

Livelihoods Restoration Plan

PROJECT: Kraków Fast Tram (Stage IV)



June 2023

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1 Acronyms and abbreviations

| | |
|------|--|
| CAP | Code of Administrative Procedure |
| CC | Civil Code |
| CCP | Code of Civil Procedure |
| CRP | Constitution of the Republic of Poland |
| EBRD | European Bank for Reconstruction and Development |
| EGIB | Land and Building Register (County Office) |
| EIA | Environmental Impact Assessment |
| EIB | European Investment Bank |
| ESDD | Environmental and Social Due Diligence |
| GIS | Geographical Information System |
| GM | Grievance Mechanism |
| GH | Grievance Handler |
| GC | Grievance Committee |
| KSR | Kancelaria Środowiskowa Ronikier I Wspólnicy |
| KST | Kraków Fast Tram (here: Stage IV) |
| LRP | Livelihood Restoration Plan |
| PAP | Project Affected Person |
| PDP | Project Displaced Person |
| PPP | Public Private Partnership |
| PR | Performance Requirement |
| RAP | Resettlement Action Plan |
| REMA | Real Estate Management Act |
| SEP | Stakeholder Engagement Plan |
| SPV | Special Purpose Company (under Gulermak) |
| ZDMK | City of Krakow Road Management Department |
| ZRID | Zezwolenie na Realizację Inwestycji Drogowej |

2 Glossary

Appraisal Report: Contains information necessary for the valuation of real estate by a property appraiser, including the legal basis and conditions of the activities performed, the solutions applied, presentation of the calculation process and the final result.

Assets: All tangible and intangible assets exposed to loss or depletion due to the implementation of the project

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 due to 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 compensation and other assistance 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.

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

Project Displaced Person: Persons displaced as a result of project implementation.

Property Price: The amount to be paid to the owner (autonomous possessor) of the property established based on the value of the property as determined by a property appraiser and negotiated with the owner,

Real Estate: In accordance with the Civil Code Article 46, real estate is a part of the earth's surface constituting a separate object of ownership (land), as well as buildings permanently attached to the ground or parts of such buildings, if under special provisions they constitute an object of ownership separate from the land.

Replacement cost: The scope and rate of compensation for lost assets, to 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 physically as well as economically displaced by an investment project.

Resettlement Assistance: Support provided to people who are displaced because of the investment. Support may include transport, food, shelter, and social services provided to those affected by the project during their relocation. Support may also include cash benefits that compensate those affected for the inconvenience of resettlement and cover expenses related to moving to a new place, such as moving costs and days of absence from work.

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): Road construction consent. 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 Livelihoods Restoration Plan (LRP) for the Kraków Fast Tram (Stage IV) project, which is described in Section 4. The overarching aim of the LRP is to identify appropriate measures to address the permanent or temporary economic displacement impacts of project development, in accordance with Polish law and good international practice.

Specifically, the LRP 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.

As the initial project audit, conducted in July 2021, and subsequent surveying has not revealed the potential for any physical displacement from project development, *resettlement* in this document refers to the *potential 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.

While the resettlement process is led by Krakow Municipality, and the Project is anticipated to be granted consent in May 2023, the government census, asset inventory, and compensation valuation, processes are not undertaken until after the project consent is granted. The current version of the LRP is therefore 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: Baseline information and displacement impacts. 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 compensation eligibilities and entitlements and outlines compensation responsibilities and timelines.
- 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 LRP. Sets out proposed measures for monitoring and evaluating the land acquisition process and for performance reporting.

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, Oświecenia, 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 Jancarza str. to the existing tram loop “Mistrzejowice”. See figure 1 below.

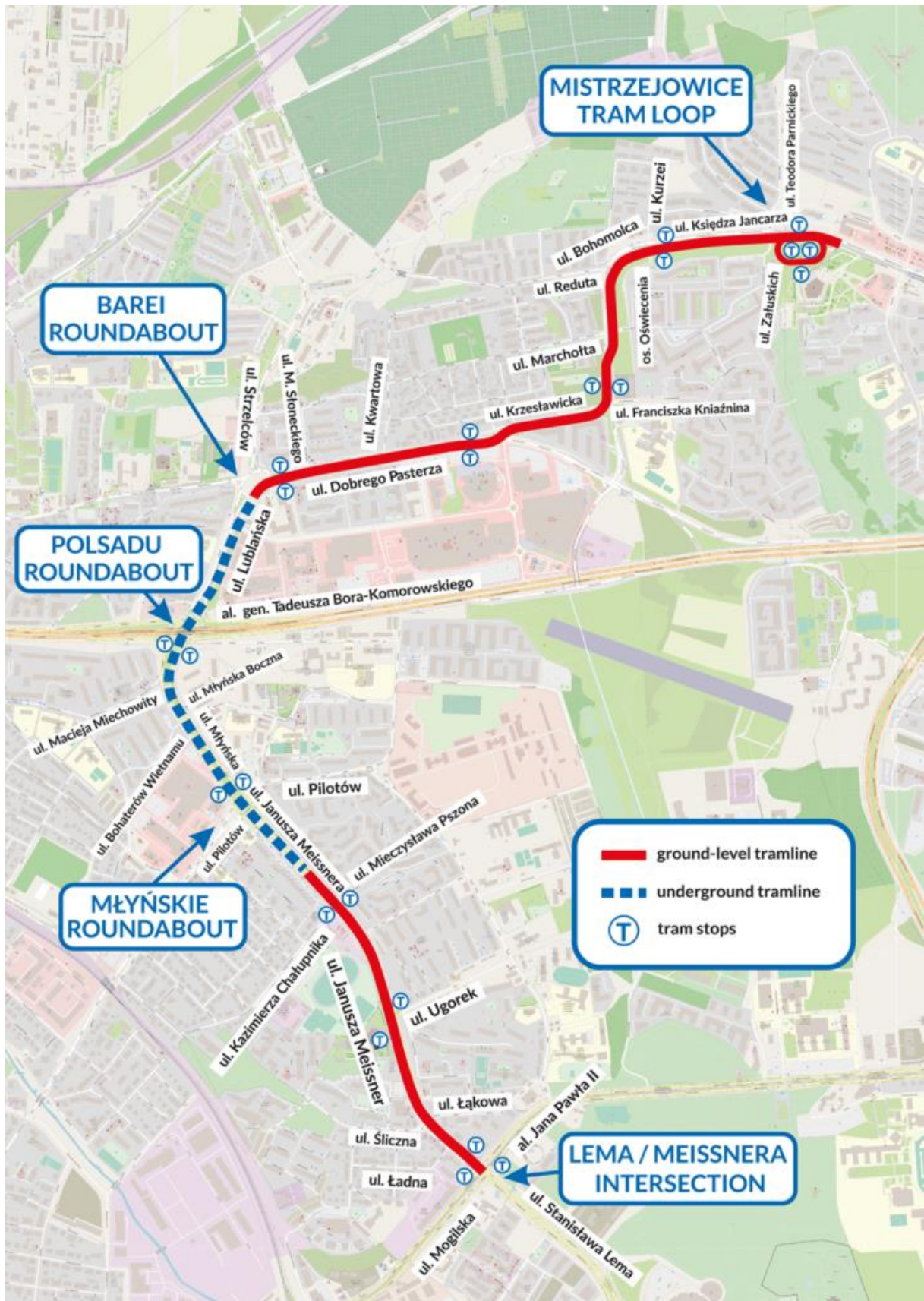


Figure 1 Overview of Kraków Fast Tram (Stage IV) Project, source: Gülermak.

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, Książnica 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 21st 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) (hereafter 'the 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 Environmental and Social Due Diligence (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) (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 ZRID has been granted, all land and property located within the footprint of the proposed tramline development has 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 includes 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 2nd 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 27th 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 23rd 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 2nd 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 27th 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 10th 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 8th, 1990 (Dz.U. 2001 No. 142, issue 1591, as amended), which establishes rules for consulting 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 local government entity 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)¹.

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.

¹ 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.

Therefore, it should be emphasized that Polish legislation indicates that, if the expropriated real estate is profitable or can bring profits, the appraiser should apply an income approach to the valuation of such real estate and consider the profits that the real estate brings or could bring. Where the appraiser applies the income approach for the valuation of real estate that generate earnings, the value of the real estate can be established using two methods; *the investment method* and *the profit method*, as indicated in Art. 7 of the Council of Ministers Regulation on Real estate Valuation and Appraisal Preparation (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 compensation² 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, Krakow Municipality, as a city with district rights based on this legislation, provide other forms of compensation and assistance for entities suffering losses because a project, and eligibility for this assistance includes both natural and legal persons, 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 has a strong connection with the Municipality authorities, 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).

The list of external procedures carried out by 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

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

² 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.

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 Krakow Municipality, 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 receivables³ 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 24th 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;
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.

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.

³ 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 etc).

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;
 - 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;
2. Department of Administrative Enforcement and Debt Collection of 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;
 - b) EW-2 - Granting reliefs in repayment of monetary receivables due to the Municipality of Krakow for enforcement and imposed administrative penalties arising in the course of enforcement proceedings, available at BIP at link: 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.

(iv) Administrative social assistance support

Krakow Municipality 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 based on 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.

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 minimize, physical and/or economic displacement, while balancing environmental, social, and economic costs and benefits.
- From the earliest stages and through all resettlement activities the client will involve Project Affected Persons (PAPs). 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 census and survey.
- All Project Displaced Persons (PDPs) will be offered compensation for loss of assets at full replacement cost and other assistance. Where livelihoods of PDPs are land-based, 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 PR1 and should involve the participation of key stakeholders.

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 the full EBRD PR5 based 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 ⁴ 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 PAPs, including host resettlement communities where relevant. Consulting with the affected persons in preparing the LRP or RAP and summarizing the information contained in the LRP or 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. |
| 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. |

⁴ 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)

| | | |
|---|--|--|
| <p>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.</p> | <p>No requirement identified in law or regulation</p> | <p>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 the needs and expectations of stakeholders. Section 7 of this LRP assesses the socio-economic impacts of project development in the context of land acquisition and land use restriction. However, a stand-alone project socio-economic assessment, has not been undertaken.</p> |
| <p>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.</p> | <p>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.</p> | <p>The census, inventory and profiling of PDPs, lands and property will be led by the municipality once ZRID consent is granted, but this process has also been supplemented by the SPV as a means of verification and to also include non-legally recognized land and property and livelihood losses.</p> |
| <p>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.</p> | <p>Under national government procedures and the Road Spec Act (2003) the ZRID decision establishes the cut-off date</p> | <p>No corrective action required.</p> |
| <p>Offer to all displaced persons compensation for the loss of livelihoods and assets at full replacement cost and other assistance prior to expropriation</p> | <p>Polish laws and regulations do not require compensation to be issued prior to expropriation, nor automatically compensate for income loss for affected businesses, or for the costs of re-establishing commercial activities, or transitional support to economically displaced persons. Polish legislation does, however, indicate that, if the expropriated real estate itself is profitable (e.g. leased land) the appraiser should include this in the valuation.</p> | <p>Owners of businesses can apply for the general mechanisms of the Civil Code (compensation for damage suffered and lost profit) and the municipality can suggest another location for the business with similar conditions. However, to ensure that potential future benefit losses and other support assistance entitlements will be offered in the valuation prepared by the municipality following ZRID consent, the municipality has agreed for its valuation process to be supplemented by independent valuation commissioned by the SPV (see eligibility and entitlements section 8), so that full livelihood replacement costs and assistance measures for affected businesses are captured and included in the compensation package.</p> |
| <p>Establishment of an effective grievance mechanism as early as possible in the process to receive and address in a timely fashion specific concerns about compensation and relocation raised by</p> | <p>The submission of complaints, grievances and appeals is guaranteed by the Constitution and</p> | <p>Grievance channels are available through the Constitutional and Civil Code provisions, but there is a lack of a project-specific grievance management procedure that satisfies</p> |

| | | |
|---|--|---|
| displaced persons and/or members of host communities. It will include a recourse mechanism designed to resolve disputes in an impartially. | other provisions, including Civil Code (Journal of Laws of 2020, item 1740, as amended). | EBRD PR5. A framework for this is outlined in section 9 of this LRP. The SPV are aware this mechanism should be implemented and disclosed to all project 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/LRP that covers, at minimum, applicable requirements set forth in PR, regardless of number of people affected. | There is no legal requirement for for Livelihood or Resettlement Frameworks or Plans or any specific socio-economic research studies | LRF and Interim LRP undertaken as basis for subsequent finalised LRP 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 LRP and to be monitored and audited over time by an independent body with the participation of PAPs. |
| 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. | Monetary 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. |
| 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. | No provision in Polish law for the loss of public amenities and consultation and alternative identification | Not applicable as none affected. |

Given the findings of the Gap Analysis, it was evident that to meet EIB and EBRD PR5 requirements, additional measures and procedures would be required relating to; consultation and disclosure; impact and baseline identification; compensation and livelihood restoration scope and scheduling; grievance management; and monitoring, reporting, and auditing.

These measures and procedures will supplement the expropriation process proposed under ZRID and the other applicable 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 has identified 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

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 the SPV and 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.

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

| | | | | |
|--|---|--|----------|--------|
| People commuting the route through which the project will run | | <p>Construction phase:</p> <ul style="list-style-type: none"> reconstruction of roads (including pedestrian routes) increased traffic load during the construction phase <p>Operation phase:</p> <ul style="list-style-type: none"> better connection with the other parts of the city shortened travel time to selected city destinations | indirect | medium |
| Public administration – district level | Office and council of district Mistrzejowice Council of district Prądnik Czerwony | <ul style="list-style-type: none"> investment on the territory of the district – impact on district’s inhabitants: disturbances during construction phase and improvement of public transport in op phase | indirect | high |
| Public administration – city level | City office/ hall Zarząd Transportu Publicznego w Krakowie | <ul style="list-style-type: none"> impact on the city’s inhabitants: disturbances during construction phase and improvement of public transport during operation phase | indirect | high |
| Local media | Gazeta Krakowska, Dziennik Polski, Gazeta Wyborcza Kraków, Lovekrakow.pl, Krknews.pl krakow.naszemiasto.pl | <ul style="list-style-type: none"> indirect impact through the impact on inhabitants. | Indirect | medium |
| Other citizens of Kraków | Citizens using public transportation or public infrastructure | <p>Construction phase:</p> <ul style="list-style-type: none"> increased traffic load – during the construction phase <p>Operation phase:</p> <ul style="list-style-type: none"> better connection with the other parts of the city shortened travel time to selected city destinations | indirect | low |
| Local NGO or CSOs | None impacted or interested | | indirect | low |
| Tourists and Kraków’s visitors | | <ul style="list-style-type: none"> no impact identified as Mistrzejowice and Prądnik Czerwony are neither the touristic districts of Kraków nor on the route between touristic parts | indirect | low |
| Students living near the project route or who must travel to university on the project route | Students of Jagiellonian University, Academy of Science and Metallurgy, Economic University | <p>Construction phase:</p> <ul style="list-style-type: none"> increased traffic load during the construction phase <p>Operation phase:</p> <ul style="list-style-type: none"> better connection with the other parts of the city and shortened travel time to selected city destinations. | 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 10th and the 18th of December 2014, they undertook a total of five public meetings, which were attended by the residents of the municipal estates affected by the planned project (see table 3 below).

