559 ha). The buildings of the district come from the 70s and 80s. A characteristic feature is excessive congestion of the buildings. Apartments here have an average standard, both in size and equipment. There is good equipment here in commercial and service facilities. The problem is disorderly, "wild" greenery surrounded by buildings, and children's play gardens do not meet today's safety standards. In the parish there are ecclesiastical and social institutions and associations. The district is characterized by a slightly higher share of employees in the service sector (78.7%) than the average for the City. Lower-order services dominate here – 43.3% of employees. There is a high share of employees in the private and public sectors (51.9%) and the lowest percentage of people working in foreign enterprises in Kraków (0.4%).

## General socio-economic impacts

Some of the key positive and negative, and temporary and permanent, socio-economic impacts of project development that were initially scoped are set out in table 7 below.

*Table 7: Key socio-economic impacts of project development*

	<b>NEGATIVE</b>	<b>POSITIVE</b>
<b>PERMANENT</b>	<ul style="list-style-type: none"> <li>• Change of traffic organization (road closure and diversions)</li> <li>• Partial or total demolition of some buildings and need to close or relocate some business activities</li> </ul>	<ul style="list-style-type: none"> <li>• Better connection with the other parts of the city</li> <li>• Shortening travel times to selected city destinations</li> <li>• Reconstruction of roads (incl. bike and pedestrian routes)</li> <li>• Reduced pollution and airborne particulates harmful to health</li> </ul>
<b>TEMPORARY</b>	<ul style="list-style-type: none"> <li>• Noise and dust nuisance from construction</li> <li>• Temporary diversions and increased traffic load</li> <li>• Planned shutdowns of utilities (gas, heat, electricity) for construction</li> </ul>	<ul style="list-style-type: none"> <li>• Construction Employment</li> <li>• Construction employee local spending and purchases</li> </ul>

The EIA indicated that the Project would not adversely affect material goods, cultural goods and monuments protected under the provisions on the protection and care of monuments. According to Polish regulations, when works are designed in the vicinity of monuments (included into the Register of Monuments), consultation with the Monuments Preservation Office is obligatory prior to obtaining construction permit. As a result of these arrangements, the planned tram course under the Barei roundabout was moved east as much as possible from the former Benedictine farm complex area to eliminate any potential heritage impacts.

Based on the review of documents and the experience of KSR team members only noise emissions may have significant impact on human health due to cumulative impact with noise from roads. The deterioration of the acoustic climate directly linked to the Project (in the construction and operation phases) will occur along Krzesławicka Street.

During the construction phase it is expected emission from machinery used for construction as well as from the cars used for transport materials and people (NO<sub>2</sub>, CO, CO<sub>2</sub>, PM<sub>10</sub> and PM<sub>2.5</sub>). In cases when the motors are not functioning properly potential local harmful emissions may be released. Dust may be generated as a result of site preparation activities (e.g. cutting trees and bushes, removing asphalt and concrete) and construction activities.

It can be also expected that small temporary increases of emissions may occur during construction due to reorganization of traffic and congestions. These emissions will be temporary and therefore they don't present major issue. The plans of road traffic during construction has not been available at the moment due to early stage of the Project. Results of detailed analysis were not available yet – it will be a part of subsequent EIA report.

In the operation phase, the EIA Report presents the calculations of emissions of nitrogen dioxide and carbon oxide to air due to the traffic. The calculations were performed using a

numerical model in line with the relevant regulations. It confirms that the authorized level of emissions are not exceeded outside the tram track and the street.

At the same time, it is important to highlight that the area of the investment is covered by dense traffic system including streets and cross-roads which results in emission of pollutants to air. The project includes reconstruction of 10 344 m of existing roads, but it doesn't include construction of any new major roads therefore it is consultant opinion that it does not increase the emissions of pollutants to air. Some emissions can be transferred to other part of the city due to traffic shift caused by traffic congestion resulting from construction works.

It can be considered that the tram line will reduce the emissions of air pollutants due to switch of some traffic from cars power by internal combustion engines to electric trams, but the calculations of the air pollutions changes were not available. At the same time reliable data of traffic intensity with and without performing the projects, which are the key for emission calculations, have been available and used in GET analysis. The results of much detailed analysis of emission will be presented in second EIA report. Regardless of the above no substantial impact was identified in relation to air quality.

Based on the available documents the consultant may state that the noise from construction activities was not investigated. The EIA Report omits this element, but the EIA Decision limits the construction activities to day times i.e. between 6am and 10pm.

Simulations of operation phase noise levels in several cross of the tram track were performed and analysed in EIA Report. The results showed that it is necessary to include acoustic screens in selected sections of the track. The project also includes the use of "silent asphalt" and use of dedicated solution to limit noise emissions from tram track in selected sections.

The use of the above mitigation measures reduces the noise level around the Project, but it is impossible to meet the noise level requirements on some higher buildings. The Environmental decision imposes among other measures; (i) the use of silent asphalt -at least SMA8 on all streets rebuild during the project; (ii) the use of systems like Rail Comfort System to limit noise emissions and vibration on section 2+400 – 3+500 of the tram track (part of Dobrego Pasterza Str, Krzesławicka Str. and part of Bohomolca Str); (iii) installation of acoustic screens at specific locations (iv) use of vibration isolating layer in track design

The Environmental Decision also imposes the need to prepare detailed design of acoustic screens preceded by noise modelling calculations to develop optimal screen parameters and exact location. The subsequent EIA report shall include updated analysis and will verify noise screen locations and its parameters as well as further measure's needs.

The noise emissions and difficulties to meet the regulations in some sections of the track are an issue for the Project, especially that initial simulations showed it is not feasible to meet the requirements. As mentioned above the issue shall be additionally analysed at the design phase (in the second EIA report). If the requirement cannot be met the area of limited use may be necessary. But decision about it will be taken after the results of post-project analysis are available (according to law 1.5 year after project start to operate).

## Displacement impacts

The current Project Design considered EIA findings to date and associated public consultation to avoid or reduce project-induced physical and / or economic displacement, and a key objective of the project agents is to minimise disruption to businesses and services during and following construction. As a result, no physical displacement is foreseen, and the number of persons anticipated to be temporarily or permanently economically displaced is very limited.

Based on the current design, the Project permanently requires about 30 ha of land, most of which belongs to the city of Kraków. This land is classified as urban, with no residential or agriculture land-take currently required by the project. In most cases, the project will occupy very small parts of urban land plots, which will be formally partitioned off under ZRID consent. According to SPV, project realisation will require the expropriation of 27,3 ha of unbuilt plots (only 0,8235 ha of which are private) and 2,2 ha of built plots (0,74 ha of which are private).

Works requiring the construction or adaptation of supporting project infrastructure (such as tram stops and lights) will be confirmed in the final Project Design and will extend beyond the main tramline area. They are likely to result in some small additional temporary and permanent property use or expropriation. SPV will prepare, and the city of Kraków will commission, surveying divisions and professional valuation of any additionally affected properties or assets.

Cadastral surveys of affected land and property were undertaken by SPV and KSR in July 2021, December 2021, and in March 2022, as obligatory components of the ZRID application. The results of the cadastral surveys are included in the ZRID application process, as required by planning and construction regulations, and this serves as the regulatory basis for the identification and delivery of compensation and assistance measures by the local authorities.

According to the survey results, small parts of a total of 514 private and public urban plots (built and unbuilt) will be affected by the project. Most plots in the tramline already belong to the city of Kraków (464), but 50 privately owned plot parts qualify for compensation under Polish law as they are owned by (category I) persons with legal rights to land and structures, as registered by the Real Estate Cadastre, or who (category II) have rights or claims recognisable under law, such as sale-purchase contracts or business rate payments. A summary of the identified plot types is provided in Table X below:

*Table 8: Project affected plots (based on latest March 2022 survey results for ZRiD application)*

Type of plot	No. plots affected
Private urban residential/commercial plots	50
Public state urban infrastructure plots	464
<b>Total</b>	<b>514</b>


Using the latest Project Design, KSR independently identified project impacted land and property, using a combination of (i) desk research (analysis of planned tram route overlaid onto maps) and (ii) on-site visits to all identified plots and properties and, wherever available, consulting owners, operators, or leasers, of the affected properties and / or their employees.


KSR's independent analysis and ground truthing confirmed the SPV survey findings of no physical displacement, and 50 privately owned plots subject to partition into sub-plots and expropriation. Across all the 514 impacted public and private plots, KSR and SPV collectively identified a 13 businesses and business structures subject to economic displacement.





The details of these economically displaced businesses are outlined in table 9 alongside mapped locations and photographs of the affected businesses. Please note that the information contained in this table represents work in progress subject to ongoing update.



Table 9: Businesses that will be displaced by the Project.