Table 3: First round public meetings with municipal estate residents

| Date | Location | Attendees |
|----------------------------------|--|--------------------------------------|
| December 10 th , 2014 | Szkoła Podstawowa nr 130, os. Oświecenia 30 | Residents of Oświecenia estate |
| December 11 th , 2015 | Szkoła Podstawowa nr 64, ul. Sadzawki 1 | Residents of Olsza estate |
| December 15 th , 2014 | Szkoła Podstawowa nr 114, ul. Łąkowa 31 | Residents of Wieczysta estate |
| December 16 th , 2014 | Szkoła Podstawowa nr 85, os. Złotego Wieku 4 | Residents of Mistrzejowice estate |
| December 18 th , 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. 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 survey results 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.

Several 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 16th and September 10th, 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 could 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 in person 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 6th of September and had 66 participants, the second meeting was in-person on September 9th 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 a wider online survey with the public were conducted between August 16th and September 6th. There were 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 SPV 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 considered and responded to, 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

Project social media profiles were established on Facebook and LinkedIn and are proposed on Instagram

Table 4: Social media communication activities

| Medium | Name of profile | Number of followers | Comments |
|------------------|--|--|--|
| Facebook | Tramwaj do Mistrzejowic | 975 – observers 798 – like the profile (Status on March 28, 2023, 09:00) | Profile active, with an average of two 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 |
| LinkedIn | Tramwaj do Mistrzejowic | 375 observers (Status on March 28, 2023, 09:00) | 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) |
| Instagram | Profile will be launched after the beginning of construction works | | |

2. Meetings

Three meetings were held with representatives of district councils 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
- 21.02.2023 – meeting with representatives of District III (Prądnik Czerwony) 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:

- Press conference (18.06.2021) – presentation of the project

Representatives of 5 media were present and published an article after the conference:

| | | |
|---|----------------|--|
| A tram line will open in 2024. "It's worth it for Krakow." | lovekrakow.pl | https://lovekrakow.pl/aktualnosci/w-2024-zostanie-otwarta-linia-tramwajowa-to-sie-krakowowi-oplaca_41613.html https://ext.gulermak.com/W18001/lovekrakow_pl_2021_06_18_w_2024.pdf |
| Construction of a tram line to Mistrzejowice. There's a preliminary concept and a route | krknews.pl | Construction of a tram line to Mistrzejowice. There's a preliminary concept and a route - KRKnews https://ext.gulermak.com/W18001/krknews_pl_2021_06_18.pdf |
| The concept of building a tram line to Mistrzejowice. Project hotline launched | cowkrakowie.pl | The concept of building a tram line to Mistrzejowice. Project hotline launched - News from Krakow, Krakow News - What's on in Krakow https://ext.gulermak.com/W18001/krakow_wyborcza_pl_2021_06_18.pdf |

| | | |
|--|--|---|
| Kraków: The tramway to Mistrzejowice is getting closer | inzynieria.com | Kraków: The tramway to Mistrzejowice is getting closer - Inżynieria.com (inzynieria.com) https://ext.gulermak.com/W18001/inzynieria_com_2021_06_18.pdf |
| 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 | Cracow. Tram to Mistrzejowice: they have not started building yet, and it may be more expensive by PLN 100 million Gazeta Krakowska https://ext.gulermak.com/W18001/gazetakrakowska_pl_2021_06_18.pdf https://krakow.naszemiasto.pl/krakow-tramwaj-do-mistrzejowic-jeszcze-nie-zaczeli-budowac/ar/c1-8330644 |

- Press conference (05.01.2022) – application for ZRID decision

| | | |
|--|---------------------------------------|--|
| Tram to Mistrzejowice is getting closer | Kronika Krakowska TVP / krakow.tvp.pl | https://ext.gulermak.com/W18001/typ3_krakow-2022_01_05.avi |
| Local news | Radio Kraków | https://ext.gulermak.com/W18001/typ3_krakow-2022_01_05.avi https://ext.gulermak.com/W18001/pr_krakow-2022_01_06_09_02_06.wav https://ext.gulermak.com/W18001/pr_krakow-2022_01_06_06_02_41.wav https://ext.gulermak.com/W18001/pr_krakow-2022_01_05_20_02_22.wav https://ext.gulermak.com/W18001/pr_krakow-2022_01_05_17_02_04.wav https://ext.gulermak.com/W18001/pr_krakow-2022_01_05_15_02_57-wiadomosci.wav |
| Contractor applied for a ZRID decision for tram to Mistrzejowice | Radio Eska | https://ext.gulermak.com/W18001/radio_eska_krakow-2022_01_07_11_01_56.wav https://ext.gulermak.com/W18001/radio_eska_krakow-2022_01_05_15_00_41.wav https://ext.gulermak.com/W18001/eska_pl_2022_01_05.pdf |

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|--|---|--|
| Breakthrough in preparations to start construction of the tram line to Mistrzejowice | Dziennik Polski / dziennikpolski24.pl / gazetakrakowska.p l/ krakow.naszemiast o.pl | https://ext.gulermak.com/W18001/dziennik_polski_2022_01_07.pdf https://ext.gulermak.com/W18001/dziennikpolski24_pl_2022_01_05.pdf |
| Tram to Mistrzejowice. Contractor applied for a ZRID decision | krakow.wyborcza.p l | https://ext.gulermak.com/W18001/krakow_wyborcza_pl_2022_01_05.pdf |
| Tram to Mistrzejowice soon to be constructed | rmf24.pl | https://ext.gulermak.com/W18001/rmf24_pl_2022_01_05.pdf |
| Tram to Mistrzejowice. ZRID application submitted, construction is to start this half-year | lovekrakow.pl | https://ext.gulermak.com/W18001/lovekrakow_pl_2022_01_05.pdf |
| Construction of tram to Mistrzejowice is to start this half-year. Important decision made | lifeinkrakow.pl | https://ext.gulermak.com/W18001/lifeinkrakow_pl_2022_01_05.pdf |
| Tram to Mistrzejowice is getting closer | glos24.pl | https://ext.gulermak.com/W18001/glos24_pl_2022_01_06.pdf |
| Tram to Mistrzejowice soon to be constructed | krakow.twoje-miasto.pl | https://ext.gulermak.com/W18001/krakow_twoje_miasto_pl_2022_01_05.pdf |
| Tram to Mistrzejowice [visualisations, videos]. When the construction will start? | krknews.pl | https://ext.gulermak.com/W18001/krknews_pl_2022_01_06.pdf |
| Cracow: contractor applied for a ZRID decision for tram to Mistrzejowice | biznes.polskaprasa.pl | https://ext.gulermak.com/W18001/biznes_polskaprasa_pl_2022_01_05.pdf |
| | portalsamorzadowy.pl | https://ext.gulermak.com/W18001/portalsamorzadowy_pl_2022_01_05.pdf |

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|--|------------------------|---|
| Cracow: construction of tram line with a tunnel just around the corner | inzynieria.com | https://ext.gulermak.com/W18001/inzynieria_com_2022_01_05.pdf |
| Cracow: Tram to Mistrzejowice in PPP formula. Application for ZRID decision will make construction to be start | transport-publiczny.pl | https://ext.gulermak.com/W18001/transport_publiczny_pl_2022_01_05.pdf |
| Cracow: contractor applied for a ZRID decision for tram to Mistrzejowice | wnp.pl | https://ext.gulermak.com/W18001/wnp_pl_2022_01_05.pdf |
| Road investments in PPP formula are in short supplies. Will 2022 be groundbraking? | portalsamorzadowy.pl | https://ext.gulermak.com/W18001/portalsamorzadowy_pl_2022_01_02.pdf |

- Press conference (30.01.23) – Direct Agreement Signing

| | | |
|--|-------------------------------------|--|
| News | RMF FM / RMF Classic / RMF24.pl | https://ext.gulermak.com/KST/monitoring/radio_rmf_fm-2023_01_30.wav https://ext.gulermak.com/KST/monitoring/rmf24_pl_2023_01_30.pdf |
| | Radio Zet | https://ext.gulermak.com/KST/monitoring/radio_zet-2023_01_30.wav |
| | Radio 357 | https://ext.gulermak.com/KST/monitoring/radio_357-2023_01_31.wav |
| | Radio Kraków / Polskie Radio / PR24 | https://ext.gulermak.com/KST/monitoring/prkrakow-2023_01_30.wav https://ext.gulermak.com/KST/monitoring/radiokrakow_pl_2023_01_30.pdf |
| Tram to Mistrzejowice to be constructed soon | krakow.tvp.pl | https://ext.gulermak.com/KST/monitoring/krakow_tvp_pl_2023_01_30.pdf |

| | | |
|--|---|---|
| Fast tram to Mistrzejowice in 2025? 2 bln PLN investment will start this spring | krakow.wyborcza.pl | https://ext.gulermak.com/KST/monitoring/krakow_wyborcza_pl_2023_01_30.pdf |
| The first section of premetro to be built in 2025. Agreement signed | Dziennikpolski24.pl / gazetakrakowska.pl / krakow.naszmiasto.pl | https://ext.gulermak.com/KST/monitoring/krakow_naszmiasto_pl_2023_01_31.pdf |
| An agreement for first section of premetro signed. It costs almost 2 bln | lifeinkrakow.pl | https://ext.gulermak.com/KST/monitoring/lifeinkrakow_pl_2023_01_30.pdf |
| Cracow: there will be first stage of premetro opened in 2025. The city signed direct agreement for construction of KST IV | eska.pl | https://ext.gulermak.com/KST/monitoring/eska_pl_2023_01_31.pdf |
| They are already money for tram to Mistrzejowice. Start date of working – this spring. | lovekrakow.pl | https://ext.gulermak.com/KST/monitoring/lovekrakow_pl_2023_01_30.pdf |
| Work on the construction of tram line to Mistrzejowice is getting start soon | cowkrakowie.pl | https://ext.gulermak.com/KST/monitoring/cowkrakowie_pl_2023_01_30.pdf |
| There is an agreement for financing new tram line to Mistrzejowice signed. There will be no plenipotentiary of this investment | krknews.pl | https://ext.gulermak.com/KST/monitoring/krknews_pl_2023_01_30.pdf |
| Cracow: construction of tram to Mistrzejowice will start soon; it will finish in 2025 | portalsamorzadowy.pl | https://ext.gulermak.com/KST/monitoring/portalsamorzadowy_pl_2023_01_30.pdf |
| Cracow: performance agreement for tram to Mistrzejowice signed. It will be a first section of premetro at the same time | transport publiczny.pl | https://ext.gulermak.com/KST/monitoring/transport_publiczny_pl_2023_01_30.pdf |
| Cracow: tram line to Mistrzejowice is getting closer | inzynieria.com | https://ext.gulermak.com/KST/monitoring/inzynieria_com_2023_01_31.pdf |

| | | |
|---|---|---|
| Cracow: construction of tram to Mistrzejowice will start soon; it will finish in 2025 | wnp.pl | https://ext.gulermak.com/KST/monitoring/wnp_pl_2023_01_30.pdf |
| More than 1 bln PLN for tram line in Cracow. More than a half of it will be financed by Pekao bank | 300gospodarka.pl | https://ext.gulermak.com/KST/monitoring/300gospodarka_pl_2023_01_30.pdf |
| Consortium of Pekao, EBI, EBOR and PFR will provide more than 1 bln PLN for the construction of tram line in Cracow | Inwestycje.pl | https://ext.gulermak.com/KST/monitoring/inwestycje_pl_2023_01_30.pdf |
| Cracow – construction of tram line to Mistrzejowice will start soon; it will finish in 2025 | za PAP: stooq.pl, stooq.com, propertynews.pl, propertydesign, | https://ext.gulermak.com/KST/monitoring/stooq_com_2023_01_30.pdf https://ext.gulermak.com/KST/monitoring/propertydesign_pl_2023_01_30.pdf https://ext.gulermak.com/KST/monitoring/propertynews_pl_2023_01_30.pdf |
| Pekao bank to give more than 0,5 bln PLN for expansion of the tram network in Cracow | mojebankowanie.pl | https://ext.gulermak.com/KST/monitoring/mojebankowanie_pl_2023_01_30.pdf |
| Construction of the first stage of Cracow premetro will start this spring. To Begin with tram to Mistrzejowice | urbanity.pl | https://ext.gulermak.com/KST/monitoring/urbanity_pl_2023_01_30.pdf |
| Cracow premetro is getting closer. Opening in 2025 | whitemed.pl | https://ext.gulermak.com/KST/monitoring/whitemed_pl_2023_01_31.pdf |

- Video about the project in the public communication (trams, buses) (July 2021)
- Consultation of 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, 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 (23.11.21) – 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 presentation way, they will stimulate imagination and increase social awareness among kids attending educational institutions in the planned project neighborhood.
- Children's book about clean transport and construction work (2000 pcs.)
- YouTube channel
- Participation in the Family Picnic organized by District III (Prądnik Czerwony) council – activities for children were organized, information about the project was delivered (4.06.22)
- 15k newsletters were mailed and given to people on streets (27-30.06.2022)
- Monthly newsletter to the city council and districts councils are being sent (starting from August 2022 – 6 newsletters sent so far – 28 March, 83 receivers)
- Contest for followers on Facebook on the first day of school (01.09.2022) was run
- Promotional publications in local media (July – December 2022)

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 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 normal scope of eligibility.
- Focus on collectively refining and approving the independent supplementary valuation and compensation of the economically displaced businesses, as well as plot owners beyond the Municipality's normal 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 I of this LRP⁵

The second phase of this third round of consultation involved the SPV undertaking further surveying and an asset inventory with the owners, operators and employees of businesses identified as being economically displaced by the project that had not already been surveyed in the previous rounds of consultation. In preparation for this surveying and asset inventory process an invitation letter was sent out in advance (see Annex II). As national laws and regulations do not make provisions for the compensation or restitution of loss of livelihood due to economic displacement, the purpose of the survey and asset inventory was to establish a basis for the compensation of livelihood losses as a result of project development.

⁵ Omitted from current version to protect the anonymity of participants

Fourth round of consultation

The fourth phase of consultation related to the independent valuation of property, assets, and businesses, potentially expropriated and displaced by the Kraków Fast Tram Stage IV Project to EBRD PR5 by GAJA 2 Real Estate Appraiser's Office, which resulted in an Appraiser's Report included in Annex IV. In preparing the valuation, interviews and surveys were undertaken with the owners or users of the impacted real estate or their representatives in October 2022. While all owners of project impacted real estate were interviewed, and most also completed surveys, relatively few representatives and users of the real estate impacted businesses were willing to be interviewed or disclose information related to their business.

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 28.03.2023) 176 questions/ submissions were received. Until 28.03.2023 174 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.
- Preparing more communication materials, including press releases and presentations.
- Responses to media inquiries, interpellations, inquiries, and applications.
- 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 SPV, with municipal support, 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.

Table 6: Communication channels and target stakeholders

| CHANNEL | STAKEHOLDERS |
|---|---|
| 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 |

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, the identification of project impacts and social profiling remains an ongoing process. This LRP section is therefore based on socio-economic survey findings and may be subject to update following ZRID consent and finalisation of detailed Project Design.