No.	Type of building	Address	Plot number (plot number) / property	Information on the property obtained from the City	Picture	Contact with PAPs	Surveys	Business status	Eligible PAPs
1.	Service (service)	Meissner 37	495/23 - owner of plot Municipality of Krakow leaser of half of the building - unknown  495/28 - owners of land and half of the building - [redacted] owner of the business - [redacted] and her employees franchisor - unknown	Plot 495/23 Due to the unpaid rent, the lease contract was terminated on 01/02/2017. Despite the termination of the contract, the lessee did not hand over the property. On October 20, 2021, the District Court for Kraków-Śródmieście in Kraków, issued a default judgment for a part of the property being the subject of the proceedings.  Plot 495/28 In accordance with the final decision of the Mayor of the City of Krakow in 2012, plot 495/22 was divided into two plots 495/27 and 495/28. Plot 495/28 was included in the decision on the permit for the implementation of a road investment. Plot 495/28 remained in the previous possession.		[redacted] – owner of half of the building 02/02/22 - the daughter of the owner [redacted] contacts the project hotline after talking to the manager of Shot Alkohole, which was visited the day before. She knows about the construction plans, but was unaware of the building's intended use for demolition. Providing the necessary information: deadlines, procedure, legal basis, appraisal. 03/02/22 – phone call 14/02/22- further contact on the hotline - answer to additional questions regarding the appraisal report. 15/02/22 – phone call 30/03/22- on the recommendation of [redacted] from ZDMK, a phone call to [redacted] asking if something was needed. The answer to the next detailed questions regarding the description of the property and the appraisal report and their deadlines. 05/04/22- contacting the hotline with a question about the date of preparation of the property description. The lady wants to be informed by phone about the planned arrival. The telephone number was provided to the company making the description. 27/06/22 – phone call 28/06/22 - sending the invitation to meeting and fulfilling the survey together 04/07/22 – confirmation of desire to meet by the hotline 07/07/22 – meeting and fulfilling the survey (survey 01/22) 08/07/22 – contact via phone to add information to the survey 12/07/22 – phone call  [redacted] - franchisee of the Shot Alkohole store 01/02/22 - a visit to a store operating as part of the SHOT partner network (franchise) in order to talk with the owner, provide information and contact, and submit a survey. The owner is absent, an interview with a saleswoman, information about the planned demolition. To date, no completed questionnaire has been obtained 16/03/22- visiting the store again. Handing over the survey, leaving contact details and requesting the owner to complete the survey. 17/03/22- another visit to the store - another saleswoman. It was established that the owner of the franchise is [redacted]. A phone number has been obtained. 17/03/22- telephone conversation explaining the purpose and scope of the survey. 21/03/22- in the case of failure to return the questionnaire to the e-mail address provided, an e-mail was sent to the owner of the activity with a request to return the questionnaire.	The owner of the plot and the part of the service building and her daughter attended the meeting. The premises are rented to run an alcohol store (ground floor) and a warehouse (first floor). They criticized the lack of information from the City Hall of Krakow about KSTIV's investment plans and would like to receive confirmation in writing that their property will be expropriated. The representative of ZDMK explained that the designing stage is underway, and the letter regarding expropriation is sent after receiving the ZRID decision. The women jointly completed the questionnaire no. 01/22. They urgently await information about the date of expropriation, and the City of Krakow proposes a municipal flat that could be bought and still rented by the existing tenants.	ACTIVE	3 - [redacted] (owner of the plot and half of the building) - [redacted] (business operator (leaser)) - employees of [redacted] (number of people unknown)
							Employees	ACTIVE	

						<p>28/03/22- e-mail from Mr. [REDACTED], this time with a request to send the questionnaire (despite the transfer of paper versions)</p> <p>28/03/22 - sending a questionnaire by e-mail with a request to return the completed one. No reply was received.</p> <p>06/04/22 - sending the questionnaire by post to Ms. [REDACTED], to the address of her business, confirmed for receipt. No reply was received.</p> <p>28/06/22 – sending the invitation to meeting and fulfilling the survey together – no response</p>				
						<p>owner of another half of the building</p> <p>14/02/22 – conversation with co-owner of the building ([REDACTED]) who was trying to find the neighbour for such a long time (i.a.while renovation of building) – no result</p> <p>07/07/22 – questioning people around the property – nobody knows about the owner, hasn't seen any activity there for years</p>			INACTIVE	
						<p>Owner of the Shot Alkohole brand</p> <p>16/03/22 – visiting the store, saleswoman has no information about brand's owner</p> <p>17/03/22 – visiting the store again, another saleswoman has no information about brand's owner</p> <p>17/03/22- telephone conversation with franchisee, refusal to provide information about details of brand's owner</p> <p>06/04/22 - an attempt to independently find the owner of the Shot Alkohole brand in order to send a survey and information about the project, but only individual stores are listed under this name.</p>			NOT RELEVANT	
2.	Service (service)	Meissner 13	<p>450/10 - owner of plot - Kraków Commune,</p> <p>450/14 - owner of plot - Kraków Commune,</p> <p>450/15 - owner of plot - Kraków Commune,</p> <p>450/16 - owner of plot - Kraków Commune,</p> <p>451/3 - owner of plot - Kraków Commune,</p> <p>451/8 - owner of plot - Krakow,</p> <p>750/2 - owner of plot - Municipality of Krakow</p> <p>owner of business - FHU Wero + employees</p>	<p>Plot 450/16</p> <p>The plot was included in the decision on the permit for the implementation of a road investment. Działka 495/28 remained in the hands until now. According to the decision, the entire department is intended for investment.</p> <p>Plot 451/3</p> <p>The plot was included in the decision on the permit for the implementation of a road investment.</p> <p><u>There are no proceedings regarding plots of land: 450/10, 450/14, 450/15, 451/8, 750/2</u></p>		<p>FHU Wero – owner of copy shop</p> <p>01/02/22- visit at the point, conversation with the husband of the owner, providing information materials, contact and questionnaires. The owner knows that the building will be demolished. He admits that he is operating illegally in one of the plots of land on which he operates. The questionnaire has not been obtained to this day, there was no contact from the owner of the contact.</p> <p>16/03/22 -re-visit to the zero point. Again, the questionnaire was left and the employee contacted with a request to pass it to the owner and contact on this matter.</p> <p>03/17/22 - there was a contact from the husband of the owner of the zero point, ensuring that the questionnaire was sent back and dispelled any doubts regarding the questions. During this conversation, the owner's husband informed about the planned relocation of the business to another location at the beginning of May.</p> <p>18/03/22 - a reminder e-mail was sent asking for the survey to be sent back. The questionnaire has not been obtained to this day, there was no contact from the owner of the contact.</p> <p>06/04/22- sending the questionnaire by post to the address of the headquarters of the business [REDACTED] Firma</p>	<p>Employees – 2 people (full-time, according to the survey)</p>	<p>The meeting was attended by [REDACTED] the owner of the copy shop.</p> <p>He is aware that the investment will be implemented soon, but expects further delays in the construction process. He would like to know when he should actually move his business.</p> <p>Mr. [REDACTED] confirmed that the land was being taken illegally - in the light of</p>	ACTIVE	<p>2</p> <p>- FHU Wero company – [REDACTED] (business owner)</p> <p>- employees of FHU Wero (2 people)</p>

					<p>Handlowo-Uslugowa Wero", receipt confirmed. No reply was received.</p> <p>28/06/22 - sending the invitation to meeting and fulfilling the survey together – no response</p> <p>07/07/22 – visit at copy shop, fulfilling the survey with mr. [REDACTED], husband of the owner (survey 03/22)</p>	<p>the court's judgment - however, he pays MPEC a monthly fee (penalty) for unjustified occupation of the land.</p> <p>The building (movable property) belongs to the wife of [REDACTED]. Due to the implementation of the investment, he plans to move his business to another location. The current building will be demolished and removed. P. [REDACTED] would like to know whether, from the point of view of compensation, he should remove the building himself and claim the costs of demolition or leave it at the time of commencement of construction.</p> <p>Removal of the building will require a temporary suspension of operations and the loss of some equipment and furniture that cannot be used in a different location.</p> <p>[REDACTED] was interested if the owners of other neighboring plots would also have to remove elements of their buildings - especially the fence near the church.</p>		
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3.	Kiosk (newsstand)	Pilots 10	24/6 - plot owner - Municipality of Krakow, 667/8 - plot owner - State Treasury, Other: ZDMK, 667/9 - plot owner - State Treasury, Others: ZDMK structure and business owner - to be reviewed			07/07/22 – questioning people around, there used to be kiosk with newspaper years ago, but nobody knows who owned it		INACTIVE	0
4.	Commercial building	Mlyńska 2	24/10 - plot and building owners - married couple [REDACTED] 24/13 - plot owner - Krakow Commune	No proceedings regarding plots 24/10, 24/13.		<p>[REDACTED] – owners of the land and the building</p> <p>17/03/22 – phone call on the hotline from mrs. [REDACTED] after the visit at bakery shop and chat with the shop assistant (02/02/22)</p> <p>24/05/22 – phone call from the owner – question about specified date of resettlement</p> <p>21/06/22 – phone call</p> <p>28/06/22 - sending the invitation to meeting and fulfilling the survey together</p> <p>01/07/22 – phone call and confirmation of desire of meeting</p> <p>07/07/22 – meeting, fulfilling the survey (survey 02/22)</p>	Both owners attended the meeting. At the moment, the building is not rented. Due to the impending expropriation, the owners - wanting to be fair to potential tenants - do not rent the building. They are interested in the possibility of remitting the property tax. They want to close their business and receive financial compensation for the lost rental income. They resent the City of Krakow for not having received any official information about the planned investment and expropriation so far. ZDMK representative explained that the letter was sent after obtaining the ZRID decision. The owners filled in the questionnaire 02/22.	ACTIVE	1 [REDACTED] (land and building owners)
						<p>Domino – owner of bakery</p> <p>01/02/22- visit to the point, the owner absent, conversation with the saleswoman, leaving information materialscontact, questionnaires. No possibility to contact the owner - GDPR. Independent determination that the Domino chain is based in Zakopane and runs several service points in Krakow. No responses to the questionnaire were received.</p> <p>03/16/22- telephone contact with the seat of the Domino company, independent contact to the son of the owner / board member ([REDACTED]). Attempted contact - no reception.</p> <p>03/17/22- another attempt to contact the owner's son. The man notifies about the plan to close the business due to the reduction in the number of clients recruiting mainly from a nearby office building (remote work / COVID). Termination by the end of April, but closing the business earlier because it is not profitable. Forwarding the hotline number to the contact.</p> <p>27/04/22- site visit, bakery closed, signs removed, building empty.</p>		INACTIVE	