Baseline information

The residents of Kraków represent an urban community characterized by traditions of high culture, science, organization, multiculturalism, and openness to tourism. The proposed tramline 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 four 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", and the occurrence of robberies, theft, anti-social behaviour, and hooligan antics is not uncommon. The share of employees in District III employed in the service sector is at 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 were largely developed in the 1970s and 1980s. A characteristic feature is excessive occupation density 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 higher share of employees in the service sector (78.7%) than the average for the City. Lower-order services dominate here and constitute 43.3% of employees. There are 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

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

The EIA indicated that the Project would not adversely affect material goods, cultural goods and monuments protected under the provisions on protection. 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, it is notable that the planned tram course originally specified under the Barei roundabout was moved east from the former Benedictine farm complex area to eliminate any potential cultural 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 most significantly 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 (NO₂, CO, CO₂, PM₁₀ and PM_{2.5}). 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 also be 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 were not available at the time of writing, and the results of detailed analysis 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 will not be 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 metres of existing roads, but it does not 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 tramline will reduce the emissions of air pollutants due to the switch of some traffic from cars powered by internal combustion engines to electric trams, but the EIA calculations of the air pollution changes were not available at the time of writing. At the same time, reliable data of traffic intensity with and without the project, 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 the 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, 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, and, (iv) the use of a 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 second 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 since 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, project construction. As such, 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 30ha 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 the SPV, project realisation will require the expropriation of 27,3ha 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. The 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 the 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, parts of a total of 514 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 (category II) persons with rights or claims recognisable under law, such as sale-purchase contracts or rate payments. Table 8 below summarises the identified plot types.


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 |
| Total | 514 |


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 14 businesses subject to economic displacement. The details of these economically displaced businesses are outlined in table 9 below alongside mapped locations and photographs of the affected businesses.


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 | 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. |  | <p>[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</p> <p>[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.</p> | <p>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.</p> | <p>3 - [REDACTED] [REDACTED] (owner of the plot and half of the building) - [REDACTED] (business operator (leaser)) - employees of [REDACTED] (number of people unknown)</p> <p>ACTIVE</p> |


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| | | | | | <p>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.</p> <p>17/03/22- telephone conversation explaining the purpose and scope of the survey.</p> <p>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.</p> <p>28/03/22- e-mail from Mr. [REDACTED], this time with a request to send the questionnaire (despite 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> | | |
| | | | | | <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> | | |
| 2. | Service (service) | Meissner 13 | 450/10 - owner of plot - Kraków Commune, 450/14 - owner of plot - Kraków Commune, 450/15 - owner of plot - Kraków Commune, | Plot 450/16 The plot was included in the decision on the permit for the implementation of a road investment. Dziłaka 495/28 remained in the hands until now. According to the decision, | <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>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>2</p> <p>- FHU Wero company – [REDACTED] (business owner)</p> |



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| | | | <p>450/16 - owner of plot - Kraków Commune, 451/3 - owner of plot - Kraków Commune, 451/8 - owner of plot - Krakow, 750/2 - owner of plot - Municipality of Krakow owner of business - FHU Wero + employees</p> | <p>the entire department is intended for investment.</p> <p>Plot 451/3 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>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. 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 start of May. 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. 06/04/22- sending the questionnaire by post to the address of the headquarters of the business "██████████ Firma Handlowo-Uslugowa Wero", receipt confirmed. No reply was received. 28/06/22 - sending the invitation to meeting and fulfilling the survey together – no response 07/07/22 – visit at copy shop, fulfilling the survey with mr. ██████████, husband of the owner (survey 03/22)</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. ██████████ confirmed that the land was being taken illegally - in the light of 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 ██████████ due to implementation of the investment, he plans to move his business to another location. The current building will be demolished and removed. Mr. ██████████ 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. ██████████ was interested if the owners of other neighboring plots would also have to remove elements of their buildings -</p> | <p>- employees of FHU Wero (2 people)</p> |
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| | | | | | | | especially the fence near the church. | |
| 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 | | 0 |
| 4. | Commercial building | Młyńska 2 | 24/10 - plot and building owners - married couple [REDACTED] [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 invitation to meeting and fulfilling 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> | <p>Both owners attended the meeting. Currently, 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.</p> | 1 [REDACTED] (land and building owners) |
| | | | | | | Domino – owner of bakery 01/02/22- visit to the point, the owner absent, conversation with the saleswoman, leaving information materials contact, questionnaires. No possibility to contact the owner - GDPR. Independent determination that the | | |

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| | | | | | | <p>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 (██████████). 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> | | |
| 5. | Kiosk (newsstand) | Młyńska at a covered bus stop MPK "Miechów" | 22/12 (ON: START-KURZEI Limited Liability Company) | |  | <p>07/07/22 – questioning people around, no information about business owner</p> | | 0 |
| 6. | Billboard | Pilots 59 | plot owner - ██████████ | | | <p>██████████ – 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 ██████████.</p> <p>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. ██████████, 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. ██████████, no survey sent back</p> | | 0 |

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| | | | | | | 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) | | |
| 7. | Kiosk (newsstand) | Intersection Młyńska / Miechałow | 864 - plot owner - Krakow structure and business owner - to be reviewed | |  | 07/07/22 – questioning people around, no information about business owner | | 0 |
| 8. | Kiosk (newsstand) | Ljubljana by the cover 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 | | 0 |
| 9. | Warehouse shelter | Dobrego Pasterza 116 | 3/12 (Municipality of Krakow) | 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. On the plot there are: a) easement of passage and passage; b) transmission easement for Tauron Dystrybucja SA; On the plot there are devices for the |  | CTD Inbud sp. z o.o. – owner of land and 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 | Employees – 24 full-time, 4 part-time (according to the survey) Mr. [REDACTED] is perpetual occupier of land (for 99 years time) and runs production of road signs and used to lease a newstand bakeries (it is not rented anymore). He doesn't know what will he do with his business after dividing and acquisition part of land: he considers closing the business and selling the land, dividing the business on service office (which 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 | 2 - Inbud [REDACTED] (business owner) - Inbud's employees (28) |

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| | | | | <p>transmission of liquids, steam, gas, electricity and communications. There is an energy and gas infrastructure on the plot, owned by Tauron Dystrybucja 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 12 months, i.e. until August 26, 2020.</p> | | | <p>technical project - 3 buildings will be demolished: kiosk, warehouse and silkscreen facility.</p> | |
| 10. | Service building | Dobrego Pasterza 116 | <p>3/12 - own of plot - Municipality of Krakow - perpetual occupier of land and owner of structure - Inbud company ([REDACTED]) + its employees</p> | <p>As above.</p> |  | <p>Rachwał s.c. – owner of bakery</p> <p>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.</p> <p>21/03/22- independent determination of the owner - Rachwał bakery. Telephone to the headquarters of the network, owner is busy</p> <p>22/03/22 – another call, interview with the owner [REDACTED]. A request to fill in the questionnaire, sent to the e-mail address provided - [REDACTED]. No answer.</p> <p>6/04/22 - sending the questionnaire by post with acknowledgment of receipt. No reply was received.</p> <p>28/06/22 - sending the invitation to meeting and fulfilling the survey together – no response</p> <p>26/07/22 – interview with the owner of business mr [REDACTED] – 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.</p> | | |

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| | | | | | | Flower shop 01/02/22 – site visit, building demolished ██████████ (cell above) | | |
| 11. | Warehose shelter | Dobrego Pasterza 116 | 3/12 (Municipality of Krakow), 2/2 (IT: Municipality of Krakow, University of Warsaw: married couple ██████████) | As above. There are no proceedings regarding plot 2/2 | | | | |
| 12. | Service building | Dobrego Pasterza as above bus stop "Stonecki", 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 | | 0 |
| 13. | Service building | Dobrego Pasterza 124a | 2/1 (IT: State Treasury, University of Warsaw: Super Krak Spółka Akcyjna) | There are no proceedings regarding plot 2/1 |  | Super-Krak S.A. – owner of land, building, car park and billboard 17/03/22 -an interview with HONG HA with a request to provide a contact or a contact from Super Krak. 17/03/22 - attempt to contact the Super Krak secretary's office and numbers available on the website (not received) 18/03/22 - Interview with the secretary's employee - no contact back and a person dealing with such matters was indicated. 6/04/22 -sending a survey in connection with billboard and building where the restaurant is run. No written reply. 26/04/22- contact to the helpline of Mrs. ██████████ ██████████, 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 28/04/22 - an e-mail from Ms ██████████ asking about the reason and basis for conducting the questionnaires and about temporary activities. Responded on May 5 28/06/22 - sending the invitation to meeting and fulfilling the survey together 05/07//22 – phone call from Mr ██████████, confirmation of the meeting | | 3 - Super-Krak S.A.(owner of land, building and billboard) - Hong Ha restaurant (business owner)owner - Hong Ha Restaurant's employees |

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| | | | | | <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> | | |
| | | | | | <p>Hong Ha – owner of asian restaurant business</p> <p>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</p> <p>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.</p> <p>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.</p> <p>06/04/22 - sending the questionnaire with acknowledgment of receipt. Not sent back</p> <p>16/04/22 - phone contact attempted, message requesting contact</p> <p>28/06/22 - sending the invitation to meeting and fulfilling the survey together – no response</p> <p>07/07/22 – call from owner, willing to complete survey, survey sent by e-mail, meeting offer</p> <p>08/07/22 – message sent</p> <p>26/07/22 – phone call, asking for survey, meeting / support via phone offered, owner declared to fill and sent the survey</p> <p>04/08/22 - phone call, declaration of sending survey, NIP number received 8731660809 - company "Toni" (one-man business)</p> | <p>Employees to be confirmed by valuation survey</p> | |

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| 14. | Car Park | Dobrego Pasterza 126 | (plot 3/16) | As above | | 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, asking for fulfilling the survey 04/08/22 - attempt to contact via phone, no answer | NA | - 1. Property (leaser of parking spaces) | JB |
|-----|----------|----------------------|-------------|----------|--|--|----|--|----|

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 temporarily 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 survey⁶. 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.

⁶ In this round of July 2022 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. However, the surveyors gained key non-sensitive information indirectly from the current owner of the leased property.

8 Eligibilities and Entitlements

According to Polish law, the municipality is obliged to finalise the identification of affected land, properties, assets, and persons, and calculate the rates and scope of compensation, following the ZRID project consent, which establishes the cut-off date for eligibilities and entitlements.

As there is no legal requirement to compensate for the full scope of eligibilities and entitlements specified under PR5, however, the SPV commissioned an independent valuer (GAJA 2 Real Estate Appraiser's Office) to verify the eligible entities already identified by KSR and SPV through their surveying, and to also undertake the valuation of entitlements specified under PR5 so that supplementary compensation to cover any discrepancies could be earmarked.

Any interim valuation of entitlements prepared by any other party, including by an independent valuer, can only be used to provide an opinion and not as the primary source to calculate compensations required under Polish law. However, after the ZRID project consent is issued, and the process of base valuation by the municipality (to meet Polish legal requirements) is completed, the independent valuation of entitlements can be used to identify discrepancies and derive any supplementary compensation needed to meet EBRD and /or EIB requirements.

The Project Contract between the 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 project consent being granted, an Eligibility and Entitlement Matrix based on EBRD / EIB requirements was developed (see table 10) as a framework for eligible entities and entitlements used in the independent valuation process.

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

| Type of loss/ impact | Eligible PAP (no.) | Number of PAPs ⁷ | Entitlements under EBRD / EIB |
|--|--|------------------------------------|---|
| Permanent loss of land | Title Holder ⁸ | 50 (primary / joint title holders) | Cash compensation of the land plot at full replacement cost ⁹ , which includes moving allowance for movable assets or assistance to move them AND <ul style="list-style-type: none"> • Income loss on land (if tenanted) until replacement land secured. • Replacement land search costs • Replacement land title costs • New land registration costs • Opportunity cost of time to search for and acquire new land. • Right to salvage any assets on land |
| | Occupant - Informal user ¹⁰ | Note: None identified to date | Relocation assistance costs, including assistance to relocate to another property or special assistance if identified as vulnerable. |
| Permanent loss of non-residential structures (shops, office space, workshops or similar) | Owner of business structure | 14 (primary / joint title holders) | Cash compensation of the structure at full replacement cost OR replacement business structure ¹¹ , and moving allowance for movable assets or assistance to move them AND <ul style="list-style-type: none"> • Replacement structure search costs • New structure title costs • New structure registration costs • Income loss on tenanted structure until replacement secured. • Opportunity cost of time to search and acquire new land. • Right to salvage material from demolished structure |

⁷ Subject to ongoing update as survey results and further information is collected or received.

⁸ Category 1 and 2 of displaced persons according to EBRD policy.

⁹ Replacement land provision often regarded as better compensation option than cash when livelihoods are land-based. However, land-based livelihoods not relevant in the context of this urban project and, given the very small area of sub-parcel expropriation in each case, land of similar size or characteristics is unlikely to be useful or readily available for purchase nearby.

¹⁰ Category 3 of displaced persons according to EBRD policy

¹¹ No PAPs have requested replacement business structures.

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|---|---|--|---|
| Temporary loss of business structure (shop, office space, workshops or similar) | Owner of business structure | Note: None identified to date | Moving allowance for movable assets or assistance to move them during temporary displacement period. |
| Permanent loss of business income and /or sources of livelihood associated with either of the above losses or other project impacts | Owner, operator / leaser, employee (formal or informal business or economic activity) | Identified, confirmed, or surveyed, to date: 5 business operators (landlords and leasers) 30 employees | 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 ¹² AND: <ul style="list-style-type: none"> • Alternative income source search costs (including travel, administration, accounting, and potential moving costs) • Income (including rental income) and associated employment and social welfare losses until alternative income source secured¹³ |
| Temporary loss of business income and/or sources of livelihood associated with either of the above losses or other project impacts | Owner, occupant, employee (formal or informal business or economic activity) | Note: None identified to date | Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities) including a disturbance allowance OR establish access to similar opportunities and restore incomes. |

¹² Currently no PAPs have expressed a preference to establish access to similar opportunities and restore incomes, and no PAPs expressed an anticipated need to change the focus of their business / employment due to expropriation.

¹³ Livelihood restoration comprises measures that will be implemented to address economic displacement - that is, to improve or, at a minimum, restore PAP livelihoods to pre-displacement levels.

Eligibilities

As noted in Section 5, relevant Polish law and regulation only recognise as eligible, 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 none of the 14 owners, leasers, and employees, of *businesses* on Project affected plots potentially displaced by the Project (detailed in previous Section 7) fall under Category I or II and, therefore, 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.

Entitlements

In October 2022, the SPV commissioned GAJA 2 Real Estate Appraiser's Office to undertake an independent valuation of compensation for property, assets, and businesses, potentially expropriated and displaced by the Kraków Fast Tram Stage IV Project to EBRD PR5. This resulted in the production of an Appraiser's Report, which is included in Annex III.

The report's methodology and content are governed by the Real estate Management Act and the Regulation of the CM on the valuation of real estate and the preparation of an appraisal report, but the valuation has been adjusted to include the full scope of entitlements specified under EBRD PR5. The detail of the approach and methodology adopted for this independent valuation is set out and can be reviewed in full in section seven of the Appraiser's Report.