5.	Kiosk (newsstand)	Młyńska at a cove bus stop MPK "Miechałów"	22/12 (ON: START-KURZEI Limited Liability Company)		07/07/22 – questioning people around, no information about business owner		INACTIVE	0
6.	Billboard	Pilots 59	plot owner - [REDACTED]		<p>[REDACTED] – the owner of the land and billboard</p> <p>17/03/22- a field vision was made - the building (Pilotów 61), next to which the billboards are located, is now uninhabited. The owner of the area is [REDACTED]. In the neighboring building running the business, we talked to an employee, materials and questionnaires were left, which this person passed on to the "manager", among others the property on which the billboard is located.</p> <p>17/03/22- the above-mentioned the manager called with questions about the survey, declared that the materials would be handed over to the owner and returned, no contact.</p> <p>06/04/22 - sending the questionnaire by post to the address of the headquarters of the business, no contact</p> <p>28/06/22 - sending the invitation to meeting and fulfilling the survey together</p> <p>05/07/22 – confirmation of willing to meet</p> <p>07/07/22 – meeting with mr. [REDACTED], father of the owner, ask for time to fulfill the survey</p> <p>25/07/22 – letter requesting for a meeting received from low firm, representing mr. [REDACTED], no survey sent back</p> <p>03/08/22 - the billboard found to be decommissioned in conformity of local anti-advertising law (established on February 2020, in force since 1st July 2022)</p>		UNDER REVIEW	0
7.	Kiosk (newsstand)	Intersection Młyńska / Miechałów	864 - plot owner - Krakow structure and business owner - to be reviewed		07/07/22 – questioning people around, no information about business owner		INACTIVE	0
8.	Kiosk (newsstand)	Ljubljana by the cove bus stop MPK "Rondo Barei"	704/5 (State Treasury A different kind of wielding ZDMK)		07/07/22 – questioning people around, no information about business owner		INACTIVE	0

									
9.	Warehouse shelter	Good Shepherd 116	3/12 (Municipality of Krakow)	<p>Plot 3/12 Part of the plot is covered by a lease agreement. Another part of the plot was covered by a contract, which was terminated on February 10, 2020. Currently, a court case is pending regarding the release of the property. Currently, an application has been submitted to appoint a probation officer due to the unknown location of the tenant.</p> <p>On the plot there are:</p> <ul style="list-style-type: none"> <li>a) easement of passage and passage;</li> <li>b) transmission easement for Tauron Dystrybcja SA;</li> </ul> <p>On the plot there are devices for the transmission of liquids, steam, gas, electricity and communications. There is an energy and gas infrastructure on the plot, owned by Tauron Dystrybcja SA and Polska Spółka Gazownictwa sp. Z o. There were court sessions in this case, during which no settlement was reached.</p> <p>Plot 3/12 made available for the construction of a sanitary sewage connection with a concrete well. The agreement was valid for a period of 12 months, i.e. until August 26, 2020.</p>		<p>CTD Inbud sp. z o.o. – owner of land and production plant (road signs) 3/11/22 – sending the survey to fill in via e-mail 14/03/22 – completed survey sent back 12/07/22 – sending new version of survey to fill in via e-mail 28/07/22 – phone call, arranging a meeting to fulfill the survey 29/07/22 – meeting, fulfilling the survey (no 06/22) 03/08/22 - documents on business found in online open sources 26 employees in 2021 04/08/22 - the owner still doesn't know what will he do with the business after resettlement nor how many people will he fire possibly</p>	<p>Employees – 24 full-time, 4 part-time (according to the survey)</p> <p>Mr [redacted] is perpetual occupier of land (for 99 years time) and runs production of road signs and used to lease a newstand to bakeries (it is not rented anymore). He doesn't know what will he do with his business after deviding and acquisition part of land: he considers closing the business and selling the land, deviding the business on service office (wchich will stay at the actual location) and production (to be moved) or something else. He doesn't know how many people he will fire (if so). He doesn't want SPV to interview his people nor visiting them on his land. According to technical project -</p>	ACTIVE	<p>2 - Inbud [redacted] (business owner) - Inbud's employees (28)</p>

3 buildings will be demolished:  
kiosk, warehouse  
and silkscreen  
facility.

██████████ – cell above

INACTIVE

INACTIVE

ACTIVE



Rachwal s.c. – owner of bakery  
01/02/22- site visit. Originally, there were two buildings next to each other in this location: a bakery shop and a flower shop. The florist's building no longer exists, in the bakery, a conversation with a saleswoman. Inability to contact the owner directly in connection with the GDPR. Leaving surveys, information, contact. The questionnaire was not sent back, no contact.  
21/03/22- independent determination of the owner - Rachwal bakery. Telephone to the headquarters of the network, owner is busy  
22/03/22 – another call, interview with the owner ██████████. A request to fill in the questionnaire, sent to the e-mail address provided - ██████████. No answer.  
6/04/22 - sending the questionnaire by post with acknowledgment of receipt. No reply was received.  
28/06/22 - sending the invitation to meeting and fulfilling the survey together – no response  
26/07/22 – interview with the owner of business mr ██████████ – he left the kiosk on April and is no longer interested in having bakery in this location, ha didn't own the structure, he leased it from INBUD s.c.

Flower shop  
01/02/22 – site visit, building demolished  
██████████ (cell above)

319 (Owner unknown,  
Others: ZDMK)

3/12 - own of plot - Municipality of Krakow - perpetual occupier of land and owner of structure - Inbud company (██████████) + its employees

As above.



As above.  
There are no proceedings regarding plot 2/2

3/12 (Municipality of Krakow), 2/2 (IT: Municipality of Krakow, University of Warsaw: married couple ██████████)

Service building  
Good Shepherd 116

Warehouse shelter  
Good Shepherd 116



12.	Service building	Good Shepherd as above bus stop "Slonecki", at the exit on the property Good Shepherd 118c	3/12 (Municipality of Krakow)	As above.		07/07/22 - questioning people around, no information about business / building owner		INACTIVE	0
13.	Service building	ul. Good Shepherd 124a	2/1 (IT: State Treasury, University of Warsaw: Super Krak Spółka Akcyjna)	There are no proceedings regarding plot 2/1		<p>Super-Krak S.A. – owner of land, building and billboard</p> <p>17/03/22 -an interview with HONG HA with a request to provide a contact or a contact from Super Krak.</p> <p>17/03/22 - attempt to contact the Super Krak secretary's office and numbers available on the website (not received)</p> <p>18/03/22 - Interview with the secretary's employee - no contact back and a person dealing with such matters in this company was indicated.</p> <p>6/04/22 -sending a survey in connection with billboard and building where the restaurant is run. No written reply.</p> <p>26/04/22- contact to the helpline of Mrs. [REDACTED], question about the scope of the occupation of plot 2/1. An answer was given and the next day a PZT slice was sent to accurately illustrate the activity</p> <p>28/04/22 - an e-mail from Ms [REDACTED] asking about the reason and basis for conducting the questionnaires and about temporary activities. Responded on May 5</p> <p>28/06/22 - sending the invitation to meeting and fulfilling the survey together</p> <p>05/07/22 – phone call from mr [REDACTED], confirmation of the meeting</p> <p>07/07/22 – meeting with representatives of board, participants asked for time to fill in the survey</p> <p>26/07/22 – attempt to phone contact with mr [REDACTED], operational director, no answer</p> <p>29/07/22 – meeting with mr [REDACTED] on technical issues, no survey back</p> <p>04/08/22 - phone call - fulfilled survey to be sent next week</p>		ACTIVE	<p>4</p> <ul style="list-style-type: none"> <li>- Super-Krak S.A.(owner of land, building and billboard)</li> <li>- Hong Ha restaurant (business owner )owner</li> <li>- Hong Ha Restaurant's employees</li> <li>- JB Property (leaser of parking spaces)</li> </ul>

					<p>Hong Ha – owner of asian restaurant  01/02/22 - site visit. Owner absent, but the clerk arranged a telephone conversation with the owner on the company telephone. The questionnaires, materials and contact details were left for handing over. The owner knows about the investment, he wanted to know the date of the demolition, he assured that he would fill in the questionnaire. Until today it not been received  16/03/22- phone from the owner of Hong Ha – mr [REDACTED] that to the helpline number provided. Asks a person familiar with demolition plans to contact him. He agrees to give the number to the site manager. He intends to reach an agreement with the owner of the plot (Super Krak) so that he can move his restaurant to another premises belonging to Super Krak. If it fails, it will look for another accommodation in the area. He would like to be able to run his business even until the end of the summer holidays.  17/03/22- phone call with HONG HA. The owner declared that the questionnaire would be sent back after the completion of the isolation and return to the country. He declared contact after an interview with Super Krak about the reserved apartment. He did not send back despite the assurances of the survey.  06/04/22 - sending the questionnaire with acknowledgment of receipt. Not sent back  16/04/22 - attempt to phone contact, message sent asking for contact  28/06/22 - sending the invitation to meeting and fulfilling the survey together – no response  07/07/22 – call from owner, willing to complete survey, survey sent by e-mail, meeting offer  08/07/22 – message sent  26/07/22 – phone call, asking for filling the survey, meeting / support via phone offered, owner declared to fill and sent the survey  04/08/22 - phone call, declaration of sending survey, NIP number received 8731660809 - company "Toni" (one-man business)</p>	Employees		ACTIVE	
					<p>BJ Property Group – leaser of parking spaces  07/07/22 – meeting together with Super Krak, participants asked for time to fill in the survey  26/07/22 – phone call with mrs. [REDACTED], director, ask for fulfilling the survey  04/08/22 - attempt to contact via phone, no answer</p>			ACTIVE	

The KSR and SPV survey results will be further detailed in the following *Eligibilities and Entitlements* section. During preliminary surveying, every potentially affected business was visited at least once by KSR or SPV representatives, and questionnaires were distributed to affected property users to obtain socio-economic data to help profile and confirm the scope of eligible persons. Despite this, there was a relatively low questionnaire response rate, because:

- The COVID pandemic meant some of the businesses identified as PDPs were already closed or temporary closed, therefore neither the consultants nor SPV representatives were able to consult the property owners in person.
- In some property locations both KSR and SPVs representatives were only able to meet with the employees, rather than the owners, of the businesses operating in the property, and often the employees were unwilling to share the direct contact to the business owner and despite leaving contact details, owners did not contact representatives back.
- Many of the business owners who completed the questionnaires did not fill in sections relating to income (there is a presumption that this is because of their concerns about business tax declaration), which hinders the accurate calculation of potential losses.

Subsequent surveying of the businesses was carried out in July 2022. This in-person surveying achieved a near full response rate from the potentially affected businesses still in operation at the time of the survey<sup>7</sup>. This round of surveying utilised a more detailed socio-economic questionnaire that incorporated key asset inventory criteria to generate sufficient data to support the subsequent valuation of potential losses and compensation for livelihood losses.

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<sup>7</sup> In this round of surveying, just one business operator (the leaser of a building used as a Chinese restaurant) was not willing to respond to the survey due to concerns about how the data would be used. Nevertheless, the surveyors are confident of gaining his input in the near future following further assurances from the survey team and from the current owner of the leased property.

	<b>Impact and Baseline Criteria</b>	<b>Yes/ In Part / No</b>	<b>Required Actions</b>	<b>Responsibility/Date</b>
1.	Is the physical zone of impact of the project component or activities that give rise to the requirement for land acquisition adequately identified and mapped?		The zone is defined but the Project design needs finalising to conclude impact nature and scope. Minor changes to the project design may still occur. The formal construction permit (ZRID) and Final Design is required.	Responsibility: SPV Proposed Deadline: as soon as ZRID is granted (est. July 22)
2.	Is the scope of proposed project land and asset acquisition, including settlements, groups, and people, likely to be physically and/or economically displaced outlined?		Project design needs finalising to finalise the scope of proposed project land and asset acquisition. Minor changes to the project design may still occur. The formal construction permit (ZRID) and Final Design is required.	Responsibility: SPV Proposed Deadline: as soon as ZRID is granted (est. July 22)
3.	Is there a summary of the numbers of households and people (by social profile e.g. age, gender, ethnicity, indigenous and economic status) to be affected?		There is a summary of persons potentially displaced based on preliminary surveys, but a detailed social census and profiling cannot officially occur until ZRID is granted, and the EIA and Project Design is finalised.	Responsibility: SPV Proposed date: as soon as ZRID is given
4.	Is there a summary of the physical structures (e.g. houses, ancillary buildings, public buildings, public infrastructure, settlements, businesses, churches etc) to be affected?		Summarised in the section, however, data will need to be reviewed and include inventory after the construction permit (ZRID) is granted, the cut-off date is set, and the formal process of land acquisition begins.	Responsibility: SPV Proposed date: Est. August / September 2022
5.	Are all types of displacement categories impacted included and defined, e.g., different types of land, physical assets (houses, other structures), and communal resources?		Data available in section but will need to be verified after the construction permit (ZRID) is given, Project Design finalised.	Responsibility: SPV Proposed date: Est. August / September 2022
6.	Does the assessment of impacts define vulnerability, and address vulnerable persons?		It is defined but no vulnerable groups have been identified to date based on initial field surveys by KSR and SPV. This will need to be verified once detailed social census and profiling is undertaken after ZRID is granted, and the EIA and Project Design is finalised.	Responsibility: SPV Proposed date: Est. August / September 2022
7.	Have all efforts made (and the results of these efforts) to minimize displacement during project implementation been outlined?		Yes, data available in current section and in section on <i>Public Consultation Procedures</i>	NA
8.	Is there a description of the methodology used to identify/ascertain potential impacts?		In relation to preliminary surveying by KSR and SPV, but the methodology and results of the social components of the EIA have not been completed for inclusion yet.	Responsibility: Araf. Proposed date: Est. August / September 2022
9.	Have baseline socio-economic studies been conducted that are relevant to, and involve the participation of, potentially displaced persons and host communities?		There is a summary of persons potentially displaced based on preliminary surveys, but a detailed social census and profiling of displaced persons cannot officially	Responsibility: SPV Proposed date: Est. August / September 2022

			occur until ZRID is granted, and the EIA and Project Design is finalised.	
<b>10.</b>	Is the nature (e.g. focus groups, household surveys, census surveys, asset inventories) and method of these studies clearly outlined to the reader?		There is a summary of preliminary survey methods, but a detailed social census and profiling of displaced persons cannot occur until ZRID is granted, and the EIA and Project Design is finalised.	Responsibility: SPV Proposed date: Est. August / September 2022
<b>11.</b>	Do these studies encompass research on livelihoods and living standards, settlements and settlement patterns, land tenure and use, governance and health, social interaction and cultural norms, social service / infrastructure?		To some extent based on preliminary surveying but the results of the social components of the EIA have not been completed for inclusion yet, nor has the census and social profiling of displaced people been undertaken. The latter is subject to ZRID consent.	Responsibility: Araf and SPV Proposed date: Est. August / September 2022

## 8 Eligibilities and Entitlements

As noted in the previous section, relevant Polish law and regulation only recognise and require compensation coverage for PDPs who either (Category I) have formal legal rights to land and structures, as registered by the Real Estate Cadastre, or who (Category II) have rights and claims recognisable under national law that are determinable based on legally recognised records, such as sale-purchase contracts, probate arrangements and rate payments.

All the owners of the 50 private plots affected by the Project that were identified through KSR and SPV’s surveying fall under either Category I (46 plots) or Category II (4 plots), and are, therefore, all considered eligible for compensation under relevant Polish law and regulation.

Type of plot	No. plots affected	Category I	Category II
Private urban residential/commercial plots	50	46	4

In contrast, surveying by SPV and KSR revealed that all thirteen owners, lessees, occupiers, and employees, of businesses on Project affected plots potentially displaced by the Project (identified in previous section) do not fall under Category I or II and have no legally recognised right or claim to compensation under Polish law given the informal, illegal, or unregistered, nature of the businesses. It is recognised, however, that the PDPs of these businesses are eligible for, and will be recipients of, compensation under EIB and EBRD PR5 requirements.

According to Polish law, the municipality is obliged to finalise the identification of affected land, properties, assets, and persons, and calculate compensation, following the construction permit (ZRID) for the Project being granted but prior to any expropriation. Any interim identification or valuation prepared by any other party within the process can be used only as an opinion and not as the source data to calculate and pay ‘base’ level compensations required under Polish law, or supplementary payments or assistance required to meet EBRD and EIB requirements.

Because of this, the identification of full losses and eligibilities, and valuation and calculation of full replacement costs and entitlements, across all PDPs is not possible at this time and will be prepared after ZRID is granted (this consent also establishes the cut-off date for eligibilities and entitlements). After ZRID consent, in coordination with the process of base valuation by the municipality (to meet Polish legal requirements), supplementary compensation measures (to meet EBRD / EIB requirements) will be calculated, reconciled, and agreed, by all parties.

The Project Contract between SPV and municipality states that the municipality will cover all costs of resettlement compensation not only required by law, but also additionally as required by EBRD PRs. Therefore, prior to ZRID being granted, an eligibility and entitlement matrix based on full EBRD / EIB eligibilities and entitlements under the project has been developed in readiness for the process of the social census, socio-economic survey, asset inventory and subsequent valuation by the municipality. This matrix is set out below and is subject to change and refinement as the results of data collection, analysis and calculation are generated.

Table 10: Eligibilities and Entitlements for each type of anticipated project loss.

Type of loss/ impact	Eligible PDP	Entitlements
Permanent loss of Construction land and / or structure	Title Holder <sup>8</sup>	Cash compensation of the land plot at full replacement value based on valuation by the municipality and an independent valuation specialist appointed by SPV.
	Occupant - Informal user <sup>9</sup>	Assisted to relocate to another property or taken care as vulnerable people
Permanent loss of non-residential structures (shops, office space, workshops or similar)	Owner of business structure	Moving allowance for movable assets or assistance to move them AND, either Cash compensation at full replacement cost (including additional cash compensation uplift to achieve full replacement value that includes: <ul style="list-style-type: none"> <li>- Replacement structure search costs</li> <li>- New structure title costs</li> <li>- New structure registration costs</li> <li>- Income loss on tenanted structure until replacement structure secured.</li> <li>- Right to salvage material from demolished structure OR</li> </ul> Replacement business structure.
Temporary loss of business structure (shop, office space, workshops or similar)	Owner of business structure	Moving allowance for movable assets or assistance to move them
Permanent loss of business income and /or sources of livelihood associated with either of the above losses or other project impacts (economic displacement)	Owner, occupant, employee (formal or informal business or economic activity)	Cash compensation for lost income until the re-establishment of business / economic activities in another location OR Establish access to similar opportunities and restore incomes
Temporary loss of business income and/or sources of livelihood associated with either of the above losses or other project impacts (economic displacement)	Owner, occupant, employee (formal or informal business or economic activity)	Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities in another location) including a disturbance allowance OR Establish access to similar opportunities and restore incomes

<sup>8</sup> Category 1 and 2 of displaced persons according to EBRD policy.