In summary, in preparing the valuation, impacted real estate was inspected, and interviews and surveys were undertaken with its owners and users or their representatives in October 2022. While all owners were interviewed and most completed surveys, not all representatives of the impacted businesses associated with the real estate were willing to be interviewed or disclose information related to their business. As a result, proxy measures and extensive secondary source information was necessarily relied upon to accurately estimate the costs and compensation values associated with the business component of the impacted real estate.

In addition to the valuation approach normally specified by the administrative regulations, the valuations were based on the replacement cost approach to purchase similar real estate, and included search and agency costs, and all significant taxes, fees and costs associated with moving, transferring and storing assets, derived, among other sources, from specialist moving and storage facility rates. Furthermore, the valuation included where relevant, the value of lost benefits, and most significantly loss of income and revenue, based on the valuer's survey results and market data analysis of rents, and comparative revenue and position remuneration.

The first part of the Appraisal Report's valuation is based on determining full replacement cost for the 14 affected businesses. The results are summarised in table 11 and represent the compensation that should be provided to PDPs associated with the affected businesses to satisfy PR5 entitlement requirements, which totals PLN 13,343,348 gross.

The second part of the Appraisers Report's valuation is based on determining full replacement cost for the 50 affected private plots. The results are summarised in table 12 and represent an approximation of the compensation that should be provided to PDPs associated with the private plots to satisfy PR5 entitlement requirements.

Provision and disbursement

In reference to the PPPA between SPV and Krakow Municipality, specifically labelled the PFU (Functional and Utility Program), the municipality is obliged to act in accordance with EBRD policies and "costs related to compensation process and necessary resettlement are absorbed by the Public Entity" (PPPA 3.5.13.5 – page 61-62). It is therefore anticipated that as well as providing compensation under Polish law, the municipality will recognise and provide for any additional compensation liable under PR5, for which it is understood they have budget reserve.

In contrast to EBRD PR5's policy of compensation provision prior to expropriation, property expropriation is technically effective from the point of the ZRID project consent decision (when issued with an immediate enforcement clause as with this project), and therefore precedes compensation disbursement. Nevertheless, prior to utilising or taking full possession of property, the municipality is obligated to calculate and disclose the ZRID compensation valuation to PDPs within 60 days of ZRID consent so that it can be appealed by the PDP¹⁴.

Once issued, the municipal valuation for compensation can be appealed by the PDP within 14 days under the Administrative Procedural Code but, if the valuation is accepted by the PDP within this period, 70% of the compensation is processed and paid to the PDP within 30 days from the point of their acceptance. Once 14 days have passed after initial valuation issuance without appeal, the ZRID valuation becomes 'definitive' and the remaining 30% of the compensation is processed and paid within 30 days of the valuation becoming 'definitive'.

PDPs associated with the 14 affected businesses eligible to compensation to meet EIB and EBRD requirements, will be informed of their eligibility and entitlement to compensation by SPV through direct mail, email or telephone communication following ZRID municipal valuation issuance. The PDP will then have 21 days from the point of being informed of their eligibility and entitlement to compensation to make an application claim to SPV for this compensation. Once this application is received by SPV, the compensation payment will be made to the PDPs prior to project senior loan drawdown and no later than October 2023.

As the PDPs associated with the 50 affected plots are already eligible for compensation under Polish law, they will be informed of their eligibility and entitlements under the ZRID mechanism. The municipality will also therefore be responsible for disbursing their entitlements and for demonstrably ensuring that their entitlement provision meets PR5 requirements (as approximated in the Independent Valuation), through either financial or "in kind" supplements.

¹⁴ It should be noted that, under Polish legislation, property owners are entitled to a 5% increase in compensation if they forego waiting for compensation valuation disclosure and the option of appeal and instead make the property available for full possession and use within 30 days of the consent decision

Table 11: Summary of values for the 14 displaced businesses based on EBRD PR5 full replacement cost requirements.

| Item | Address | PAP | Type of loss/compensation | | | | | | | | | Total [PLN gross] | |
|--------------------------|---------|-----|------------------------------|---|--|-----------------------------------|--|--------------------|---|--------------------------------------|---|-------------------|--|
| | | | Permanent loss of land [PLN] | Permanent loss of building structures [PLN] | Permanent loss of movable assets [PLN] | Replacement property search [PLN] | Replacement property added costs [PLN] | Moving costs [PLN] | Temporary loss of property income [PLN] | Temporary loss of remuneration [PLN] | Temporary loss of business income [PLN] | | |
| 1 | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | |
| Total [PLN gross] | | | | | 10.000. | 352.948. | 50.412. | 37.380. | 35.457. | 329.760. | 270.441. | | |

Table 12: Summary of values for the privately owned plots displaced based on EBRD PR5 full replacement cost requirements.

| No. | precinct | Nr plot | Area [m2] | Area in m2 | nr KW | Market value [zł/m2] | Market value [zł] | Market value of land not covered by opinions / (rounded) [zł] | Reimbursement for loss of land [zł] | Cost of replacement search [zł] | Additional cost of procurement (replacement) [zł] | Total value of reimbursement[zł] |
|-----|----------|---------|-----------|------------|-------|----------------------|-------------------|---|-------------------------------------|---------------------------------|---|----------------------------------|
| 1 | | | | | | | | | | 183,429 | 18,552 | |
| 3 | | | | | | | | | | 694 | 1,687 | |
| 4 | | | | | | | | | | 6,785 | 2,941 | |
| 11 | | | | | | | | | | 115,809 | 12,917 | |
| 12 | | | | | | | | | | 21,740 | 4,935 | |
| 13 | | | | | | | | | | 2,544 | 2,375 | |
| 14 | | | | | | | | | | 2,159 | 2,313 | |
| 15 | | | | | | | | | | 2,082 | 2,287 | |
| 16 | | | | | | | | | | 8,558 | 3,177 | |
| 17 | | | | | | | | | | 4,703 | 2,663 | |
| 19 | | | | | | | | | | 4,626 | 2,653 | |
| 20 | | | | | | | | | | 2,622 | 2,386 | |
| 21 | | | | | | | | | | 84,814 | 10,334 | |
| 22 | | | | | | | | | | 16,038 | 4,174 | |
| 24 | | | | | | | | | | 33,154 | 6,457 | |
| 25 | | | | | | | | | | 3,084 | 2,447 | |
| 28 | | | | | | | | | | 3,470 | 2,499 | |
| 29 | | | | | | | | | | 40,248 | 7,179 | |
| 30 | | | | | | | | | | 44,566 | 7,467 | |
| 31 | | | | | | | | | | 848 | 1,790 | |
| 32 | | | | | | | | | | 10,563 | 3,445 | |
| 33 | | | | | | | | | | 1,157 | 1,979 | |
| 35 | | | | | | | | | | 19,276 | 4,606 | |
| 38 | | | | | | | | | | 32,769 | 6,405 | |
| 39 | | | | | | | | | | 6,400 | 2,889 | |
| 40 | | | | | | | | | | 31,612 | 6,251 | |
| 41 | | | | | | | | | | 3,701 | 2,530 | |
| 42 | | | | | | | | | | 8,250 | 3,136 | |
| 43 | | | | | | | | | | 3,161 | 2,458 | |
| 44 | | | | | | | | | | 7,016 | 2,972 | |
| 45 | | | | | | | | | | 41,713 | 7,277 | |
| 46 | | | | | | | | | | 47,727 | 7,678 | |
| 47 | | | | | | | | | | 26,909 | 5,624 | |
| 48 | | | | | | | | | | 94,297 | 11,124 | |
| 55 | | | | | | | | | | 463 | 1,533 | |

| No. | precinct | Nr plot | Area [m2] | Area in m2 | nr KW | Market value [zł/m2] | Market value [zł] | Market value of land not covered by opinions / (rounded) [zł] | Reimbursement for loss of land [zł] | Cost of replacement search [zł] | Additional cost of procurement (replacement) [zł] | Total value of reimbursement[zł] |
|--------------|----------|---------|-----------|---------------|-------|----------------------|-------------------|---|-------------------------------------|---------------------------------|---|----------------------------------|
| 56 | | | | | | | | | | 5,397 | 2,756 | |
| 57 | | | | | | | | | | 2,544 | 2,375 | |
| 58 | | | | | | | | | | 1,928 | 2,236 | |
| 59 | | | | | | | | | | 13,724 | 3,866 | |
| 60 | | | | | | | | | | 7,633 | 3,054 | |
| 61 | | | | | | | | | | 308 | 1,410 | |
| 62 | | | | | | | | | | 12,799 | 3,743 | |
| 63 | | | | | | | | | | 11,488 | 3,568 | |
| 64 | | | | | | | | | | 2,313 | 2,345 | |
| 67 | | | | | | | | | | 7,710 | 3,064 | |
| 71 | | | | | | | | | | 5,937 | 2,828 | |
| 72 | | | | | | | | | | 848 | 1,790 | |
| 73 | | | | | | | | | | 2,390 | 2,355 | |
| 74 | | | | | | | | | | 2,313 | 2,345 | |
| 75 | | | | | | | | | | 925 | 1,841 | |
| 76 | | | | | | | | | | 7,865 | 3,085 | |
| 80 | | | | | | | | | | 6,322 | 2,879 | |
| 81 | | | | | | | | | | 463 | 1,533 | |
| 82 | | | | | | | | | | 694 | 1,687 | |
| 83 | | | | | | | | | | 15,806 | 4,144 | |
| 84 | | | | | | | | | | 84,660 | 10,321 | |
| 85 | | | | | | | | | | 162,765 | 16,830 | |
| 86 | | | | | | | | | | 7,325 | 3,013 | |
| 90 | | | | | | | | | | 8,944 | 3,229 | |
| Total | | | | 16,732 | | | 100,229 | | | 1,290,088 | 257,437 | |

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 encourage 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 addressed¹⁵.

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

¹⁵ 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.

document and record the grievance (see Annex IV), 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 or form | You can send a complaint by letter through the postal service. The letter should be sent to the address: Biuro Budowy KST IV, ul. Ostatnia 1c, 31-444 Kraków Or you can use <i>the complaint form</i> link below: https://www.tramwajdomistrzejowic.pl/wp-content/uploads/2023/02/formularz_zgloszen.pdf |
| 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: info@tramwajdomistrzejowic.pl For the attention of Mr. Bartosz Sawicki |
| 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

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

| | Schedule |
|---|---|
| Grievance Handler grievance assessment | Within 15 working days of notification of the complaint |
| Grievance Committee consideration | Within 15 working days of complaint referral |
| Responding to the complainant | Within 15-30 working days of complaint notification |

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 ¹⁶ | 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 LRP 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"> • Cash compensation • Costs of assistance, by type • Consultation and engagement costs • Costs of legal fees • Costs of taxes and registration fees • Other costs (and type). | 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 |
| 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 for first 6 months following ZRID consent, then Quarterly |

¹⁶ 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 refused or 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 for first 6 months following ZRID consent, then Quarterly. |
| Number (and percentage) of compensation agreements executed (compensation paid) | The percentage should be calculated from the number of compensation agreements signed. | Monthly for first 6 months following ZRID consent, then Quarterly |
| Number (and percentage) of compensation agreements meeting Independent Valuations | This should be based on analysis of compensation value executed against independent compensation valuation | Monthly for first 6 months following ZRID consent, then Quarterly |
| 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 for first 6 months following ZRID consent, then Quarterly |
| Outcome indicators | Comment | Frequency of measurement |
| 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 LRP implementation will be delivered on an annual basis, with data for individual indicators collected and analysed in accordance with the assumptions presented in the table above. The SPV shall provide an Initial Verification Report *submitted to and approved by EBRD following Compensation Provision*, which would be anticipated to be in Autumn 2024 based on current schedules, with LRP Monitoring Reports produced annually thereafter during the life of the project.

11 Annexes

Annex I: Minutes of meeting between representatives from EBRD, Krakow City's Municipality, and SPV in July 2022.

Meeting participants:



MS: The topic of reimbursements is managed by several departments. The draft RAF was shared with them.

MM: The general purpose of the meeting is to establish a way of meeting national requirements with the EBRD requirements regarding Resettlement Action Plan. Both sides should disclose the requirements so we can have a common understanding.

FS: The impact of the resettlement process isn't big – it is manageable.

ZR: The history of the Project is long (dated 1980). The process of consultation was executed, it was known among the local community for many years. This fact should be taken into consideration while discussing further.

MM: We need to establish three areas: first one is about who is eligible for compensation – the second and third one relates to the areas for compensation – the owners of the land and businesses run on the land – regarding the businesses that are run on the land – they are not compensated according to national law, but according to EBRD they are.

MS: We should leave aside the issue of the property owners; we should focus more on business owners that run their business on the land affected by the project. Also, we cannot guarantee compensations when we do not know the owners.

FS: According to the EBRD requirements there are 3 categories of people affected by the project who are compensated: 1. Owners of the land, 2. Owners of the buildings, 3. Owners of the businesses (lessees of the land/buildings in order to run a business e.g., kiosks). Some will be compensated according to national law, but according to EBRD all 3 categories are compensated.

As EBRD we prepare Land Acquisition and Livelihood Restoration Plan – also called Resettlement Plan which includes:

- List of affected parties by the project (eligibility qualification)
- Asset inventory

- Socio-economic survey – which will be done tomorrow by an independent expert
- At the end we do an evaluation – compensation matrix – we have a formula which tells what will be covered by national law and what will be covered by EBRD. Compensations must be paid before the start of the project. There is an option that the budget is secured for compensations and the construction can be executed.

An independent valuator is needed to estimate the value of reimbursement (land buyout and compensations). On the top of that we prepare Stakeholder Engagement Plan.

ZR: We do understand the EBRD requirements, but we need to be aware that compensation must be paid accordingly to the national law. In case of illegal use of the land – if we destroy the structure then compensation is in order.

FS: According to EBRD requirements we cannot remove anything before compensation payout, as otherwise it would be considered as eviction. So how the City wants to take into account EBRD requirements?

MS: In case of compensation of the land and assets – the City is responsible for this. But in case of the income generated by the businesses listed in list of affected parties by the project – it is likely that we will not provide compensations, as the scale of the businesses are not that big. Regarding the valuation – these are the competences of the treasury department, which is not present at the meeting today.

ZR: As a general approach – there are many projects in Poland executed with the EBRD support. Therefore, there are already used procedures that can be followed to meet the EBRD requirements and remain within the legal boundaries. We shall use those procedures at our Project as well.

Annex II: Invitation to Survey

Headed Paper (inserted here)

Krakow Fast Tram, stage IV Compensation

Dear X

In connection with the proposed Krakow Fast Tram, stage IV, Gulermak Ltd (the partner developers) have identified that your business is likely to be affected by the proposed development.

As such, you could be entitled to compensation or assistance under our international project financing requirements. However, to evaluate your entitlement one of our representatives will need to undertake a questionnaire survey with yourselves lasting approximately 40 minutes.

We have tried to contact you previously on several occasions regarding this survey but received no response. We must stress that this may be the final opportunity for you to undertake the survey with a view to gaining compensation.

We therefore request that you confirm your availability to complete the survey at your place of business on the 7th of July 2022 as soon as possible by contacting us by email, by telephone or in writing. If you are not available on this date, please also notify us so that an alternative survey arrangement can be made.