<sup>9</sup> Category 3 of displaced persons according to EBRD policy

	<b>Eligibility and Entitlements Checklist</b>	<b>Yes/ In Part / No</b>	<b>Required Actions</b>	<b>Responsibility / date</b>
1.	Is there a definition of displaced persons and have different categories that reflect the full range of project displaced persons been outlined?		Data covered in this section as well as Glossary	NA
2.	Are criteria presented for determining the eligibility of displaced persons to compensation and other forms of displacement assistance?		Data covered in this section as well as Gap Analysis	NA
3.	Are all owners, users, tenants and other categories of rights holders relevant to the project included in the eligibility criteria?		Data covered in this section as well as Gap Analysis	NA
4.	Is the process for determining eligibility locally appropriate and is there evidence it has been agreed / sanctioned by relevant local leaders/representatives?		To be confirmed after ZRID is granted and the formal process of land acquisition is initiated, but the process has been sanctioned through consultation with relevant local representatives. The city of Kraków is a project partner with lead responsibility for the land acquisition process including determining eligibility and transfer to SPV of legally acquired plots and to ensure that EBRD standards, including on eligibility, are met.	Responsibility: municipality with SPV support Proposed date: as soon as ZRID granted
5.	Has the cut-off date for determining eligibility been specified and justified and was it widely communicated in the project area?		The cut-off date is associated with the obtainment of ZRID decision and as such is now known and therefore not communicated. As soon as it is known it should be communicated by SPV and the city to all stakeholders.	Responsibility: municipality with SPV support Proposed date: ZRID consent
6.	Has an entitlement framework been outlined showing all categories of affected persons and what options each category is being offered?		Data covered in this section but will be subject to verification and amendment should the Final Design and census of PDPs reveal new categories	NA
7.	Is it stated that affected persons with no recognizable legal right or claim to land they occupy are entitled to compensation for loss of assets other than land as well as displacement assistance?		Yes, this is stated	NA



8.	Does the entitlement matrix include support measures in addition to compensation to ensure that all key externalities are identified and included in compensation packages, such as moving allowance, transitional allowance, livelihood restoration support?		Yes, this is stated, although the detail of these measures will need to be further outlined following census, profiling, and valuation.	
9.	Are the institutional, financial, and technical, aspects of the restoration measures outlined and do these measures consider provisions for training, institutional strengthening, capacity building, technical assistance, and technology transfer?		The detail of these measures will need to be outlined following census, profiling, and valuation.	Responsibility: municipality Proposed date: as soon as the ZRID is given
10.	Is there clear evidence that affected persons were / will be given 'options' for livelihood restoration, e.g., a range of income generating opportunities?		Options proposed in this section. The formal process of negotiations with affected people will start after the construction permit (ZRID) is given and the formal process of land acquisition begins.	Responsibility: municipality Proposed date: as soon as the ZRID is given
11.	Was the restoration approach and were the restoration measures developed and agreed in consultation with affected populations, including host communities?		The formal process of negotiations with affected people will start after the construction permit (ZRID) is given and the formal process of land acquisition begins.	Responsibility: municipality Proposed date: as soon as the ZRID is given
12.	Is the compensation methodology used in valuing losses and determining their replacement cost clearly specified and applied consistently to all communities?		According to the polish law, the municipality is obliged to value the properties before expropriation. That process will take place after the construction permit (ZRID) is given.	Responsibility: municipality with SPV support Proposed date: as soon as the ZRID is given
13.	Is there a description of the compensation packages and other displacement assistance for each category of affected persons (including host communities)?		Proposed packages relevant for the project scope and the scope and type of affected persons. Data should be reviewed after the construction permit (ZRID) is given and the formal process of land acquisition begins.	Responsibility: municipality Proposed date: as soon as the ZRID is given
14.	Are the rates of compensation for lost assets enumerated and is it demonstrated that these rates are at least equal to the full replacement cost of the lost asset and is there evidence that a structured		According to the polish law, the municipality is obliged to calculate compensation before expropriation. That process will take place after the construction permit (ZRID) is given. This valuation	Responsibility: municipality with SPV support

	assessment was conducted to determine 'full replacement value' for all affected assets (e.g., independent third-party review)?		will be performed by an independent, authorized valuator and will be valid and the basis for the compensations.	Proposed date: as soon as the ZRID is given
15.	Are types and levels of compensation under local law and supplementary measures necessary to achieve full replacement cost for lost assets described?		According to polish law, the municipality is obliged to calculate compensation before expropriation. That process will take place after ZRID is granted and will be performed by an independent, authorized valuator.	Responsibility: municipality with SPV support Proposed date: as soon as the ZRID is given
16.	Is it specified how, to whom, and when, compensation will be paid? Does this consider the needs, interests and rights of both women and men?		The law defines precisely when the payment is made and who has the right to be paid the compensation. It is not gender or any other diversity dimension specific.	NA
17.	Are measures outlined to support the management of cash compensation where this is provided?		Measures proposed in the section on <i>monitoring and reporting</i>	NA

## 9 Grievance management

In addition to the many communication channels established for project stakeholders (see *Public Consultation* Section) there is a Project-specific Grievance Mechanism in place. The following section outlines Project Grievance Mechanism (GM), covering:

- The objectives and principles of the grievance mechanism
- Grievance reporting channels
- Grievance management reporting
- Grievance management process

### Objectives and principles

The objectives of a GM are to receive, and facilitate the effective redress of stakeholder concerns and complaints concerning the project, including its resettlement processes. The timely and effective redress of stakeholder grievances through an appropriate and effective GM serves to reduce risks and the potential for disruption or antagonism by promoting mutually accountable relationships between project management and project stakeholders.

The key principles for an appropriate and effective GM include:

- **Proportionality:** The GM should be scaled to the risks and adverse impacts on project stakeholders, the efficiency and coverage of a project grievance redress mechanism will therefore be proportionate to the potential adverse impacts;
- **Accessibility and Responsiveness:** The GM will be accessible to project stakeholders and the possibility for all interested parties to lodge a complaint, including people from disadvantaged groups such as those with reduced mobility or low digital skills, and will acknowledge, respond to, and address, all legitimate complaints so that the complainant receives recourse to the grievance in a timely manner;
- **Transparency and Accountability:** The GM will ensure the transparent receipt, tracking and documentation of all grievances logged with the proponent to ensure that project proponents maintain accountability to their stakeholders; and,
- **Appropriate Protection:** The GM will not impede access to other remedies and will encouraged stakeholders to share their concerns freely, with the understanding that their right to confidentiality will be respected and no retribution will be exacted on them for lodging a grievance. A complainant is free to submit a complaint anonymously and retains their right to legal recourse if a complaint cannot be satisfactorily addressed<sup>10</sup>.

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<sup>10</sup> Note that the disadvantage of filing a complaint anonymously is an inability to respond to the resolution of the complaint directly to the person or organization making the complaint and the reduced possibility to ask the complainant to supplement or clarify information contained in the complaint if the notification is imprecise and does not allow for unambiguous identification of what the complaint refers to.

## Grievance management process

### STEP 1: GRIEVANCE RECEIPT

Grievance acceptance refers to the actual receipt of the grievance through one of the channels indicated in the table below. As the project operator, the SPV has appointed a Grievance Handler responsible for grievance collection and registration using a grievance form to document and record the grievance (see Annex A-1 for form), and acknowledgement of receipt of the complaint will be sent within two working days to the complainant. To ensure the mechanism is accessible to different all project stakeholders, the following contact channels are available as part of the mechanism's operation:

Channel	Description
Letter	The possibility of sending a complaint by ordinary letter through the postal service. The letter should be sent to the address: Biuro Budowy KST IV, ul. Ostatnia 1c, 31-444 Kraków The content of the letter may be any, but it is recommended to use <i>the complaint form</i> available at <a href="http://www.tramwajdomistrzejowic.pl">www.tramwajdomistrzejowic.pl</a>
Personally	A complaint can be filed in-person at the project office at the above address.
E-mail	A complaint can be sent by e-mail to the address: <a href="mailto:info@tramwajdomistrzejowic.pl">info@tramwajdomistrzejowic.pl</a> .
Helpline	Call the helpline - the helpline number is: +48 722 220 088

### STEP 2: GRIEVANCE ASSESSMENT

The Grievance Handler (GH) will conduct an assessment to assign grievances to the following appropriate categories: Comments, Questions, Complaints, and Claims. For comments, no response or action (other than acknowledging and recording it as part of the Stakeholder Consultation registry) is necessary from the GH. For questions, the GH will answer it if they have relevant knowledge or will asks a person with relevant knowledge and convey the answer.

For complaints and claims, the GH will work to understand the cause of the grievance, for which they may need to contact the complainant again and clarify details. The GH will be required to complete preliminary investigations within fifteen working days of receiving the complaint or claim. Once the GH has investigated a grievance, they will share with the claimant or complainant the proposed course of action to resolve the issue.

If a *complaint* can be resolved by the GH, and the complainant also considers the grievance satisfactorily addressed, the GH will log the complaint as resolved. If a *claim* is considered to be valid by the GH then it will be referred directly to the operator's insurer for consideration and settlement. Should the claim be considered invalid by the GH, or a complaint be considered unresolved or unresolvable by the complainant or the GH within fifteen working days, the GH will then refer the complaint or the claim to the Grievance Committee (GC).

### STEP 3: GRIEVANCE COMMITTEE CONSIDERATION

The GC will undertake further dialogue with the complainant to discuss and decide if there are further steps that may be taken to reach a mutually agreed resolution. However, the complainant or the GH can convene GC at any point within this fifteen working day period, depending on the nature, complexity, and urgency of the issue.

The GC will function as an impartial body responsible for overseeing the Grievance Handling function. The SPV will appoint a GC comprising of: representatives of the SPV, municipal government representative/city clerk (city official) and impartial contract engineer representative. If the nature of the case so requires, as it is mentioned in EBRD Grievance Management Guidance Note, it is desirable that such commissions include members representing affected people and/or non-governmental organizations. The GC will meet when a complaint is referred by the GH and, at the same time, to review GH performance gauged in terms of the effectiveness and timeliness grievances were managed.

The GC decision regarding the validity and resolution of claims and complaints should be made within 15 working days of receiving the claim or complaint referral from the GH, unless there are exceptional justifiable circumstances that make it difficult to settle within this period.

If the GC cannot resolve the issue or the complainant is not satisfied with the resolution proposed by the GC, then the GC will inform project senior management who will organize a special mission to address the problem and identify an alternative solution if possible. If complainants or claims are still not satisfied with the outcome provided by the special mission, the claimant / complainant will retain all rights to recourse to relevant judicial proceedings.

In all cases, both complainants and claimants should not have any administrative or legal fees imposed on them by SPV pursuant to these grievance management procedures, and all complaints and claims made, and all correspondence related to them, will be documented.

#### STEP 4: RESPONSE PROVISION

The GH, responsible for grievance receipt is also responsible for reporting the outcomes of complaints and claims (including the Grievance Committee decision and voting result). Responses will be provided through the same channel through which the complaint or claim was submitted. For anonymous grievances, procedures 1-3 above remain, and the Grievance Committee outcome is noted in the grievance registry and grievance form.

#### STEP 5: REPORTING

At the end of every quarter, the GH responsible for grievance registry will send to the GC a report on grievances containing information on:

- The number of submissions per category
- The number of cases ongoing
- The proportion of cases resolved (in relation to submitted)
- The average grievance response time
- Additional comments – if required

The report will be made available to the claimants / complainant/s either on the dedicated project website or through other dedicated communication channels.

## Responsibilities and schedules under the GM Process

<b>Responsibility</b>	<b>Tasks</b>
<b>Grievance Handler</b>	<ul style="list-style-type: none"> <li>• Daily monitoring of available grievance channels</li> <li>• Registration of complaints in accordance with the mechanism</li> <li>• Referral of complaints to the Grievance Committee</li> <li>• Communication of responses to complainants</li> <li>• Preparation of complaint reports</li> </ul>
<b>Grievance Committee</b>	<ul style="list-style-type: none"> <li>• Addressing claims and complaints raised under the mechanism</li> </ul>

	<b>Schedule</b>
<b>GH grievance assessment</b>	Within 15 working days of notification of the complaint
<b>Grievance Committee consideration</b>	Within 15 working days of complaint referral
<b>Responding to the complainant</b>	Within 15-30 working days of complaint notification

	<b>Grievance Management Checklist</b>	<b>Yes/ In Part / No</b>	<b>Required Actions</b>	<b>Responsibility / date</b>
1.	Is there an overview of the proposed grievance procedure including a description of the step-by-step process for registering and addressing grievances?		Project-specific grievance mechanism currently being implemented, and the overview is proposed in the <i>Grievance Mechanism</i> section.	Responsibility: SPV and municipality to implement ASAP
2.	Does the procedure detail different processes for investigation, joint decisions, and close-out protocols?		This detail needs to be added	Responsibility: KSR Proposed date: By May 2022
3.	Does the procedure include details regarding a cost-free process for registering complaints, response times and communication modes?		Yes, the proposed procedure includes this.	NA
4.	Does the procedure include accessible mechanisms for third-party settlement/mediation of disputes arising from displacement?		Procedure defines its own mechanisms and grievance management and an accessible mechanism for third party settlement/ mediation needs to be added	Responsibility: KSR Proposed date: By May 2022
5.	Does the grievance procedure take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms?		Grievance procedure does not exclude judicial recourse and community and traditional dispute settlement mechanisms	NA
6.	Is there an explicit commitment to report publicly on grievances and their resolution to affected persons periodically?		Procedure described in the Grievance mechanism section and has been agreed to by the Project agents.	NA

## 10 Organisational Arrangements, Monitoring and Reporting

### Responsibilities

All parties involved in implementation of the Project are required to implement the requirements of this document. Responsibilities will be shared between the City of Kraków and the SPV, according to the following table:

Task	Responsible party
Main expropriation exercise prior to construction commencement to meet national laws and EBRD requirements	City of Kraków
Additional land acquisition required for construction or operation to meet national laws and EBRD requirements	City of Kraków
Costs of resettlement compensation not only required by law, but also additionally as required by EBRD PR <sup>11</sup>	City of Krakow
Temporary land occupation for construction or operation, if required	SPV
Grievance mechanism implementation and management	SPV and City of Kraków
Monitoring and reporting in respect of expropriation carried out prior to construction commencement	City of Kraków

### Monitoring

The monitoring and evaluation of the RAP will be carried out during implementation to track progress, identify problems, and make changes where necessary. Monitoring measures are designed to ensure that at a minimum livelihood and standard of living of displaced persons are restored to pre-project levels. The following table presents a list of potential indicators to be monitored during the life of the Project.

Monitoring and evaluation indicators to be measured:

Input indicators	Comment	Frequency of measurement
Overall spending on land acquisition (including a breakdown of costs)	Detailed indicators for consideration: <ul style="list-style-type: none"> <li>• Cash compensation</li> <li>• Costs of assistance, by type</li> <li>• Consultation and engagement costs</li> <li>• Costs of legal fees</li> <li>• Costs of taxes and registration fees</li> <li>• Other costs (and type).</li> </ul>	Quarterly
Total number of PAPs by categories	Data based on census (owners and formal and informal users of affected land plots)	Quarterly
Output indicators	Comment	Frequency of measurement

<sup>11</sup> Part of the PPP Agreement, called PFU (Functional and Utility Program) states that the City is obliged to act in accordance with the EBRD policies (3.5.13.5 – page 61-62). The last sentence of 3.5.13.5 states “costs related to compensation process and necessary resettlement are absorbed by Public Entity



Number (and percentage) of land plots /businesses for which compensation agreements were signed	The percentage should be calculated from the total number of affected land plots/ businesses, as identified by the census.	Monthly
Number (and percentage) of land plots/businesses for which compensation agreements were refused/are still pending	If possible, a breakdown of reasons why compensation agreements have been declined (or have still not been accepted) should be provided.	Monthly
Number (and percentage) of compensation agreements executed (compensation paid)	The percentage should be calculated from the number of compensation agreements signed.	Monthly
Number (and percentage) of businesses that have been relocated	The percentage should be calculated from the number of businesses which were identified as having to be physically displaced/relocated	Monthly
<b>Outcome indicators</b>	<b>Comment</b>	<b>Frequency of measurement</b>
Number of newly received, open and closed grievances; any trends; and average time for grievance processing	Measure the time interval between grievance registration and closure.	Quarterly
Average time for payment of compensation	Average time between acceptance of the offer/signing of the contract and the execution of compensation.	Quarterly

## Reporting

Reporting on RAP implementation will be delivered on the annual basis. Data for individual indicators will be collected in accordance with the assumptions presented in the table above. The SPV shall provide an Initial Monitoring Report on the implementation of the RAP at the time of the loan condition effectiveness and periodical Monitoring Reports annually thereafter during the life of the project as part of the Annual Reporting to EBRD.

	<b>Responsibility and Monitoring Checklist</b>	<b>Yes/ In Part / No</b>	<b>Required Actions</b>	<b>Responsibility / date</b>
1.	Have the agencies (including government agencies) responsible for implementing each component of displacement been identified?		To date, but a full updated list of individual agencies will be identified and confirmed after ZRID is granted and the formal process of land acquisition begins.	Responsibility: municipality with SPV Proposed date: as soon as ZRID granted
2.	Does the RAP identify the agency that will coordinate all implementing agencies and whether it has the mandate and resources?		The coordinating agency will be municipality, as project partner and as described in this section	NA
3.	Are the arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation adequately outlined?		Proper arrangements will be ensured after the construction permit (ZRID) is given and the formal process of land acquisition begins	Responsibility: municipality with SPV Proposed date: as soon as ZRID granted
4.	Does the RAP provide a clear statement of financial responsibility and authority and sources of funds for displacement?		Not yet, while the budget needed it not known yet. It will be calculated after the construction permit (ZRID) is given and the formal process of land acquisition begins	Responsibility: municipality Proposed date: as soon as ZRID granted
5.	Does the RAP identify displacement costs, if any, to be funded by government?		Not yet, while the budget needed it not known yet. It will be calculated after the construction permit (ZRID) is given and the formal process of land acquisition begins	Responsibility: municipality Proposed date: as soon as ZRID granted
6.	Does the RAP include timetables for expenditures and arrangements for timely flow of funds, and funding for displacement?		Not yet, while the budget needed it not known ye. It will be calculated after the construction permit (ZRID) is given and the formal process of land acquisition begins	Responsibility: municipality Proposed date: as soon as ZRID granted
7.	Does the RAP identify mechanisms established to ensure the coordination of disbursements with the project schedule?		Not yet, while the budget needed it not known. It will be calculated after the ZRID is given and the formal process of land acquisition begins	Responsibility: municipality Proposed date: as soon as ZRID is given
8.	Does the RAP include an implementation schedule covering all displacement activities including target dates for achieving benefits to affected persons, and implementing assistance?		Only estimations. A schedule will be added after the construction permit (ZRID) is given and the tram route is accepted and the list of plots to be taken over is final.	Responsibility: municipality Proposed date: as soon as ZRID is given

9.	Does the implementation schedule indicate how the displacement activities are linked to the implementation of the overall project?		Not yet, while the formal process of land acquisition did not begin. It will begin after (ZRID) is given and that will mean that the tram route is finally accepted and the list of plots to be taken over is final.	Responsibility: municipality Proposed date: as soon as ZRID is given
10.	Is an overview provided of the proposed displacement monitoring and evaluation process that details a method and reporting frequency?		Data in section: Monitoring and reporting	NA
11.	Have indicators been developed to monitor changes in the socio-economic profile of PAPs derived from the socio-economic baseline?		Data in section: Monitoring and reporting	NA
12.	Have performance monitoring indicators been developed to measure inputs, outputs, and outcomes for displacement activities?		Data in section: Monitoring and reporting	NA
13.	Does the monitoring and evaluation proposed include arrangements for the monitoring of displacement activities by the implementing agency and independent monitors?		Not yet, but SPV confirm monitoring will be conducted by the implementing agency, supplemented by the independent monitors	Responsibility: SPV Proposed date: Following census and valuation
14.	Is the evaluation of the impact of displacement proposed for a reasonable period after all displacement and livelihood restoration activities have been completed?		Not yet, as the final dates of the project realisation will be confirmed after the ZRID is given. At that time a timeframe for a final external evaluation should be prepared.	Responsibility: municipality / SPV Proposed date: Following census and valuation
15.	Are arrangements, including timeframe, described for a final external evaluation or an external completion audit?		Not yet, as the final dates of the project realisation will be confirmed after the ZRID and timeframe for a final external evaluation will be agreed.	Responsibility: municipality / SPV Proposed date: Following census and valuation

## 11 Annex I: Summary of Actions to be Undertaken to Develop a RAP for the Project

This Resettlement Framework has highlighted further actions that will be required to be able to develop a full RAP for the project that meets EBRD and EIB requirements on land acquisition and resettlement. The table below consolidates and summarises a total of 36 key actions (with proposed action responsibilities and schedules) to achieve this objective, across criteria in the issue areas of; consultation and disclosure; impact and baseline identification; compensation and livelihood restoration; grievance management; and monitoring, reporting, and auditing. It is notable that most of these actions are contingent on the granting of ZRID (the formal planning approval for the project) anticipated by September 2022.