We look forward to hearing from you and assure you that while participation is in your own interest, it is voluntary, and you do not have to answer survey questions you feel uncomfortable with. Any information you share with us will be treated in confidence and used only for determining your compensation entitlement.

Yours sincerely, Gulermak Team

Gulermak office at ul. The last 1c 31-444 Kraków

Email: info@tramwajdomistrzejowic.pl

Telephone: 722 22 00 88

REAL ESTATE APPRAISER'S OFFICE

11.1.1.1

GAJA 2



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**VALUATION OF COMPENSATION AND
ADDITIONAL COSTS FOR ENTITIES
AFFECTED BY THE CONSEQUENCES
OF THE INVESTMENT:
- KRAKOWSKI SZYBKI TRAMWAJ/KRAKÓW
FAST TRAM (STAGE IV) -**

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I. Part one

Abbreviations

EBRD - European Bank for Reconstruction and Development
EIB - European Investment Bank
EGIB - register of land and buildings kept in the county office (SP)
GIS - Geographic Information System
GUS - Statistics Poland
CC - Civil Code
CAP - Code of Administrative Procedure
CCP - Code of Civil Procedure
CRP - Constitution of the Republic of Poland
KSR - Ronikier i Wspólnicy company
KST - Kraków Fast Tram (here: Stage IV)
LDP - Local Development Plan (MPZP)
EIA - Environmental Impact Assessment
PAP - Project Affected Person(s)
PDP - Project Displaced Person(s)
PPP - public-private partnership
PR - Performance Requirements
EBRD ESP - EBRD's Environmental and Social Policy
EMP - Environment Management Plan
RAP - Resettlement Action Plan
CM - Council of Ministers
ST - State Treasury
SCDSD - Study of Conditions and Directions of Spatial Development
EU - European Union
REMA - Real Estate Management Act
UMK - Municipality of Kraków - Mayor's Office
ZDMK - Road Management for the City of Kraków
ZRID - Road Construction Consent

Definitions

Property price – the amount to be paid to the owner (autonomous possessor) of the property established on the basis of the value of the property as determined by a property appraiser and negotiated with the owner,

Physical resettlement - loss of residence or commercial property

Groups requiring special assistance (vulnerable groups) - people who due to their ethnicity, gender, age, poverty, social position, various types of disabilities are more exposed to the effects of resettlement and the impact of the project

Stakeholders - all persons, groups, organizations and institutions interested in the investment and potentially subject to its impact or having the possibility to influence the investment

Resettlement cost - the scope of compensation for lost assets and the resettlement costs

Replacement costs according to PR5 - compensation for loss of assets at full replacement cost, i.e. the market value of the assets plus the transaction costs

Assets - all tangible and intangible assets exposed to loss or depletion due to the implementation of the project

Real estate – definition of real estate in accordance with the Civil Code Article 46 §1. Real estate is a part of the earth's surface constituting a separate object of ownership (land), as well as buildings permanently attached to the ground or parts of such buildings, if under special provisions they constitute an object of ownership separate from the land.

Social impact - any direct economic and social losses resulting from expropriation (taking over) of assets, permanent limitation of the use or access to real estate

Compensation - payment in cash or real estate in exchange for the assets affected by the project

Appraisal report – an appraisal report contains information necessary for the valuation of real estate by a property appraiser, including the legal basis and conditions of the activities performed, the solutions applied, presentation of the calculation process and the final result.

Opinion – is very similar in substance to the appraisal report; it corresponds to determining the value for an individual investor.

Project Affected Person - a person (or persons) who, due to the implementation of the project, loses their assets (in particular real estate) or loses benefits due to possession of various types of real estate in whole, partly, permanently or temporarily. PAP may include members of social groups or local communities

Project Displaced Person – person(s) or household displaced as a result of the investment

A natural person - a human being in civil law from birth to the moment of death

A legal person - State Treasury, local government unit, organizational units, e.g. companies

Resettlement plan - a document in which the project sponsor or other responsible entity defines the procedures it will follow and the actions it will take to mitigate the adverse effects, compensate for losses and provide development benefits to people and communities affected by the investment project

Resettlement assistance - support provided to people who are physically displaced as a result of the investment. Support may include transport, food, shelter and social services provided to those affected by the project during their relocation. Support may also include cash benefits that compensate those affected for the inconvenience of resettlement and cover expenses related to moving to a new place, such as moving costs and days of absence from work or lack of work

Project - a specific set of business activities for which the client wants to obtain financing from the EBRD

Economic resettlement - when the construction or operation of the investment or related facilities contributes to the loss of sources of income or livelihood as a result of the acquisition of land for the purposes of the project or difficult access to resources (land, water or forest)

Physical resettlement - loss of shelter and property resulting from the acquisition of land in connection with a development that requires the affected person(s) to move to another location

Involuntary resettlement - operational policy containing the rules of conduct in the case of forced acquisition of real estate, the equivalent in Polish law is expropriation; takes place when consent to take over real estate by way of an agreement is not obtained

Real estate value - the value determined by the property appraiser in the appraisal report; the types of value are: market, replacement and cadastral

Performance requirements - EBRD requirements for the project in line with good international practice in environmental and social sustainability. There are 10 Performance Requirements (PR). In particular, PR5 is important in the study.

ZRID - road construction consent. This decision combines the location permit, the building permit and the decision to acquire real estate into a single decision - road construction consent

3.Introduction

3.1.Subject of the study

The subject of the study is the valuation of compensation for the acquired real estate and the determination of potential costs related to the expropriation of real estate, in accordance with the requirements of the EBRD listed in PR5.

3.2.Scope of the study

The general scope of the valuation includes:

- preparing an appraisal report regarding the determination of the market value of 1 m2 of land for service, residential and service, and communication purposes
- preparing appraisal reports regarding the determination of the market value of undeveloped real estate
- preparing appraisal reports regarding the determination of the market value and replacement value of developed real estate
- preparing opinions regarding the determination of replacement cost of a building component located on land belonging to the Municipality of Kraków
- calculating the amount of loss of income (lost benefits) in the event of the need to close or relocate a business: for the owner, tenant and employees
- calculating costs related to the purchase of another real estate, such as notarial costs, brokerage costs (search), administrative costs, registration costs, court costs
- calculating costs related to the transfer and storage of assets, e.g. moving costs

3.3.Purpose of the study

The purpose of the study is informative - for the needs of the Investor in the process of obtaining investment financing. The purpose of the valuation in appraisals and opinions was to determine the value for the purpose of establishing the amount of compensation. The Stage IV tram construction project is being implemented on the basis of the PPP contract signed on 21 December 2020 between the City of Kraków and the Private Partner: the Gulermak consortium and PPP Solutions Polska 2 sp. z o.o. (a Special Purpose Vehicle: SPV). Under this agreement, the design, construction, operation, and maintenance, of the Project is entrusted to the consortium of the above-mentioned companies. The current application for a Road Construction Consent (ZRID) was filed with the Municipality of Kraków in March 2022. This process will start the procedure in accordance with the Code of Administrative Procedure, which also covers public consultations with stakeholders. After the RCC application is considered, all land and real estate within the range of the planned development of the tram route will have the status of public use. Since the project is funded by the EBRD and there is

no legal requirement to compensate the individuals affected prior to expropriation or to “full replacement value”, the purpose of the order is to make an independent valuation of the compensation entitlement under EBRD PR5 requirements so that this sum can be secured for distribution prior to expropriation. A contract was made by and between PPP Solutions Polska 2, GULERMAK and Gaja 2 Real Estate Appraiser’s Office for the preparation of a study on the valuation of compensation in accordance with the above-mentioned requirements. The valuation was ordered in October 2022.

3.4. Qualifications of the team of property appraisers

The team preparing the studies:

- Joanna Frąckowiak-Wołoszyn
- Magdalena Padzik-Majrowska
- Kamil Maślanka

Joanna Frąckowiak-Wołoszyn (Head of the Team) – owner of GAJA 2 Real Estate Appraiser’s Office, handling real estate and business valuation since 1989, initially cooperating under a contract of mandate; from 1990 to 2003 as a partner in the civil law partnership called *Przedsiębiorstwo Consultingowo-Handlowe GAJA*; since 2003 running her own business under the name ‘Kancelaria Rzeczoznawcy Majątkowego Gaja 2’. Joanna Frąckowiak-Wołoszyn graduated with a master’s degree in engineering. In addition, she completed postgraduate studies at the Silesian University of Technology in the field of environmental protection and real estate valuation. In 1992, she passed the state exam in real estate appraisal and received license no. 132. She has many years of experience in the valuation of real estate and companies. In addition to the valuation, she prepares forecasts of the effects of the adoption of local development plans, cooperating with urban and architectural studios as well as city and municipal offices. In her professional activity she has cooperated with consulting companies (like WS Atkins Polska, Zespół Doradczy Dr R. Kuszłyko, Multiconsult Polska, Kancelaria Środowiskowa Ronikier). She also has experience in share valuation, asset inventory and due diligence. She also analyzes the real estate market. Licensed property appraiser for 30 years. Joanna Frąckowiak-Wołoszyn participated in EBRD projects in Wałbrzych and Kraków; she also performs valuations for a Silesian investor and EBRD-financed real estate developer of commercial, residential, office and warehouse facilities: mainly in Silesia and throughout Poland. She also participated in a project financed by the World Bank on flood protection. For confidentiality reasons, we do not describe the details.

Magdalena Padzik-Majrowska graduated from the Silesian University of Technology in the field of computer science with a master’s degree in engineering. She also completed post-graduate studies in the field of real estate valuation ended with a state exam in 2007 and holds license no. 4620. She runs her own business in real estate appraisal. From the beginning of her professional activity, she has been working with Joanna Frąckowiak-Wołoszyn. Her experience is similar to that of Joanna Frąckowiak-Wołoszyn.

Kamil Maślanka graduated with a master's degree in economics. He also completed post-graduate studies in the field of real estate valuation ended with a state exam in 2004 and holds license no. 4271. He runs his own business in real estate appraisal. From the beginning of his professional activity, he has been working with Joanna Frąckowiak-Wołoszyn. His experience is similar to that of Joanna Frąckowiak-Wołoszyn.

The entire team deals with the valuation of all types of real estate. We appraise undeveloped plots, developed residential, service, commercial, industrial, economic and historic properties, premises, buildings not permanently attached to the ground, machinery and equipment, agricultural and forestry properties, crops and trees.

3.5. Structure of the study

Part I (the first) covers items from 1 to 3

Part II (the second) covers items from 4 to 11

Part III (the third) covers attachments (12)

II.Part two

4. Study preparation method

Most of the study consists of appraisal reports. An appraisal report is a legally formalized document. The method of its preparation and its content are governed by the Real estate Management Act and the Regulation of the CM on the valuation of real estate and preparation of an appraisal report. Individual real estate and facilities were inspected on 13 October 2022 and interviews were held with the owners or users of most of the real estate or their representatives. It should be noted that the inspection by the appraiser does not always require the presence of the owner. The valuation methodology in appraisal reports is described in more detail later in the study; in addition, each report contains a description of the valuation approaches, methods and techniques. For buildings located on plots belonging to the Municipality of Kraków, where the owner of the building component is not the owner of the land, opinions were prepared. An opinion is a document very similar to an appraisal report, but its subject is not real estate as defined in the Civil Code yet a building component. A separate appraisal report was also made to determine the market value of 1 m² of land which can be used to determine the value of undeveloped plots along the investment route.

Calculations of other costs are in the valuation sheets in the attachments.

The results of the above-mentioned valuations were used to determine the costs related to the purchase of similar real estate, as they are often calculated as a certain percentage of the value or are flat-rate values specified in administrative regulations.

The costs of moving, transferring and storing assets were determined based on information obtained from specialist moving companies and rent surveys in warehouse facilities.

As for determining the value of lost benefits, such as loss of income or remuneration, market information was examined, i.e. data on rents, profits from a given industry or remuneration in similar positions. Also, information from surveys as well as market analysis was relied upon.

There are also cases of removing kiosks, which is the responsibility of the owner of the building component; however, for the purposes of this study, the value was determined of the cost of replacing a building component that is already non-existing.

The values are listed in the tables at the end of the file: no. 10.1 to 10.5. The calculations are included in the appraisal reports, opinions, and valuation sheets, which are attached hereto.

5. Brief description of the investment

The description of the investment was made on the basis of a study made available by Kancelaria Środowiska Ronikier (RAP) and the Investor's information and generally available materials, e.g. from the website: www.tramwajdomistrzejowic.pl.

The investment is called Kraków Fast Tram Stage IV.

The tram route to Mistrzejowice will be approx. 4.5 km long and will connect the city center with the northern part of Kraków. The planned tram route will connect two existing routes city

close to the northern part of Kraków: in District III (Prądnik Czerwony) and District XV (Mistrzejowice). The tram will run through the following urban areas: Olsza, Ugorek, Prądnik Czerwony, Oświecenia, Mistrzejowice. These areas feature office buildings, shops and high traffic volume transport infrastructure. The greater part of the route is in the green belt between roadways of the dual carriageway. The route will run from the intersection of Jana Pawła Avenue with Lema Street, then along Meissnera, Młyńska, Lublańska, Dobrego Pasterza, Krzesławicka, Bohomolca, ks. Kazimierza Jancarza streets up to the existing terminus of 'Mistrzejowice'. The route includes a tunnel with a multi-level transfer hub in the vicinity of the Polsadu roundabout. As part of the investment, infrastructure elements will be developed that will enable the construction of a tram route along Lema Street. The Tram route to Mistrzejowice is the first transport project implemented in the model of public-private partnership in Poland.

In addition to the construction of the tram route, the following elements of local transport infrastructure were included in the design:

- Redevelopment of Meissnera and Młyńska Streets so that the tram route can run in the middle.
- Redevelopment of Młyńskie Roundabout
- Redevelopment of Barei Roundabout to make an intersection with traffic lights.
- Modification of the intersection of Dobrego Pasterza, Aliny and Krzesławicka streets.
- Redevelopment of Krzesławicka Street
- Redevelopment of the intersection of Bohomolca, Książna and Krzesławicka streets.
- Pavements
- Bike paths
- Street lighting
- Traffic lights
- Optical fiber network for Local Traffic Control
- Video surveillance
- Information boards
- Road signs
- Switch control and heating
- Overhead catenary line with two substations
- Redevelopment of urban infrastructure (electricity network, heating pipes, water pipes, etc.)
- Redevelopment of a transformer station
- Restoration of greenery, including green parts of the trackbed, local architectural details

The investment is part of a broader strategy for the development of the public transport system aimed at improving the service of individual city areas through the fast tram network. The conceptual design for the track layout (as part of the Investment) was widely consulted in the city with the stakeholders in 2014; two years later an environmental impact assessment was made which included a public consultation procedure. Currently, the investment is awaiting the RCC.

6. Legal aspects

Laws and regulations regarding expropriation in Poland have been described in detail in a study by Kancelaria Środowiska Ronikier i Wspólnicy sp. z o.o. Warsaw. In this study, the legal aspects are addressed briefly.