	<b>Consultation Criteria</b>	<b>Required Actions</b>	<b>Responsibility/Date</b>
1.	Does the RAP address community and other stakeholder representation and outline a process for the establishment of a Displaced Persons Committee <sup>12</sup> ?	No such representation established currently. The establishment of a DPC should be agreed to by the project proponents after ZRID is granted. The first consultation on the project and the tramline footprint was conducted in 2014. Due to the COVID, however, consultation was limited mainly to electronic and postal correspondence. Nevertheless, any issues raised by respondents were analyzed and influenced Project Design. Direct communication with affected businesses has been ongoing since January 2022 through the established Stakeholder Engagement Plan (SEP) and SPV recognize that this process needs to be continued (as per the SEP) and updated following ZRID consent, especially with the project displaced businesses that have been identified.	Responsibility: municipality and SPV Proposed date: as soon as the ZRID is granted
2.	Is there provision for inclusion of mediators or trusted third parties to support affected people during compensation, negotiations and implementation?	No such representation established currently. The appointment of independent valuers and negotiators should be agreed to by the project proponents as soon as ZRID is granted.	Responsibility: municipality and SPV Proposed date: as soon as the ZRID is granted
	<b>Impact and Baseline Criteria</b>	<b>Required Actions</b>	<b>Responsibility/Date</b>
3.	Is the physical zone of impact of the project component or activities that give rise to the requirement for land acquisition adequately identified and mapped?	The zone is defined but the Project design needs finalising to conclude impact nature and scope. Minor changes to the project design may still occur. The formal construction permit (ZRID) and Final Design is required.	Responsibility: SPV Proposed Deadline: as soon as ZRID is granted (est. July 22)

<sup>12</sup> Community committees should be representative of the displaced population, and it is recommended that they have some validation process and/or rotate to ensure they are effective and remain representative of affected persons views.

4.	Is the scope of proposed project land and asset acquisition, including settlements, groups, and people, likely to be physically and/or economically displaced outlined?	The list of plots needed for acquisition has been completed and attached to the ZRID application. Project design needs finalising to finalise the scope of proposed project land and asset acquisition. Minor changes to the project design may still occur. The formal construction permit (ZRID) and Final Design is required.	Responsibility: SPV Proposed Deadline: as soon as ZRID is granted (est. July 22)
5.	Is there a summary of the numbers of households and people (by social profile e.g. age, gender, ethnicity, indigenous and economic status) to be affected?	There is a summary of persons potentially displaced based on preliminary surveys, but a detailed social census and profiling cannot occur until ZRID is granted, and the EIA and Project Design is finalised. The tramway is subject to two EIAs, including public consultation, and was designed in a such a way to minimize negative impacts and, where possible, take account of needs and expectations of stakeholders. Nevertheless, a socio-economic assessment of the project, including impacts related to land acquisition land use restriction, and appropriate actions to mitigate resettlement impacts, must be undertaken.	Responsibility: SPV Proposed date: as soon as ZRID is given
6.	Is there a summary of the physical structures (e.g. houses, ancillary buildings, public buildings, public infrastructure, settlements, businesses, churches etc) to be affected?	The formal process of land acquisition (including valuation of properties and negotiated settlements) will start after ZRID consent is given. That process will include all eligible PDPs and entitlement matrix from this RAP. Summarised in the section, however, data will need to be reviewed and include inventory after the construction permit (ZRID) is granted, the cut-off date is set, and the formal process of land acquisition begins.	Responsibility: SPV Proposed date: Est. August / September 2022
7.	Are all types of displacement categories impacted included and defined, e.g., different types of land, physical assets (houses, other structures), and communal resources?	Data available in section but will need to be verified after the construction permit (ZRID) is given, Project Design finalised.	Responsibility: SPV Proposed date: Est. August / September 2022
8.	Does the assessment of impacts define vulnerability, and address vulnerable persons?	It is defined but no vulnerable groups have been identified to date based on initial field surveys by KSR and SPV. This will need to be verified once detailed social census and profiling is undertaken after ZRID is granted, and the EIA and Project Design is finalised.	Responsibility: SPV Proposed date: Est. August / September 2022
9.	Is there a description of the methodology used to identify/ascertain potential impacts?	In relation to preliminary surveying by KSR and SPV, but the methodology and results of the social components of the EIA have not been completed for inclusion yet,	Responsibility: Araf. Proposed date: Est. August / September 2022
10.	Have baseline socio-economic studies been conducted that are relevant to, and involve the participation of, potentially displaced persons and host communities?	There is a summary of persons potentially displaced based on preliminary surveys, but a detailed social census and profiling of displaced persons cannot occur until ZRID is granted, and the EIA and Project Design is finalised.	Responsibility: SPV Proposed date: Est. August / September 2022

11.	Is the nature (e.g. focus groups, household surveys, census surveys, asset inventories) and method of these studies clearly outlined to the reader?	There is a summary of preliminary survey methods, but a detailed social census and profiling of displaced persons cannot occur until ZRID is granted, and the EIA and Project Design is finalised. A survey of affected land plots, buildings, assets has been done by the municipality supplemented by a SPV and KSR surveys to account for non-legally recognized land and property. The census, inventory and profiling of potentially displaced persons, lands and property will be led by the municipality once ZRID consent is granted, and this process will be supplemented by KSR to identify and profile persons using non-legally recognized land and property.	Responsibility: SPV Proposed date: Est. August / September 2022
12.	Do these studies encompass research on livelihoods and living standards, settlements and settlement patterns, land tenure and use, governance and health, social interaction and cultural norms, social service / infrastructure?	To some extent based on preliminary surveying but the results of the social components of the EIA have not been completed for inclusion yet, nor has the census and social profiling of displaced people been undertaken. The latter is subject to ZRID consent.	Responsibility: Araf and SPV Proposed date: Est. August / September 2022
	<b>Eligibility and Entitlements Criteria</b>	<b>Required Actions</b>	<b>Responsibility / date</b>
13.	Is the process for determining eligibility locally appropriate and is there evidence it has been agreed / sanctioned by relevant local leaders/representatives?	To be confirmed after ZRID is granted and the formal process of land acquisition is initiated, but the process has been sanctioned through consultation with relevant local representatives. The city of Kraków is a project partner with lead responsibility for the land acquisition process including determining eligibility and transfer to SPV of legally acquired plots and to ensure that EBRD standards, including on eligibility, are met.	Responsibility: municipality with SPV support Proposed date: as soon as ZRID granted
14.	Has the cut-off date for determining eligibility been specified and justified and was it widely communicated in the project area?	The cut-off date is associated with the obtainment of ZRID decision and as such is now known and therefore not communicated. As soon as it is known it should be communicated by SPV and the city to all stakeholders.	Responsibility: municipality with SPV support Proposed date: ZRID consent
15.	Are the institutional, financial, and technical, aspects of the restoration measures outlined and do these measures consider provisions for training, institutional strengthening, capacity building, technical assistance, and technology transfer?	The detail of these measures will need to be outlined following census, profiling, and valuation.	Responsibility: municipality Proposed date: as soon as the ZRID is given
16.	Is there clear evidence that affected persons were / will be given 'options' for livelihood restoration, e.g., a range of income generating opportunities?	Options proposed in this section. The formal process of negotiations with affected people will start after the construction permit (ZRID) is given and the formal process of land acquisition begins. No physical relocation is envisaged. However, if any physical displacement is identified following the final Project	Responsibility: municipality Proposed date: as soon as the ZRID is given

		Design, then (the SPV) have committed to the identification of feasible resettlement options for physically displaced persons and these options will be outlined in the RAP.	
17.	Was the restoration approach and were the restoration measures developed and agreed in consultation with affected populations, including host communities?	The formal process of negotiations with affected people will start after the construction permit (ZRID) is given and the formal process of land acquisition begins.	Responsibility: municipality Proposed date: as soon as the ZRID is given
18.	Is the compensation methodology used in valuing losses and determining their replacement cost clearly specified and applied consistently to all communities?	According to the polish law, the municipality is obliged to value the properties before expropriation. That process will take place after the construction permit (ZRID) is given. Identified potential loss of future benefits as a result of economic displacement will be in the valuation prepared by the municipality following ZRID consent. The municipality has agreed that this process will need to be supplemented with the support of SPV and KSR so full replacement costs and assistance are satisfied.	Responsibility: municipality with SPV support Proposed date: as soon as the ZRID is given
19.	Is there a description of the compensation packages and other displacement assistance for each category of affected persons (including host communities)?	Proposed packages relevant for the project scope and the scope and type of affected persons. Data should be reviewed after the construction permit (ZRID) is given and the formal process of land acquisition begins.	Responsibility: municipality Proposed date: as soon as the ZRID is given
20.	Are the rates of compensation for lost assets enumerated and is it demonstrated that these rates are at least equal to the full replacement cost of the lost asset and is there evidence that a structured assessment was conducted to determine 'full replacement value' for all affected assets (e.g., independent third-party review)?	According to the polish law, the municipality is obliged to calculate compensation before expropriation. That process will take place after the construction permit (ZRID) is given. This valuation will be performed by an independent, authorized valuator and will be valid and the basis for the compensations.	Responsibility: municipality with SPV support Proposed date: as soon as the ZRID is given
21.	Are types and levels of compensation under local law and supplementary measures necessary to achieve full replacement cost for lost assets described?	According to polish law, the municipality is obliged to calculate compensation before expropriation. That process will take place after ZRID is granted and will be performed by an independent, authorized valuator.	Responsibility: municipality with SPV support Proposed date: as soon as the ZRID is given
	<b>Grievance Management Criteria</b>	<b>Required Actions</b>	<b>Responsibility / date</b>
22.	Is there an overview of the proposed grievance procedure including a description of the step-by-step process for registering and addressing grievances?	No project-specific grievance mechanism currently implemented but the overview is proposed in the <i>Grievance Mechanism</i> section. Grievance channels are available through the Constitutional and Civil Code provisions, but there is a lack of a project-specific grievance management procedure that satisfy EBRD PR5. A framework for this is outlined in this RF. SPV are	Responsibility: SPV and municipality to implement ASAP

		aware that this mechanism needs to be implemented and disclosed to all stakeholders as soon as possible.	
23.	Does the procedure detail different processes for investigation, joint decision-making, close-out protocols and follow-up?	This detail needs to be added	Responsibility: KSR Proposed date: By May 2022
24.	Does the procedure include a description of mechanisms for appeal?	This detail needs to be added	Responsibility: KSR Proposed date: By May 2022
25.	Does the procedure include accessible mechanisms for third-party settlement/mediation of disputes arising from displacement?	Procedure defines its own mechanisms and grievance management and an accessible mechanism for third party settlement/ mediation needs to be added	Responsibility: KSR Proposed date: By May 2022
	<b>Organisation and Monitoring Criteria</b>	<b>Required Actions</b>	<b>Responsibility / date</b>
26.	Have the agencies (including government agencies) responsible for implementing each component of displacement been identified?	To date, but a full updated list of individual agencies will be identified and confirmed after ZRID is granted and the formal process of land acquisition begins.	Responsibility: municipality with SPV Proposed date: as soon as ZRID granted
27.	Are the arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation adequately outlined?	Proper arrangements will be ensured after the construction permit (ZRID) is given and the formal process of land acquisition begins	Responsibility: municipality with SPV Proposed date: as soon as ZRID granted
28.	Does the RAP provide a clear statement of financial responsibility and authority and sources of funds for displacement?	Not yet, while the budget needed it not known yet. It will be calculated after the construction permit (ZRID) is given and the formal process of land acquisition begins	Responsibility: municipality Proposed date: as soon as ZRID granted
29.	Does the RAP identify displacement costs, if any, to be funded by government?	Not yet, while the budget needed it not known yet. It will be calculated after the construction permit (ZRID) is given and the formal process of land acquisition begins	Responsibility: municipality Proposed date: as soon as ZRID granted
30.	Does the RAP include timetables for expenditures and arrangements for timely flow of funds, and funding for displacement?	Not yet, while the budget needed it not known. It will be calculated after the construction permit (ZRID) is given and the formal process of land acquisition begins	Responsibility: municipality Proposed date: as soon as ZRID granted
31.	Does the RAP identify mechanisms established to ensure the coordination of disbursements with the project schedule?	Not yet, while the budget needed it not known. It will be calculated after the ZRID is given and the formal process of land acquisition begins	Responsibility: municipality Proposed date: as soon as ZRID is given
32.	Does the RAP include an implementation schedule covering all displacement activities including target dates for achieving benefits to affected persons, and implementing assistance?	Only estimations. A schedule will be added after the construction permit (ZRID) is given and the tram route is accepted and the list of plots to be taken over is final.	Responsibility: municipality Proposed date: as soon as ZRID is given



33.	Does the implementation schedule indicate how the displacement activities are linked to the implementation of the overall project?	Not yet, while the formal process of land acquisition did not begin. It will begin after (ZRID) is given and that will mean that the tram route is finally accepted and the list of plots to be taken over is final.	Responsibility: municipality Proposed date: as soon as ZRID is given
34.	Does the monitoring and evaluation proposed include arrangements for the monitoring of displacement activities by the implementing agency and independent monitors?	Not yet, but SPV confirm monitoring will be conducted by the implementing agency, supplemented by the independent monitors. Definition of monitoring framework, roles, and responsibilities, as well as input, output, and outcome, indicators, set out in current RF and to be monitored and audited over time by an independent body with the participation of affected persons.	Responsibility: SPV Proposed date: Following census and valuation
35.	Is the evaluation of the impact of displacement proposed for a reasonable period after all displacement and livelihood restoration activities have been completed?	Not yet, as the final dates of the project realisation will be confirmed after the ZRID is given. At that time a timeframe for a final external evaluation should be prepared.	Responsibility: municipality / SPV Proposed date: Following census and valuation
36.	Are arrangements, including timeframe, described for a final external evaluation or an external completion audit?	Not yet, as the final dates of the project realisation will be confirmed after the ZRID and timeframe for a final external evaluation will be agreed.	Responsibility: municipality / SPV Proposed date: Following census and valuation

# 12 Annex II: Resettlement actions – supporting documentation



Figure 2 Copy shop to close at Meissnera Str. No. 13



Figure 3: Bakery and Florist's to close at Dobrego Pasterza 116



Figure 4: Haberdashery shop and a tailor service point to close at Dobrego Pasterza 207F

PDP No.	Address [plot number]	Type of business	Relationship to business	Status of PDP	Type of potential loss	Plots
1	Meissnera 37 [495/28 – 0004]	Off-licence shop	Franchisee, and shop owner	Owner	Loss of business property and activity	Private
2			Shop assistant/ seller	Employee	Loss of job	
3		Shop Partner – shop chain	Franchisor	Owner	Loss of income	
4	Meissnera 13 [450/14 - 0004]	Copy shop	Informal commercial place user / Occupant	Service provider	Loss of income Loss of livelihood	Public
5	Pilots 59 [36/4-0023]	Billboard	Land lease for pile structure	Landowner	Loss of income	Private
6	Młyńska [751/1]	2 X Billboards	Land lease for pile structure	Landowner	Loss of income	Private
7	Dobrego Pasterza 116 [3/12, 319]	Bakery 'sklepy Piekarnicze' Marcin Rachwał	Sales point	Owner	Loss of income. Loss of place of business	Public
8				Employee	Loss of job	
9	Dobrego Pasterza 122A	Billboard	Land lease for pile structure ('Biedronka')	Landowner (tenancy for life)	Loss of income	Private
10	Dobrego Pasterza 124 A [1/9, 2/1]	Billboard	Land lease for pile structure	Landowner (tenancy for life)	Loss of income	Private
11	Dobrego Pasterza 124A [2/1-0006]	Restaurant	Business space tenancy	Landowner (tenancy for life)	Loss of income. Loss of place of business	Private
12	Dobrego Pasterza 124A [2/1-0006]	Restaurant Hong Ha	Business space tenancy from Super Krak SA	Business owner	Loss of income. Loss of place of business	Public
13				Employee	Loss of job	

Reference Number	Date	Location	Person with Grievance	Grievance	Responsibility	Category	Follow up	Date of acknowledgement	Date of response	Response details	Status
Grievance identification number	Date of receipt of complaint	Location of incident	Name and contact details of person with grievance, including method of communication preferred	Description of grievance	Person responsible for investigating	Compensation Land etc	Date to follow up or date of resolution	Date acknowledgement provided	Date written response provided to complainant	Rejected or accepted and corrective action taken / to be taken	Pending or closed

## 13 Appendix A-1: Grievance Redress Form Template

Land acquisition and compensation process Grievance Form – Sheet 1 <i>(if more than one person, refer to Sheet 2)</i>									
Reference Number					Signature of Recorder				
Name of Recorder									
Date									
Sheet 2 included?	No		Ye s		Number <i>(when yes)</i> :				
Forms of Receipt									
Orally		Official form		E-mail		Telephone			
Other (Specify):									
Type of Grievance:									
Individual		Group		Community					
Stage of RAP process									
Design		During implementation of RAP				Post implementation of RAP			
Grievance Information									
Ground:									
Complainant Information (or complainant representative)									
Name – Surname					Signature of Complainant				
Telephone Number									
Address									
Village/Settlement									
Contact preferred	Telephone		e-mail		Post		In person		
Details of Grievance									
<b>Access to Land and Resources</b>	<b>Damage to private assets</b>	<b>Damage to infrastructure or community</b>	<b>Decrease or Loss of Livelihood</b>	<b>Accident</b>					

		<b>Assets</b>		
a) Lands	a) Land	a) Roads/Railway	a) Agriculture	a) Injury
b) Crops	b) house	b) Power/ Telephone lines	b)Animal Husbandry	b) Damage to property
c) House	c) livestock	c) Water sources	c) Beekeeping	c) Damage to livestock
d) Commercial site	d) Means of Livelihoods	d) Drinking water	d) Small scale trade	d) Other
e) Others:	e) Others:	f) Other	e) Other:	
<b>Compensation and entitlement (specify)</b>	<b>Dispute over ownership (Specify)</b>	<b>Assistance</b>	<b>Land acquisition (Specify)</b>	<b>Misinformatio n of lack of information)</b>
		a) Delay in disbursement of		
		b) Improper distribution of		
		c) Other		
<b>Other:</b>				
<i>Recorder: Original - Complainant: Copy</i>				

**Additional sheet grievance mechanism for group complaints**

<b>Group information – Sheet 2</b>	
Name – Surname	Signature
Telephone Number	
Address	
Village/Settlement	

Group information – Sheet 2		
Relation with the complainant representative		
Name – Surname		Signature
Telephone Number		
Address		
Village/Settlement		
Relation with the complainant representative		
Name – Surname		Signature
Telephone Number		
Address		
Village/Settlement		
Relation with the complainant representative		
Name – Surname		Signature
Telephone Number		
Address		
Village/Settlement		
Relation with the complainant representative		
Name – Surname		Signature
Telephone Number		
Address		
Village/Settlement		
Relation with the complainant representative		