6.1. Acquisition (purchase) and expropriation of real estate in the light of Polish law

Key legal regulations regarding the acquisition of real estate are the following acts:

- Constitution of the Republic of Poland of 2 April 1997
- The text was published in the Journal of Laws of 1997, no. 78 item 483
amended: Journal of Laws of 2001, no. 28 item 319 (26.03.2001)
amended: Journal of Laws of 2006, no. 200, item 1471 (07.11.2006)
amended: Journal of Laws of 2009, no. 114, item 946 (21.10.2009)
- Civil Law Act of 23 April 1964 (consolidated text: Journal of Laws of 2022, item 1360 as amended)
- Real Estate Management Act of 21 August 1997 (consolidated text: Journal of Laws of 2022, item 1899, as amended)
- Act of 10 April 2003 on special rules for the preparation and implementation of investments in the field of public roads (consolidated text: Journal of Laws of 2022, item 176, as amended)
- Regulation of the Council of Ministers of 21 September 2004 on the valuation of real estate and preparation of an appraisal report (consolidated text: Journal of Laws of 2021, item 555)

The concept of 'expropriation' has a constitutional source in Article 21.2 of the Constitution of the Republic of Poland whereby expropriation is permissible only when it is made for public purposes and in exchange for fair compensation. Therefore, the implementation of a public matter and the guarantee of fair compensation are necessary prerequisites for the constitutional admissibility of each expropriation. The Constitutional Tribunal believes that the term 'expropriation' introduced in Article 21.2 of the Constitution should be understood broadly: as "any deprivation of property, regardless of its form". The scope of the constitutional approach goes beyond the framework defined on the basis of the provisions of the Real Estate Management Act. However, it should be emphasized that such a broad definition of the term 'expropriation' does not mean that the lawmaker is fully free to resort to various forms of deprivation of property – even if the aforementioned conditions of "public purpose and fair compensation" are met.

Streamlined implementation of road investments and quick payment of compensation for real estate expropriated for this purpose are the tasks to be carried out under **the so-called Special Road Act**. It is a legal act whose full name is 'Act of 10 April 2003 on special rules for the preparation and implementation of investments in the field of public roads' (hereinafter referred to as 'the Special Road Act'). The act has already been amended several times. It is a legal act that is temporarily in force and serves to achieve a specific goal: to increase the network of public roads in the country. **The Special Road Act** defines the rules and conditions for the preparation of investments in the field of expressways, national, voivodship, poviast and municipal roads as defined in the Act on Public Roads. Improving the implementation of investments in the field of public roads consists primarily in simplifying administrative

procedures. Instead of several decisions, under the provisions of the Special Road Act, it is necessary to obtain only a single integrated decision: the decision authorizing the implementation of a road investment (hereinafter referred to as the RCC decision). Often times in connection with a planned road investment it is necessary to take over real estate or expropriate it. The expropriation takes place pursuant to either the final decision to authorize the implementation of a road investment or pursuant to such an RCC decision which will additionally be of immediate enforceability. Pursuant to the Special Road Act, if the expropriation was carried out pursuant to the final RCC decision, the authority should issue a decision determining the amount of compensation for expropriation of real estate within 30 days. On the other hand, when the RCC decision has been made immediately enforceable, the decision on compensation should be issued within 60 days from the immediate enforceability date.

6.2. Determining the amount of compensation

In the case of determining compensation for various types of real estate taken over (e.g. land, premises, developed real estate, agricultural real estate, forest real estate, road real estate, allotment gardens), the provisions are applied on estimation (property valuation) contained in the Real Estate Management Act and in Regulation of the Prime Minister on the valuation of real estate and the preparation of an appraisal report. Real estate appraisal in Poland is formalized in such a way that only property appraisers can do it. There is a central register of property appraisers. Valuation of real estate by property appraisers must be performed in accordance with applicable regulations and professional standards in accordance with the principles of good practice. As a result of the estimation process, an appraisal report is developed which specifies the value of individual properties. On top of the Real Estate Management Act and the Regulation of the Prime Minister on the valuation of real estate and the preparation of an appraisal report, the principles of real estate valuation are also described in the professional standards of property appraisers.

6.3. Valuation rules

Real estate appraisal is a procedure that determines the value of real estate. Property valuation can be performed for various purposes (e.g. to determine the amount of compensation, when granting a mortgage, during court cases or for tax purposes). Real estate appraisers determine the value of real estate. "Property appraiser" is a title protected by law. Access to this profession is subject to legal regulations. Each property appraiser is entered in the Central Register of Property Appraisers, maintained by the relevant ministry dealing with construction matters. The register is available to the public. You can check whether an individual holding the professional title of a 'property appraiser' has the right to evaluate real estate.

Pursuant to Article 174.3a of the Real Estate Management Act, a property appraiser may also prepare studies and expert opinions, which are not an appraisal report.

Studies and expert opinions may concern:

- real estate market and consultancy in this market
- effectiveness of investing in real estate and their development
- financial effects of adopting or amending local plans
- marking the subject matter of a separate ownership of premises

- the mortgage lending value of the property
- determining the value of real estate for the needs of an individual investor (in this study, this has been applied as an opinion)
- valuation of real estate classified as investments within the meaning of accounting regulations
- valuation of real estate as fixed assets of units within the meaning of the Accounting Act.

A property appraiser must:

- perform professional activities in accordance with the rules resulting from the law and professional standards, with particular diligence appropriate to the professional nature of these activities and following professional ethics, guided by the principle of impartiality in real estate valuation
- continuously improve professional qualifications
- keep professional secrecy
- have a valid civil liability insurance

Sometimes the obligation to use the services of a property appraiser results directly from the regulations. The participation of a property appraiser will be mandatory, e.g. in the case of determining the amount of compensation for expropriated real estate, updating the annual fee for perpetual usufruct, selling real estate in public ownership, or in court disputes regarding real estate (only a property appraiser can be a court expert in the field of real estate valuation).

Legal regulations define the types of value a property appraiser can determine and the approaches, methods and techniques an appraiser should use to properly value a property. The decision on the type of value to be determined and the approach, method and technique to use is made by the appraiser. It depends, among others, on the purpose of the valuation, the individual characteristics of a given property and available information about the real estate market. This choice is not entirely arbitrary. A real estate appraiser must be guided by the principles of valuation contained in the law and professional standards. In some cases, the valuation rules directly require the appraiser to specify an indicated type of value (e.g. the market value of expropriated real estate) or to apply a specific valuation approach (e.g. a comparative approach when updating perpetual usufruct fees). Professional standards are the rules of conduct when practicing the profession of property appraiser. They are determined by the Minister by way of an announcement. Currently, there is only one standard of this type - 'Valuation for securing receivables'. The outcome of the property appraiser's work is an opinion drawn up in writing, i.e. an appraisal report. The form and content of the appraisal report are specified in the law.

A property appraiser may determine the following types of real estate values: market, replacement and cadastral.

The market value of the property is the estimated amount that can be obtained for the property on the valuation date in a sale transaction made on market terms between the buyer and the seller (the parties to the transaction were independent of each other, e.g. they were not family members or companies within a capital group, and the time necessary to put the property on the market and to negotiate the terms of the contract have expired - the property has been offered on the market for some time, and not only offered to a closed, small group of people

or entities and sold quickly) who have a firm intention to make a contract (their decision to sell was not taken on the fly), act with discernment and prudence and are not in a forced situation (e.g. when the seller is indebted and wants to sell the property as soon as possible, even for a lower price).

The replacement value of a real estate is the amount that would have to be paid for the purchase of land and the construction of buildings and other facilities to have such real estate that is subject to valuation. However, in this case you end up with a property with new buildings and facilities, so the property appraiser must still take into account the degree of their wear and tear and reduce the final value accordingly. This value is determined if it is impossible to determine the market value, because, for example, there were no real estate sales transactions on the market that would be similar to the valued property (e.g. active military facilities).

The cadastral value of the real estate has not yet been determined, as it will concern the future process of general real estate appraisal. In Poland, the process of universal real estate appraisal has not yet been launched.

6.4. Valuation methodology

Property valuation is made using comparative, income or cost approaches or a mixed approach featuring elements of all of the above.

The comparative approach consists in determining the value of the property, assuming that this value corresponds to the prices obtained for properties similar to the valued property. These prices are adjusted due to the features differentiating the properties similar to the property being valued; also, changes in the price level as a result of the passage of time are taken into account. Applying the comparative approach brings the market value.

Income approach - when applying it, it is necessary to know the income obtained or possible to obtain from rents and or from other income from the property being valued and similar properties. Applying the income approach brings the market value.

The replacement approach is used to determine the replacement value of the property. The value and the value of its components are determined separately. The value is the amount necessary to purchase land with the same characteristics, and the value of the components is considered to be the costs necessary to replace them or the costs necessary to replace them reduced by the value of wear and tear of these components. Applying the replacement approach brings the replacement value.

The mixed approach is a combination of different approaches. Applying the mixed approach brings the market value.

6.5. Appraisal report

Pursuant to the Regulation of the Prime Minister on the valuation of real estate and the preparation of an appraisal report: § 55. 1. An appraisal report presents the proceedings referred to in Article 4.6 of the Act. 2. An appraisal report contains information necessary for the valuation of real estate by a property appraiser, including the legal basis and conditions of the activities performed, the solutions applied, presentation of the calculation process and the final result. § 56. 1. An appraisal report presents the method of real estate valuation, including: 1) determination of the subject and scope of the valuation; 2) determination of the scope of the valuation; 3) formal basis for real estate valuation and sources of real estate data; 4) determination of dates relevant for establishing the value of the property; 5) description of the condition of the real estate; 6) stating the intended use of the real estate being valued; 7) analysis and characteristics of the real estate market in terms of the purpose and method of valuation; 8) stating the type of determined value, choosing the approach, method and technique of valuation; 9) presenting calculations of the real estate value and the result of the valuation together with the justification. 2.28) The value of the property is expressed in full PLN. The value of the property may be rounded to the nearest thousand PLN as long as it does not distort the result of the valuation. 3. The appraisal report also features relevant clauses indicating special circumstances regarding the valuation of the real estate. 4. The appraisal report shall come together with the relevant documents used in its preparation.

7. EBRD Performance Requirements no. 5 and cost-free mitigation measures

EBRD Performance Requirements 5 set out standards for recognizing, responding to, mitigating and managing the effects of land acquisition related to development, including restrictions on land use and access to natural goods and resources that may result in physical resettlement (relocation, loss of land or shelter) and/or economic resettlement (loss of land, goods or limitations in the use of land, goods and natural resources leading to loss of income or other means of livelihood). The EBRD requirements as well as the gap analysis between the EBRD requirements and Polish law have been described in detail in a study by Kancelaria Środowiska Ronikier.

Assistance and mitigation measures for the PAP that can be provided by the City of Kraków are described in the 'Commentary on the forms of entitlements for losses incurred in connection with the KST IV investment or due to the impact of this investment' prepared by the City Hall. This commentary is Attachment no. 3 hereto. Information worth adding is that the City of Kraków has a SERVICE POINT FOR BUSINESSES. The method of its operation and the services provided there are described in detail on the website. 'dlabiznesu.krakow.pl'. The outlet operates as a result of agreements made between the Municipality of Kraków and the Statistical Office, Social Insurance Institution, the Tadeusz Kościuszko Cracow University of Technology and the District Labor Inspectorate in Kraków. The very essence of its operations is to be a one-stop shop to settle most matters related to starting and running a business.

8. Characteristics and methodology of valuation of claims and additional costs in terms of EBRD requirements

As a result of a detailed analysis, the types of PAP losses that may occur in connection with the implementation of the Kraków Fast Tram project Stage IV on the properties covered by the scope of the procurement were identified. The following findings and assumptions were made to determine the compensation.

8.1. Permanent loss of land

The compensation was determined on the basis of the market value of the land specified in the appraisal reports and opinions attached to the Valuation. The estimated value has been increased by a 23% VAT.

8.2. Permanent loss of buildings

The compensation was determined on the basis of the market value of the buildings specified in the appraisal reports and opinions attached to the Valuation. The estimated value has been increased by a 23% VAT.

8.3. Permanent loss of movable property

Compensation was assumed in the amount declared by the owners in the surveys and verified on the basis of market information.

8.4. Costs of searching for a replacement property

Most often, the fee of real estate agencies is based on a commission system. As a result of the telephone interview and on the basis of the analysis of information on the websites of real estate agencies in Krakow, it was established that, on average, the amount of the commission being the real estate agency's fee is approx. 1-3% of the gross price (negotiable). The final commission rate depends mainly on the value of the transaction and decreases with its increase. The rate of 3% of the gross price + 23% tax was used to calculate the compensation.

8.5. Additional costs of real estate purchase

The following additional costs of real estate purchase were assumed:

➤ fees charged by the notary when performing notarial activities (for the purposes of the presented analysis, it was assumed that it will be only a purchase agreement):

- tax on civil law transactions

Due to the impossibility of predicting whether the seller will be a VAT payer or not (a natural person or a company), it was assumed that the purchase of all replacement properties will be subject to VAT. Thus, in accordance with Article 2.4 letter a and the Act of 9 September 2000 on the tax on civil law transactions, civil law transactions other than the articles of association and its amendments are not subject to the tax to the extent they are taxed with VAT. Therefore, it was assumed that the tax on civil law transactions will not be included in the valuation of the costs of compensation.

- land and mortgage register application – PLN 200 + a 23% VAT

According to Article 42 of the Act of 28 July 2005 on court costs in civil cases, a fixed fee of PLN 200 is collected from the application for entry in the land and mortgage register of ownership, perpetual usufruct or limited right in things.

- court fees – PLN 200
- notary's remuneration (notarial fee)

The fee depends on the value of the subject matter of the transaction. Pursuant to §3 of the Regulation of the Minister of Justice of 28 June 2004 on the maximum rates of notarial fees:

§ 3. Maximum fees:

1) up to PLN 3,000 – PLN 100

2) over PLN 3,000 up to PLN 10,000 - PLN 100 + 3% on the surplus over PLN 3,000

3) over PLN 10,000 up to PLN 30,000 - PLN 310 + 2% on the surplus over PLN 10,000

4) over PLN 30,000 up to PLN 60,000 - PLN 710 + 1% on the surplus over PLN 30,000

5) over PLN 60,000 up to PLN 1,000,000 - PLN 1010 + 0.4% on the surplus over PLN 60,000

6) over PLN 1,000,000 up to PLN 2,000,000 - PLN 4770 + 0.2% on the surplus over PLN 1,000,000

7) over PLN 2,000,000 - PLN 6,770 + 0.25% on the surplus over PLN 2,000,000, but not more than PLN 10,000, and in the case of transactions between persons classified in the first tax group within the meaning of the Act of 28 July 1983 on inheritance and donation tax: not more than PLN 7,500

For the purposes of the calculation, it was assumed that when determining the cost of the notarial fee, the maximum rate will apply.

- notarial extracts – PLN 360

Pursuant to §12.1 of the regulation on the maximum rates of the notarial fee for the preparation of an excerpt, copy or extract from notarial deeds or other document, the maximum rate is PLN 6 for each started page.

It was assumed that extracts of the notarial deed will be prepared in total in 6 copies (i.e. - one for each party, for the Tax Office, for the land and mortgage register court, for the office keeping the real estate cadastre, for the municipal office)

In addition, it was assumed that the typical number of pages of a notarial deed is approx. 10 and that the maximum rate will apply when determining the cost. Thus, the approximate cost of extracts from a notarial deed of PLN 360 was assumed (10 pages x PLN 6 x 6 pcs)

➤ administrative fees

- excerpt and extract from the land register – PLN 150
- certificate of intended use from the zoning plan and certificate of incorporating the real estate into the revitalization area – PLN 17
- forest certificate – PLN 17

The cost of administrative fees was adopted for the calculation after rounding in a fixed amount of PLN 200.

8.6. Moving costs

The rates proposed by moving companies are subject to individual calculation and depend mainly on the scope and conditions of the service, including: the quantity and dimensions of assets, transport conditions (floors, elevator or lack of it, etc.), scope of disassembly and assembly, transport distance, etc. However, for the purposes of the analysis, the approximate rates for the city of Kraków for 2022 are:

| | |
|--|-----------------|
| - Moving: driver + vehicle | PLN 147/h gross |
| - Moving: driver + vehicle + porter | PLN 178/h gross |
| - Moving: driver + vehicle + two porters | PLN 220/h gross |
| - Moving: driver + vehicle + three porters | PLN 267/h gross |

(source:<https://kb.pl/porady/przeprowadzki-cennik-uslug-przeprowadzkowych-w-roznych-miastach-w-polsce/>)

Most often, the time of moving within one city does not exceed one day and the average time of such an operation is about 6-11 hours. Finally, the hourly rate of PLN 267/hour was adopted for the calculation while the expected number of man-hours was calculated individually for each property.

8.7. Temporary loss of property rental income

The compensation was determined on the basis of the market value of rent for real estate specified in the appraisal reports and opinions attached to the Valuation. The expected period of loss of income was adopted on the basis of the average period of searching for a (replacement) property on the market.

8.8. Temporary loss of remuneration

In order to determine the approximate costs of ensuring the continuity of income - earned by employees for work for business entities carrying out their activities on real estate covered by the resettlement plan - the average gross remuneration of PLN 6,235.22 was adopted as the basis for the calculation. (Source: www.stat.gov.pl - Announcement of the President of Poland Statistics of 11 May 2022 on the average salary in Q1 2022. The expected period of loss of income was adopted on the basis of the average period of searching for a (replacement) property on the market.

8.7. Temporary loss of income from a business

Compensation was established in relation to businesses. If the loss of income concerned the rental of the real estate covered by the investment, the compensation was determined on the basis of the rent for the real estate rental specified in the appraisal reports and opinions attached to the valuation. The loss of income from business operations was also calculated as an additional cost of renting substitute facilities for the time of searching for a replacement property.

In other situations, information on the amount of previous monthly income from surveys was used as the basis for determining this compensation; in the absence of survey data, the estimated monthly income from business operations was assumed.

The expected period of loss of income was adopted on the basis of the average period of searching for a (replacement) property on the market.

8.10. Determining the average search period for a replacement property

Market research shows that most often (in about 40% of cases) the search for real estate on the market does not exceed 3 months. About 1/3 of buyers look for their property for longer, i.e. for 3-6 months. Thus, approximately 7 out of 10 transactions are finalized within half a year from the start of the search. The research is summarized in the table.

| Search time | Planned | Actual |
|--------------------|----------------|---------------|
| up to 3 months | 34.7% | 40.9% |
| up to 6 months | 35.5% | 30.9% |

| | | |
|---------------------|-------|-------|
| up to 12 months | 23.0% | 19.6% |
| more than 12 months | 6.7% | 8.6% |

CIVITTA research, N=951 for Morizon-Gratka Group

Source: <https://www.forbes.pl/nieruchomosci/jak-wyglada-zakup-nieruchomosci-i-ile-zajmuje-czasu-zapytalismy-ekspertow/jjefpf3>

For the purposes of the presented analysis, the estimated time of searching for a property was 3 months.

9. Characteristics of identified places on the route of the investment where individuals or companies are identified that are affected by the implementation of KST IV (PAP) in terms of determining the value of compensation and additional costs

9.1. Meissnera 37 -1 – liquor store

Active business.

The real estate is owned by a natural person: both the land and the building component. The real estate is rented. A liquor store operates on the real estate. The building is connected to a building which is defined as Meissnera 37-2.

For the Meissnera 37-1 property, an appraisal report was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the appraisal report no. 1. A compensation and additional costs sheet was prepared for this property. It includes the temporary loss of the owner's income, the temporary loss of income of the franchisee who runs a commercial business in the Shot Alkohole network in this property, temporary loss of remuneration for the franchisee's employees, additional costs related to the purchase of another property, costs of moving assets. See the sheet no. 1 for detailed calculations.

9.2. Meissnera 37-2 – unused building

Inactive entity.

The plot is owned by the Municipality of Kraków, while the building component is owned by a natural person with whom no contact has been established. The building has been unused and neglected for many years; the owner of the building component does not participate in the costs of maintaining the property. Opinion no. 2 determines the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the opinion no. 2. Sheet no. 2 was prepared for compensations and additional costs. Permanent loss of assets is the cost of replacing a building component, taking into account the degree of wear and tear.

9.3. Meissnera 13 - photocopying

Active business.

The facility is located at the junction of several plots. The owner of the building component does not own the land. For the Meissnera 13 facility, opinion no. 3 was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the opinion no. 3. A compensation and additional costs sheet was prepared for this facility. It includes temporary loss of income of the owner of a building component who runs a business on this property, temporary loss of employee remuneration, additional costs related to the search for another property for rent, costs of transferring assets. See the sheet no. 3 for detailed calculations.

9.4. Młyńska - a kiosk

Inactive entity.

The facility is located on two plots. The owner of the building component does not own the land. For the facility, opinion no. 4 was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the opinion no. 4. Sheet no. 4 was prepared for compensations and additional costs. Permanent loss of assets is the cost of replacing a building component, taking into account the degree of wear and tear. It should be noted that the lease agreement for the land to set up the kiosk has long been terminated and the owner of the kiosk should remove it at its own expense. In connection with the investment, it will not incur the costs of demolition and removal, as these will be borne by the Investor.

9.5. Młyńska 2A - the round kiosk

Active business.

The property is owned by natural persons. Until recently, it was rented as a bakery shop. On the inspection day, the tenant has already left the property for the purposes of the valuation and has taken its furnishings. The main reason for abandoning the location was the decrease in turnover caused by the pandemic and remote work, but the information about the investment could also have contributed to leaving it. For the Młyńska 2A property, an appraisal report was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the appraisal report no. 5. A compensation and additional costs sheet was prepared for this property; it takes into account the temporary loss of income of the owner who rents the property, additional costs related to the purchase of another property. See the sheet no. 5 for detailed calculations.

9.6. Młyńska (at the bus bay MPK Miechowity) – a kiosk

Inactive entity.

The facility is located on two plots. The owner of the building component does not own the land. For the facility, opinion no. 6 was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the opinion no. 6. Sheet no. 6 was prepared for compensations and additional costs. Permanent loss of assets is the cost of replacing a building component, taking into account the degree of wear and tear. It should be noted that the lease agreement for the land to set up the kiosk has long been terminated and the owner of the kiosk should remove it at its own expense. In connection with the investment, it will not incur the costs of demolition and removal, as these will be borne by the Investor.

9.7. Pilotów 59 - undeveloped plot

Active business.

The property is owned by a natural person. It is an undeveloped plot. An appraisal report was made for the property; it determines the market value of the property, i.e. the value of the land using the comparative approach. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the appraisal report no. 7. A compensation and additional costs sheet was prepared for this property; it takes into account additional costs related to the purchase of another property. See the sheet no. 7 for detailed calculations.

9.8. Młyńska/Miechowity junction

Inactive entity.

As at the inspection day there was no building component. For the facility, opinion no. 8 was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the opinion no. 8. Sheet no. 8 was prepared for compensations and additional costs. Permanent loss of assets is the cost of replacing a building component, taking into account the degree of wear and tear. It should be noted that the lease agreement for the land to set up the kiosk has long been terminated. However, it is important that the natural person has a share of 3/20 in the plot which was included in the valuation.

9.9. Lublańska by the bus bay of the "Rondo Barei" stop

Inactive entity.

As at the inspection day there was no building component. For the facility, opinion no. 9 was made which determined the market value of the developed property using the income

approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the opinion no. 9. Sheet no. 9 was prepared for compensations and additional costs. Permanent loss of assets is the cost of replacing a building component, taking into account the degree of wear and tear. It should be noted that the lease agreement for the land to set up the kiosk has long been terminated.

9.10. Dobrego Pasterza 116 - stands

Active business.

Stands are related to a company called INBUD. They are mostly located on land leased from the Municipality of Kraków. It has also been taken into account that the owners (natural persons) of the company will also be deprived of the land they own. Since there are items used in business activities inside the stands, the cost of storing them has been included until a permanent place is found. Opinion no. 10 was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the opinion no. 10. A compensation and additional costs sheet was prepared for this facility. It includes temporary loss of income of the owner of a building component who runs a business on this property, storage costs, additional costs related to the search for another property for rent, costs of transferring assets. See the sheet no. 10 for detailed calculations.

9.11. Dobrego Pasterza 116 - a kiosk

Active business.

The owner of the building component does not own the land. The kiosk is owned by the owners of INBUD who lease the land under it from the Municipality of Kraków. The kiosk was leased and hosted a bakery shop. The tenant resigned due to a decrease in turnover. For the facility, opinion no. 11 was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the opinion no. 11. Sheet no. 11 was prepared for compensations and additional costs. Permanent loss of assets is the cost of replacing a building component, taking into account the degree of wear and tear. In addition, the loss of rental income was taken into account.

9.12. Dobrego Pasterza 118C – a brick building

Inactive entity.

The owner of the building component does not own the land. The building has been unused for many years. For the facility, opinion no. 12 was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the opinion no. 12. Sheet no. 12 was prepared for compensations and additional costs. Permanent loss of assets is the cost of replacing a building component, taking into account the degree of wear and tear.

9.13. Dobrego Pasterza 124A – a restaurant

Active business.

The property is owned by the company. The building is rented out for an oriental restaurant. The building has several parking places attached in the Water Park car park. For the Dobrego Pasterza 124A property, an appraisal report was made which determined the market value of the developed property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the appraisal report no. 13. A compensation and additional costs sheet was prepared for this property. It includes temporary loss of income of the owner, temporary loss of income of the tenant who runs a catering business in this property, temporary loss of remuneration of the tenant's employees, additional costs related to the purchase of another property, additional costs related to renting another property, costs of transferring assets. See the sheet no. 13 for detailed calculations. The situation reported by the owner in the survey regarding the loss of parking spaces was analyzed. Parking spots will be lost in the investment strip, but restaurant parking places will return to the Water Park. Also, the land next to the restaurant will partially remain available, so the loss of parking spaces has not been taken into account in the calculations.

9.14. Dobrego Pasterza 126 – car park

Active business.

The property is owned by the company. The car park is linked to the Water Park. For the Dobrego Pasterza 126 property, an appraisal report was made which determined the market value of the property using the income approach, including the value of the land using the comparative approach and the replacement value using the cost approach - including the cost of replacing the building component in a new condition and taking into account the degree of wear and tear. A detailed description of the real estate as well as the valuation methodology and determination of the value can be found in the appraisal report no. 14. A compensation and additional costs sheet was prepared for this property; it takes into account the temporary loss of income of the owner and additional costs. See the sheet no. 14 for detailed calculations. The situation reported by the owner in the survey regarding the loss of parking spaces was analyzed. The loss due to losing parking spaces is included.

9.15. Other undeveloped land

The market value of the remaining undeveloped land located along the route of the investment and intended for acquisition – presented in the list provided by GULERMAK – was determined on the basis of an appraisal report on the valuation of 1 m2 (Attachment no. 4) in a table. This list includes land belonging to the Municipality of Kraków, the State Treasury (represented by the City of Kraków), housing cooperatives that are owners or perpetual usufruct of land, the owners of separate premises, companies, institutions and natural persons. In the case of housing cooperatives and owners of premises, the subject of acquisition are small fragments of plots that do not affect the value of the remaining parts of the property and the life interests of residents. Owners and perpetual usufructuaries were divided into groups:

- I.The Municipality of Kraków and the State Treasury
- II.Companies and institutions, including A) covered in the valuation in this study and B) the value of the land is estimated in tabular form
- III.Housing cooperatives and owners of separate premises
- IV.Natural persons, including A) value of land estimated in appraisal reports 4 and B) land value estimated in tabular form With regard to group IV.A, the value of land, except for one case described in item 6.7. Pilotów 59 (undeveloped land), is included in the value of the entire developed property.
- V.Plots of undetermined legal status, no land and mortgage register, no information about the owner

Below are the amounts determined in the valuation process for specific groups

| |
|------------|
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |
| [Redacted] |

The gross amount is provided for information purposes; the municipality purchasing real estate under the Special Act does not, in principle, add VAT, but it depends on the individual situation.

10. List of values

10.1. List of values resulting from appraisal reports and opinions without VAT, based on the Special Road Act

| Item | Report/ Opinion | Address | Plot no. | Facility | Market value [PLN] | Land component [PLN] | Building component [PLN] | Replacement value [PLN] | Replacement cost based on wear and tear [PLN] | Cost of replacement and cost of documentation and supervision [PLN] |
|------|--------------------|------------|------------|------------|-----------------------|----------------------------|--------------------------------|----------------------------|--|--|
| 1 | ██████ | ██████████ | ██████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ |
| 2 | ██████ | ██████████ | ██████ | ██████████ | ██████████ | ██████ | ██████████ | ██████ | ██████████ | ██████████ |
| 3 | ██████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████ | ██████████ | ██████ | ██████████ | ██████████ |
| 4 | ██████ | ██████ | ██████ | ██████████ | ██████████ | ██████ | ██████████ | ██████ | ██████████ | ██████████ |
| 5 | ██████ | ██████████ | ██████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ |
| 6 | ██████ | ██████████ | ██████ | ██████████ | ██████████ | ██████ | ██████████ | ██████ | ██████████ | ██████████ |
| 7 | ██████ | ██████████ | ██████ | ██████████ | ██████████ | ██████████ | ██████ | ██████ | ██████████ | ██████████ |
| 8 | ██████ | ██████████ | ██████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ |
| 9 | ██████ | ██████████ | ██████ | ██████████ | ██████████ | ██████ | ██████████ | ██████ | ██████████ | ██████████ |
| 10 | ██████ | ██████████ | ██████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ | ██████████ |

| Item | Report/ Opinion | Address | Plot no. | Facility | Market value [PLN] | Land component [PLN] | Building component [PLN] | Replacement value [PLN] | Replacement cost based on wear and tear [PLN] | Cost of replacement and cost of documentation and supervision [PLN] |
|-------|--------------------|---------|----------|----------|-----------------------|----------------------------|--------------------------------|----------------------------|--|--|
| 11 | | | | | | | | | | |
| 12 | | | | | | | | | | |
| 13 | | | | | | | | | | |
| 14 | | | | | | | | | | |
| Total | | | | | | | | | | |

Bold font indicates the net amounts of compensation for property owners and owners of only the construction component, listed in the table below. These are the potential amounts of compensation according to the Special Road Act.

10.2. The amount of potential compensation according to the special road act, additionally including VAT

| Item | Location | Plot no. | Facility | Compensation [PLN net] | Compensation [PLN gross] |
|------|--------------|------------|------------|------------------------|--------------------------|
| 1 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 2 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 3 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 4 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 5 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 6 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 7 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 8 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 9 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 10 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 11 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 12 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 13 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 14 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| | Total | | | [REDACTED] | [REDACTED] |

When determining the value of compensation according to the Special Road Act, if we are dealing only with the owner of the building component, the compensation is the value of the replacement cost, taking into account the degree of wear and tear. Market values resulting from appraisal reports and opinions are net values.

10.3 List of compensation costs for real estate and construction component, including VAT, according to EBRD requirements

| Item | Address | PAP | Type of loss/compensation | | Total [PLN gross] |
|-------------------|------------|------------|------------------------------------|---|-------------------|
| | | | Permanent loss of land [PLN gross] | Permanent loss of building structures [PLN gross] | |
| 1 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 2 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 3 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 4 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 5 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 6 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 7 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 8 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 9 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 10 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 11 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 12 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 13 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 14 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Total [PLN gross] | | | [REDACTED] | [REDACTED] | [REDACTED] |

10.4. List of additional costs based on EBRD requirements, including VAT

| Item | Address | PAP | Type of loss/compensation | | | | | | | Total [PLN gross] |
|------|------------|------------|--|--|---|--------------------|--|--------------------------------------|---|----------------------|
| | | | Permanent loss of movable assets [PLN] | Searching for a replacement property [PLN] | Additional costs of purchasing a replacement property [PLN] | Moving costs [PLN] | Temporary loss of property rental income [PLN] | Temporary loss of remuneration [PLN] | Temporary loss of business income [PLN] | |
| 1 | [REDACTED] | [REDACTED] | - | 49.472. | 7.794. | - | 24.132. | - | - | 81.398. |
| | | [REDACTED] | - | 9.894. | - | 8.010. | - | - | 60.000. | 77.904. |
| | | [REDACTED] | - | - | - | - | - | 54.960. | - | 54.960. |
| 2 | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | - |
| 3 | [REDACTED] | [REDACTED] | 10.000. | 4.731. | - | 5.340. | - | - | 15.000. | 35.071. |
| | | [REDACTED] | - | - | - | - | - | 27.480. | - | 27.480. |
| 4 | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | - |
| 5 | [REDACTED] | [REDACTED] | - | 15.613. | 6.797. | - | 7.653. | - | - | 30.063. |
| 6 | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | - |
| 7 | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | - |
| 8 | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | - |
| 9 | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | - |
| 10 | [REDACTED] | [REDACTED] | - | 44.116. | 7.437. | 16.020. | - | - | 21.750. | 89.323. |
| | | [REDACTED] | - | - | - | - | - | 109.920. | - | 109.920. |
| 11 | [REDACTED] | [REDACTED] | - | 1.506. | 2.884. | - | 3.672. | - | - | 8.062. |
| 12 | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | - |

| Item | Address | PAP | Type of loss/compensation | | | | | | | Total [PLN gross] |
|--------------------------|----------------------|--------|--|--|---|--------------------|--|--------------------------------------|---|-------------------|
| | | | Permanent loss of movable assets [PLN] | Searching for a replacement property [PLN] | Additional costs of purchasing a replacement property [PLN] | Moving costs [PLN] | Temporary loss of property rental income [PLN] | Temporary loss of remuneration [PLN] | Temporary loss of business income [PLN] | |
| 13 | ██████████ ██████ | ██████ | - | 85.146. | 10.362. | - | - | - | 41.691. | 137.199. |
| | ██████████ | ██████ | - | - | - | 8.010. | - | - | 60.000. | 68.010. |
| | ██████████ | ██████ | - | - | - | - | - | 137.400. | - | 137.400. |
| 14 | ██████████ ██████ | ██████ | - | 142.470. | 15.138. | - | - | - | 39.000. | 196.608. |
| | ██████████ | ██████ | - | - | - | - | - | - | 33.000. | 33.000. |
| Total [PLN gross] | | | 10.000. | 352.948. | 50.412. | 37.380. | 35.457. | 329.760. | 270.441. | 1,086,398 |

Additional costs were determined on the basis of market values of real estate and market information.

10.5. Summary of the results of the valuation of damages and additional costs, including VAT, according to the requirements of the EBRD

| Item | Address | PAP | Type of loss/compensation | | | | | | | | | |
|------|------------|------------|------------------------------|---|--|--|---|--------------------|--|--------------------------------------|---|-------------------|
| | | | Permanent loss of land [PLN] | Permanent loss of building structures [PLN] | Permanent loss of movable assets [PLN] | Searching for a replacement property [PLN] | Additional costs of purchasing a replacement property [PLN] | Moving costs [PLN] | Temporary loss of property rental income [PLN] | Temporary loss of remuneration [PLN] | Temporary loss of business income [PLN] | Total [PLN gross] |
| 1 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | - | 49.472. | 7.794. | - | 24.132. | - | - | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | - | 9.894. | - | 8.010. | - | - | 60.000. | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | - | - | - | - | - | 54.960. | - | [REDACTED] |
| 2 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | - | - | - | - | - | - | [REDACTED] | |
| 3 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | 10.000. | 4.731. | - | 5.340. | - | - | 15.000. | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | - | - | - | - | - | 27.480. | - | [REDACTED] |
| 4 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | - | - | - | - | - | - | [REDACTED] | |
| 5 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | - | 15.613. | 6.797. | - | 7.653. | - | - | [REDACTED] |
| 6 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | [REDACTED] |
| 7 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | [REDACTED] |
| 8 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | [REDACTED] |
| 9 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | - | - | - | - | - | - | - | [REDACTED] |
| 10 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | - | 44.116. | 7.437. | 16.020. | - | - | 21.750. | [REDACTED] |
| | | [REDACTED] | [REDACTED] | [REDACTED] | - | - | - | - | - | 109.920. | - | [REDACTED] |

| Item | Address | PAP | Type of loss/compensation | | | | | | | | | |
|--------------------------|--|------------|------------------------------|---|--|--|---|--------------------|--|--------------------------------------|---|-------------------|
| | | | Permanent loss of land [PLN] | Permanent loss of building structures [PLN] | Permanent loss of movable assets [PLN] | Searching for a replacement property [PLN] | Additional costs of purchasing a replacement property [PLN] | Moving costs [PLN] | Temporary loss of property rental income [PLN] | Temporary loss of remuneration [PLN] | Temporary loss of business income [PLN] | Total [PLN gross] |
| 11 | ██████████ ██████████ ██████████ | ██████ | █ | ██████ | - | 1.506. | 2.884. | - | 3.672. | - | - | ██████ |
| 12 | ██████████ ██████████ | ██████████ | █ | ██████ | - | - | - | - | - | - | - | ██████ |
| 13 | ██████████ ██████████ | ██████ | ██████ | ██████ | - | 85.146. | 10.362. | - | - | - | 41.691. | ██████ |
| | | ██████ | █ | █ | - | - | - | 8.010. | - | - | 60.000. | ██████ |
| | | ██████ | █ | █ | - | - | - | - | - | 137.400. | - | ██████ |
| 14 | ██████████ ██████████ | ██████ | ██████ | ██████ | - | 142.470. | 15.138. | - | - | - | 39.000. | ██████ |
| | | ██████ | █ | █ | - | - | - | - | - | - | 33.000. | ██████ |
| Total [PLN gross] | | | ██████ | ██████ | 10.000. | 352.948. | 50.412. | 37.380. | 35.457. | 329.760. | 270.441. | ██████ |

11. Summary and conclusions

The study is informative. The public and private partner will receive data allowing to draw conclusions about the potential values of compensation and additional costs, in accordance with the requirements of the EBRD.

The most important part of this study are appraisal reports and valuation opinions, which introduce values that may serve as the basis for the payment of compensation for real estate and buildings. The facilities on the route, located on the plots of the municipality, are mainly buildings that are not permanently attached to the ground – they are various types of kiosks. Two of them have already been removed; however, following the precautionary principle, their value was determined in the event of claims. The outcome of the valuations are compensation stated in net amounts, excluding VAT, in accordance with the principles of estimating. Principles of estimation or valuation are generally described in item 6.3. They are described in detail in the Real Estate Management Act, the Regulation on the valuation of real estate and preparation of an appraisal reports and professional standards for property appraisers. As for VAT, pursuant to Article 11 rne Regulation of the Prime Minister on the valuation of real estate and the preparation of an appraisal report, a property appraiser should not take into account any fees or taxes related to the sale of real estate. It is true that Article 11 of the above regulation concerns estimating the market value of real estate under the income approach. Since the income approach and the comparative approach lead to the same market value, the basic principles of valuation must be the same. Thus, the outcome of the valuations are compensations stated in net amounts, excluding VAT.

The next item which also determines additional costs and includes VAT are the valuation sheets attached hereto.

Efforts have been made to meet with individuals or businesses affected. Memos were taken of the meetings. Meetings conducted by the authors of the property appraisers' study were held on 14 October 2022 from 9 a.m. to 3 p.m. All owners of developed real estate were met. The Employer shared the surveys that it handed over to individual PAP to fill out. Most completed the questionnaires. Those who did not may have done so due to lack of interest or reluctance to disclose information. Representatives of the affected companies were not interested in being contacted; attempts were made several times by phone. In the valuation process, the needs and requirements of those affected were taken into account as far as possible. For the purposes of the valuation assumptions, analyzes and market data were applied. Some of the additional costs that make up the total cost of the valuation result from administrative regulations.

In the case of calculations regarding the replacement value or replacement cost, the regulations require the degree of wear to be taken into account, but the values for the facility in new condition were also given as the full cost of replacing it, without taking into account the degree of wear and tear, taking into account the requirements of the EBRD.

The Municipality of Kraków will proceed to the procedure of determining the value of compensation after obtaining the RCC decision.

The values are listed in the tables above: no. 10.1 to no. 10.5.

The compensations according to the Special Road Act are within the brackets determined according to the requirements of the EBRD.

Table 10.1. contains a summary of the results from appraisal reports and opinions.

The valuation resulting from appraisal reports and opinions is (table 10.2.) PLN [REDACTED] net, which corresponds to the market value, i.e. PLN [REDACTED] gross. The market value is the amount of compensation resulting from the Special Road Act.

Table 10.3. introduces value according to the requirements of EBRD PR5 regarding developed real estate and construction facilities: the total amount is PLN [REDACTED] gross.

The result of the valuation regarding additional costs in accordance with the requirements of EBRD PR5 (table no. 10.4.) is PLN [REDACTED] gross.

The total result of the valuation determining the full replacement cost according to PR5 is PLN 13,343,348 gross (table 10.5) and is the sum of tables 10.3. and 10.4.

The result of the land valuation determined in tabular form on the basis of the appraisal report (Attachment 4) specifying the unit market value of 1 m² of land is PLN [REDACTED] net, which corresponds to the market value, i.e. PLN [REDACTED] gross. For detailed description, see item 9.15.

In total, there are 86 undeveloped and developed properties along the course of the investment and 8 facilities located on someone else's land, including 2 facilities (kiosks) that have been removed.

The facilities are owned by natural persons.

Among the real estate there are those that are co-owned by the municipality or the State Treasury and a natural person or natural persons - there are 4 such real estates; in terms of amounts, part of the value of the plot has been assigned to natural persons, and part to the municipality

The Municipality and the State Treasury 5 real estates (real estate Public Goods is 3 items in one land and mortgage register, List I Rakowice)

Companies and institutions: 12 properties, including 2 developed properties covered by valuation and 10 undeveloped properties estimated in tabular form

Housing cooperatives and owners of separate premises: 39 plots and fragments of plots, i.e. undeveloped real estate

Natural persons: 25 properties, including 3 developed, while 22 are plots or fragments of plots, i.e. undeveloped properties

One (1) plot of an undetermined legal status

III. Part three - attachments

12. Attachments

1. Fig. 1 KST IV - route
2. Fig. 2 Part of Kraków map
3. Commentary on the forms of entitlements for losses incurred in connection with the KST IV investment or due to the impact of this investment
4. Appraisal report concerning the valuation of 1m² of land
5. Appraisal report no. 1
6. Sheet no. 1
7. Opinion no. 2
8. Sheet no. 2
9. Opinion no. 3
10. Sheet no. 3
11. Opinion no. 4
12. Sheet no. 4
13. Appraisal report no. 5
14. Sheet no. 5
15. Opinion no. 6
16. Sheet no. 6
17. Appraisal report no. 7
18. Sheet no. 7
19. Opinion no. 8
20. Sheet no. 8
21. Opinion no. 9
22. Sheet no. 9
23. Opinion no. 10
24. Sheet no. 10
25. Opinion no. 11
26. Sheet no. 11
27. Opinion no. 12
28. Sheet no. 12
29. Appraisal report no. 13
30. Sheet no. 13
31. Appraisal report no. 14
32. Sheet no. 14
33. Civil liability insurance of appraisers

Annex IV: 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 | <input type="checkbox"/> | Yes | <input type="checkbox"/> | Number <i>(when yes)</i> : | | | | |
| Forms of Receipt | | | | | | | | | |
| Orally | <input type="checkbox"/> | Official form | <input type="checkbox"/> | E-mail | <input type="checkbox"/> | Telephone | <input type="checkbox"/> | | |
| Other (Specify): | | | | | | | | | |
| Type of Grievance: | | | | | | | | | |
| Individual | <input type="checkbox"/> | Group | <input type="checkbox"/> | Community | <input type="checkbox"/> | | | | |
| Stage of RAP process | | | | | | | | | |
| Design | <input type="checkbox"/> | During implementation of RAP | <input type="checkbox"/> | Post implementation of RAP | <input type="checkbox"/> | | | | |
| Grievance Information | | | | | | | | | |
| Ground: | | | | | | | | | |
| Complainant Information (or complainant representative) | | | | | | | | | |
| Name – Surname | | | | | Signature of Complainant | | | | |
| Telephone Number | | | | | | | | | |
| Address | | | | | | | | | |
| Village/Settlement | | | | | | | | | |
| Contact preferred | Telephone | <input type="checkbox"/> | e-mail | <input type="checkbox"/> | Post | <input type="checkbox"/> | In person | <input type="checkbox"/> | |
| Details of Grievance | | | | | | | | | |

| Access to Land and Resources | Damage to private assets | Damage to infrastructure or community Assets | Decrease or Loss of Livelihood | Accident |
|---|--|---|---------------------------------------|---|
| a) Land | a) Land | a) Roads/Railway | Loss type: | a) Injury |
| b) Commercial structure | b) Commercial structure | b) Power supply/ Telephone lines | | b) Damage to property |
| c) Residential structure | c) Residential structure | c) Water sources | | c) Damage to livelihood asset |
| d) Infrastructure | d) Infrastructure and / or Livelihood assets | d) Drainage | | d) Other |
| e) Others: | e) Others: | f) Others | | |
| Compensation and entitlement (specify) | Dispute over ownership (Specify) | Assistance | Land acquisition (Specify) | Misinformation of lack of information) |
| | | a) Delay in disbursement of | | |
| | | b) Improper distribution of | | |
| | | c) Other | | |
| Other: | | | | |
| <i>Recorder: Original - Complainant: Copy</i> | | | | |

Additional sheet grievance mechanism for group complaints

| Group information – Sheet 2 | |
|------------------------------------|-----------|
| Name – Surname | Signature |
| Telephone Number | |
| Address | |
| Village/Settlement | |

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